UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2021

OR

o **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 001-04321

CENTESSA PHARMACEUTICALS PLC

(Exact name of registrant as specified in its charter)

England and Wales	**Not applicable**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3rd Floor
1 Ashley Road
Altrincham
Cheshire WA14 2DT
United Kingdom
(Address of principal executive offices and zip code)

+44 7391 789784
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
Ordinary shares, nominal value £0.002 per share	CNTA	Nasdaq Stock Market, LLC*
American Depositary Shares, each representing one ordinary share, nominal value £0.002 per share	CNTA	Nasdaq Stock Market, LLC

*Not for trading, but only in connection with the listing of the American Depositary Shares on The Nasdaq Stock Market, LLC.

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 o No x

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted 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 x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

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.

Large accelerated filer	o	Accelerated filer	o
Non-accelerated filer	x	Smaller reporting company	o
		Emerging growth company	x

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.

o

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

The registrant had outstanding 89,900,916 ordinary shares as of November 15, 2021.

Summary of the Material Risks Associated with Our Business

Our business is subject to numerous risks and uncertainties that you should be aware of in evaluating our business. These risks are described more fully in Item 1A - Risk Factors, and include, but are not limited to, the following:

- We may not be successful in our efforts to use our differentiated asset-centric business model to build a pipeline of product candidates with commercial value.
- A single or limited number of subsidiaries may comprise a large proportion of our value.
- We face challenges, risks and expenses related to the integration of the operations of our asset-centric Centessa Subsidiaries, as well as the management of the expected growth in the scale and complexity of our operations.
- We, and our subsidiaries have incurred net losses since inception, and we expect to continue to incur losses for the foreseeable future and may never achieve or maintain profitability.
- We will need substantial additional funds to advance development of our product candidates, and we cannot guarantee that we will have sufficient funds available in the future to develop and commercialize our current or future product candidates.
- Our credit facility and payment obligations under the Note Purchase Agreement with Cocoon SA LLC, an affiliate of Oberland Capital as agent for the Purchasers, contain operating and financial covenants that restrict our business and financing activities, are subject to acceleration in specified circumstances and may adversely affect our financial position or results of operations and our ability to raise additional capital which in turn may increase our vulnerability to adverse regulatory developments or economic or business downturns or which may result in Oberland Capital taking possession of our assets and disposing of any collateral.
- Our product candidates are in various stages of development, including many in preclinical stages, and may fail in development or suffer delays that materially adversely affect their commercial viability.
- We may not be successful in our efforts to identify, discover, in-license or otherwise acquire additional product candidates and may fail to capitalize on programs or product candidates that may represent a greater commercial opportunity or for which there is a greater likelihood of success.
- Success in preclinical studies or early clinical trials may not be indicative of results obtained in later trials.
- We may encounter substantial delays or challenges in the initiation, conduct or completion of our clinical trials, and the results of clinical development are uncertain.
- Even if we complete the necessary preclinical studies and clinical trials, the marketing approval process is expensive, time-consuming and uncertain and may prevent us from obtaining approvals for the commercialization of our product candidates.
- We may be unable to obtain U.S. or foreign regulatory approval and, as a result, unable to commercialize our product candidates.
- We rely, and expect to continue to rely, on third parties to conduct our preclinical studies and clinical trials and if these third parties perform in an unsatisfactory manner, our business could be substantially harmed.
- We could experience manufacturing problems that result in delays in our development or commercialization of our programs or otherwise harm our business.
- Business interruptions resulting from the COVID-19 outbreak or similar public health crises could cause a disruption of the development of our product candidates and adversely impact our business.
- If we are unable to obtain and maintain sufficient patent and other intellectual property protection for our product candidates and technology or other product candidates that may be identified, or if the scope of the intellectual property protection obtained is not sufficiently broad, our competitors could develop and commercialize product candidates similar or identical to the product candidates, and our ability to successfully commercialize the product candidates and other product candidates that we may pursue may be impaired.

Summary of the Material Risks Associated with Our Business (continued)

- The patent protection we obtain for our product candidates and technology may be challenged or not sufficient enough to provide us with any competitive advantage.

- A number of our programs and associated product candidates are heavily dependent on licensed intellectual property. If we were to lose our rights to licensed intellectual property, we may not be able to continue developing or commercializing our product candidates, if approved. If we breach any of the agreements under which we license the use, development and commercialization rights to our product candidates or technology from third parties or, in certain cases, we fail to meet certain development deadlines, we could lose license rights that are important to our business.

- We have never commercialized a product candidate and we may lack the necessary expertise, personnel and resources to successfully commercialize any of our products that receive regulatory approval on our own or together with collaborators.

- Our international operations may expose us to business, regulatory, legal, political, operational, financial, pricing and reimbursement risks associated with doing business across multiple jurisdictions outside of the United States.

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

- We have material weaknesses in our internal control systems over financial reporting and will need to hire additional personnel and design and implement proper and effective internal controls over financial reporting. We may identify additional material weaknesses in the future that may cause us to fail to meet our reporting obligations or result in material misstatements in our financial statements. If we fail to remediate our material weaknesses, we may not be able to report our financial results accurately or to prevent fraud.

- If we fail to develop or maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired.

- Holders of ADSs may be subject to limitations on the transfer of their ADSs and the withdrawal of the underlying ordinary shares.

- There is substantial uncertainty as to whether we are or will be a “passive foreign investment company” (“PFIC”). If we are a PFIC, there could be material adverse U.S. federal income tax consequences to U.S. holders.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, or 10-Q, contains express or implied forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that involve substantial risks and uncertainties. In some cases, forward-looking statements may be identified by the words "may," "might," "will," "could," "would," "should," "expect," "intend," "plan," "objective," "anticipate," "believe," "estimate," "predict," "potential," "continue," "ongoing," or the negative of these terms, or other comparable terminology intended to identify statements about the future. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, levels of activity, performance or achievements to be materially different from the information expressed or implied by these forward-looking statements. The forward-looking statements and opinions contained in this 10-Q are based upon information available to our management as of the date of this 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. Forward-looking statements contained in this 10-Q include, but are not limited to, statements about:

- the initiation, timing, progress and results (preliminary, interim or final) of our preclinical studies and clinical trials, and our research and development programs;
- our ability to advance our product candidates into, and successfully complete, clinical trials;
- our reliance on the success of our product candidates and our pipeline programs;
- our ability to utilize our screening platform to identify and advance additional product candidates into clinical development;
- our ability to become the partner of choice to attract founder-subject matter experts with high conviction programs;
- the timing or likelihood of regulatory filings and approvals;
- the impact of the ongoing COVID-19 pandemic, including the impact of the delta and other variants, on our business and operations;
- the commercialization of our product candidates, if approved;
- our ability to develop sales and marketing capabilities;

- the pricing, coverage and reimbursement of our product candidates, if approved;
- the implementation of our business model, strategic plans for our business, product candidates and technology;
- the scope of protection we are able to establish and maintain for intellectual property rights covering our product candidates and technology;
- our ability to operate our business without infringing the intellectual property rights and proprietary technology of third parties;
- cost associated with prosecuting and maintaining our intellectual property and with defending intellectual property infringement, product liability and other claims;
- legal and regulatory development in the United States, the European Union, the United Kingdom and other jurisdictions;
- estimates of our expenses, future revenues, capital requirements and our needs for additional financing;
- the potential benefits of strategic collaboration agreements and our ability to negotiate and enter into strategic arrangements;
- our ability to identify collaboration opportunities and to establish and maintain collaborations;
- our ability to obtain additional funding;
- our ability to fulfill our obligations under the Note Purchase Agreement with Oberland Capital;
- the rate and degree of market acceptance of any approved products;
- developments relating to our competitors and our industry, including competing therapies and our ability to respond to such developments;
- our ability to effectively manage our anticipated growth;
- our ability to attract and retain qualified employees and key personnel;
- our expectations regarding the period during which we qualify as an emerging growth company under the JOBS Act;
- statements regarding future revenue, hiring plans, expenses, capital expenditures, capital requirements and share performance;
- our expected use of proceeds of our IPO;
- the future trading price of the ADSs and impact of securities analysts' reports on these prices; and
- other risks and uncertainties, including those listed under the caption "Risk Factors."

You should refer to the section titled "Item 1A. Risk Factors" in this 10-Q for a discussion of important factors that may cause our actual results to differ materially from those expressed or implied by our forward-looking statements. As a result of these factors, we cannot be assured that the forward-looking statements in this 10-Q will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. In light of the significant uncertainties in these forward-looking statements, these statements should not be regarded as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

You should read this 10-Q and the documents that we reference in this 10-Q and have filed as exhibits to this 10-Q 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.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

Centessa Pharmaceuticals plc (Successor) and Centessa Predecessor Group (Predecessor)
Consolidated and Combined Balance Sheets
(unaudited)
(amounts in thousands except share and per share data)

	Successor	Predecessor
	September 30, 2021	December 31, 2020
Assets		
Current assets:		
Cash and cash equivalents	$ 578,815	$ 7,227
Tax incentive receivable	18,611	2,633
Prepaid expenses and other current assets	14,219	1,305
Total current assets	611,645	11,165
Property and equipment, net	114	—
Tax incentive receivable	—	552
Debt issuance costs	448	—
Total assets	$ 612,207	$ 11,717
Liabilities, convertible preferred shares, combined deficit and shareholders' equity		
Current liabilities:		
Accounts payable	$ 18,456	$ 1,032
Accrued expenses and other current liabilities	10,688	1,047
Convertible term notes	—	5,339
Term loans	—	288
Derivative liability	—	913
Total current liabilities	29,144	8,619
Contingent value rights	33,930	—
Total liabilities	63,074	8,619
Commitments and contingencies (Note 7)		
Convertible preferred shares (£0.0001 nominal value): No shares authorized issued and outstanding at September 30, 2021; 6,549,205 shares issued and outstanding at December 31, 2020	—	25,521
Combined deficit and shareholders' equity:		
Combined deficit	—	(22,423)
Series A convertible preferred shares: £0.002 nominal value: 22,840,902 shares authorized. No shares issued and outstanding	—	—
Ordinary shares: £0.002 nominal value: 89,900,425 shares authorized, issued and outstanding at September 30, 2021; No shares authorized, issued and outstanding at December 31, 2020	252	—
Additional paid-in capital	871,022	—
Accumulated other comprehensive income (loss)	2,738	—
Accumulated deficit	(324,879)	—
Total combined deficit and shareholders' equity	549,133	3,098
Total liabilities, convertible preferred shares, combined deficit and shareholders' equity	$ 612,207	$ 11,717

The accompanying notes are an integral part of these unaudited interim consolidated and combined financial statements.

Centessa Pharmaceuticals plc (Successor) and Centessa Predecessor Group (Predecessor)
Consolidated and Combined Statements of Operations and Comprehensive Loss
(unaudited)
(amounts in thousands except share and per share data)

	Successor		Predecessor		
	Three months ended September 30, 2021	Period from January 30, 2021 through September 30, 2021	Period from January 1, 2021 through January 29, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2020
Operating expenses:					
Research and development	25,850	54,126	600	1,923	6,604
General and administrative	12,464	29,900	121	193	831
Change in fair value of contingent value rights	—	11,312	—	—	—
Acquired in-process research and development	—	220,454	—	—	—
Loss from operations	(38,314)	(315,792)	(721)	(2,116)	(7,435)
Interest income (expense), net	65	100	(9)	(22)	(56)
Amortization of debt discount	—	—	(37)	(78)	(220)
Other income (expense), net	(1,906)	(4,605)	—	6	(5)
Gain on extinguishment of debt	—	—	—	72	339
Income tax charge	—	—	—	—	—
Net loss	(40,155)	(320,297)	(767)	(2,138)	(7,377)
Other comprehensive loss:					
Foreign currency translation adjustment	(487)	2,828	45	372	(359)
Total comprehensive loss	$ (40,642)	$ (317,469)	$ (722)	$ (1,766)	$ (7,736)
Net loss per ordinary share - basic and diluted	$ (0.45)	$ (4.60)			
Weighted average ordinary shares outstanding - basic and diluted	89,899,454	69,597,648			

The accompanying notes are an integral part of these unaudited interim consolidated and combined financial statements.

Centessa Pharmaceuticals plc
Consolidated and Combined Statement of Shareholders' Deficit
(unaudited)
(amounts in thousands except share data)

	Series A Preferred		Ordinary Shares		Additional paid-in capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount				
Balance at January 1, 2021	**—**	**—**	**7,500,000**	**21**	**—**	**$ (86)**	**$ (3,149)**	**$ (3,214)**
Foreign currency translation adjustments	—	—	—	—	—	(4)	—	(4)
Net loss	—	—	—	—	—	—	(1,433)	(1,433)
Balance at January 29, 2021	**—**	**$ —**	**7,500,000**	**$ 21**	**$ —**	**$ (90)**	**$ (4,582)**	**$ (4,651)**

The accompanying notes are an integral part of these unaudited interim consolidated and combined financial statements.

Centessa Pharmaceuticals plc (Successor)
Consolidated and Combined Statement of Shareholders' Equity
(unaudited)
(amounts in thousands except share data)

	Series A Preferred		Ordinary Shares		Additional paid-in capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount				
Balance at January 30, 2021	**—**	**$ —**	**7,500,000**	**$ 21**	**$ —**	**$ (90)**	**$ (4,582)**	**$ (4,651)**
Sale of Series A convertible preferred shares, net of issuance costs of $3,403	22,272,721	241,597	—	—	—	—	—	241,597
Issuance of Series A convertible preferred shares upon conversion of debt	568,181	6,250	—	—	—	—	—	6,250
Acquisition of Centessa Subsidiaries	—	—	44,758,079	123	262,575	—	—	262,698
Forgiveness of convertible term loan	—	—	—	—	6,199	—	—	6,199
Repurchase of ordinary shares concurrent with acquisition of Centessa Subsidiaries	—	—	(4,450,000)	(12)	—	—	—	(12)
Stock option exercises	—	—	50,000	—	292	—	—	292
Vesting of ordinary shares	—	—	225,438	1	(1)	—	—	—
Share-based compensation expense	—	—	—	—	2,731	—	—	2,731
Foreign currency translation adjustments	—	—	—	—	—	2,221	—	2,221
Net loss	—	—	—	—	—	—	(238,691)	(238,691)
Balance at March 31, 2021	**22,840,902**	**247,847**	**48,083,517**	**133**	**271,796**	**2,131**	**(243,273)**	**278,634**
Conversion of Series A convertible preferred shares into ordinary shares	(22,840,902)	(247,847)	22,840,902	65	247,782	—	—	—

Sale of ordinary shares in connection with initial public offering, net of issuance costs of $8.8 million			16,500,000	47	298,030	—	—	298,077
Sale of ordinary shares in connection with underwriters exercise of option to purchase in full following initial public offering			2,475,000	7	46,052	—	—	46,059
Share-based compensation expense					3,229	—	—	3,229
Foreign currency translation adjustments						1,094	—	1,094
Net loss							(41,451)	(41,451)
Balance at June 30, 2021	**—**	**$ —**	**89,899,419**	**$ 252**	**$ 866,889**	**$ 3,225**	**$ (284,724)**	**$ 585,642**
Share-based compensation expense	—	—	—	—	4,133	—	—	4,133
Vesting of ordinary shares	—	—	1,006	—	—	—	—	—
Foreign currency translation adjustments	—	—	—	—	—	(487)	—	(487)
Net loss	—	—	—	—	—	—	(40,155)	(40,155)
Balance at September 30, 2021	**—**	**$ —**	**89,900,425**	**$ 252**	**$ 871,022**	**$ 2,738**	**$ (324,879)**	**$ 549,133**

The accompanying notes are an integral part of these unaudited interim consolidated and combined financial statements.

Centessa Predecessor Group (Predecessor)
Combined Statement of Convertible Preferred Shares and Combined Deficit
(unaudited)
(amounts in thousands except share data)

	Convertible Preferred Shares						
	Series A		Series B		Series Seed		Combined Deficit
	Shares	Amount	Shares	Amount	Shares	Amount	
Balance at January 1, 2021	**4,337,282**	**$ 13,329**	**1,111,923**	**$ 10,840**	**1,100,000**	**$ 1,352**	**$ (22,423)**
Foreign currency translation adjustments	—	—	—	—	—	—	45
Net loss	—	—	—	—	—	—	(767)
Balance at January 29, 2021	**4,337,282**	**$ 13,329**	**1,111,923**	**$ 10,840**	**1,100,000**	**$ 1,352**	**$ (23,145)**

Centessa Predecessor Group (Predecessor)
Combined Statement of Convertible Preferred Shares and Combined Deficit
(unaudited)
(amounts in thousands except share data)

	Convertible Preferred Shares						
	Series A		Series B		Series Seed		Combined Deficit
	Shares	Amount	Shares	Amount	Shares	Amount	
Balance at January 1, 2020	**4,337,282**	**$ 13,329**	**1,111,923**	**$ 10,840**	**1,100,000**	**$ 1,352**	**$ (11,857)**
Share-based compensation expense	—	—	—	—	—	—	63
Foreign currency translation adjustments	—	—	—	—	—	—	(707)
Net loss	—	—	—	—	—	—	(3,011)
Balance at March 31, 2020	**4,337,282**	**13,329**	**1,111,923**	**10,840**	**1,100,000**	**1,352**	**(15,512)**
Share-based compensation expense	—	—	—	—	—	—	153
Foreign currency translation adjustments	—	—	—	—	—	—	(25)
Net loss	—	—	—	—	—	—	(2,228)
Balance at June 30, 2020	**4,337,282**	**13,329**	**1,111,923**	**10,840**	**1,100,000**	**1,352**	**(17,612)**
Share-based compensation expense	—	—	—	—	—	—	29
Foreign currency translation adjustments	—	—	—	—	—	—	372
Net loss	—	—	—	—	—	—	(2,138)
Balance at September 30, 2020	**4,337,282**	**$ 13,329**	**1,111,923**	**$ 10,840**	**1,100,000**	**$ 1,352**	**$ (19,349)**

The accompanying notes are an integral part of these unaudited interim consolidated and combined financial statements.

Centessa Pharmaceuticals plc (Successor) and Centessa Predecessor Group (Predecessor)
Consolidated and Combined Statements of Cash Flow
(unaudited)
(amounts in thousands)

	Successor	Predecessor	
	Period from January 30, 2021 through September 30, 2021	Period from January 1, 2021 through January 29, 2021	Nine months ended September 30, 2020
Cash flows from operating activities:			
Net loss	$ (320,297)	$ (767)	(7,377)
Adjustments to reconcile net loss to net cash used in operating activities:			
Acquired in-process research and development	220,454	—	—
Share-based compensation expense	10,093	—	245
Depreciation and amortization	22	—	—
Non-cash interest	—	9	32
Amortization of unpaid D&O insurance premiums	2,972	—	—
Amortization of debt discount	—	(37)	220
Gain on extinguishment of debt	—	—	(339)
Change in fair value of contingent consideration	11,312	—	—
Changes in operating assets and liabilities:	—		—
Tax incentive receivable	(10,253)	74	(948)
Prepaid expenses and other assets	(6,149)	681	891
Accounts payable	5,529	(358)	(42)
Accrued expenses and other liabilities	7,635	(589)	(31)
Net cash used in operating activities	(78,682)	(987)	(7,349)
Cash flows from investing activities:			
Cash acquired upon acquisition of Centessa Subsidiaries	68,038	—	—
Cash paid to acquire in-process research and development	(4,596)	—	—
Purchase of property and equipment	(122)	—	—
Net cash provided by investing activities	63,320	—	—
Cash flows from financing activities:			
Proceeds from the sale of Series A convertible preferred shares, net of issuance costs	241,597	—	—
Proceeds from the sale of ordinary shares in connection with initial public offering, net of issuance costs paid in cash	344,136	—	—
Repurchase of ordinary shares	(12)	—	—
Repayment of related party loan	(295)	—	—
Proceeds from option exercises	292	—	—
Proceeds from related party loan	—	—	77
Net cash provided by financing activities	585,718	—	77
Effect of exchange rate on cash and cash equivalents	3,493	18	(430)
Net increase (decrease) in cash and cash equivalents	573,849	(969)	(7,702)
Cash and cash equivalents at beginning of period	4,966	7,227	16,570
Cash and cash equivalents at end of period	$ 578,815	$ 6,258	8,868
Supplemental disclosure of non-cash investing and financing activities:			
Issuance of ordinary shares upon acquisition of Centessa Subsidiaries	$ 262,698	$ —	—
Issuance of contingent value rights upon acquisition of Centessa Subsidiaries	$ 22,618		
Issuance of Series A convertible preferred shares upon conversion of debt	$ 6,250	$ —	—
Forgiveness of convertible term loan	$ 6,199	$ —	—
Repurchase of ordinary shares concurrent with acquisition of Centessa Subsidiaries	$ (12)	$ —	—
Unpaid debt issuance costs at September 30, 2021	$ 448	$ —	—

The accompanying notes are an integral part of these unaudited interim consolidated and combined financial statements.

Centessa Pharmaceuticals plc (Successor) and Centessa Predecessor Group (Predecessor)
Notes to the Unaudited Interim Consolidated and Combined Financial Statements

1. Organization and Description of Business

Centessa Pharmaceuticals plc ("Centessa" or "the Company") is a pharmaceutical company conceived to bring impactful new medicines to patients by combining the strengths of an asset-centric model with the benefits of scale and diversification typical of larger R&D organizations. Centessa was incorporated on October 26, 2020 as a limited liability company under the laws of England and Wales. In connection with the IPO, we re-registered Centessa Pharmaceuticals Limited as an English public limited company and renamed it as Centessa Pharmaceuticals plc.

In January 2021, the management and equity holders of ApcinteX Limited, Capella Biosciences Limited, Inexia Limited, Janpix Limited, LockBody Therapeutics Ltd, Morphogen-IX Limited, Orexia Limited, Palladio Biosciences, Inc., PearlRiver Bio GmbH, Pega-One S.A.S., and Z Factor Limited (together, the "Centessa Subsidiaries"), contributed the Centessa Subsidiaries to Centessa, in a share for share exchange, after which these companies became wholly-owned subsidiaries of Centessa.

As the Company had no significant operations prior to the contribution of the Centessa Subsidiaries, and the registrant was required to present two years of historical financial statements in its prospectus filed with the SEC on June 2, 2021, the Company's management ("Management") sought to identify a predecessor, for which it could include audited historical financial statements, to satisfy the filing requirement. As such, Management sought to identify the predecessor from the population of portfolio companies, which would represent a sizable portion of the historical results of the entities later contributed to Centessa.

Entities affiliated with Medicxi manage multiple investment funds, including – Medicxi Ventures I LP, Medicxi Growth I LP, and Medicxi Secondary I LP. In addition, entities affiliated with Medicxi act as sub advisors to Index Ventures Life VI (Jersey) Limited which advises the managing general partner of Index Ventures Life VI (Jersey), L.P. (all funds collectively are referred to as the "Funds"). Management determined the companies owned by Index Ventures Life VI (Jersey), LP individually represent some of the earliest investments by the Funds. These companies (together, the "Centessa Predecessor Group" or the "Group") are:

- Z Factor Limited ("Z Factor")
- LockBody Therapeutics Ltd ("LockBody")
- Morphogen-IX Limited ("Morphogen-IX")

As the above entities that comprise the Centessa Predecessor Group were historically under the common control of Index Ventures Life VI (Jersey), LP, the financial statements of the Group are being presented on a combined basis and are denoted as "Predecessor" within these unaudited interim financial statements.

Subsequent to the contribution of the Centessa Subsidiaries to Centessa, the financial activities of Centessa and all Centessa Subsidiaries are being presented on a consolidated basis and are denoted as "Successor" within these unaudited interim financial statements.

Initial Public Offering

In June 2021, the Company completed an initial public offering ("IPO") of its ordinary shares through the sale and issuance of 16,500,000 American Depository Shares ("ADSs"), at an initial price of $20.00 per ADS. Each ADS represents one ordinary share with a nominal value of £0.002 per ordinary share. Following the close of the IPO, the underwriters fully exercised their option to purchase an additional 2,475,000 ADSs at the initial public offering price of $20.00 per ADS. The Company received aggregate net proceeds of $344.1 million in connection with the IPO and subsequent exercise of the underwriter's options after deducting underwriting discounts, commissions and other offering expenses paid or to be paid.

Risks and Liquidity

The Group and the Company are subject to risks common to other life science companies in various stages of development including, but not limited to, uncertainty of product development and commercialization, lack of marketing and sales history, development by its competitors of new technological innovations, dependence on key personnel, market acceptance of products, product liability, protection of proprietary technology, ability to raise additional financing and

compliance with government regulations, in the markets in which the Company is seeking approvals, including U.S. Food and Drug Administration ("FDA") regulations. If the Company does not successfully advance its programs, including the Centessa Subsidiaries' programs, into and through human clinical trials and/or enter into collaborations for its programs and commercialize any of its product candidates, it may be unable to produce product revenue or achieve profitability. For more information on risks, please see Part II Item 1A of this Form 10-Q – *Risk Factors*.

The Group and the Company have incurred losses and negative cash flows from operations since inception and the Company had an accumulated deficit of $(324.9) million as of September 30, 2021. The Company anticipates incurring additional losses until such time, if ever, that it can generate significant sales of the product candidates currently in development by the Centessa Subsidiaries. Substantial additional capital will be needed by the Company to fund its operations (including those of the Centessa Subsidiaries) and to develop its product candidates.

In October 2021, the Company entered into a Note Purchase Agreement with Oberland Capital Management LLC (Oberland Capital). Under the terms of the agreement, Oberland Capital will purchase up to $300.0 million of 6-year, interest-only (initial interest rate is 8.0% per annum), senior secured notes (the Notes) from the Company including $75.0 million, funded on October 4, 2021, $125.0 million available within 24 months at the Company's option, and $100.0 million available to fund Mergers and Acquisitions ("M&A"), in-licensing, or other strategic transactions, at the option of the Company and Oberland Capital *(See - Note 12 – "Subsequent Events")*.

The Company expects its existing cash and cash equivalents will be sufficient to fund its expected operating expenses and capital expenditure requirements for at least the next 12 months from the date of issuance of these unaudited consolidated financial statements. Based on the current non-risk-adjusted operating plan, the Company expects the cash and cash equivalents as of September 30, 2021 of $578.8 million, plus the net proceeds of the First Purchase Note of $74.6 million received on October 4, 2021, supplemented by the additional funds available under the Oberland Capital Note Purchase Agreement, if drawn, to fund its operations into mid-2024.

Global Pandemic – COVID-19

On March 10, 2020, the World Health Organization characterized the novel COVID-19 virus as a global pandemic. The Company is continuing to proactively monitor the COVID-19 global pandemic, to assess the potential impact on the business, and to seek to avoid any unnecessary potential delays to the Company's programs. As of September 30, 2021, the clinical programs and research activities remain largely on track, with some modest delays in clinical trial enrollment rates and supply chain activities. While we are unable to fully quantify the potential effects of this pandemic on our future operations, including potential delays to our preclinical and clinical programs, management continues to evaluate and to seek to mitigate risks. The safety and well-being of employees, patients and partners remains our highest priority.

2. Summary of Significant Accounting Policies

References to the unaudited interim combined financial statements of the Centessa Predecessor Group refer to three of the eleven Centessa Subsidiaries that were deemed to represent the predecessor entity prior to the Company's acquisition of the Centessa Subsidiaries in January 2021. The Centessa Predecessor Group includes the combined financial information of Z Factor, Morphogen-IX and LockBody. The successor includes the consolidated financial information of Centessa and all Centessa Subsidiaries subsequent to the acquisition.

Accordingly, the accompanying unaudited interim consolidated and combined financial statements are presented in accordance with Securities and Exchange Commission ("SEC") requirements for predecessor and successor financial statements, which include the financial results of both the Company and the Centessa Predecessor Group. The results of operations contained in the unaudited interim consolidated and combined financial statements include the Centessa Predecessor Group's combined financial results for the three and nine months ended September 30, 2020, and the period from January 1, 2021 through January 29, 2021 and the Company's consolidated financial results for the three months ended September 30, 2021 and for period from January 30, 2021 through September 30, 2021. The unaudited interim consolidated and combined balance sheets present the combined financial position of the Centessa Predecessor Group as of December 31, 2020 and the consolidated financial position of the Company on September 30, 2021.

The accompanying unaudited interim consolidated and combined financial statements should be read in conjunction with the annual audited combined financial statements of the Centessa Predecessor Group (Predecessor) and related notes as of and for the year ended December 31, 2020 and accompanying audited financial statements of Centessa Pharmaceuticals Limited

and related notes as of December 31, 2020 found in the prospectus filed with the SEC on June 2, 2021. The Summary of Significant Accounting Policies included in the Company's annual financial statements and the Centessa Predecessor Group's annual combined financial statements that can be found in the prospectus, have not materially changed, except as set forth below.

Basis of Presentation and Combination / Consolidation

The accompanying unaudited interim consolidated and combined financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). Any reference in these notes to applicable guidance is meant to refer to GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Updates ("ASUs") promulgated by the Financial Accounting Standards Board ("FASB").

In the opinion of management, the accompanying unaudited interim consolidated and combined financial statements include all normal and recurring adjustments (which consist primarily of accruals, estimates and assumptions that impact the financial statements) considered necessary to present fairly:

- the Company's financial position as of September 30, 2021 and the Predecessor's financial position as of December 31, 2020;
- the Company's results of operations for the three months ended September 30, 2021 and the period from January 30, 2021 through September 30, 2021, and cash flows for the period from January 30, 2021 through September 30, 2021; and
- the Predecessor's results of operations for the period from January 1, 2021 through January 29, 2021 and for the three and nine month periods ended September 30, 2020, and cash flows for the period from January 1, 2021 through January 29, 2021 and nine months ended September 30, 2020.

Operating results for the Company from the period from January 30, 2021 through September 30, 2021 are not necessarily indicative of the results that may be expected for the period from January 30, 2021 through December 31, 2021, or for any future period. The unaudited interim consolidated and combined financial statements, presented herein, do not contain all of the required disclosures under U.S. GAAP for annual financial statements. Therefore, these unaudited interim consolidated and combined financial statements should be read in conjunction with the annual audited combined financial statements and related notes for Centessa Pharmaceuticals Limited and Centessa Predecessor Group found in the prospectus filed with the SEC on June 2, 2021.

The Company's unaudited interim consolidated financial statements include the accounts of Centessa Pharmaceuticals plc, its wholly-owned subsidiary, Centessa Pharmaceuticals, Inc. and the wholly-owned Centessa Subsidiaries. The Centessa Predecessor Group's unaudited interim combined financial statements included the accounts of Z Factor, Morphogen-IX and LockBody. All intercompany accounts and transactions have been eliminated in consolidation and combination.

Segments

Operating segments are defined as components of an enterprise with separate discrete information available for evaluation by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. Centessa Pharmaceuticals plc (Successor) and the Centessa Predecessor Group (Predecessor) view its operations and manage its business as one segment.

Reclassifications

Certain amounts in the prior period financial statements have been reclassified to conform to the presentation of the current period financial statements. These reclassifications had no effect on previously reported net loss or comprehensive loss.

Foreign Currency Translation

The Company's financial statements are presented in U.S. dollars (USD), the reporting currency of the Company. The functional currency of the Centessa Pharmaceuticals plc is USD and the functional currency of the Centessa Subsidiaries is their

respective local currency. Income and expenses have been translated into USD at average exchange rates prevailing during the period. Assets and liabilities have been translated at the rates of exchange on the balance sheets dates and equity accounts at their respective historical rates. The resulting translation gain and loss adjustments are recorded directly as a separate component of shareholders' equity as other comprehensive income (loss). Transactions denominated in a currency other than the functional currency are remeasured based upon the exchange rate at the date of remeasurement with the resulting gain or loss included in the accompanying unaudited interim consolidated and combined statements of operations and comprehensive loss within Other income (expense), net.

Since its formation in October 2020, the functional currency of Centessa Pharmaceuticals plc had been British pounds (GBP), as Centessa Pharmaceutical plc's primary activities were formation, related transaction costs, primarily denominated in GBP, the acquisition of Centessa subsidiaries predominantly with operations in GBP and the issuance of shares (with a GBP nominal value) as consideration in the acquisition.

Beginning as of the second quarter of 2021, the functional currency of Centessa Pharmaceuticals plc, changed from GBP to USD. The change in functional currency is the result of many factors including the completion of an IPO and receipt of proceeds in USD which resulted in USD denominated assets exceeding GBP denominated assets, the increase in its U.S. based employees, and the increase in costs denominated in USD, following completion of the Company's IPO on a U.S. stock exchange (Nasdaq). Given these significant changes, the Company considered the economic factors outlined in ASC 830, *Foreign Currency Matters* and concluded that the majority of the factors supported the use of the USD as the functional currency for Centessa Pharmaceutical plc.

The change in functional currency for Centessa Pharmaceuticals plc was applied on a prospective basis beginning as of the second quarter of 2021 and translation adjustments for prior periods will continue to remain as a component of accumulated other comprehensive loss. The Company reclassified the presentation of foreign currency gains and losses recognized in the first quarter of 2021 from General & administration expense to Other income (expense), net to conform to the current period financial statement presentation.

Use of Estimates

The preparation of unaudited interim financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the unaudited interim consolidated and combined financial statements and the reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

Estimates and assumptions are periodically reviewed and the effects of revisions are reflected in the unaudited interim consolidated and combined financial statements in the period they are determined to be necessary. Significant areas that require management's estimates include share-based compensation assumptions, derivative liability and contingent value rights assumptions, accrued research and development expenses, and, prior to the IPO, the fair value of the Company's ordinary shares.

Property and Equipment, net

Property and equipment are recorded at cost and depreciated using the straight-line method over their estimated useful lives of three years. The costs of maintenance and repairs are expensed as incurred. Improvements and betterment that add new functionality or extend the useful life of the asset are capitalized. As of September 30, 2021, the Company had $114,000 of property and equipment, net and primarily comprised of computer equipment. Depreciation expense was $15,744 and $22,551 for the three months ended September 30, 2021 and for the period from January 30, 2021 through September 30, 2021, respectively.

Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, then an impairment charge is recognized for the

amount by which the carrying value of the asset exceeds the estimated fair value of the asset. As of September 30, 2021, the Company believes that no revision of the remaining useful lives or write-down of long-lived assets is required.

Contingent Value Rights

The fair value of the contingent value rights liability represents the estimated future payments that will be settled by issuing a variable number of shares and that are contingent upon the achievement of a specified development milestone for Palladio Biosciences, Inc.'s product candidate. The fair value of the contingent value rights is based on the cumulative probability of achieving the specified milestone which is currently expected by the first quarter of 2022. The fair value measurement is based on significant Level 3 unobservable inputs such as the probability of achieving the milestone, anticipated timelines, and discount rate. Changes in the fair value of the liability are recognized in the consolidated statement of operations and comprehensive loss until it is settled.

Acquired In-Process Research and Development Expenses

Acquired in-process research and development ("IPR&D"), consists of the initial up-front payments incurred in connection with the acquisition or licensing of products or technologies in transactions that do not meet the definition of a business under FASB ASC Topic 805, *Business Combinations.*

Share-Based Compensation

The Company and the Predecessor measure share-based awards at their grant-date fair value and record compensation expense on a straight-line basis over the vesting period of the awards.

Estimating the fair value of share-based awards requires the input of subjective assumptions, including the estimated fair value of the Company and the Predecessor's ordinary shares, and, for stock options, the expected life of the options and share price volatility. The Company and the Predecessor account for forfeitures of stock option awards as they occur. The Company uses the Black-Scholes option pricing model to value its stock option awards. The assumptions used in estimating the fair value of share-based awards represent management's estimate and involve inherent uncertainties and the application of management's judgment. As a result, if factors change and management uses different assumptions, share-based compensation expense could be materially different for future awards.

The expected life of the stock options is estimated using the "simplified method," as the Company has limited historical information from which to develop reasonable expectations about future exercise patterns and post-vesting employment termination behavior for its stock option grants. The simplified method is the midpoint between the vesting period and the contractual term of the option. For share price volatility, the Company uses comparable public companies as a basis for its expected volatility to calculate the fair value of option grants. The risk-free rate is based on the U.S. Treasury yield curve commensurate with the expected life of the option.

Awards granted for ordinary shares of Centessa Pharmaceuticals plc (Successor) are accounted for as restricted share-based awards. The estimated fair value of the restricted shares is based upon the estimated fair value of Centessa Pharmaceutical plc's (Successor) ordinary shares at grant date.

Net Loss Per Ordinary Share

Basic loss per ordinary share is computed by dividing net loss by the aggregate weighted-average number of ordinary shares outstanding. Diluted loss per ordinary share includes the effect, if any, from the potential exercise or conversion of securities, such as convertible preferred shares, stock options, unvested restricted ordinary shares and convertible debt which would result in the issuance of incremental ordinary shares. For diluted net loss per ordinary share, the weighted-average number of ordinary shares is the same for basic net loss per ordinary share due to the fact that when a net loss exists, dilutive securities are not included in the calculation as the impact is anti-dilutive.

The following potentially dilutive securities have been excluded from the computation of diluted weighted-average ordinary shares outstanding for the three months ended September 30, 2021 and for the period from January 30, 2021 through September 30, 2021, as they would be anti-dilutive.

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Unvested ordinary shares	987,361
Stock options	10,755,205
	11,742,566

Recently Issued Accounting Pronouncements

In July 2021, the FASB issued ASU 2021-05, Lease (Topic 842): Lessors - Certain Leases with Variable Lease Payments ("ASU 2021-05"). The guidance in ASU 2021-05 amends the lease classification requirements for the lessors under certain leases containing variable payments to align with practice under ASC 840. The lessor should classify and account for a lease with variable lease payments that do not depend on a reference index or a rate as an operating lease if both of the following criteria are met: 1) the lease would have been classified as a sales-type lease or a direct financing lease in accordance with the classification criteria in ASC 842-10-25-2 through 25-3; and 2) the lessor would have otherwise recognized a day-one loss. The amendments in ASU 2021-05 are effective for fiscal years beginning after December 15, 2021, with early adoption permitted. The Company is currently evaluating the impact of adoption to the unaudited interim consolidated and combined financial statements and related disclosures.

In May 2021, the FASB issued ASU 2021-04, Issuer's Accounting for Certain Modifications or Exchanges of Freestanding Equity-Classified Written Call Options, ("ASU 2021-04") which clarifies the accounting for modifications or exchanges of freestanding equity-classified written call options that remain equity classified after modification or exchange. Specifically, ASU 2021-04 requires the issuer to treat a modification of an equity-classified warrant as an exchange of the original warrant. The difference between the fair value of the modified warrant and the fair value of the warrant immediately before modification is then recognized as an issuance cost or discount of the related transaction. ASU 2021-04 is effective for fiscal years beginning after December 15, 2021, and interim periods within those fiscal years, with early adoption permitted. ASU 2021-04 should be applied prospectively to modifications or exchanges occurring after the effective date. Either the full or modified retrospective adoption method is allowed. We do not have any equity-classified written call options that would be subject to this guidance. Therefore, we do not expect any impact on the Company's unaudited interim consolidated and combined financial statements and related disclosures.

In October 2020, the FASB issued ASU 2020-10-Codification Improvements. For public business entities, the amendments in this update are effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. The amendments in this update do not change U.S. GAAP and, therefore, are not expected to result in a significant change in practice. Section A was removed from the final update of ASU 2020-10. Section B of this update contains amendments that improve the consistency of the Codification by including all disclosure guidance in the appropriate Disclosure Section (Section 50). Section C of this update contains Codification improvements that vary in nature. The Company adopted ASU 2020-10 on January 30, 2021 and it did not have a material impact to the Company’s unaudited interim consolidated and combined financial statements and related disclosures.

In August 2020, the FASB issued ASU 2020-06, “(Subtopic 470-20): Debt—*Debt with Conversion and Other Options” (“ASU 2020-06”)* to address the complexity associated with applying GAAP to certain financial instruments with characteristics of liabilities and equity. ASU 2020-06 includes amendments to the guidance on convertible instruments and the derivative scope exception for contracts in an entity’s own equity and simplifies the accounting for convertible instruments which include beneficial conversion features or cash conversion features by removing certain separation models in Subtopic 470-20. Additionally, ASU 2020-06 will require entities to use the “if-converted” method when calculating diluted earnings per share for convertible instruments. ASU 2020-06 is effective for fiscal years beginning after December 15, 2023 (fiscal year 2024 for the Group), including interim periods within those fiscal years. The Company is currently evaluating the impact of ASU 2020-06 to the unaudited interim consolidated and combined financial statements and related disclosures.

In March 2020, the FASB issued ASU 2020-03, “Codification Improvements to Financial Instruments”: The amendments in this update are to clarify, correct errors in, or make minor improvements to a variety of ASC topics. The changes in ASU 2020-03 are not expected to have a significant effect on current accounting practices. The ASU improves various financial instrument topics in the Codification to increase stakeholder awareness of the amendments and to expedite the improvement process by making the Codification easier to understand and easier to apply by eliminating inconsistencies and providing clarifications. The ASU is effective for smaller reporting companies for fiscal years beginning after December 15, 2022 with early application permitted. The Company is currently evaluating the impact the adoption of this guidance may have on its unaudited interim consolidated and combined financial statements.

In December 2019, the FASB issued ASU 2019-12, “Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes,” which is intended to simplify various aspects related to accounting for income taxes. ASU 2019-12 removes certain exceptions to the general principles in Topic 740 and also clarifies and amends existing guidance to improve consistent application. ASU 2019-12 is effective for fiscal years beginning after December 15, 2021. The Company is currently evaluating ASU 2019-12 and its impact on the unaudited interim consolidated and combined financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, which requires a lessee to record a right-of-use asset and a corresponding lease liability on the balance sheet for all leases with terms longer than 12 months. A modified retrospective transition approach is required for lessees for finance and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. As the Company has elected to use the extended transition period for complying with new or revised accounting standards as available under the JOBS Act, the standard is effective for the Company beginning January 1, 2022, with early adoption permitted. The Company is currently evaluating the impact of adoption to the unaudited interim consolidated and combined financial statements and related disclosures.

3. Acquisition of Centessa Subsidiaries

In January 2021, the Company entered into a contribution or merger agreement with each Centessa Subsidiary whereby the Company acquired 100% of the outstanding Centessa Subsidiaries' shares in exchange for, in aggregate, 44,758,079 ordinary shares of the Company. In addition, the Company issued certain contingent value rights to the selling shareholders of Palladio Biosciences, Inc.

As part of the acquisition, the Company issued replacement equity awards to select employees and consultants of certain Centessa Subsidiaries. The awards consisted of options and restricted shares with vesting provisions generally consistent with the original awards prior to the acquisition. The Company determined that a portion of the fair value of the replacement awards should be a component of consideration paid to acquire the Centessa Subsidiaries, with the remaining value of the award accounted for as post-combination share-based compensation expense.

The acquisition of each Centessa Subsidiary has been treated as a separate asset acquisition as the Company determined that none of the Centessa Subsidiaries meet the definition of a business due to substantially all of the fair value of each entity being concentrated in a single asset or group of assets which represent the IPR&D or the entity did not have the requisite inputs and substantive processes to be considered a business. The Company's acquired IPR&D expense of $223.6 million, of which $3.1 million was in connection with transaction costs recognized prior to January 30, 2021, and reflects the fair value of consideration ascribed to the product candidates in each subsidiary, as the Company determined the assets had no alternative future use.

The total purchase price for the asset acquisitions was calculated as follows (amounts in thousands):

Estimated fair value of Centessa ordinary shares issued	$	261,387
Estimated fair value of replacement equity awards allocated to consideration paid		1,310
Estimated fair value of contingent value rights		22,618
Transaction costs		4,597
Total consideration given	$	289,912

The following table summarizes the assets acquired and liabilities assumed as of the acquisition date for the asset acquisitions (in thousands):

Assets acquired:		
Cash and cash equivalents	$	68,038
Tax incentive receivable		8,752
Prepaid expenses and other current assets		2,551
Other assets		203
In-process research and development assets		223,593
Total assets acquired		303,137

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Liabilities assumed:	
Accounts payable	3,607
Accrued expenses and other current liabilities	3,128
Convertible notes	6,199
Loan with related party	291
Total liabilities assumed	13,225
Net assets acquired	$ 289,912

The Company's determinations of the fair value of the ordinary shares were performed using methodologies, approaches and assumptions in accordance with the guidance outlined in the American Institute of Certified Public Accountants' Accounting and Valuation Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*, ("Practice Guide"). In accordance with the Practice Guide, the Company (Successor) considered the following methods for allocating the enterprise value across its classes and series of capital shares to determine the fair value of its ordinary shares at each valuation date.

- *Option Pricing Method* ("OPM"). The OPM estimates the value of the ordinary equity of the Company using the various inputs in the Black-Scholes option pricing model. The OPM treats the rights of the holders of ordinary shares as equivalent to that of call options on any value of the enterprise above certain break points of value based upon the liquidation preferences of the holders of the Company's convertible preferred shares, as well as their rights to participation, and the share prices of the outstanding options. Thus, the value of the ordinary shares can be determined by estimating the value of its portion of each of these call option rights. Under this method, the ordinary shares have value only if the funds available for distribution to shareholders exceed the value of the liquidation preference at the time of a liquidity event, such as a merger or sale. Given the ordinary shares represents a non-marketable equity interest in a private enterprise, an adjustment to the preliminary value estimates had to be made to account for the lack of liquidity that a shareholder experiences. This adjustment is commonly referred to as a discount for lack of marketability ("DLOM").

- *Probability-Weighted Expected Return Method* ("PWERM"). The PWERM is a scenario-based analysis that estimates the value per share based on the probability-weighted present value of expected future investment returns, considering each of the possible outcomes considered by the Company, as well as the economic and control rights of each share class.

- *Hybrid Method.* The Hybrid Method is a hybrid between the PWERM and OPM, estimating the probability-weighted value across multiple scenarios, but using the OPM to estimate the allocation of value within one or more of those scenarios. Weighting allocations are assigned to the OPM and PWERM methods factoring possible future liquidity events.

The Company estimated the fair value of its ordinary shares based on the Hybrid Method. Subjective factors considered by the Company's board of directors and management included the pending addition of new executive members and the election of new independent directors to the Company's board of directors, as well as definitive plans to undertake an IPO. There are significant judgments and estimates inherent in the determination of the fair value of ordinary shares. These judgments and estimates include assumptions regarding the Company's future operating performance, the time to complete an initial public offering or other liquidity event and the determination of the appropriate valuation methods. If the Company had made different assumptions, its ordinary shares could have been significantly different.

At the time of the acquisitions, all outstanding unvested share-based awards of the Centessa Predecessor Group vested immediately. The unrecognized compensation expense of $4.1 million was recognized at the time of the acquisitions.

In connection with the acquisition of the Centessa Subsidiaries, the Company issued contingent value rights (CVR), to former shareholders and option holders of Palladio. The CVR represent the contractual rights to receive payment of $39.7 million upon the first patient dosed in a Phase 3 pivotal study of lixivaptan for the treatment of autosomal dominant polycystic kidney disease ("ADPKD") in any of the United States, France, Germany, Italy, Spain, the United Kingdom and Japan (designated the ACTION Study). The contingent CVR milestone, if triggered, will be settled through the issuance of the

Company's ordinary shares equal to the amount of the total CVR payable based on the per share value of ordinary shares at the milestone date.

The Company determined that the CVR should be accounted for as a liability in accordance with ASC 480. Accordingly, the fair value of the contingent consideration is assessed quarterly until settlement. To estimate the fair value of the contingent consideration, the Company applied a cumulative probability of achieving the clinical milestone and applied it to the potential payout. While the Company will consider the status and on-going results of the Phase 3a safety study (designated the ALERT Study), an open-label study for which enrollment is on-going, the Company intends to commence the Phase 3 pivotal study (designated the ACTION Study) in parallel with the ALERT Study. Therefore, the probability of commencing the ACTION Study and dosing the first patient is high and the milestone is currently expected by the first quarter of 2022. The cumulative probability of dosing the first patient in the ACTION Study was applied to the CVR payout to arrive at a fair value of $22.6 million as of the acquisition date of the Centessa Subsidiaries. The change in fair value from the date of acquisition to September 30, 2021 of $11.3 million is reflected in the consolidated and combined statement of operations and comprehensive loss, and results in a fair value of the CVR liability as of September 30, 2021 of $33.9 million.

4. Fair Value Measurement

Fair value is the price that could be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. Fair value determination in accordance with applicable accounting guidance requires that a number of significant judgments be made. Additionally, fair value is used on a nonrecurring basis to evaluate assets for impairment or as required for disclosure purposes by applicable accounting guidance on disclosures about fair value of financial instruments. Depending on the nature of the assets and liabilities, various valuation techniques and assumptions are used when estimating fair value. The carrying amounts of certain of the Company's financial instruments, including prepaid expense and accounts payable are shown at cost, which approximates fair value due to the short-term nature of these instruments. The Company follows the provisions of FASB ASC Topic 820, *Fair Value Measurement*, for financial assets and liabilities measured on a recurring basis. The guidance requires fair value measurements be classified and disclosed in one of the following three categories:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

Level 2: Quoted prices in markets that are not active, or inputs which are observable, either directly or indirectly, for substantially the full term of the asset or liabilities.

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (i.e., supported by little or no market activity).

The following fair value hierarchy table presents information about the Company's assets and liabilities measured at fair value on a recurring basis (in thousands):

	Fair value measurement at reporting date using		
	Quoted prices in active markets for identical assets (Level 1)	**Significant other observable inputs (Level 2)**	**Significant unobservable inputs (Level 3)**
September 30, 2021 (Successor)			
Liabilities			
Contingent Value Rights	$ —	$ —	$ 33,930

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	Fair value measurement at reporting date using		
	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
December 31, 2020 (Predecessor)			
Liabilities			
Derivative liability	$ —	$ —	$ 913

The Centessa Predecessor Group evaluated a redemption feature within the convertible term notes and determined bifurcation of the redemption feature was required. The redemption feature is classified as a liability on the accompanying consolidated and combined balance sheet at December 31, 2020. The liability is marked-to-market each reporting period with the changes in fair value recorded in the unaudited interim consolidated and combined statements of operations and comprehensive loss until it is settled. The derivative liability was considered a Level 3 liability because its fair value measurement was based, in part, on significant inputs not observed in the market. The fair value of the derivative was estimated primarily on the probability of the next fund raising occurring and the timing of such event. Upon completion of the acquisition of the Centessa Subsidiaries in January 2021, the derivative liability was settled and is no longer subject to remeasurement.

The acquisition-date fair value of the contingent valuation rights liability represents the future payments that are contingent upon the achievement of a specified development milestone for Palladio's product candidate. The fair value of the contingent value rights is based on the cumulative probability of achieving the specified milestone which is currently expected by the first quarter of 2022. The fair value measurement is based on significant Level 3 unobservable inputs such as the probability of achieving the milestone, anticipated timelines, and discount rate. Changes in the fair value of the liability will be recognized in the unaudited interim consolidated and combined statement of operations and comprehensive loss until it is settled.

The reconciliation of the redemption feature measured at fair value on a recurring basis using significant unobservable inputs (Level 3) is as follows (amounts in thousands):

	Contingent Value Rights	Derivative Liability
Balance at January 1, 2021 (Predecessor)	$ —	$ 913
Additions	—	—
Change in fair value	—	—
Settlements	—	(913)
Balance at January 29, 2021 (Predecessor)	$ —	$ —
Balance at January 30, 2021 (Successor)	$ —	$ —
Additions	22,618	—
Balance at March 31, 2021 (Successor)	22,618	—
Change in fair value of contingent value rights	11,312	—
Balance at June 30, 2021 (Successor)	$ 33,930	$ —
Change in fair value of contingent value rights	—	—
Balance at September 30, 2021 (Successor)	$ 33,930	$ —

5. Balance Sheet and Combined Deficit Components

Prepaid expenses and other current assets consist of the following (in thousands):

Centessa Pharmaceuticals plc (Successor) and Centessa Predecessor Group (Predecessor)
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	Successor	Predecessor
	September 30, 2021	December 31, 2020
D&O Insurance	$ 7,995	$ 9
Value added tax receivable	2,945	298
Research and development costs	2,229	992
Other	1,050	6
	$ 14,219	$ 1,305

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

	Successor	Predecessor
	September 30, 2021	December 31, 2020
Research and development expenses	5,194	1,001
Personnel related expenses	2,936	—
Professional fees	2,324	37
Other	234	9
	$ 10,688	$ 1,047

Combined deficit of the Centessa Predecessor Group at December 31, 2020 consisted of the following (in thousands):

	Predecessor
	December 31, 2020
Morphogen-IX deficit	
Ordinary shares	$ 13
Additional paid-in capital	364
Accumulated other comprehensive income	629
Accumulated deficit	(9,225)
Total Morphogen-IX deficit	$ (8,219)
Z Factor deficit	
Ordinary shares	$ 12
Additional paid-in capital	461
Accumulated other comprehensive income	139
Accumulated deficit	(8,568)
Total Z Factor deficit	$ (7,956)
LockBody deficit	
Ordinary shares	$ —
Additional paid-in capital	—
Accumulated other comprehensive income (loss)	(196)
Accumulated deficit	(6,052)
Total LockBody deficit	$ (6,248)
Total combined deficit	$ (22,423)

6. Debt

Centessa Pharmaceuticals Limited Convertible Term Notes

In December 2020, the Company entered into a convertible loan agreement (the Agreement) with Medicxi Growth, whereby the Company issued $5.0 million of unsecured convertible term notes to Medicxi Growth. The convertible loans were

issued as a bridge financing in contemplation of completing the Series A financing. The convertible term notes had a stated interest rate of 8% per annum, which was not payable until settlement of the principal, being the maturity date June 29, 2021. Upon completion of the Company's Series A preferred financing in January 2021, the Company issued 568,181 shares of its Series A convertible preferred shares and settled all outstanding principal and unpaid interest associated with the convertible term notes.

LockBody Therapeutics Ltd Convertible Term Notes

In July 2019, LockBody entered into a convertible term note agreement to issue up to £5.0 million of convertible term notes of which £3.0 million was received in July 2019 and an additional £1.0 million was received in November 2020.

The convertible term notes had a stated interest rate of 2% per annum, which was not payable until settlement of the principal, being the maturity date of August 2, 2021.

The principal and accrued interest due under the convertible term notes converts:

- into the class of LockBody's shares issued in LockBody's next qualified fund raising, at a conversion price after applying a 20% discount to the purchase price per share paid for the shares.
- on a change of control, at a conversion price after applying a 50% discount to the purchase price per share paid for the shares.

As a result of the fact that the convertible term notes were convertible into a variable number of preferred shares, the Centessa Predecessor Group evaluated the conversion provision as a redemption feature. The redemption feature was evaluated as an embedded derivative and bifurcated from the convertible term notes due to the substantial premium paid upon redemption and accounted for as a derivative instrument. Upon bifurcating the redemption feature, the Group recorded aggregate debt discounts of $0.7 million that is recognized in interest expense over the term of the convertible term notes. The notes and the derivative liability were assumed in connection with the acquisition of the Centessa Subsidiaries in January 2021 and immediately forgiven. The forgiveness was recognized as $6.2 million contribution within the Successor consolidated statement of shareholders' equity during the period from January 30, 2021 through September 30, 2021.

7. Commitments and Contingencies

Commitments

As of September 30, 2021, the Company had non-cancellable commitments for purchase of clinical materials, contract manufacturing, maintenance, and committed funding of up to $17.1 million, of which the Company expects to pay $15.9 million within one year and the remaining $1.2 million over one to three years. The amount and timing of these payments vary depending on the rate of progress of development. Future clinical trial expenses have not been included within the purchase commitments because they are contingent on enrollment in clinical trials and the activities required to be performed by the clinical sites.

Contingencies

From time to time, the Company may have certain contingent liabilities that arise in the ordinary course of its business activities. The Company accrues a liability for such matters when it is probable that future expenditures will be made, and such expenditures can be reasonably estimated.

Litigation

The Company, to its knowledge, is not a party to any litigation as of September 30, 2021, that, if determined adversely, would have a material adverse effect on its business and operations.

8. Convertible Preferred Shares

As of December 31, 2020, the Centessa Predecessor Group had Series A, Series B and Seed Series convertible preferred shares outstanding that were subject to redemption under certain "deemed liquidation" events, as defined in each of the Centessa Predecessor Group entities' articles of association. The Series A, Series B and Seed Series convertible preferred shares are classified outside of combined deficit as the deemed liquidation events are outside of the each of the Centessa Predecessor Group entities' control. Upon consummation of the acquisition of the Centessa Subsidiaries, all outstanding convertible preferred shares of the Centessa Predecessor Group were converted into ordinary shares of the Centessa Predecessor Group and ultimately were exchanged for ordinary shares of Centessa Pharmaceuticals Limited at the time of acquisition. Immediately following the acquisition, the Centessa Subsidiaries became wholly-owned subsidiaries of the Centessa Pharmaceuticals Limited whereby no convertible preferred shares were issued and outstanding at the Centessa Subsidiaries level.

Ordinary Shares

Ordinary shares confer upon its holders voting rights, the right to receive cash and stock dividends, if declared, and the right to share in excess assets upon liquidation of the Company. The holders of ordinary shares are entitled to one vote per share. In January 2021, the Company issued 45,137,984 ordinary shares in connection with the acquisition of the Centessa Subsidiaries of which 379,905 shares were replacement share-based awards and subject to future vesting requirements. Concurrent with the acquisition, the Company repurchased 4,450,000 of its A ordinary shares from several of its founders for a nominal amount.

Series A Convertible Preferred Shares

In January 2021, the Company sold 22,272,721 shares of its Series A convertible preferred shares at a purchase price of $11.00 per share in exchange for gross proceeds of $245.0 million. Upon completion of the Series A preferred financing, the Company issued 568,181 Series A convertible preferred shares upon settling the outstanding principal, unpaid interest, and bifurcated derivative liability associated with its convertible term notes.

Dividends

The holders of Preferred Shares are entitled to dividends if and when declared by the Company's board of directors. As of September 30, 2021, no dividends have been declared and no Preferred Shares are outstanding.

Voting

Each preferred share is entitled to a vote on an as-converted basis and certain significant Group events require majority approval from the preferred shareholders as a separate class.

Conversion

Each preferred share is convertible, at the holder's option, into such number of ordinary shares on a one-to-one basis and equal to the conversion price then in effect. The conversion price is subject to adjustments for splits, dividends, distributions and other similar recapitalization events. Upon consummation of a qualified initial public offering of the Company's securities, the preferred shares would automatically convert into ordinary shares.

Liquidation Preference

Upon the liquidation, sale, or merger of the Company (collectively, the Liquidation), the preferred shareholders are entitled to receive an amount equal to the original issuance price plus any unpaid declared dividends. If there are additional available assets from the liquidation after the initial liquidation payments, the remaining available assets will be distributed to the ordinary shareholders.

9. Share-based Compensation

The Company and the Centessa Predecessor Group recorded share-based compensation expense in the following expense categories in the unaudited interim consolidated and combined statements of operations and comprehensive loss (in thousands):

	Successor		Predecessor		
	Three Months Ended September 30, 2021	Period from January 30, 2021 through September 30, 2021	Period from January 1, 2021 through January 29, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2020
Research and development	$ 1,572	$ 3,613	$ —	$ 29	$ 245
General and administrative	2,561	6,480	—	—	—
	$ 4,133	$ 10,093	$ —	$ 29	$ 245

Centessa Pharmaceuticals plc (Successor) Stock Options

In January 2021, the Company's board of directors approved the 2021 Equity Incentive Plan (the 2021 Plan). The number of shares authorized under the 2021 Plan was increased in May 2021 at the time of the IPO, whereby the total number of shares authorized under the 2021 Plan was 19,192,910 of which 8,437,705 shares were available for future grants as of September 30, 2021. The Plan provides for the granting of ordinary shares, incentive stock options, non-qualified stock options, restricted share awards, and/or share appreciation rights to employees, directors, and other persons, as determined by the Company's board of directors. The Company's stock options vest based on the terms in each award agreement, generally over four-year periods, and have a contractual term of ten years.

The following table summarizes stock option activity for the period from January 30, 2021 through September 30, 2021:

	Number of Shares	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Term
Balance at January 30, 2021	—		
Granted	11,792,647	$ 7.36	
Exercised	(50,000)	$ 5.84	
Forfeited	(987,442)	$ 6.29	
Balance at September 30, 2021	10,755,205	$ 7.47	9.3
Exercisable at September 30, 2021	574,267	$ 4.66	7.5

The weighted-average grant date fair value of options granted was $7.47 per share for the period from January 30, 2021 through September 30, 2021. As of September 30, 2021, the total unrecognized compensation expense related to unvested stock option awards was $43.0 million, which the Company expects to recognize over a weighted-average period of 2.2 years.

Based on the trading price of $16.70 per ADS, which is the closing price as of September 30, 2021, the aggregate intrinsic value of options as of September 30, 2021 was $101.9 million, of which $7.0 million is related to vested options.

During the period from January 30, 2021 through September 30, 2021, the fair value of each option was estimated on the date of grant using the weighted average assumptions in the table below:

Expected term (in years)	5.85
Expected stock price volatility	65.69 %
Risk-free interest rate	0.85 %
Expected dividend yield	0 %
Estimated fair value of ordinary share	$7.47

Restricted Share Awards

In connection with the acquisition of the Centessa Subsidiaries, the Company issued 379,905 ordinary shares subject to future vesting. In the nine months ended September 30, 2021, the Company issued an additional 833,897 ordinary shares subject to future vesting to an employee. The fair value of the awards are based upon the estimated fair value of the Company's ordinary shares at the time of grant.

The following table summarizes ordinary share activity for the period from January 30, 2021 through September 30, 2021:

	Number of Shares	Weighted-Average Grant Date Fair Value Per Share
Unvested at January 30, 2021	—	
Granted	1,213,802	$ 15.57
Vested	(226,441)	$ 5.84
Unvested at September 30, 2021	987,361	$ 17.80

As of September 30, 2021, the total unrecognized compensation expense related to unvested ordinary shares was $15.6 million, which the Company expects to recognize over a weighted-average period of 2.4 years.

10. Licensing Arrangements

In connection with the acquisition of the Centessa Subsidiaries, the Company acquired the following licensing arrangements:

Z Factor Limited License Agreement

In 2015 and subsequently amended in 2017, Z Factor entered into an exclusive worldwide license agreement to further develop and commercialize, small molecule chaperones to correct the folding of Z-A1AT, which Z Factor is currently developing for the treatment of liver and lung disease The Group is solely responsible for, and is required to use commercially reasonable efforts to, research, develop, manufacture and commercialize the licensed technology, at its own costs. The Group is also responsible for supplying all active pharmaceutical ingredients and finished drug product for exploitation. The Group is obligated to make up to $0.5 million (£0.4 million at an exchange rate of 0.74) in payments upon the achievement of development and regulatory milestones. In addition, the Group is obligated to fund any patent related costs associated with the licensed technology. No expenses were incurred during the three months ended September 30, 2021 and 2020, the period from January 1, 2021 through January 29, 2021, the period from January 30, 2021 through September 30, 2021 and the nine months ended September 30, 2020 in connection with the license agreement.

Morphogen-IX Limited License Agreement

In 2015, Morphogen-IX entered into an exclusive worldwide license agreement to further develop and commercialize variants of BMP9. The Company is responsible for supplying all active pharmaceutical ingredients and finished drug product for exploitation. The Company is obligated to make up to $1.1 million (£0.8 million at an exchange rate of 0.74) in payments upon the achievement of development and regulatory milestones. The Company is also obligated to make future commercial milestone payments at low to mid-single digit royalty rates for net product sales and is subject to adjustment in the event the

Group sublicenses the approved technology. In addition, the Company is obligated to pay an annual licensing fee and obligated to fund any patent related costs associated with the licensed technology. No expenses were incurred during the three months ended September 30, 2021 and 2020, the period from January 1, 2021 through January 29, 2021 and the period from January 30, 2021 through September 30, 2021 in connection with the license agreement.

Palladio Biosciences Inc. Lixivaptan License Agreement

Palladio entered into an exclusive worldwide license agreement to further develop and commercialize Lixivaptan, a nonpeptide selective vasopressin V2 receptor antagonist which Palladio is currently developing for the treatment of ADPKD. In relation to the purchase of the license, the Company is obligated to make certain contingent consideration payments to the seller in the event a Licensed Product is commercialized. Such payments are structured as a tiered percentage of net sales and capped at $32.5 million. The Company is obligated to make up to $16.3 million in commercial milestone payments. In addition, the Company is obligated to make future royalty payments (the first $19.0 million of which would be due to Pfizer) at low to mid-single digit royalty rates for net product sales and is subject to adjustment in the event the Company sublicenses the approved technology. The Company incurred no expense during the period from January 30, 2021 through September 30, 2021 in connection with the license agreement.

ApcinteX Limited SerpinPC License Agreement

ApcinteX entered into an exclusive, sublicensable, worldwide license agreement with Cambridge Enterprise Limited (“CE”), to further develop and commercialize the patented technology and know-how held by CE for modified serpins for the treatment of bleeding disorders through the use of rational and random mutagenesis associated with the patented technology. The Company is solely responsible for, and is required to use commercially reasonable efforts to, research, develop, manufacture and commercialize the patented technology, at its own costs. The Company is obligated to make up to $0.9 million (£0.7 million at an exchange rate of 0.74) in development and regulatory milestone payments and low single digit royalty rates for net product sales. The Company incurred no expense during the period from January 30, 2021 through September 30, 2021 in connection with the license agreement.

Pega-One S.A.S. License Agreement with Hoffman-La Roche

Pega-One entered into, and subsequently amended, a license agreement with Hoffman La Roche Ltd, (“Roche”), to discover, develop and commercialize GA201 which is a glycoengineered anti-EGFR monoclonal antibody imgatuzumab which Pega-One is currently developing for the treatment of cutaneous squamous cell carcinoma and other solid tumor indications. The Company retains an exclusive worldwide sublicensable royalty bearing license. Pega-One made an upfront payment of $2.0 million and is obligated to pay up to $16.0 million upon the achievement of development and regulatory milestones and up to $125.0 million in commercial milestones subject to potential increase if Pega-One undergoes a change in control transaction before a specified event for a specific indication. Pega-One is also obligated to pay Roche tiered royalties on net sales of the licensed product at rates ranging from a mid to high single percentage, on a country-by-country and product-by-product basis and is subject to adjustments in the event the Company sublicenses the approved technology. In addition, Pega-One is obligated to reimburse Roche for annual patent related costs incurred related to the license. Upon consummation of a strategic transaction or an initial public offering of the Pega-One’s ordinary shares, as defined in the license agreement, Roche is entitled to receive a minimum of 10% of the consideration received by the Company. Such consideration was received in connection with the acquisition of the Centessa Subsidiaries in January 2021.

Janpix Limited License Agreement

Janpix entered into an exclusive worldwide license agreement to further develop and commercialize the licensed technology for therapeutic use. Janpix is obligated to make up to $30.0 million in development and commercial milestone payments. In addition, Janpix is obligated to make future commercial milestone payments at low to mid-single digit royalty rates for net product sales.

Capella Biosciences Limited License Agreement

Capella entered into a license agreement with Lonza Sales AG (“Lonza”) to utilize Lonza’s proprietary GS technology to further develop, manufacture, market and sell Capella’s compounds for therapeutic use. Capella is obligated to make additional payments contingent upon approval to advance through additional stages of the process. Capella is obligated to make

up to $5.4 million in development and commercial milestone payments. Capella is also obligated to make future commercial royalty payments at low single digit royalty rates for net product sales and is subject to adjustment in the event Capella sublicenses the approved technology. The Company incurred approximately $42,060 and $116,960 in expense related to the license agreement during the three months ended September 30, 2021 and for the period from January 30, 2021 through September 30, 2021, respectively.

PearlRiver Bio GmbH License and Collaboration Agreement with Lead Discovery Center GmbH for Exon20

In March 2019, PearlRiver Bio GmbH entered into an exclusive worldwide license agreement with Lead Discovery Center GmbH ("LDC"), to further develop and commercialize, the licensed technology for Exon20. PearlRiver is responsible for supplying all active pharmaceutical ingredients and finished drug products for exploitation. PearlRiver is obligated to make up to $31.4 million (€27.0 million) at an exchange rate of 0.86) in payments upon the achievement of development and regulatory milestones and $17.4 million (€15.0 million) at an exchange rate of 0.86) upon the achievement of commercial milestones. PearlRiver is also obligated to make future commercial royalty payments at low to mid-single digit royalty rates for net product sales and is subject to adjustment in the event PearlRiver sublicenses the approved technology. In addition, PearlRiver is obligated to fund any patent related costs associated with the licensed technology.

Concurrent with entering into the license agreement, PearlRiver entered into a collaboration arrangement with LDC whereby LDC is providing ongoing research and development services to PearlRiver. PearlRiver recognizes research and development expenses associated with the collaboration as services are provided.

PearlRiver Bio GmbH Assignment Agreement with Lead Discovery Center GmbH for C797

PearlRiver entered into an exclusive worldwide assignment agreement with Lead Discovery Center GmbH ("LDC"), to further develop and commercialize, the assigned technology for C797. PearlRiver is responsible for supplying all active pharmaceutical ingredients and finished drug products for exploitation. PearlRiver is obligated to make up to $9.1 million (€7.8 million at an exchange rate of 0.86) in payments upon the achievement of development and regulatory milestones and $11.6 million (€10.0 million at an exchange rate of 0.86) upon the achievement of commercial milestones. PearlRiver is also obligated to make future commercial milestone payments at low single digit royalty rates for net product sales and is subject to adjustment in the event the PearlRiver sublicenses the approved technology. In addition, PearlRiver is obligated to fund any patent related costs associated with the licensed technology.

Orexia Therapeutics Limited Research Collaboration and License Agreement

Orexia entered into a world-wide exclusive research collaboration and license agreement with X-Chem, Inc ("X-Chem"), to further develop and commercialize, the licensed technology for the orexin receptor. Orexia is responsible for supplying all active pharmaceutical ingredients and finished drug products for exploitation. Orexia is required to make payments contingent upon approval to advance to particular series. Orexia is obligated to make up to $24.8 million in payments upon the achievement of development and regulatory milestones and $60 million upon the achievement of commercial milestones. Orexia is also obligated to make future commercial milestone payments at low single digit royalty rates for net product sales and is subject to adjustment in the event the Orexia sublicenses the approved technology.

Orexia Therapeutics Limited Amended and Restated License, Assignment, and Research Services Agreement

In January 2019, Orexia entered into an exclusive worldwide license agreement with Heptares Therapeutics Limited ("Heptares"), to further develop and commercialize, the licensed technology for orexin agonist. Orexia is responsible for supplying all active pharmaceutical ingredients and finished drug product for exploitation. Orexia is obligated to make up to $17.0 million (£12.6 million at an exchange rate of 0.74) in payments upon the achievement of development and regulatory milestones. Orexia is also obligated to make future commercial milestone payments at low to mid-single digit royalty rates for net product sales and is subject to adjustment in the event the Orexia sublicenses the approved technology. In addition, Orexia is obligated to fund any development related costs associated with the licensed technology.

Inexia Limited Amended and Restated License, Assignment, and Research Services Agreement

Inexia and Heptares entered into a license and research service agreement whereby Heptares granted an exclusive, sublicensable worldwide license to further develop, manufacture and commercialize licensed technology for the development of

intranasal orexin antagonist. In addition, Heptares is responsible for certain research and development activities and the parties formed a joint research committee to oversee and manage related research and development activities.

Per the agreement Inexia is to pay Heptares for research and development services based on providing full-time equivalents and other support relating to the conduct of the discovery and preclinical development programs. In addition, Inexia is obligated to make up to $16.4 million in development milestone payments (£12.1 million at an exchange rate of 0.74). In April 2021, Orexia, Inexia and the Company executed an Intra Group Sales Agreement whereby Inexia assigned the rights to its business and assets (including these licenses) to Orexia for nil consideration.

Inexia Limited License Agreement with OptiNose

Inexia and OptiNose AS (“OptiNose”), entered into a license agreement whereby the Inexia was granted an exclusive, royalty-bearing, worldwide, non-transferable, sublicensable license to OptiNose’s Exhalation Delivery System (“EDS”), and other intellectual property for the development, sale, import and manufacture of products containing orexin receptor agonist and/or orexin receptor positive modulator molecule(s) as the sole active pharmaceutical ingredient(s) for the treatment, diagnosis or prevention of human diseases or conditions associated primarily with orexin receptor agonism and orexin receptor positive modulation. Inexia is solely responsible for all costs and activities related to its identification, development, and commercialization of products under the license agreement.

Inexia is obligated to make up to $8.0 million and $37.0 million in development and commercial milestone payments, respectively. In addition, OptiNose is eligible to receive tiered, low-to-mid single digit royalties based on net sales of any products successfully developed and commercialized under the license agreement. In April 2021, Orexia, Inexia and the Company executed an Intra Group Sales Agreement whereby Inexia assigned the rights to its business and assets (including these licenses) to Orexia for nil consideration.

11. Related Party Transactions

Term loans with Ultrahuman

The Centessa Predecessor Group entered into term loan agreements with Ultrahuman Nine and Ultrahuman Ten which are entities with common ownership with the Centessa Predecessor Group and with the Company.

The term loans have a stated interest rate of 2% per annum above the Bank of England official rate and the outstanding balances are repayable on demand of the lenders. The Bank of England official rate was 0.10% at September 30, 2020 and 2021, respectively.

The outstanding balance of the term loan with Ultrahuman Eleven was forfeited by the lender in February 2020, from which a gain on extinguishment of debt of $264,000 is recognized in the combined statements of operations and comprehensive loss for Centessa Predecessor Group during the nine months ended September 30, 2020. The outstanding balance of the term loans with Ultrahuman Nine and Ultrahuman Ten was cancelled in June 2021.

During the three and nine months ended September 30, 2020 and for the period from January 1, 2021 through January 29, 2021, the Centessa Predecessor Group recognized interest expense of $2,500, $5,000, and $1,000, respectively, in connection with the Ultrahuman loans. During the three months ended September 30, 2021 and for the period from January 30, 2021 through September 30, 2021, the Company recognized interest expense of nil and $3,000, respectively, in connection with the loans. The loans were repaid in May 2021.

Support service agreement with Ultrahuman services

The Centessa Predecessor Group entered into a Support Service Agreement with Ultrahuman Limited. Ultrahuman Limited provides scientific and operational consultancy services and other support services.

Costs incurred associated with this contract were $0.2 million, $0.6 million, and $48,000 for the three and nine months ended September 30, 2020 and for the period from January 1, 2021 through January 29, 2021, respectively, which has been recorded within research and development expenses in the unaudited interim consolidated and combined statements of

operations and comprehensive loss. The contract was terminated in connection with the acquisition of the Centessa Subsidiaries.

Master services agreements with The Cambridge Partnership Limited

The Centessa Predecessor Group entered into Master Services agreements with The Cambridge Partnership Limited for accounting and administrative services. Costs incurred associated with these contracts were $29,000, $77,000, and $17,000 for the three and nine months ended September 30, 2020 and for the period from January 1, 2021 through January 29, 2021, respectively, which has been recorded within general and administrative expenses in the unaudited interim consolidated and combined statements of operations and comprehensive loss.

The Company (Successor) incurred costs associated with these contracts of $39,000, and $0.2 million for the three months ended September 30, 2021 and for the period from January 30, 2021 through September 30, 2021, respectively. The agreement was terminated by mutual consent of the parties in August 2021.

David Grainger is a director and shareholder in RxCelerate Ltd, the ultimate controlling party of The Cambridge Partnership Limited and was a director of Z Factor and Morphogen-IX until he resigned on January 29, 2021. He was appointed Chief Innovation Officer of the Company in October 2021.

Master services agreements with The Foundry (Cambridge) Limited

The Centessa Predecessor Group entered into Master Services agreements with The Foundry (Cambridge) Limited. Costs incurred associated with these contracts were $12,000, $34,000, and $4,000 for the three and nine months ended September 30, 2020 and for the period from January 1, 2021 through January 29, 2021, respectively, and which has been recorded within general and administrative expenses in the unaudited interim consolidated and combined statements of operations and comprehensive loss.

The Company (Successor) incurred costs associated with these contracts of $10,000, and $31,000 for the three months ended September 30, 2021 and for the period from January 30, 2021 through September 30, 2021, respectively.

David Grainger is a director and the sole shareholder of The Foundry (Cambridge) Limited and was a director of Z Factor and Morphogen-IX until he resigned on January 29, 2021. He was appointed Chief Innovation Officer of the Company in October 2021.

Master Services agreements with RxCelerate Limited

The Centessa Predecessor Group entered into Master Services agreements with RxCelerate Limited to provide drug discovery services. Costs incurred associated with this contract were $0.8 million, $2.5 million, and $0.4 million for the three and nine months ended September 30, 2020 and for the period from January 1, 2021 through January 29, 2021, respectively, which has been recorded within research and development expenses in the unaudited interim consolidated and combined statements of operations and comprehensive loss.

The Company (Successor) incurred costs associated with these contracts of $1.9 million and $5.2 million for the three months ended September 30, 2021 and for the period from January 30, 2021 through September 30, 2021, respectively.

David Grainger is a director and shareholder of RxCelerate Limited and was a director of Z Factor and Morphogen-IX until he resigned on January 29, 2021. He was appointed Chief Innovation Officer of the Company in October 2021.

Master Services agreements with RxBiologics Limited

The Centessa Predecessor Group entered into Master Services agreements with RxBiologics Limited to provide biologics drug discovery services. Costs incurred associated with this contract were $40,000, $67,000, and $14,000 for the three and nine months ended September 30, 2020 and for the period from January 1, 2021 through January 29, 2021, respectively, which has been recorded within research and development expenses in the unaudited interim consolidated and combined statements of operations and comprehensive loss.

The Company (Successor) incurred costs associated with these contracts of $0.1 million and $0.3 million for the three months ended September 30, 2021 and for the period from January 30, 2021 through September 30, 2021, respectively.

William Finlay is a director and shareholder of RxBiologics Limited and was a director of LockBody until he resigned on January 29, 2021.

David Grainger is a director of RxBiologics Limited and a director and shareholder in RxCelerate Ltd, as noted above, the ultimate controlling party of RxBiologics Limited and was a director of Z Factor and Morphogen-IX until he resigned on January 29, 2021. He was appointed Chief Innovation Officer of the Company in October 2021.

Master Services agreements with Cambridge Protein Works Limited

The Centessa Predecessor Group entered into Services agreements with Cambridge Protein Works Limited to provide pure proteins for research and development purposes. Costs incurred associated with this contract were $57,000, $68,000, and nil for the three and nine months ended September 30, 2020 and for the period from January 1, 2021 through January 29, 2021, respectively. For the three months ended September 30, 2021 and for the period from January 30, 2021 through September 30, 2021, the Company incurred costs of $0.2 million and $0.3 million which has been recorded within research and development expenses in the unaudited interim consolidated and combined statements of operations and comprehensive loss.

Jim Huntington is a director and shareholder of Cambridge Protein Works Limited and is the Chief Executive Officer of ApcinteX and Z Factor.

Cost Reimbursements

During the period from January 30, 2021 through September 30, 2021, the Company (Successor) reimbursed an aggregate of $1.4 million to several shareholders for costs paid on behalf of the Company (Successor) in connection with acquisition of the Centessa Subsidiaries and the sale of the Company (Successor) Series A preferred shares.

12. Subsequent Events

On October 1, 2021 (the “Signing Date”), the Company, as issuer, and certain of the Company’s wholly owned subsidiaries, as guarantors (the “Guarantors”), entered into a Note Purchase Agreement (the “Note Purchase Agreement”) with the Purchasers party thereto (the “Purchasers”), and Cocoon SA LLC (the “Agent”), an affiliate of Oberland Capital Management LLC, as agent for the Purchasers.

Under the Note Purchase Agreement, the Purchasers agreed to purchase, and the Company agreed to sell, tranches of secured notes in the aggregate principal amount of up to $300,000,000 as follows: (a) no later than October 4, 2021, a secured note in the aggregate principal amount of $75,000,000 (the “First Purchase Note”), (b) on and after the Signing Date until September 30, 2023, at the Company’s option, a secured note in the aggregate principal amount of $75,000,000 (the “Second Purchase Note”), (c) on and after the Signing Date until September 30, 2023, at the Company’s option, a secured note in the aggregate principal amount of $50,000,000 (the “Third Purchase Note”), and (d) one or more secured notes in the aggregate principal amount of up to $100,000,000 at any time at the Company’s and Purchasers’ option, to be used to finance certain permitted acquisitions as described in the Note Purchase Agreement (the “Fourth Purchase Notes” and collectively with the First Purchase Note, the Second Purchase Note and the Third Purchase Note, the “Notes”). The obligations of the Purchasers to purchase the Notes are subject to certain conditions precedent. On October 4, 2021 (the “First Purchase Date”), the Company issued the First Purchase Note.

The Notes will mature on the six-year anniversary of the First Purchase Date, unless earlier accelerated under the terms of the Note Purchase Agreement. At maturity, the Company must repay the outstanding principal amount of the Notes, together with any accrued and unpaid interest thereon and other outstanding obligations thereunder. Interest is payable quarterly during the term of the Notes at a rate per annum equal to the sum of (a) the greater of (i) LIBOR (which may be subject to replacement as contemplated by the Note Purchase Agreement) and (ii) 0.25% and (b) 7.75% (which percentage is subject to adjustment as described in the Note Purchase Agreement); provided that the interest rate shall never be less than 8.00%. The initial interest rate for the Notes is 8.00% per annum.

The Company's obligations under the facility are secured by a first priority security interest in all assets of the Company and Guarantors, subject to variation in accordance with local law with respect to assets held by the Company and the Guarantors outside of the United States.

Starting on the date of the first commercial sale of lixivaptan, currently a product candidate under development by the Company, and ending on the tenth anniversary of the First Purchase Date, the Purchasers shall have the right to receive 1.00% (the "Revenue Participation Rate") of the first $200.0 million of worldwide net sales of lixivaptan in each calendar year, payable quarterly (the "Revenue Participation Payments"). The Revenue Participation Rate is subject to pro-rata increase if the Second Purchase Notes and/or the Third Purchase Notes are issued and shall not exceed 2.67%.

In addition, upon the first regulatory approval of any of the Company's product candidates by either the U.S. Food and Drug Administration ("FDA") or the European Medicines Agency ("EMA"), the Company is obligated to pay the Purchasers an amount equal to 30% of the aggregate principal amount issued under the Notes by the Company (the "Milestone Payment"). The Milestone Payment shall be paid in quarterly installments over five years beginning on the earlier of (i) the date of the first commercial sale following such regulatory approval; and (ii) the six month anniversary of such regulatory approval. The Milestone Payment is triggered one time only, and applies only to the Company's first product to obtain regulatory approval.

The Company may redeem all, but not less than all, of the outstanding Notes (if any) and pay all other outstanding obligations under the Note Purchase Agreement. On the applicable date, the Company shall repurchase the Notes by paying an amount of up to (i) 175% of the principal amount issued under the Notes if such repurchase occurs on or prior to the third anniversary of the First Purchase Date, (ii) 185% of the principal amount issued under the Notes if such repurchase occurs between the third and sixth anniversaries of the First Purchase Date, and (iii) 205% of the principal amount issued under the Notes if such repurchase occurs thereafter, in each case less specified deductions and exclusions described in the Note Purchase Agreement, including amounts paid by the Company to the Purchasers in respect of certain asset sale or strategic transactions, the interest payments, the Revenue Participation Payments and the Milestone Payments (the "Final Payment Amount").

Conversely, the Purchasers may require the Company to redeem any outstanding Notes by payment of the Final Payment Amount upon a sale, divestment or transfer of all or substantially all assets of the Company in a transaction or series of transactions or a change of control of the Company, a material breach of the Note Purchase Agreement and related transaction documents, an event of default under the Note Purchase Agreement or the tenth anniversary of the First Purchase Date (or such earlier date as described in the Note Purchase Agreement). In addition, upon certain asset sales and similar strategic transactions by the Company with respect to its own or its subsidiaries' assets or businesses as described in the Note Purchase Agreement (other than a change of control described above), the Purchasers may require the Company to pay an amount in cash equal to up to 75% of the Net Proceeds (as defined in the Note Purchase Agreement) received from such asset sales, subject to such reduced amounts as described in the Note Purchase Agreement.

The Note Purchase Agreement contains customary affirmative and negative covenants, including with respect to notice obligations, limitations on new indebtedness, liens, investments and transactions with affiliates of the Company, restrictions on the payment of dividends, maintenance of collateral accounts, maintenance of insurance and addition of new subsidiaries as obligors. The Note Purchase Agreement does not contain any covenants to maintain a specified level of revenues or cash resources. The Note Purchase Agreement also contains customary representations and warranties in favor of the Purchasers and the Agent.

The Note Purchase Agreement contains customary events of default, which may cause the obligations of the Company to be accelerated. Such events include among others, failure to make payments when due, breach of covenants, insolvency, a cross-default to other indebtedness, a judgment event of default, and delisting of the Company's securities from Nasdaq.

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

The following discussion and analysis should be read in conjunction with the unaudited interim consolidated and combined financial statements and related notes thereto of the Centessa Predecessor Group ("Predecessor") and Centessa Pharmaceuticals, plc ("Successor"), included elsewhere herein and the audited financial statements and notes thereto for the year ended December 31, 2020 for the Predecessor and the audited financial statements of Centessa Pharmaceuticals Limited for the period from October 26, 2020 (inception) through December 31, 2020 and the related Management's Discussion and Analysis of Financial Condition and Results of Operation, all of which are contained in our IPO prospectus dated June 2, 2021 (the "Prospectus") filed with the SEC. In addition to historical financial information, some of the information contained in the following discussion and analysis contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical facts, including statements regarding our future results of operations and financial position, business strategy, current and prospective products, product approvals, research and development costs, current and prospective collaborations, timing and likelihood of success, plans and objectives of management for future operations and future results of current and anticipated products, are forward-looking statements. These statements involve known and unknown risks, uncertainties, assumptions 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.

Overview and Format of Presentation

Centessa Pharmaceuticals plc ("Centessa" or "the Company") is a pharmaceutical company conceived to bring impactful new medicines to patients by combining the strengths of an asset-centric model with the benefits of scale and diversification typical of larger R&D organizations. Centessa was incorporated on October 26, 2020 as a limited liability company under the laws of England and Wales. In connection with the IPO, we re-registered Centessa Pharmaceuticals Limited as an English public limited company and renamed it as Centessa Pharmaceuticals plc.

In January 2021, the management and equity holders of ApcinteX Limited, Capella Biosciences Limited, Inexia Limited, Janpix Limited, LockBody Therapeutics Ltd, Morphogen-IX Limited, Orexia Therapeutics Limited, Palladio Biosciences, Inc., Pearl River Bio GmbH, Pega-One S.A.S., and Z Factor Limited (together, the "Centessa Subsidiaries"), contributed the Centessa Subsidiaries to Centessa, in a share for share exchange, after which these companies became wholly-owned subsidiaries of Centessa.

Subsequent to the contribution of the Centessa Subsidiaries to Centessa, the financial activities of Centessa and all Centessa Subsidiaries are being presented on a consolidated basis and are denoted as "Successor" within management's discussion and analysis of the unaudited interim financial statements. The historical financial condition and results of operations for the periods presented may not be comparable due to the difference in basis of accounting for the Centessa Predecessor Group and Centessa Pharmaceuticals plc (previously Centessa Pharmaceuticals Limited). Prior to the acquisition of the Centessa Subsidiaries on January 29, 2021, the Centessa Predecessor Group consisted of three separate legal entities. Following the acquisition of the Centessa Subsidiaries, Centessa Pharmaceuticals plc consists of 14 legal entities.

Centessa Subsidiaries

Palladio Biosciences, Inc.

Palladio Biosciences, Inc. ("Palladio") is a clinical-stage biotechnology company founded in 2015 to develop lixivaptan, an oral, non-peptide antagonist of the V2 receptor as a therapeutic agent to treat ADPKD. Palladio's development program is designed to show that lixivaptan can slow the decline in renal function that is typically observed in ADPKD patients while avoiding the liver safety issues associated with JYNARQUE®, a form of branded tolvaptan indicated for ADPKD, which is the only drug currently approved for ADPKD.

ApcinteX Limited

ApcinteX Limited ("ApcinteX") is a clinical-stage biotechnology company founded in 2014 to focus on developing SerpinPC for the treatment of Hemophilia A (HA) and Hemophilia B (HB). Hemophilia is a rare bleeding disorder that is caused by a deficiency of thrombin generation upon vascular damage. SerpinPC, a biologic of the serpin family of proteins, is designed to allow more thrombin to be generated by inhibiting Activated Protein C ("APC"). SerpinPC has the potential to treat all types of hemophilia regardless of severity or inhibitor status, and may also prevent bleeding associated with other bleeding disorders.

Pega-One SAS

Pega-One SAS ("Pega-One") was founded in 2019 to develop imgatuzumab ("GA201"), a non-fucosylated anti-EGFR tumor-targeting monoclonal antibody ("mAb") with enhanced antibody-dependent cellular cytotoxicity ("ADCC") and antibody-dependent cellular phagocytosis ("ADCP") properties licensed from Roche. Pega-One is initially developing imgatuzumab as an investigational agent for the treatment of cutaneous squamous cell carcinoma ("CSCC").

*Z Factor Limited **

Z Factor Limited ("Z Factor") is a clinical-stage biotechnology company founded in 2014 to identify and develop therapeutic agents to treat alpha-1-antitrypsin deficiency, ("AATD"), a common genetic disorder where a single mistake in the DNA encoding the protein alpha-1-antrypsin causes both liver and lung disease. Z Factor's lead product candidate, ZF874, is a novel compound that is intended to act as a pharmacological chaperone for the faulty protein, allowing it to fold correctly, potentially relieving the liver burden of polymer accumulation and providing Z-A1AT in the circulation to protect the lungs.

*Morphogen-IX Limited **

Morphogen-IX Limited "(Morphogen-IX") was founded in 2015 to identify and develop bone morphogenetic proteins, or BMPs, as a novel therapy for the treatment of pulmonary arterial hypertension, ("PAH"). PAH, a severe form of pulmonary hypertension, is a progressive life-limiting disease caused by narrowing of small pulmonary arteries in the periphery of the lung. Morphogen-IX's lead product candidate, MGX292, is a disease-modifying, protein-engineered variant of human bone morphogenetic protein 9 ("BMP9") for the treatment of PAH.

Capella Bioscience Ltd.

Capella Bioscience Ltd. ("Capella Bioscience") was founded in 2015 with the mission to advance first-in-class monoclonal antibody ("mAb") therapeutics in autoimmune diseases with high unmet need. Capella Bioscience developing CBS001, a neutralizing therapeutic mAb to the inflammatory membrane form of LIGHT (known as TNFSF14) for the treatment of rare inflammatory diseases. In addition, Capella Bioscience is developing CBS004, a therapeutic mAb to target BDCA-2 for the treatment of lupus erythematosus and systemic sclerosis.

*LockBody Therapeutics Ltd **

LockBody Therapeutics Ltd (“LockBody”) was founded in 2017 to develop novel therapeutics based on its platform technology that is designed to create conditionally-active protein agents which deliver local function while avoiding systemic toxicity. As compared to the mechanism of bispecific antibodies, LockBody technology is monospecific until activated, and thereby is intended to address the classical limitations of bispecific antibodies by locking the cell-killing mechanism of action, such as CD47 or CD3, beneath a well-tolerated tumor targeting arm such as Her2 or PD-L1. LockBody seeks to leverage its technology to generate lead compounds with novel mechanisms of action to address solid tumors, which previously have not been addressed by CD47 or CD3-targeting therapies and are resistant to current standard of care.

Orexia Therapeutics Limited

Orexia Therapeutics Limited ("Orexia") was founded in 2018 with a mission to develop innovative medicines that activate the orexin neurotransmitter system in the brain with a focus on the treatment of narcolepsy and other neurological disorders. Orexia initially seeks to expand treatment options for patients with narcolepsy type 1("NT1"), which is a chronic rare disease with high unmet medical need. Orexia is advancing an oral orexin receptor agonist program for NT1 as well as a novel orexin agonist approach for intranasal administration. In order to streamline their common operations and oversight, in April 2021 Orexia, Inexia Limited ("Inexia") and the Company executed an Intra Group Sales Agreement whereby Inexia assigned the rights to its business and assets to Orexia for nil consideration. Inexia is in the process of being liquidated.

Janpix Limited

Janpix Limited (“Janpix”) is a clinical-stage biotechnology company founded in 2013 to focus on developing dual degrader of Signal Transducer and Activator of Transcription proteins 3 and 5, known as STAT3 and STAT5, for the treatment of hematological malignancies, including leukemias and lymphomas.

PearlRiver Bio GmbH

PearlRiver Bio GmbH (“PearlRiver”) was founded in 2019 to improve treatments for cancer patients by developing novel, small molecule kinase inhibitors, designed to inhibit difficult-to-treat epidermal growth factor receptor (“EGFR”) mutations that are resistant to currently available therapies. Its proprietary scientific platform allows PearlRiver to design potential best-in-class therapeutics that selectively target difficult-to-treat oncogenic kinases that are the mechanistic drivers of disease.

*These companies comprise the Centessa Predecessor Group.

Recent Highlights and Program Updates

Oberland Capital Financing Agreement

In October 2021, we entered into a financing facility with funds managed by Oberland Capital Management, LLC (“Oberland Capital”), which provides us additional funds to enable further scale up of our development activities and to better enable us to pursue strategic business development opportunities. Under the terms of the agreement, Oberland Capital will purchase up to $300.0 million of 6-year, interest-only (initial interest rate is 8.0% per annum), senior secured notes from us including $75.0 million, funded on October 4, 2021, $125.0 million available in tranches of $75 million and $50 million within 24 months at our option, and $100.0 million available to fund M&A, in-licensing, or other strategic transactions, at the option of the Company and Oberland Capital. See "Note 12, Subsequent Events" for more information on the Oberland Capital Financing Agreement.

ApcinteX Update

In September 2021, ApcinteX announced positive topline results from the Phase 2a part of AP-0101, the six-month repeat dose portion of our ongoing first-in-human proof-of-concept study evaluating SerpinPC in severe hemophilia A and B subjects. In the highest dose cohort, SerpinPC reduced the self-reported all bleeds Annualized Bleeding Rate ("ABR") by 88% during the last 12 weeks of treatment (pre-specified primary assessment period) as compared to all bleeds ABR prospectively measured during the pre-exposure observation period. In this cohort, five out of eight subjects had zero or one bleed during the 12-week pre-specified primary assessment period. Self-reported spontaneous joint bleeds ABR was reduced by 94%. SerpinPC was well-tolerated with no sustained elevations in D-dimer. All subjects who completed the Phase 2a portion of the study have elected to enroll into the 48-week open-label extension ("OLE") portion of the study. In 2022, we expect to launch a global full development plan aimed at one or more registrations to maximize the broad potential for SerpinPC in the hemophilia space. We also expect to provide an update in 2022 on the ongoing Phase 2a open-label extension study.

Palladio Update

Palladio progressed in launching its Phase 3 registrational study (the "ACTION Study") evaluating lixivaptan for the treatment of ADPKD, and began recruitment for the ACTION Study. We expect to dose the first subject in the ACTION Study by the first quarter of 2022. We continue to anticipate reporting initial safety data in the ongoing open-label ALERT study of subjects who previously discontinued JYNARQUE® (tolvaptan) due to liver toxicity in the fourth quarter of 2021.

Z Factor Update

In November 2021, Z Factor announced proof-of-mechanism data from the first three PiMZ subjects dosed in the ongoing repeat dose Phase 1 Part B study of ZF874 (the “Study”) in subjects carrying at least one Z-mutated alpha-1-antitrypsin allele (PiXZ). Part B of the Study was initially designed to be a 28-day repeat dose study in up to 14 PiXZ patients (including 2 placebo), assessing the safety, tolerability and pharmacokinetics of ZF874. Increase in serum A1AT levels was an exploratory outcome. Due to ongoing enrollment challenges at the Study’s single clinical site, and following the observation of elevated ALT and AST in one Study participant, we elected to unblind the Study prior to completing Part B enrollment

In both PiMZ subjects (with one Z-gene copy) dosed with ZF874 (15 mg/kg BID), the observed increase in functional A1AT, over individual subject’s own baseline, was between 3.5 and 6 micromolar. These results in PiMZ subjects suggest that similar dosing of PiZZ individuals (with two Z-gene copies) may increase A1AT levels to 12 to 17 micromolar, assuming a 5 micromolar A1AT baseline that is typical for a PiZZ individual. These are the first clinical data that suggest a pharmacological chaperone may be able to sufficiently increase functional Z-A1AT to levels greater than 11 micromolar in individuals with the

PiZZ genotype, levels that have been the basis for approval of the existing A1AT augmentation therapies. Consistent with a pharmacological effect, A1AT levels in ZF874-treated subjects returned to baseline by 28 days after completion of dosing while A1AT levels in the placebo-treated subject were not observed to change significantly throughout the duration of the study.

Pharmacokinetic analysis showed a two-fold higher exposure to ZF874 in one subject. This subject showed a two-fold higher increase in functional A1AT as well as a delayed, reversible increase in ALT (8x ULN) and AST (3.5x ULN). All other liver function tests including bilirubin, GGT, and ALP remained in the normal range. All other adverse events reported in the Study were classified as mild.

Because of the ALT and AST elevations in one subject, we will be exploring lower doses and different dosing regimens. We are taking steps to increase enrollment in the Study by adding sites in the United Kingdom and intend to expand the Study to the European Union. During 2022, we expect to report on additional PiMZ as well as PiZZ subjects from the expanded Phase 1 Part B. We anticipate starting a global Phase 2 study in the second quarter of 2022, the first portion of which (the run-in phase) will be used to further refine dose and regimen ahead of the planned start of the paired liver biopsy portion of the study. That portion of the study will require 6-month dosing and is projected to begin in the second half of 2022, once the Phase 2 dose and regimen are established and chronic animal toxicology is completed.

Orexia Update

Orexia continues to advance its discovery programs and is on track to select a clinical candidate for its oral program and commence IND enabling activities in 2022. In October 2021, Orexia entered into an exclusive collaboration with Schrödinger focused on the discovery of novel, next generation therapeutics targeting the orexin-2 receptor (“OX2R”), which is known to play a role in a broad spectrum of sleep disorders including narcolepsy. The collaboration provides Orexia with substantial access to Schrödinger’s entire computational platform as well as Schrödinger’s extensive expertise in ultra-large-scale deployment of its technology. The Schrödinger platform can be applied to Orexia’s existing small molecule collection and can also be used to create novel chemical matter. Under the terms of the agreement, Orexia will be responsible for preclinical research activities, clinical development and commercialization of candidates discovered under the collaboration. Schrödinger received an upfront software access payment and will only be eligible for certain future conditional payments based on progress of novel products discovered under the collaboration. No future conditional payments will be due to Schrödinger in relation to existing scaffolds, which we are progressing to the clinic. Future conditional payments may include certain preclinical, development, regulatory and commercial milestone payments, as well as low single digit royalties on global net sales.

Pega-One Update

Pega-One expects to initiate an open-label, single arm, Phase 2 trial of imgatuzumab in Advanced Cutaneous Squamous Cell Carcinoma (“CSCC”) by the end of 2021 and dose the first subject by the first quarter of 2022.

Capella Bioscience Update

Capella Bioscience expects to submit a Clinical Trial Authorisation (“CTA”) application with the UK Medicines and Healthcare products Regulatory Agency (“MHRA”) for CBS001 in the first half of 2022 and commence a Phase 1 study shortly thereafter. We expect to submit an Investigational New Drug (“IND”) application with the U.S. Food and Drug Administration (“FDA”) for CBS004 in the second half of 2022 and commence a Phase 1 study shortly thereafter.

PearlRiver Update

PearlRiver is progressing small molecule kinase inhibitors for the epidermal growth factor receptor (“EGFR”) C797S mutation for the treatment of Non-Small Cell Lung Cancer (“NSCLC”) and expects to report on ongoing candidate selection in 2022. We will not select a candidate for exon20 in 2021 and are presently reviewing this program.

Janpix Update

Janpix expects to select a candidate for the STAT3/5 program by the end of 2021.

Appointment of Chief Innovation Officer

In October 2021, we announced the appointment of David Grainger, PhD, as Chief Innovation Officer. Dr. Grainger will be a member of our executive leadership team and will be responsible for the overall management of the scientific and

research activities. Dr. Grainger will provide guidance and insight to the scientific leadership team in each of the Centessa subsidiaries and his responsibilities will also include discovery efforts, where he is expected to play a pivotal role in defining how therapeutic candidates will be selected and validated for development.

Initial Public Offering

In June 2021, we completed an initial public offering ("IPO") of our ordinary shares through the sale and issuance of 16,500,000 American Depositary Shares, ("ADSs"), at an initial price of $20.00 per ADS. Each ADS represents one ordinary share with a nominal value of £0.002 per ordinary share. Following the close of the IPO, the underwriters fully exercised their option to purchase an additional 2,475,000 ADSs at the initial public offering price of $20.00 per ADS. We received aggregate net proceeds of $344.1 million in connection with the IPO and subsequent exercise of the underwriters' options after deducting underwriting discounts, commissions and other offering expenses paid or to be paid.

Covid-19 Update

The Company is continuing to proactively monitor the ongoing COVID-19 global pandemic, to assess the potential impact on our business, and to seek to avoid any unnecessary potential delays to our programs. At this time, the clinical programs and research activities remain largely on track, with some modest delays in clinical trial enrollment rates and supply chain activities. While we are unable to fully quantify the potential effects of this pandemic on our future operations, including any further delays to our preclinical and clinical programs, management continues to evaluate and to seek to mitigate risks. The safety and well-being of employees, patients and partners remains our highest priority.

Liquidity and Capital Resources:

As of September 30, 2021, we had cash and cash equivalents of $578.8 million. In October 2021, we entered into a financing agreement with funds managed by Oberland Capital and drew down an initial tranche of funding in the amount of $75.0 million. Since inception, Centessa has devoted substantially all of its resources to acquiring and developing product and technology rights, conducting research and development in its discovery and enabling stages, in its clinical and preclinical trials and raising capital. The Company has incurred recurring losses and negative cash flows from operations since inception and has funded operations primarily through the sale and issuance of its common stock and convertible preferred stock. The ability to generate product revenue sufficient to achieve profitability will depend heavily on the successful development and eventual commercialization of current or future product candidates. The Company expects to continue to incur significant expenses and increasing operating losses for the foreseeable future in connection with ongoing development activities related to the portfolio of programs as Centessa Subsidiaries advance the preclinical and clinical development of product candidates; perform research activities as Centessa seeks to discover and develop additional programs and product candidates; carry out maintenance, expansion enforcement, defense, and protection of its intellectual property portfolio; and hires additional research and development, clinical and commercial personnel. Based on the current non-risk-adjusted operating plan, the Company expects the cash and cash equivalents as of September 30, 2021 of $578.8 million, plus the net proceeds of the First Purchase Note of $74.6 million received on October 4, 2021, supplemented by the funds available under the Oberland Capital Note Purchase Agreement, if drawn, to fund its operations into mid-2024.

Components of Results of Operations

Revenues

The Company has not generated any revenue. The ability to generate product revenue and to become profitable will depend upon the ability to successfully develop, obtain regulatory approval and commercialize any current and future product candidates. Because of the numerous risks and uncertainties associated with product development and regulatory approval, the Company (Successor) is unable to predict the amount or timing of product revenue.

Research and Development Expense

Research and development expenses consist primarily of costs incurred in connection with the discovery and development of the Company's clinical and preclinical programs, net of reimbursements. Research and development costs are expensed as incurred. These expenses include:

- expenses incurred to conduct the necessary preclinical studies and clinical trials required to obtain regulatory approval;
- milestone payments pursuant to the license agreements;

- personnel expenses, including salaries, benefits and share-based compensation expense for employees engaged in research and development functions;
- costs of funding research performed by third parties, including pursuant to agreements with contract research organizations ("CROs"), as well as investigative sites and consultants that conduct preclinical studies and clinical trials;
- expenses incurred under agreements with contract manufacturing organizations ("CMOs"), including manufacturing scale-up expenses and the cost of acquiring and manufacturing preclinical study and clinical trial materials;
- fees paid to consultants who assist with research and development activities;
- expenses related to regulatory activities, including filing fees paid to regulatory agencies; and
- allocated expenses for facility costs, including rent, utilities, depreciation and maintenance.

Research and development activities are central to the Company's business model. Product candidates in later stages of clinical development will generally have higher development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. The Company expects research and development expenses to increase significantly over the next several years due to increases in personnel costs, including share-based compensation, increases in costs to conduct clinical trials for current product candidates and other clinical trials for future product candidates and prepare regulatory filings for any product candidates.

The successful development of the Company's current or future product candidates is highly uncertain. At this time, the Company cannot reasonably estimate or know the nature, timing and costs of the efforts that will be necessary to complete the remainder of the development of current or future product candidates, or when, if ever, material net cash inflows may commence from product candidates. This uncertainty is due to the numerous risks and uncertainties associated with the duration and cost of clinical trials, which vary significantly over the life of a project as a result of many factors, including:

- delays in regulators or institutional review boards authorizing the Company or its investigators to commence our clinical trials, or in the Company's ability to negotiate agreements with clinical trial sites or CROs;
- the ability to secure adequate supply of product candidates for trials;
- the number of clinical sites included in the trials;
- the ability and the length of time required to enroll suitable patients;
- the number of patients that ultimately participate in the trials;
- the number of doses patients receive;
- any side effects associated with product candidates;
- the duration of patient follow-up;
- the results of clinical trials;
- significant and changing government regulations; and
- launching commercial sales of product candidates, if and when approved, whether alone or in collaboration with others.

The Company's expenditures are subject to additional uncertainties, including the terms and timing of regulatory approvals. The Company may never succeed in achieving regulatory approval for their product candidates.

The Company (Successor) may obtain unexpected results from clinical trials and may elect to discontinue, delay or modify clinical trials of product candidates. A change in the outcome of any of these variables with respect to the development of a product candidate could mean a significant change in the costs and timing associated with the development of that product candidate. For example, if the European Medicines Agency ("EMA"), FDA or other comparable regulatory authorities were to require the Company to conduct clinical trials beyond those that are currently anticipated, or if the Company experiences significant delays in enrollment in any clinical trials, the Company could be required to expend significant additional financial resources and time on the completion of clinical development. Product commercialization will take several years, and the Company expects to spend a significant amount in development costs.

Research and Development Tax Incentives

The Company participates in research tax incentive programs that are granted to companies by the United Kingdom and certain European tax authorities in order to encourage them to conduct technical and scientific research. Expenditures that meet the required criteria are eligible to receive a tax credit that is reimbursed in cash. Estimates of the amount of the cash refund expected to be received are determined at each reporting period and recorded as reductions to research and development expenses. In the future periods the Company does not expect to continue to benefit from this program after becoming a public company in June 2021, unless the Company is considered a small or medium-sized entity in the United Kingdom.

General and Administrative Expense

General and administrative expense consists primarily of personnel expenses, including salaries and benefits for employees in certain executive functions and share-based compensation. General and administrative expense also includes facility costs, including rent, utilities, depreciation and maintenance, not otherwise included in research and development expense, as well as legal fees related to intellectual property and corporate matters and fees for accounting and consulting services.

Change in Fair Value of Contingent Value Rights

Change in fair value of contingent value rights reflects the fair market value adjustment to the contingent value rights ("CVR") liability related to the achievement of a specified development milestone for Palladio's product candidate. In connection with the acquisition of the Centessa Subsidiaries, the Company (Successor) issued CVR, to former shareholders and option holders of Palladio. The CVR represent the contractual rights to receive payment of $39.7 million upon the first patient dosed in a Phase 3 pivotal study of lixivaptan for the treatment of ADPKD in any of the United States, France, Germany, Italy, Spain, the United Kingdom and Japan (designated the ACTION Study). The contingent CVR milestone, if triggered, will be settled through the issuance of Centessa ordinary shares equal to the amount of the total CVR payable based on the per share value of ordinary shares at the milestone date. The Company (Successor) determined that the CVR should be accounted for as a liability in accordance with ASC 480. Accordingly, the fair value of the contingent consideration will be assessed quarterly until settlement.

Change in Fair Value of Derivative Liability

Change in fair value of derivative liability reflects the change in the fair value of the embedded redemption feature contained in the Centessa Predecessor's convertible term notes. As a result of the convertible notes being convertible into a variable number of shares of the Centessa Predecessor's preferred stock, this embedded redemption feature was bifurcated from the convertible debt at each issuance date and recorded at fair value. The derivative has been remeasured at each reporting period until settled. In connection with Centessa's acquisition of the Predecessor and concurrent Series A financing event in January 2021, the outstanding principal, interest and derivative liability were settled in their entirety and are no longer subject to remeasurement.

Amortization of Debt Discount

Amortization of debt discount primarily consists of the bifurcation of the embedded redemption feature associated with the Centessa Predecessor's convertible term notes. The debt discount was amortized over the life of the loans until they were settled in January 2021 and the Centessa Predecessor Group recognized all unamortized debt discount.

Interest Income (Expense), net

Interest income (expense) consists of interest paid on proceeds received under convertible term loans, partially offset by interest income earned from the Company (Successor)'s and Predecessor's cash and cash equivalents.

Other Income (Expense), net

Other income (expense), net consists primarily of foreign currency transaction gains and losses and franchise tax expense.

Foreign Currency Translation

The Company's financial statements are presented in U.S. dollars ("USD"), the reporting currency of the Company. The functional currency of the Centessa Pharmaceuticals plc is USD and the functional currency of the Centessa Subsidiaries is their respective local currency. Income and expenses have been translated into USD at average exchange rates prevailing during

the period. Assets and liabilities have been translated at the rates of exchange on the balance sheets dates and equity accounts at their respective historical rates. The resulting translation gain and loss adjustments are recorded directly as a separate component of shareholders' equity as other comprehensive income (loss). Transactions denominated in a currency other than the functional currency are remeasured based upon the exchange rate at the date of remeasurement with the resulting gain or loss included in the accompanying unaudited interim consolidated and combined statements of operations and comprehensive loss within Other income (expense), net.

Since its formation in October 2020, the functional currency of Centessa Pharmaceuticals plc had been British pounds (GBP), as Centessa Pharmaceutical plc's primary activities were formation, related transaction costs, primarily denominated in GBP, the acquisition of Centessa subsidiaries predominantly with operations in GBP and the issuance of shares (with a GBP nominal value) as consideration in the acquisition.

Beginning as of the second quarter of 2021, the functional currency of Centessa Pharmaceuticals plc, changed from GBP to USD. The change in functional currency is the result of many factors including the completion of an IPO and receipt of proceeds in USD which resulted in USD denominated assets exceeding GBP denominated assets, the increase in its U.S. based employees, and the increase in costs denominated in USD, following completion of the Company's IPO on a U.S. stock exchange (Nasdaq). Given these significant changes, the Company considered the economic factors outlined in ASC 830, *Foreign Currency Matters* and concluded that the majority of the factors supported the use of the USD as the functional currency for Centessa Pharmaceutical plc.

The change in functional currency for Centessa Pharmaceuticals plc is applied on a prospective basis beginning as of the second quarter of 2021 and translation adjustments for prior periods will continue to remain as a component of accumulated other comprehensive loss. The Company reclassified the presentation of foreign currency gains and losses recognized first quarter of 2021 from General & administration expense to Other income (expense), net to conform to the current period financial statement presentation.

Results of Operations

Company (Successor) and Predecessor Group

The following table sets forth the Company (Successor) and the Predecessor Group results of operations for the three months ended September 30, 2021 and 2020 (in thousands):

	Successor	Predecessor
	Three months ended September 30, 2021	Three months ended September 30, 2020
Operating expenses:		
Research and development	$ 25,850	$ 1,923
General and administrative	12,464	193
Loss from operations	(38,314)	(2,116)
Interest income (expense), net	65	(22)
Amortization of debt discount	—	(78)
Other income (expense), net	(1,906)	6
Gain on extinguishment of debt	—	72
Net loss	$ (40,155)	$ (2,138)

Research and Development Expenses

Direct research and development costs are tracked on a program-by-program basis and consist primarily of external costs, such as fees paid to consultants, contractors, CMOs and CROs in connection with preclinical and clinical development activities. License fees and other costs incurred after a product candidate has been designated and that are directly related to the product candidate are included in direct research and development expenses for that program. License fees and other costs incurred prior to designating a product candidate are included in early stage research programs.

The following table summarizes research and development expenses by program incurred for the following periods (in thousands):

	Successor	Predecessor
	Three months ended September 30, 2021	Three months ended September 30, 2020
ZF874 (Z Factor)	$ 1,439	$ 219
LB1/LB2 (LockBody)	1,063	766
MGX292 (Morphogen-IX)	1,196	440
Lixivaptan (Palladio)	6,186	—
SerpinPC (ApcinteX)	831	—
PearlRiver (preclinical)	874	—
Imgatuzumab (Pega-One)	4,301	—
CBS001/CBS004 (Capella)	2,686	—
Janpix (preclinical)	1,466	—
Inexia and Orexia (preclinical)	4,786	—
Other preclinical and clinical development expenses	1,884	729
Personnel expenses	5,091	420
Research tax credits	(5,953)	(651)
	$ 25,850	$ 1,923

Research and development expenses for the Company for the three months ended September 30, 2021 was $25.9 million, compared to $1.9 million for the Centessa Predecessor Group during the three months ended September 30, 2020. The $23.9 million increase is primarily attributable to the growth in the portfolio of product candidates under development following the acquisition of the Centessa Subsidiaries in January 2021 as well as increased spending in the Centessa Predecessor Group. The increase in personnel related expenses includes an increase in headcount and an increase in share-based compensation expense of $1.5 million which is primarily attributable to the equity awards issued at the time of the acquisition and the subsequent issuances of awards through September 30, 2021.

General and Administrative Expense

The following table summarizes the general and administrative expenses for the following periods (in thousands):

	Successor	Predecessor
	Three months ended September 30, 2021	Three months ended September 30, 2020
Personnel expenses	$ 5,275	$ 17
Facilities and supplies	351	(3)
Legal and professional fees	3,578	134
Other expenses	3,260	45
	$ 12,464	$ 193

General and administrative expenses for the Company (Successor) for the three months ended September 30, 2021 was $12.5 million, compared to $0.2 million for the Centessa Predecessor Group during the three months ended September 30, 2020. The $12.2 million increase is primarily attributable to public company costs, the operating costs of Centessa Pharmaceuticals plc and Centessa Pharmaceutical Inc. including professional fees and personnel costs, and the increase in operating costs resulting from the acquired Centessa Subsidiaries. In addition, the increase in personnel related expenses includes an increase in headcount and an increase in share-based compensation expense of $2.6 million which is primarily attributable to the equity awards issued at the time of the acquisition and the subsequent issuances of awards through September 30, 2021.

Change in Fair Value of CVR

The Company did not recognize a change in fair value during the three months ended September 30, 2021 and 2020. The CVR, issued at the time of the acquisition, represents future payments (that will be satisfied through the issuance of Centessa shares) that are contingent upon the dosing of the first patient in a registrational Phase 3 study of Palladio's lixivaptan. The fair value is based on the cumulative probability of achieving this milestone, which did not change during the three months ended September 30, 2021.

Amortization of Debt

Amortization of debt discount for the Centessa Predecessor Group for the three months ended September 30, 2020 was $78,000 and primarily attributable to the bifurcated redemption feature. The loans were settled in January 2021 at which point all unamortized debt discounts were immediately recognized by the Centessa Predecessor Group.

Interest Income (Expense), net

Interest income (expense), net for the Company (Successor) for the three months ended September 30, 2021 was $65,000 and is primarily attributable to the interest earned on larger cash balances due to the Series A financing in January 2021 and the IPO in June 2021. Interest income (expense), net for the Centessa Predecessor Group for the three months ended September 30, 2020 was $(22,000) and is primarily attributable to the interest expense on the convertible term loans.

Other Income (Expense), net

Other income (expense), net for the Company (Successor) for the three months ended September 30, 2021 was $(1.9) million and is primarily attributable to the Company's foreign currency transaction losses. Other income (expense), net for the Centessa Predecessor Group for the three months ended September 30, 2020 was immaterial to the Group's results of operations.

Company (Successor) and Predecessor Group

The following table sets forth the Company (Successor)'s results of operations for the period from January 30, 2021 through September 30, 2021 and the Centessa Predecessor Group's results of operations for period from January 1, 2021 through January 29, 2021 and for the nine months ended September 30, 2020 (in thousands):

	Successor	Predecessor	
	Period from January 30, 2021 through September 30, 2021	Period from January 1, 2021 through January 29, 2021	Nine months ended September 30, 2020
Operating expenses:			
Research and development	54,126	$ 600	6,604
General and administrative	29,900	121	831
Change in fair value of contingent value rights	11,312	—	—
Acquired in-process research and development	220,454	—	—
Loss from operations	(315,792)	(721)	(7,435)
Interest income (expense), net	100	(9)	(56)
Amortization of debt discount	—	(37)	(220)
Other income (expense), net	(4,605)	—	(5)
Income tax charge/(benefit)	—		339
Net loss	$ (320,297)	$ (767)	$ (7,377)

Research and Development Expenses

The following table summarizes research and development expenses by program incurred for the following periods (in thousands):

	Successor	Predecessor	
	Period from January 30, 2021 through September 30, 2021	Period from January 1, 2021 through January 29, 2021	Nine months ended September 30, 2020
ZF874 (Z Factor)	$ 4,958	$ 323	$ 2,529
LB1/LB2 (LockBody)	3,132	241	1,911
MGX292 (Morphogen-IX)	2,904	125	1,886
Lixivaptan (Palladio)	9,847	—	—
SerpinPC (ApcinteX)	1,792	—	—
PearlRiver (preclinical)	1,867	—	—
Imgatuzumab (Pega-One)	6,674	—	—
CBS001/CBS004 (Capella)	3,887	—	—
Janpix (preclinical)	3,268	—	—
Inexia and Orexia (preclinical)	11,011	—	—
Other preclinical and clinical development expenses	2,847	35	729
Personnel expenses	13,054	98	1,252
Research tax credits	(11,115)	(222)	(1,703)
	$ 54,126	$ 600	$ 6,604

Research and development expenses for the Company (Successor) for the period from January 30, 2021 through September 30, 2021 was $54.1 million and for the Centessa Predecessor Group during the period from January 1, 2021 through January 29, 2021 was $0.6 million, compared to the Centessa Predecessor Group for the nine months ended September 30, 2020 of $6.6 million. The $48.1 million increase is primarily attributable to the growth in the portfolio of product candidates under development following the acquisition of the Centessa Subsidiaries in January 2021 as well as increased spending in the Centessa Predecessor Group. The increase in personnel related expenses includes an increase in headcount and an increase in share-based compensation expense of $3.4 million which is primarily attributable to the equity awards issued at the time of the acquisition and the subsequent issuances of awards through September 30, 2021.

General and Administrative Expense

The following table summarizes the general and administrative expenses for the following periods (in thousands):

	Successor	Predecessor	
	Period from January 30, 2021 through September 30, 2021	Period from January 1, 2021 through January 29, 2021	Nine months ended September 30, 2020
Personnel expenses	$ 12,405	$ —	$ 17
Facilities and supplies	452	—	—
Legal and professional fees	11,340	117	766
Other expenses	5,703	4	48
	$ 29,900	$ 121	$ 831

General and administrative expenses for the Company (Successor) for the period from January 30, 2021 through September 30, 2021 was $29.9 million and for the Centessa Predecessor Group during the period from January 1, 2021 through January 29, 2021 was $0.1 million, compared to the Centessa Predecessor Group for the nine months ended September 30, 2020 of $0.8 million. The $29.2 million increase is primarily attributable to public company costs, the operating costs of Centessa Pharmaceuticals plc and Centessa Pharmaceutical Inc. including professional fees and personnel costs, and the increase in operating costs resulting from the acquired Centessa Subsidiaries. In addition, the increase in personnel related expenses includes an increase in headcount and an increase in share-based compensation expense of $6.5 million which is primarily attributable to the immediate recognition of the certain replacement awards issued to the Centessa Subsidiaries and the options granted through September 2021 by the Company (Successor).

Acquired In-Process Research and Development

During the period from January 30, 2021 through September 30, 2021, the Company (Successor) recognized $220.5 million of expense associated with research and development projects of the Centessa Subsidiaries which were in-process with no alternative future use.

Change in Fair Value of CVR

The Company (Successor) recognized $11.3 million for the change in fair value of the contingent value right for the period from January 30, 2021 through September 30, 2021. The change was attributable to the fair market value adjustment related to the achievement of a specified development milestone for Palladio Biosciences, Inc.’s product candidate.

Other Income (Expense), net

Other income (expense), net for the Company (Successor) for the period from January 30, 2021 through September 30, 2021 was $(4.6) million and was primarily attributable to foreign currency losses resulting from remeasuring the Company’s USD cash and cash equivalents of Centessa Pharmaceutical plc to GBP in the first quarter of 2021. Other income (expense), net for the Centessa Predecessor Group for the period from January 1, 2021 through January 29, 2021 and for the nine months ended September 30, 2020 was immaterial to the Group’s results of operations.

Amortization of Debt Discount

Amortization of debt discount for the Centessa Predecessor Group was $(37,000) and $(0.2) million during the period from January 1, 2021 through January 29, 2021 and for the nine months ended September 30, 2020, respectively and attributable to the convertible term loans. The loans were settled in January 2021 at which point all unamortized debt discounts were immediately recognized by the Centessa Predecessor Group.

Interest Income (Expense), net

Interest income (expense), net for the Company (Successor) for the period from January 30, 2021 through September 30, 2021 was $100,000 and is primarily attributable to the interest earned on larger cash balances due to the Series A financing in January 2021 and the IPO in June 2021. Interest income (expense), net for the Centessa Predecessor Group for the period from January 1, 2021 through January 29, 2021 and for the nine months ended September 30, 2020 was $(9,000) and $(56,000), respectively and primarily attributable to interest expense on the convertible term loans.

Liquidity and Capital Resources

Sources of Liquidity

As of September 30, 2021, the Company had cash and cash equivalents of $578.8 million. Concurrent with the acquisition of the Centessa Subsidiaries by the Company (Successor) in January 2021, the Company (Successor) completed a $250.0 million Series A convertible preferred financing that was comprised of $245.0 million in proceeds and the $5.0 million conversion of a convertible debt instrument. In June 2021, the Company (Successor) completed its IPO and shortly after the close of the IPO, the underwriters exercised their option in full to purchase an additional 2,475,000 ADSs at the initial public offering price of $20.00 per ADS. The Company (Successor) received aggregate net proceeds of $344.1 million which includes the full exercise of the underwriters' option.

In October 2021, the Company entered into a financing agreement with funds managed by Oberland Capital, which provides the Company additional funds to further scale up our development activities and to enhance balance sheet flexibility for potential pipeline extension. Under the terms of the agreement, Oberland Capital will purchase up to $300.0 million of 6-year, interest-only (initial interest rate is 8.0% per annum), senior secured notes from us including $75.0 million, funded on October 4, 2021, $125.0 million available in tranches of $75 million and $50 million within 24 months at the Company's option, and $100.0 million available to fund M&A, in-licensing, or other strategic transactions, at the option of the Company and Oberland Capital.

The Company (Successor) has no ongoing material financing commitments, such as lines of credit or guarantees, that are expected to affect liquidity over the next five years. The maturity date of the Oberland Capital Notes is October 4, 2027.

Cash Flows

Company (Successor) and Centessa Predecessor Group

The following table shows a summary of cash flows for the periods indicated (in thousands):

	Successor	Predecessor	
	Period from January 30, 2021 through September 30, 2021	Period from January 1, 2021 through January 29, 2021	Nine months ended September 30, 2020
Net cash (used in) provided by:			
Operating activities	(78,682)	(987)	(7,349)
Investing activities	63,320	—	—
Financing activities	585,718	—	77
Exchange rate effect on cash and cash equivalents	3,493	18	(430)
Net increase (decrease) in cash and cash equivalents	$ 573,849	$ (969)	$ (7,702)

Operating Activities

During the period from January 30, 2021 through September 30, 2021, the Company (Successor) used $78.7 million of net cash in operating activities. Cash used in operating activities reflected a net loss of $320.3 million, offset by a $220.5 million non-cash charge for acquired in-process research and development in connection with the acquisition of the Centessa Subsidiaries, $13.1 million other non-cash charges for non-cash interest expense, depreciation expense, share-based compensation expense, and amortization of unpaid D&O insurance premiums, $11.3 million in non-cash change in fair value of contingent value right, and $(3.2) million net change in operating assets and liabilities.

During the period from January 1, 2021 through January 29, 2021, the Group used $1.0 million of net cash in operating activities. Cash used in operating activities reflected the net loss of $0.8 million and $(0.2) million net change in operating assets and liabilities.

During the nine months ended September 30, 2020, the Group used $7.3 million of net cash in operating activities. Cash used in operating activities reflected a net loss of $7.4 million and $(0.1) million net change in operating assets and liabilities.

Investing Activities

During the period from January 30, 2021 through September 30, 2021, net cash provided by investing activities for the Company (Successor) was $63.3 million and is primarily attributable to the $68.0 million of cash acquired in connection with the acquisition of the Centessa Subsidiaries which was partially offset by the related $4.6 million of transaction costs paid during the period and $0.1 million in purchases of property and equipment.

There were no investing activities for the Group during the period from January 1, 2021 through January 29, 2021 and for the nine months ended September 30, 2020.

Financing Activities

During the period from January 30, 2021 through September 30, 2021 financing activities for the Company (Successor) provided $585.7 million in net cash proceeds and is primarily attributable to the sale of the Company (Successor)'s Series A preferred shares in January 2021 and the IPO in June 2021. The Company (Successor) also received $0.3 million in proceeds upon the exercise of stock options.

There were no financing activities for the Group for the period from January 1, 2021 through January 29, 2021. During the nine months ended September 30, 2020 the cash flow from financing activities was immaterial to the Group's combined statement of cash flow.

Funding Requirements

Following the acquisition of the Centessa Subsidiaries in January 2021, the Company (Successor) expects expenses to increase in connection with ongoing activities, particularly as the Company (Successor) continues the research and development of, continues or initiates clinical trials of, and seeks marketing approval for any current and future product candidates. In addition, if marketing approval is obtained for any product candidates, the Company (Successor) expects to incur significant commercialization expenses related to product sales, marketing, manufacturing and distribution. Furthermore, following the completion of our IPO, additional costs associated with operating as a public company are expected. Accordingly, there will be a need to obtain substantial additional funding in connection with the continuing operations. For the foreseeable future, the Centessa Subsidiaries expect the significant majority of their funding to come from the Company (Successor). If the Company (Successor) is unable to raise capital when needed or on attractive terms, it would be forced to delay, reduce or eliminate research and development programs or future commercialization efforts.

The Company (Successor) anticipates that its expenses will increase substantially as it:

- seeks to discover and develop current and future clinical and preclinical product candidates;
- scales up clinical and regulatory capabilities;
- adapts regulatory compliance efforts to incorporate requirements applicable to marketed products;
- establishes a sales, marketing and distribution infrastructure and scale up external manufacturing capabilities to commercialize any product candidates for which regulatory approval may be obtained;
- maintains, expands and protects the intellectual property portfolio;
- hires additional internal or external clinical, manufacturing and scientific personnel or consultants;
- adds operational, financial and management information systems and personnel, including personnel to support product development efforts; and
- incurs additional legal, accounting and other expenses in operating as a public company.

Because of the numerous risks and uncertainties associated research, development and commercialization of product candidates, the Company (Successor) is unable to estimate the exact amount of its working capital requirements. Future funding requirements will depend on and could increase significantly as a result of many factors, including:

- the scope, progress, results and costs of preclinical studies and clinical trials;
- the scope, prioritization and number of research and development programs;
- the costs, timing and outcome of regulatory review of product candidates;
- the ability to establish and maintain collaborations on favorable terms, if at all;
- the extent to which obligations to reimburse exist, or entitled to reimbursement of, clinical trial costs under collaboration agreements, if any;

- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing intellectual property rights and defending intellectual property-related claims;
- the costs of securing manufacturing arrangements for commercial production; and
- the costs of establishing or contracting for sales and marketing capabilities if regulatory approvals are obtained to market product candidates.

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

Licensing Arrangements

Z Factor License Agreement

In February 2015, Z Factor Limited entered into a license agreement with Cambridge Enterprise Limited ("CE"), which is a company wholly owned by the University of Cambridge, relating to small molecule chaperones to correct the folding of Z-alpha-1-antitrypsin ("Z-chaperones"). Under such license agreement, Z Factor obtained from CE an exclusive, worldwide, royalty-free, sublicensable (subject to certain requirements) license, (the "CE Exclusive License"), to certain specified deliverables, (the "CE Data"), materials and know-how, (the "Exclusive Licensed Technology"), for the development Z-chaperones. Z Factor also obtained a non-exclusive, worldwide, royalty-free, sublicensable (subject to certain requirements) license ("CE Non-Exclusive License"), to certain knowledge, experience, materials, data and technical or regulatory information which may be of commercial interest to Z Factor ("Non-Exclusive Technical Know-How"), in the Z-chaperones field. Under the CE Exclusive License and the CE Non-Exclusive License (collectively, the Z Factor License Agreement), Z Factor has the worldwide right to research, develop, manufacture, market, sell and distribute Z-chaperones in the Field. CE, in accordance with its standard practice, has reserved on behalf of University of Cambridge, and its researchers, a limited, irrevocable, world-wide, royalty-free, right to use the Exclusive Licensed Technology and Non-Exclusive Technical Know-How in the Field for academic publication, teaching, and academic research, but specifically excluding any commercial use or exploitation.

In exchange for the rights under the license agreement, Z Factor granted to CE a number of ordinary shares of Z Factor, in addition to an upfront license fee, and reimbursing CE for out-of-pocket expenses incurred by CE prior to the effective date of the Z Factor License Agreement. Z Factor is also obligated to pay to CE total aggregate milestone payments in the low hundreds of thousands of pounds sterling upon satisfaction of certain financing and developmental milestones. Each milestone payment is payable only once, regardless of multiple INDs submitted for different therapeutic indications, for the term of the Z Factor License Agreement.

Unless terminated earlier, the Z Factor License Agreement will be in effect for a period of 20 years from the effective date. Z Factor may continue to use all know-how after expiry of the Z Factor License Agreement. Z Factor may terminate the License at any time for convenience with adequate written notice to CE. Either party may terminate the License if the other materially breaches the agreement without timely remedy, becomes insolvent, or if acts of nature exist for an extended period of time. Z Factor may assign the Z Factor License Agreement without CE's prior consent in connection with a transfer of substantially all of Z Factor's assets. In all other cases, Z Factor would obtain the prior written consent from CE before assigning its rights and obligations under the Z Factor License Agreement.

Morphogen-IX License Agreement

On October 30, 2015, Morphogen-IX entered into a Patent and Know-How License Agreement ("License"), with CE, relating to BMP 9 and 10. Pursuant to the agreement, Morphogen-IX obtained from CE an exclusive, worldwide, royalty-bearing, sublicensable (through multiple tiers) license ("Exclusive CE License"), under certain patent rights ("BMP Patents"), and certain technical information and materials relating to BMP 9 and 10 ("BMP Know-How"), for the treatment of all diseases, including prophylaxis, for human and animal health or any related research or development (the "Field"). Morphogen-IX also obtained a non-exclusive, worldwide, royalty-bearing, sublicensable (through multiple tiers) license (the "CE Non-Exclusive License"), to certain, data, technical information and other know-how that is not specific to BMP 9 and 10 (the "Non-Exclusive Know-How"). Under the CE Exclusive License and the CE Non-Exclusive License, Morphogen-IX has the right to develop and commercialize any product, process, service or use that uses or incorporates any BMP Patents, the BMP Know-

How or the Non-Exclusive Know-How, or any materials that are sold in conjunction with any such products or services, in each such case, a Licensed Product. CE has reserved a customary limited right to use the BMP Patents, BMP Know-How and Non-Exclusive Know-How for academic publication, teaching, and academic research.

In addition to the rights described above, Morphogen-IX also obtained the right to exclusively license, upon request, any and all improvements, modifications, and other developments to the BMP Patents or the BMP Know-how arising during the term of the agreement ("BMP Improvements"), provided that such BMP Improvements have been created by any or all of the inventors named in the BMP Patent and assigned to CE within 3 years from the effective date of the agreement.

Morphogen-IX must use commercially reasonable efforts to develop and commercialize the Licensed Products in accordance with the development plan, to introduce Licensed Products into the commercial market and to market Licensed Products after such introduction in the market, and to commit the necessary and available funding and personnel to maximize sales and corresponding return to CE under the License. Morphogen-IX, at its own cost, has the right to control the prosecution, maintenance and enforcement of the BMP Patents. CE has certain step-in rights if Morphogen-IX does not conduct certain BMP patent-related activities as set forth in the License.

In consideration for the rights granted by CE under the License, Morphogen-IX is obligated to reimburse CE for out-of-pocket expenses incurred by CE prior to the effective date of the License and pay an annual license fee of $14,000 (£10,000 at an exchange rate of 0.73).

Additionally, Morphogen-IX is obligated to pay CE certain milestone payments in the aggregate amount of up to $1.0 million (£0.8 million at an exchange rate of 0.73) upon the achievement of certain development and regulatory milestones. Upon commercialization of any Licensed Products, Morphogen-IX is obligated to pay CE a low single-digit royalty based on Morphogen-IX's or its sublicensee's annual net sales for each Licensed Product in the relevant country until the expiry of the royalty term, subject customary royalty deductions for necessary third party licenses. In countries where valid claims exist under the licensed patents, royalties are payable on a Licensed Product-by-Licensed Product and country-by-country basis until there are no more valid claims under the licensed patents in the relevant country.

Unless terminated earlier, the agreement will be in effect until the licensed patents have expired or been revoked without a right of further appeal; Morphogen-IX retains the right to use the licensed know-how in such circumstances. Morphogen-IX may terminate the License at any time for convenience with adequate written notice to CE. Either party may terminate the License based on customary termination rights. CE retains the right to terminate the agreement if Morphogen-IX challenges the validity or ownership of the BMP patents.

Palladio Biosciences Inc. License

As of September 30, 2021 Palladio owns one pending US patent application and six pending foreign applications in Japan, Europe, Australia, Canada, Mexico, and Korea. Palladio's patent portfolio includes claims directed to methods of treatment with lixivaptan. The pending patent applications, if issued, are expected to expire in 2038, without taking into account any possible patent term adjustments or extensions and assuming payment of all appropriate maintenance, renewal, annuity, or other governmental fees.

In July 2016, Palladio acquired Cardiokine, Inc. from Chiesi USA, Inc. ("Chiesi"). In connection with the acquisition, Palladio inherited a license from Wyeth (now Pfizer) for lixivaptan and certain historical contingent payment obligations (see below "Payments due to certain former Cardiokine stakeholders") and agreed to make certain contingent consideration payments to Chiesi (see below "Payments due to Chiesi"). Palladio subsequently acquired the rights due to certain (but not all) former Cardiokine stakeholders, reducing the contingent future obligations (the "Repurchased Rights").

Under the license agreement ("Palladio License Agreement"), Wyeth granted to Palladio an exclusive, worldwide, perpetual, sublicensable license under certain patents and know-how to research, develop, manufacture and commercialize, or exploit, products containing lixivaptan ("Licensed Products"), in all fields other than veterinary use. All in-licensed patents directed to composition of matter of lixivaptan and certain methods of use related to lixivaptan have expired.

Palladio is obligated to use commercially reasonable efforts to exploit the Licensed Products in the United States, Canada, United Kingdom ("UK") and certain European Union ("EU") countries. Before Palladio can enter into a marketing partnership, co-promotion or other similar relationship for a Licensed Product for an indication in a country, Chiesi has a right of first negotiation to enter into such a marketing partnership with Palladio.

Unless earlier terminated, the Palladio License Agreement will terminate on a country-by-country basis upon the later of (i) the expiration of the last to expire licensed patent, or (ii) ten years after the first commercial sale of each Licensed Product in such country. In any such terminated country, Palladio has an irrevocable, nonexclusive, fully paid-up, perpetual and royalty-free, fully transferable license under the licensed patents and licensed know-how to manufacture and commercialize such Licensed Product in such country, with the right to grant sublicenses. In certain cases, Palladio may terminate the Palladio License Agreement for convenience with written notice to Wyeth. Either party may terminate if the other party materially breaches the Palladio License Agreement or becomes insolvent. Palladio may assign the Palladio License Agreement without Wyeth's prior consent in connection with the acquisition of Palladio. In all other cases, Palladio must obtain the prior written consent of Wyeth before assigning the license agreement.

Palladio has certain milestone obligations and certain royalty obligations arising in the event a Licensed Product is commercialized and the corresponding sales milestones are met as follows:

Payments due to Chiesi

The terms of the Cardiokine acquisition from Chiesi included certain contingent consideration payments which would be due to Chiesi in the event a Licensed Product is commercialized. Such payments are structured as a tiered percentage of net sales with aggregate annual payment to Chiesi capped at $32.5 million.

Payments due to certain former Cardiokine stakeholders

There are certain consideration payments previously agreed with Cardiokine stakeholders that were inherited by Palladio when it acquired Cardiokine and such payment obligations remain and would be due in the event the payment criteria are met. These comprise sales based milestones and royalty payments, including sales based milestones to former stakeholders of up to $16.3 million and low single digit royalty payments (the first $19 million of which would be due to Pfizer). In all cases these amounts take into account the effect of the Repurchased Rights.

In the event Palladio sublicenses the ex-US rights to the Licensed Product to third parties, Palladio is further obligated to share any up-front payments and royalties it earns from such ex-US sublicenses, subject to certain caps, with the former Cardiokine stakeholders. Certain other obligations arise if Palladio develops the Licensed Product for indications other than ADPKD.

ApcinteX Limited License Agreement

In December 2016, ApcinteX entered into an Exclusive Patent and Non-Exclusive Know-How License Agreement ("ApcinteX License Agreement") with CE. Under the ApcinteX License Agreement, ApcinteX obtained from CE an exclusive, worldwide, royalty-bearing, sublicensable (subject to certain requirements) license under certain patent rights and technical information, know-how and materials specific to modified serpins for the treatment of bleeding disorders (the "Exclusive Know-How"), for the field of development, manufacture and sale of licensed products, processes or uses, or Licensed Products, for the diagnosis, prognosis and treatment of human disease. ApcinteX also obtained a non-exclusive, worldwide, royalty-bearing, sublicensable (subject to certain requirements) license to additional technical information, know-how and materials (the "Non-Exclusive Know-How") for the development, manufacture and sale of Licensed Products in the field. The licensor has, in accordance with its standard practice, retained an irrevocable, worldwide, royalty-free right to use the licensed patents and know-how for publication, teaching, academic research, and clinical patient care, but specifically excluding any commercial use or exploitation on behalf of the inventors and the University of Cambridge and other associated institutions.

ApcinteX also has the right to license, with the rights to sublicense, certain improvements, modifications, new applications and other developments, either on an exclusive basis or non-exclusive basis, as applicable, that are generated by, or under the supervision of, Dr. Trevor Baglin or Professor Jim Huntington, and are disclosed by CE to ApcinteX related to the field for a period of three years after the effective date of the license.

In exchange for the rights under the ApcinteX License Agreement, ApcinteX granted to CE a number of ordinary shares of ApcinteX and paid an upfront license fee, and reimbursed CE for out-of-pocket expenses incurred by CE prior to the entry into the ApcinteX License Agreement.

ApcinteX is also obligated to pay to CE an annual license fee equal to low double-digit thousands of pounds sterling, and for each Licensed Product, total aggregate milestone payments in the upper hundreds of thousands of pounds sterling upon meeting certain clinical and approval milestones. Upon commercialization of any Licensed Products, ApcinteX is obligated to

pay to CE a flat low-single digit royalty based on ApcinteX's and its sublicensees' net sales. In countries where valid claims exist under the licensed patents, royalties are payable once on a Licensed Product-by-Licensed Product and country-by-country basis until there are no more valid claims under the licensed patents in the relevant country, subject to a customary step-down if ApcinteX considers it necessary to obtain a license to third party patents.

ApcinteX may terminate the ApcinteX License Agreement at any time for convenience with written notice to CE. CE has the right to terminate the agreement if ApcinteX challenges the validity or ownership of the licensed patents. Either party may terminate if the other party materially breaches the ApcinteX License Agreement without remedy, becomes insolvent, or in the event of force majeure. ApcinteX may assign the ApcinteX License Agreement without CE's prior consent in connection with a transfer of substantially all of ApcinteX's assets. In all other cases, ApcinteX would be required to obtain the prior written consent of CE before assigning its rights and obligations under the ApcinteX License Agreement.

PearlRiver C797 License Agreement

In June 2020, PearlRiver Bio GmbH ("PearlRiver") entered to an assignment agreement with Lead Discovery Center GmbH and TU Dortmund (together, the "Assignors"), involving small molecule inhibitors of C797 mutated EGFR and related inventions ("C797", or "Product"). Under the assignment agreement, the Assignors each and jointly sold, assigned and transferred to PearlRiver their entire right, title and interest to certain know-how, patent application, invention disclosures, chemical and biological materials, and data analyses related to C797 ("Assigned Technology"). PearlRiver has the sole right but not the obligation to control patent prosecution at its own cost. To the extent requested by PearlRiver, and not included under the Assigned Technology, Assignors also agreed to grant a worldwide, non-exclusive, irrevocable, perpetual, transferable, right and license under C797 related intellectual property rights and/or know-how, for the purpose of developing, manufacturing, marketing, selling and/or otherwise commercializing any products or medical technology based on or comprising C797. PearlRiver is obligated to use commercially reasonable efforts commercialize one or more Products at its own expense.

In consideration for the rights under the assignment agreement, PearlRiver paid Assignors an upfront fee in the mid-to-high five-digit range in euros. In addition, PearlRiver is obligated to pay Assignors up to a high single-digit millions in euros in total aggregate milestone payments upon meeting certain clinical and approval milestones and up to low double digit millions in euros in total aggregate sales milestone payments.

Upon commercialization of any Products, PearlRiver is obligated to pay to Assignors a tiered low single-digit royalty based on annual net sales on a Product-by-Product and country-by-country basis until the expiry of the royalty term. The royalty term will expire upon the later of (i) the date on which the manufacture, distribution, use, marketing or sale of such Product in such country no longer infringes a valid claim of a patent in such country or (ii) ten years from the date of the first commercial sale of such Product in such country. The royalty payments are subject to certain reductions if for third party licenses.

If PearlRiver materially breaches the assignment agreement (including a breach of payment obligations), the Assignors may withdraw from the agreement. In such event, PearlRiver is obligated to retransfer its rights to the Assigned Technology to the Assignors. However, in case of withdrawal, PearlRiver will automatically receive a non-exclusive, transferable license, which includes the right to sublicense in multiple tiers, to use the Assigned Technology for the development, manufacture, testing, authorization and/or commercialization of any technology and/or compounds, drug substance and/or drug products based on C797 and/or the Assigned Technology. PearlRiver will still be responsible for any milestone and royalty payments described above.

PearlRiver Lead Discovery Center License Agreement

In March 2019, Lead Discovery Center GmbH ("Lead Discovery") entered into a license agreement with PearlRiver related to small molecule inhibitors of Her2 and EGFR carrying Exon 20 mutations. Under the license agreement, PearlRiver obtained an exclusive, worldwide, transferable and sublicensable (subject to certain conditions) license, under certain patents, patent applications, technical information and licensed know-how, to research, develop, make, use, manufacture, have manufactured, offer, promote, sell, import or export products that use or incorporate the licensed know-how and technology. PearlRiver also obtained a non-exclusive, worldwide, transferable and sublicensable (subject to certain conditions) license, under the Lead Discovery's background intellectual property, to research, develop, make, use, manufacture, have manufactured, offer, promote, sell, import or export products and/or otherwise exploit the licensed technology. Lead Discovery retains the non-exclusive, non-transferable, cost-free right to make, have made and use specific materials for internal non-commercial scientific research purposes, and to provide materials for non-commercial collaborations not interfering with the development of the products under the license agreement, and for other scientific purposes solely to non-profit research organizations.

In consideration for the rights under the license agreement, PearlRiver is to pay Lead Discovery low single-digit royalties on the net sales of each licensed product that is sold or supplied by PearlRiver or any of its sublicensees (subject to certain scenarios). Royalties are on a product-by-product and country-by country basis. Payments will commence with the first commercial sale of such product in a country and continue for the later of: (i) the date on which the manufacture, distribution, marketing or sale of a Product no longer infringes a valid claim (being a claim from an unexpired patent right or a patent application using the licensed technology) in such country; or (ii) ten years after the first commercial sale in such country. Additionally, PearlRiver is required to pay certain one-time tiered milestone payments, on a molecule-by-molecule basis, in the low double digits million pounds sterling, and a one-time low double digits million pounds sterling sales milestone once cumulative net sales equal or exceed £0.5BN.

The license agreement lasts until terminated or until the last royalty term expires. PearlRiver may terminate the agreement for convenience at its sole discretion with adequate written notice to Lead Discovery. Each party has customary termination rights in the event of breach. Lead Discovery is able to terminate in the event PearlRiver notifies Lead Discovery of an intent to cease activities related to the licensed technology or the termination of the development of all Exon 20 development activities. In the event of termination, all licenses would cease and all research, development, manufacturing, marketing, sales and distribution of products that use or incorporate the licensed know-how and any other use of the patents would end. Additionally, if PearlRiver terminates the license agreement for convenience, it must transfer certain inventions, intellectual property, records and title and interest in and to regulatory filings rights back to Lead Discovery. In the event PearlRiver terminates the license agreement due to a breach by Lead Discovery, PearlRiver would retain a non-exclusive, worldwide, perpetual, irrevocable, royalty-free, sublicensable license to licensed technology to the extent necessary to enable the use of research results for the purpose of researching, developing, making, using, selling and importing products in the field.

Orexia License Agreement

In January 2019, Heptares Therapeutics Limited (“Heptares”) entered into a license, assignment, and research services agreement with Orexia Therapeutics Limited (“Orexia”), which was amended and restated in 2020 (together the “Orexia Agreement”), relating to certain specific molecules with, among other criteria, the primary mode of action of an orexin agonist or orexin positive modulator (“Molecules”). Under the Orexia Agreement, Heptares assigned to Orexia all of Heptares’ right, title, and interest in and to intellectual property that is already in existence and that is developed as a result of the agreement that relates solely to Molecules or products that contain Molecules (“Products”), including all rights to obtain patent or similar protection throughout the world for such intellectual property and to take any and all actions regarding past infringements of existing intellectual property. Additionally, Heptares granted to Orexia an exclusive, sublicensable (subject to certain terms) license to make, import, export, use, sell, or offer for sale, including to development, commercialization, registration, modification, enhancement, improvement, manufacturing, holding, keeping or disposing of Molecules and Products. Orexia granted to Heptares a non-exclusive license with the right to grant certain sublicenses under Molecule-specific intellectual property and Orexia intellectual property that is necessary or useful for the exploitation of a Molecule or Product. Heptares must not by itself or through a third party (other than a single company) exploit, use or dispose of, among other things, any product in the field of orexin agonism and orexin positive modulation for the duration of the agreement and for three years thereafter.

In consideration for the assignment and license, Orexia is to pay to Heptares a royalty in the low single-digits on net sales of Products (subject to limitations in certain scenarios). Royalties are on a Product-by-Product and country-by country basis. Payments shall commence with the first commercial sale of such product in a country and shall continue until the later of: (a) the duration of regulatory exclusivity in the country; or (b) ten years after the first commercial sale. Further, Orexia is responsible for all development costs incurred by itself or Heptares in the performance of the research program (within the confines of the research budget). Additionally, Orexia must pay Heptares, on a Molecule-by-Molecule basis, development milestone payments in the aggregate of a low double-digit number in the millions of pounds sterling. Milestone payments are payable once per Molecule.

Orexia may terminate the agreement at any time following the expiration or termination of the research program. In addition, customary termination rights exist for both parties for breach and insolvency. In the event of termination, all licenses automatically terminate.

The term of the agreement is until the later of: (i) the expiration of the last to expire patent within the licensed intellectual property; (ii) the expiration of the royalty term; and (iii) the fifteenth anniversary of the effective date. Upon expiration, with respect to any given Molecule, the license granted to Orexia shall become perpetual, irrevocable, and fully-paid up.

LockBody IP Assignment

Our subsidiary, LockBody (f/k/a Ultrahuman Six Limited ("UH6")) has obtained from Ultrahuman Limited ("UH"), an assignment of all intellectual property rights, title, and interest related to the LockBody platform. In September 2019, UH and UH6 entered into an Amended and Restated Intellectual Property Assignment Agreement ("IP Assignment"), expanding the prior April 2017 IP Assignment related to the UH6 antibodies, to further include intellectual property related to the LockBody platform technology which enables the activity of pharmaceutically-active molecules such as an antibody or receptor proteins to be locked inside a carrier molecule in an inactive prodrug state, until the prodrug so encapsulated is activated within a desired tissue, whereon the prodrug is released, including the use of platform technology with an antibody.

LockBody also owns certain patent rights related to the LB1 bispecific antibody targeting CD47 for the treatment of solid tumors.

Janpix Limited License Agreement

In July 2017, Janpix Limited ("Janpix") entered into a license agreement with the Governing Council of the University of Toronto ("UT") related to direct small molecule modulators of signal transducer and activator of transcription 3 ("STAT 3") and signal transducer and activator of transcription 5 ("STAT 5"). Under the license agreement, Janpix obtained an exclusive, worldwide, sublicensable (subject to certain conditions) license, under certain patents and know-how ("Licensed Technology"), to research, develop, manufacture, market, sell, distribute and commercially exploit any licensed products for all uses in humans and animals (the "Field"). UT has retained for itself and certain other institutions, a customary right of use to the Licensed Technology for academic research and educational purposes. Additionally, Janpix has the right to exclusively license, with the right to sublicense, certain improvements to the Licensed Technology under the license agreement. Janpix also has an option right to negotiate a new license grant to any other intellectual property related to STAT 3 and/or STAT 5 inhibitors that is not considered an improvement under the license agreement.

Upon satisfaction of certain development and regulatory milestones, Janpix may be obligated to pay to UT total aggregate milestone payments in the low tens of millions of dollars upon the achievement of certain development and regulatory milestones. Janpix is also obligated to pay to UT aggregate sales milestone payments up to in the low tens of millions of dollars based on total worldwide aggregate annual net sales for all licensed products containing a Licensed Compound. Each milestone payment is payable only once for a licensed product during term of the license agreement. Upon commercialization of any licensed products, Janpix is obligated to pay to UT a flat low to mid-single digit royalty based on Janpix's and its sublicensees' net sales, subject to certain royalty reductions when there are no more valid claims under the licensed patents in the relevant country or if Janpix deems it necessary to obtain a license to third party patents to avoid infringement.

Unless terminated earlier, the license agreement expires on the date that the underlying patents expire and there is no possibility of any applications in the patents proceeding to grant. Janpix may terminate the agreement upon reasonable grounds with adequate written notice. Either party may terminate the license agreement based on customary termination rights, or if UT challenges the validity of patents or the substantial or secret nature of the licensed know-how. In the event of termination, all licenses shall cease and revert to the relevant institution, and Janpix must cease all exploitation of the Licensed Technology.

Critical Accounting Policies

Management's discussion and analysis of its financial condition and results of operations is based on the unaudited interim consolidated and combined financial statements of the Company (Successor) and Centessa Predecessor Group which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires estimates and judgments be made that affect the reported amounts of assets, liabilities, and expenses and the disclosure of contingent assets and liabilities in the combined financial statements. On an ongoing basis, an evaluation of estimates and judgments are required, including those related to accrued expenses contingent consideration and share-based compensation. Estimates are based on historical experience, known trends and events, and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

While the significant accounting policies are described in more detail in Note 2 to the Company (Successor)'s and the Group's unaudited interim consolidated financial statements, the following accounting policies are the most critical to the judgments and estimates used in the preparation of the financial statements.

Research and Development Accruals

Research and development expenses consist primarily of costs incurred in connection with the development of product candidates. Research and development costs are expensed as incurred.

Expenses for preclinical studies and clinical trial activities performed by third parties are accrued based upon estimates of the proportion of work completed over the term of the individual trial and patient enrollment rates in accordance with agreements with CROs and clinical trial sites. Estimates are determined by reviewing external service providers as to the progress or stage of completion of trials or services and the agreed-upon fee to be paid for such services. However, actual costs and timing of clinical trials are highly uncertain, subject to risks and may change depending upon a number of factors, including the clinical development plan.

Estimates of accrued expenses are made as of each balance sheet date in the financial statements based on facts and circumstances known at that time. If the actual timing of the performance of services or the level of effort varies from the estimate, an adjustment to the accrual will be made accordingly. Nonrefundable advance payments for goods and services, including fees for process development or manufacturing and distribution of clinical supplies that will be used in future research and development activities, are recognized as expense in the period that the related goods are consumed or services are performed.

Milestone payments within the Company (Successor)'s licensing arrangements are recognized when achievement of the milestone is deemed probable to occur. To the extent products are commercialized and future economic benefit has been established, commercial milestones that become probable are capitalized and amortized over the estimated remaining useful life of the intellectual property. In addition, royalty expenses are accrued and sublicense non-royalty payments, as applicable, for the amount it is obligated to pay, with adjustments as sales are made.

Contingent Value Rights

In connection with the acquisition of Palladio, the Company (Successor) issued contingent value rights, or CVR, to former shareholders and option holders of Palladio. In total, the CVR represent the contractual rights to receive payment of $39.7 million upon the first patient dosed in a Phase 3 pivotal study of lixivaptan for the treatment of ADPKD in any of the United States, France, Germany, Italy, Spain, the United Kingdom and Japan (designated the ACTION Study). The contingent milestone, if triggered, will be settled through the issuance of the Company (Successor)'s ordinary shares equal to the amount of the total CVR payable based on the per share value of ordinary shares at the milestone date.

The Company (Successor) determined that the contingent value rights should be accounted for as a liability in accordance with ASC 480. Accordingly, fair value of the contingent consideration will be assessed quarterly until settlement. To estimate the fair value of the CVR, the Company (Successor) applied a cumulative probability of achieving the clinical milestone and applied it to the potential payout.

Share-Based Compensation

The Group and Company (Successor) measure compensation expense for all share-based awards based on the estimated fair value of the award on the grant date. The Group and Company (Successor) grant share-based awards in the form of ordinary shares and are accounted for as restricted shares due to the nominal exercise price at the time of grant. Compensation expense associated with B ordinary awards are recognized on a straight-line basis over the requisite service period, which is generally the vesting period of the award. Palladio has issued stock option awards and uses the Black-Scholes option pricing model to value its awards.

The Black-Scholes option-pricing model requires the use of subjective assumptions that include the expected stock price volatility and the fair value of the underlying common shares on the date of grant. See Note 9 to the Company (Successor)'s unaudited interim consolidated financial statements for information concerning certain of the specific assumptions used in applying the Black-Scholes option pricing model to determine the estimated fair value of stock options granted during the nine months ended December 31, 2019 and for the year ended December 2020 for Palladio and during the period from January 30, 2021 through March 31, 2021 for the Company (Successor).

Determining the Fair Value of Ordinary Shares Prior to the IPO

As there was no public market for our ordinary shares prior to the IPO, the estimated fair value of our ordinary shares has been determined by our board of directors as of the date of each option grant, with input from management, considering

third-party valuations of our ordinary shares, which were performed contemporaneously with events which management believed would have an impact on the valuation of our ordinary shares. Our board of directors considered various objective and subjective factors, along with input from management, to determine the fair value of our ordinary shares, including:

- our nascent stage of development and business strategy, including the status of research and development efforts of its product candidates and the material risks related to its business and industry;
- our results of operations and financial position, including our levels of available capital resources;
- the valuation of publicly traded companies in the life sciences and biotechnology sectors, as well as recently completed mergers and acquisitions of peer companies;
- the lack of marketability of our ordinary shares as a private company;
- the most recent price of our convertible preferred shares sold to investors in arm's length transactions and the rights, preferences and privileges of our convertible preferred shares relative to those of our ordinary shares;
- the likelihood of achieving a liquidity event for the holders of our ordinary shares, such as an initial public offering or a sale of our, given prevailing market conditions;
- trends and developments in our industry; and
- external market conditions affecting the life sciences and biotechnology industry sectors.

The third-party valuations of our ordinary shares that our board of directors considered in making its determinations were performed in accordance with the guidance outlined in the "Practice Guide", which prescribes several valuation approaches for determining the value of an enterprise, such as cost, market and income approaches, and various methodologies for allocating the value of an enterprise to its capital structure and specifically the ordinary shares.

Our determinations of the fair value of the ordinary shares were performed using methodologies, approaches and assumptions consistent with the Practice Guide. Following the completion of our IPO, the fair value of our ordinary shares was determined based on the quoted market price of our ADSs representing our ordinary shares. Refer to Footnote 9 - Share based compensation.

Recent Accounting Pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial position and results of operations is disclosed in Note 2, "Summary of Significant Accounting Policies" in our consolidated financial statements included elsewhere in this Quarterly Report.

Contractual Obligations and Other Commitments

As of September 30, 2021, other than what has been disclosed in Note 7 – Commitment and contingencies, we had no material contractual obligations and other commitments associated with contracts that are enforceable and legally binding and that specify all significant terms, including fixed or minimum services to be used, fixed, minimum or variable price provisions, and the approximate timing of the actions under the contracts.

In connection with our acquisition of the Centessa Subsidiaries in January 2021, we issued contingent value rights, or CVR, to former shareholders and option holders of Palladio. In total, the CVR represent the contractual rights to receive payment of $39.7 million upon the dosing of the first patient in commencement of the ACTION study, a pivotal Phase 3 clinical trial of lixivaptan for the treatment of Polycystic Kidney Disease in any of the United States, France, Germany, Italy, Spain, the United Kingdom and Japan, with an expected commencement date in the first quarter of 2022. The contingent milestone, if triggered, will be settled through the issuance of a number of our ordinary shares equal to the amount of the total CVR payable based on the per share value of our ordinary shares at the milestone date.

Incentivization Agreements

In January 2021 we established incentivization arrangements pursuant to which certain members of the senior management teams of each predecessor entity are eligible to earn certain payments based on the attainment of corresponding milestone performance by and/or an exit event of such predecessor entity, as applicable to each executive. As defined in the incentivization agreements, an "exit event" includes the sale or disposition of all or substantially all of the applicable subsidiary's commercially valuable assets or any sale or disposition of the applicable subsidiary's equity which results in the purchaser of the equity acquiring a controlling interest in the applicable subsidiary. Milestones may include the designation of a product candidate or the attainment of approvals, licenses, permits, certifications registrations or authorizations necessary for the sale of a particular product candidate or related molecules in the United States, France, Germany, Italy, Spain or the United Kingdom. The milestone payment amount for each subsidiary is in the low eight figure range to be divided among the members of the respective subsidiary's senior management team and employees according to the terms of its respective incentivization agreement. Any milestone payment earned will be payable in a lump sum within twenty (20) days after attainment of the milestone. In addition, if a sale of a controlling interest in a subsidiary or sale (or grant of an exclusive license) of its respective product candidate occurs prior to attainment of the milestone or within the three (3) year period following attainment of the milestone, an exit payment equal in the range of single digit to low teens percentage of the sales proceeds less any amounts previously paid as a milestone payment (if any) and any fees, costs and expenses of the sale (excluding any earn out, milestone, royalty payment or other contingent payments but including any escrow, holdback or similar amount) will become due and payable to certain employees and members of the subsidiary's senior management team. To the extent an exit event occurs following the occurrence of an adverse event (which includes the failure to achieve milestones within the specified time period), no exit payment will become due unless sale proceeds are in excess of an amount in the eight-figure range.

The incentivization agreements contain standard termination provisions providing that the agreements shall terminate upon the occurrence of certain events, or automatically on December 31, 2035. Other events that may trigger termination include:

- an exit event;
- the occurrence of certain asset sales in conjunction with certain milestones; and
- the date that is three years following achievement of certain milestones.

The contractual obligations we have disclosed do not include any potential development, regulatory and commercial milestone payments and potential royalty payments that we may be required to make under the various license agreements entered into by the Centessa Subsidiaries and collaboration agreement. We excluded these payments given that the timing of any such payments cannot be reasonably estimated at this time.

Off-Balance Sheet Arrangements

The Company (Successor) does not have any relationships with unconsolidated entities or financial partnerships, including entities sometimes referred to as structured finance or special purpose entities that were established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes. In addition, the Company (Successor) does not engage in trading activities involving non-exchange traded contracts. Therefore, the Company (Successor) believes that they are not materially exposed to any financing, liquidity, market or credit risk that could arise if they engaged in these relationships.

Item 3. Qualitative and Quantitative Disclosures About Market Risk

The Company (Successor) and the Centessa Predecessor Group are exposed to market risks in the ordinary course of its business. These risks primarily include interest rate sensitivities. Interest-earning assets consist of cash and cash equivalents. Interest income earned on these assets was $102,606 for the period from January 30, 2021 through September 30, 2021.

Item 4. Controls and Procedures

Our management, with the participation of our Chief Executive Officer, Chief Accounting Officer and Chief Financial Officer (our principal executive officer, principal accounting officer and principal financial officer, respectively), evaluated the effectiveness of our disclosure controls and procedures as of September 30, 2021. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended ("Exchange Act"), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms.

Based on the evaluation of our disclosure controls and procedures as of September 30, 2021, our Chief Executive Officer, Chief Accounting Officer and Chief Financial Officer concluded that, as a result of the material weaknesses in our internal control over financial reporting as previously disclosed in our final prospectus for our initial public offering, dated June 2, 2021, filed with the SEC, our disclosure controls and procedures were not effective as of September 30, 2021. As is common in the transition from several small private companies to a public reporting company, there were not enough qualified accounting personnel, inadequate segregation of duties and insufficient financial reporting processes and oversight. Notwithstanding the material weaknesses, our management has concluded that the financial statements included in this interim report present fairly, in all material respects, our financial position, results of operations and cash flows in conformity with GAAP.

We continue to make significant progress in implementing measures designed to improve our internal controls over financial reporting and to remediate the material weakness, including hiring additional qualified finance and accounting personnel, formalizing our internal control processes, policies and documentation, standardizing and improving our account reconciliations, and strengthening supervisory reviews of financial information by our financial management. We have engaged financial consultants to supplement our financial reporting resources as needed. The measures we are implementing are subject to continued management review, as well as audit committee oversight. We will continue to implement measures to remedy our internal control deficiencies, though there can be no assurance that our efforts will be successful or avoid potential future material weaknesses. We will re-evaluate the control environment and the status of the identified material weaknesses as of December 31, 2021.

Changes in Internal Control over Financial Reporting

Other than the changes intended to remediate the material weaknesses noted above and improve the control environment, no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the three months ended September 30, 2021 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, we may become involved in litigation or other legal proceedings. We are not currently a party to any litigation or legal proceedings that, in the opinion of our management, are probable to have a material adverse effect on our business. Regardless of outcome, litigation can have an adverse impact on our business, financial condition, results of operations and prospects because of defense and settlement costs, diversion of management resources and other factors.

Item 1A. Risk Factors

Our business involves significant risks, some of which are described below. You should carefully consider the risks described below, as well as the other information in this Quarterly Report on Form 10-Q and in other documents we file with the SEC, including our financial statements and the related notes and "Management's Discussion and Analysis of Financial Condition and Results of Operations." The occurrence of any of the events or developments described below could have a material adverse effect on our business, financial condition, results of operations, growth prospects and stock price. In such an event, the market price of our ADSs could decline, and you may lose all or part of your investment. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also impair our business operations and the market price of our ADSs.

Risks Related to our Business Model and Structure

We may not be successful in our efforts to use our differentiated asset-centric business model to build a pipeline of product candidates with commercial value.

A key element of Centessa's strategy is to use our differentiated asset-centric business model to build, from the bottom-up, a research and development engine to source and develop high conviction programs, product candidates, technologies or intellectual property that we believe are novel, employ differentiated mechanisms of action, are more advanced in development than competitors, or have a combination of these attributes to ultimately deliver impactful medicines to patients. We face significant competition in sourcing such high conviction programs, product candidates, technologies or intellectual property, partnering with founder-subject matter experts with high conviction assets that follow well elucidated biological pathways, seeking appropriate strategic partners (including founder-subject matter experts) and licensing and acquisition opportunities, and the negotiation process is time-consuming and complex. We may not be successful in our efforts in building a pipeline of high conviction product candidates for the treatment of various diseases and disorders through acquisitions, licensing or through internal development or in progressing these product candidates through clinical development. Although we have initially combined a portfolio of ten asset-centric companies, each a Centessa Subsidiary, that are developing high conviction programs with clear biological rationale and, through our Centessa Subsidiaries, our research and development efforts to date have resulted in our identification, discovery and preclinical and clinical development of certain of our product candidates, these product candidates may not be safe or effective treatments or therapies in humans, and we may not be able to develop any other product candidates. Although we analyze whether we can replicate scientific results observed prior to our acquisition or investment in a product candidate, we may not be successful in doing so after our investment. Our asset-centric business model is evolving and may not succeed in building a pipeline of product candidates. Even if we are successful in building our pipeline of product candidates, the potential product candidates that we identify may not be suitable for clinical development or generate acceptable clinical data in humans, including as a result of unacceptable toxicity or other characteristics that indicate that they are unlikely to receive marketing approval from the FDA, or other regulatory authorities or achieve market acceptance. If we do not successfully develop and commercialize product candidates, we will not be able to generate product revenue in the future, which likely would result in significant harm to our financial position and adversely affect the price of our ADSs.

As part of our business strategy, we may expand our product candidate pipeline through in-licenses or acquisitions of discovery or development-stage assets or programs, which entails additional risk to us. While we believe our asset-centric model offers an attractive platform for these transactions and for founder subject matter experts and potential partners, our model is unique and we may not be able to attract or execute transactions with founder-subject matter experts, sellers, licensors or collaborators who may choose to divest to or grant license to companies that employ more traditional licensing and collaboration approaches. Identifying, selecting, and acquiring promising product candidates requires substantial technical, financial and human resources expertise. Efforts to do so may not result in the actual acquisition or license of a successful product candidate, potentially resulting in a diversion of our management's time and the expenditure of our resources with no resulting benefit. For example, if we are unable to identify programs that ultimately result in approved products, we may spend material amounts of our capital and other resources evaluating, acquiring, and developing product candidates that ultimately do

not provide a return on our investment. We may terminate programs in the future if they do not meet our criteria for advancement.

A single or limited number of subsidiaries may comprise a large proportion of our value.

A large proportion of our value may at any time reside in a limited number of our subsidiaries. Our consolidated financial condition and prospects may be materially diminished if the clinical development or potential commercialization prospects of a Centessa Subsidiary's product candidate or program or one or more of the intellectual property rights held by a specific Centessa Subsidiary becomes impaired. Furthermore, a large proportion of our consolidated revenue may at any time be derived from one, or a small number of, licensed technologies, and termination or expiration of licenses to these technologies would likely have a material adverse effect on our consolidated revenue. Any material adverse impact on the value of a particular Centessa Subsidiary, including its intellectual property rights or the clinical development of its product candidate or program, could have a material adverse effect on our consolidated business, financial condition, results of operations or prospects.

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

Because we have limited financial and managerial resources, we must focus on a limited number of research programs and product candidates and on specific indications. As a result, we may forego or delay pursuit of opportunities with other product candidates or for other indications that later prove to have greater commercial potential, or we may fail to recognize or acquire assets that may be more promising than those we acquire. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities. Our spending on current and future identification, discovery, and preclinical development programs and product candidates for specific indications may not yield any commercially viable products.

We face challenges, risks and expenses related to the integration of the operations of our asset-centric Centessa Subsidiaries, as well as the management of the expected growth in the scale and complexity of our operations.

In January 2021, we acquired the ownership interests of our Centessa Subsidiaries where our current development programs reside. These Centessa Subsidiaries have historically operated as independent entities with generally separate management and operational teams. As a result, we will need to expend significant resources and efforts in integrating the operations of these Centessa Subsidiaries into our larger organization, and such integration activities may be challenging due to the number of Centessa Subsidiaries acquired and the heterogeneity of their historical operations. For example, these Centessa Subsidiaries' programs span a range of therapeutic modalities and are designed to address a variety of disease areas. In addition, the Centessa Subsidiaries have conducted their business in a variety of jurisdictions in the U.S. and Europe. All of our Centessa Subsidiaries have had historical relationships with different licensors, contract organizations and other third-party vendors.

Each Centessa Subsidiary has historically had its own operational, legal, financial and management controls, reporting systems and procedures and integrating such controls, reporting systems and procedures may be challenging and we may not be successful in doing so. We believe certain synergies may be achieved by harmonizing the operational, legal, financial and management controls, reporting systems and procedures but we may not be successful in our harmonization efforts and this may result in not only being able to take advantage of synergies but expose us to additional operational, legal and financial risks and exposures associated with several levels of disorganized systems and procedures. With limited resources, historically the Centessa Subsidiaries may not have dedicated sufficient resources to ensure its operational, legal, financial and management controls, reporting systems, compliance and other procedures meet required standards and this may expose us to historical non-compliance investigations and liabilities, which may have a material adverse effect on our operations. We also may face difficulties with the integration of our Centessa Subsidiaries if there is disagreement between the founder-subject matter experts and management of Centessa with respect to the development of the Centessa Subsidiary programs.

As of September 30, 2021 we had an aggregate of 70 employees and 77 contractors. We may not be successful in integrating and retaining such employees and consultants or find replacements which could have a material adverse effect on our ability to develop and commercialize our programs and product candidates. As our development and commercialization plans and strategies develop, and as we transition into operating as a public company, we expect to need additional managerial, operational, sales, marketing, legal, financial and other personnel. Future growth would impose significant added responsibilities on members of management, including:

- identifying, recruiting, integrating, maintaining and motivating additional employees;

- managing our internal development efforts effectively, including the clinical and FDA review process for our product candidates, while complying with our contractual obligations to contractors and other third parties; and
- improving our operational, legal, financial and management controls, reporting systems and procedures.

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

We currently rely, and for the foreseeable future will continue to rely, in substantial part on certain independent organizations, advisors and consultants to provide certain services, including substantially all aspects of legal and compliance, regulatory approval, clinical trial management and manufacturing. There can be no assurance that the services of independent organizations, advisors and consultants will continue to be available to us on a timely basis when needed, or that we can find qualified replacements. In addition, if we are unable to effectively manage our outsourced activities or if the quality or accuracy of the services provided by consultants is compromised for any reason, our clinical trials may be extended, delayed or terminated, and we may not be able to obtain regulatory approval of our product candidates or otherwise advance our business. There can be no assurance that we will be able to manage our existing consultants or find other competent outside contractors and consultants on economically reasonable terms, or at all.

If we are not able to effectively expand our organization by hiring new employees and expanding our groups of consultants and contractors, we may not be able to successfully implement the tasks necessary to further develop and potentially commercialize our product candidates and, accordingly, may not achieve our research, development and commercialization goals. We may not have sufficient funding to support our expansion.

Our reliance on a central team consisting of a limited number of employees who provide various administrative, research and development, and other services across our organization presents operational challenges that may adversely affect our business.

As of November 1, 2021, our central team consisted of 42 full-time equivalent, upon whom we rely for various operational, administrative, research and development, and other support services shared among our other operating subsidiaries. We also have consultants who we rely on for research and development, business development, and other services. While we believe this structure enables us to reduce certain infrastructure costs, the small size of our centralized team may limit our ability to devote adequate personnel, time, and resources to support the operations of all of our subsidiaries, including their operational, research and development activities, and the management of compliance, financial, accounting, and reporting matters. If our centralized team fails to provide adequate operational, administrative, research and development, or other services across our entire organization, our business, financial condition, and results of operations could be harmed.

Some of our officers currently serve, and in the future may serve, as directors or officers of our Centessa Subsidiaries, and, as a result, have and may continue to have, statutory, fiduciary and other duties to our subsidiaries causing conflicts of interest with respect to their duties to us and their duties to our subsidiaries and in determining how to devote themselves to our affairs and the affairs of our subsidiaries. Our subsidiaries' partners may also disagree with the sufficiency of resources that we provide to each Centessa Subsidiary.

Certain of our officers, including Saurabh Saha, M.D., Ph.D., our Chief Executive Officer, Marella Thorell, our Chief Accounting Officer, and Iqbal Hussain, our General Counsel, are directors and/or officers of each Centessa Subsidiary and, as a result, have fiduciary or other duties both to us and our subsidiaries. Dr. Saha, Ms. Thorell and Mr. Hussain do not receive any additional compensation for their service as directors of our Centessa Subsidiaries. The conflicts of interest that arise from such duties could interfere with the management of our subsidiaries and their programs and product candidates, or result in disagreements with our subsidiaries' partners. For example, an individual who is both a director of one of our subsidiaries and an officer of Centessa owes statutory and fiduciary duties to the Centessa Subsidiary and to us, and such individual may encounter circumstances in which his or her decision or action may benefit the Centessa Subsidiary while having a detrimental impact on Centessa, or vice versa, or on another Centessa Subsidiary, including one for which he or she also serves as a director. Further, in the future, certain of our officers may serve as officers and directors of our Centessa Subsidiaries. Any such individual would need to allocate his or her time to responsibilities owed to Centessa and each of the Centessa Subsidiaries for which he or she serves as an officer or director, and would make decisions on behalf of one entity that may negatively impact others. In addition, disputes could arise between us and our Centessa Subsidiary's partners regarding a conflict of interest or perceived conflict of interest arising from the overlap between the officers and directors of the Centessa Subsidiary and those of Centessa. These partners also may disagree with the amount and quality of resources that are devoted to the Centessa

Subsidiary they are invested in. Any such disputes or disagreements could distract our management, interfere with our relations with our partners, and take significant time to resolve, which could disrupt the development of our product candidates, delay our potential commercialization efforts, result in increased costs or make it less likely that other third parties will choose to partner with us in the future.

Our Centessa Subsidiaries are party to certain agreements that provide our licensors and/or collaborators with rights that could delay or impact the ability of our Centessa Subsidiaries to sell assets, or enter into strategic alliances, collaborations or licensing arrangements with other third parties or the potential sale of our Centessa Subsidiaries.

Each of our Centessa Subsidiaries licenses intellectual property from third parties and we expect such practice to continue in the future. These third parties have certain rights that could delay collaboration, licensing or other arrangements with another third party, and the existence of these rights may adversely impact our ability to attract an acquirer or partner. These rights include rights of negotiation and fees payable upon a sale of assets or change of control of a Centessa Subsidiary that are contained in license agreements.

For example, each of Palladio, Pega-One, ApcinteX and Z Factor, is party to certain license agreements that provide for payments upon satisfaction of milestones, royalty payments, diligence obligations and other customary terms contained in agreements for the in-license of programs and their intellectual property.

We may incorporate, form or otherwise acquire additional subsidiaries and enter into similar agreements with future counterparties, or our Centessa Subsidiaries may enter into further agreements, that in each case may contain similar provisions or other terms that are not favorable to us.

Risks Related to our Financial Position, Need for Additional Capital and Growth Strategy

We, and our Centessa Subsidiaries have incurred net losses since inception, and we expect to continue to incur losses for the foreseeable future and may never achieve or maintain profitability.

We and our Centessa Subsidiaries have incurred significant net losses since inception, have not generated any revenue from product sales to date, and financed operations primarily through private placements of preferred shares. Centessa Pharmaceuticals plc is a newly incorporated holding company for all of the Centessa Subsidiaries in our organization, and we expect to incur significant losses for the foreseeable future. As an organization, we have devoted substantially all of our efforts to research and development, including clinical and preclinical development of our product candidates, as well as to building out our team. We expect that it could be several years, if ever, before we have a commercialized product candidate. We expect to continue to incur significant expenses and increasing operating losses for the foreseeable future. The net losses we incur may fluctuate significantly from quarter to quarter each financial year. We anticipate that our expenses will increase substantially if, and as, we:

- continue our research and the preclinical and clinical development of our product candidates, including our ongoing and planned clinical trials;
- initiate additional clinical trials and preclinical studies for our other product candidates, including those in our pipeline that are expected to advance into the clinic in the near future; if any of our product candidates advance through and complete late-stage development, prepare and submit marketing applications with the FDA and comparable regulatory authorities;
- 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 challenges;
- seek to discover and develop additional product candidates;
- establish a sales, marketing and distribution infrastructure to commercialize any product candidates for which we may obtain marketing approval;
- maintain, expand and protect our intellectual property portfolio;
- fulfill future potential payment obligations under our incentivization agreements with each Centessa subsidiary; and
- acquire or in-license other product candidates and technologies.

To become and remain profitable, we must develop and eventually commercialize product candidates with significant market potential. This will require us to be successful in a range of challenging activities, including completing preclinical

testing and clinical trials of our product candidates, obtaining marketing approval for these product candidates, manufacturing, marketing and selling those products for which we may obtain marketing approval and satisfying any post-marketing requirements. We may never succeed in any or all of these activities and, even if we do, we may never generate revenues that are significant or large enough to achieve profitability. If we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain profitable would decrease the value of our company and could impair our ability to raise capital, maintain our research and development efforts and expand our business or continue our operations. A decline in the value of our company could cause you to lose all or part of your investment.

Our limited operating history may make it difficult for investors to evaluate our business, operations and prospects.

We are a newly incorporated holding company incorporated in October 2020. Our wholly-owned Centessa Subsidiaries are each in the development stage and have had limited operating histories. Our operations to date have been limited to organizing and staffing our company, business planning, developing our operating model, raising capital, acquiring our technology, identifying potential product candidates, establishing collaborations and undertaking preclinical studies and clinical trials of our most advanced product candidates. As an organization, we have not yet demonstrated a track record of conducting or completing Phase 3 trials of our product candidates, obtaining marketing approvals, manufacturing a commercial-scale product or conducting sales and marketing activities necessary for successful commercialization. Consequently, any predictions made about our future success or viability may not be as accurate as they could be if we had a longer operating history.

In addition, as a new business, we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown factors. We will need to transition from a company with a research focus to a company that is also capable of supporting commercial activities. We may not be successful in such a transition.

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

Our ability to generate revenue from product sales and achieve profitability depends on our ability, alone or with collaborative partners, to successfully complete the development of, and obtain the regulatory approvals necessary to commercialize, our product candidates. We do not anticipate generating revenues from product sales for the next several years, if ever. Our ability to generate future revenues from product sales depends heavily on our, or our collaborators', success in:

- completing research and preclinical and clinical development of our product candidates;
- seeking and obtaining regulatory and marketing approvals for product candidates for which we complete clinical trials;
- in-licensing, acquiring, discovering or otherwise expanding our pipeline of product candidates for clinical development;
- launching and commercializing product candidates for which we obtain regulatory and marketing approval by establishing a sales force, marketing and distribution infrastructure or, alternatively, collaborating with a commercialization partner;
- qualifying for adequate coverage and reimbursement by government and third-party payors for our product candidates;
- maintaining and enhancing a sustainable, scalable, reproducible and transferable manufacturing process for our product candidates;
- establishing and maintaining supply and manufacturing relationships with third parties that can provide adequate, in both amount and quality, products and services to support clinical development and the market demand for our product candidates, if approved;
- obtaining market acceptance of our product candidates as a viable treatment option;
- addressing any competing technological and market developments;
- implementing additional internal systems and infrastructure, as needed;
- negotiating favorable terms in any collaboration, licensing or other arrangements into which we may enter and performing our obligations in such collaborations;
- maintaining, protecting and expanding our portfolio of intellectual property rights, including patents, trade secrets and know-how;

- avoiding and defending against third-party interference or infringement claims; and
- attracting, hiring and retaining qualified personnel.

Even if one or more of the product candidates that we develop is approved for commercial sale, we anticipate incurring significant costs associated with commercializing any approved product candidate. Our expenses could increase beyond expectations if we are required by the FDA, the EMA, the Medicines and Healthcare products Regulatory Agency ("MHRA"), or other regulatory authorities to perform clinical and other studies in addition to those that we currently anticipate. Even if we are able to generate revenues from the sale of any approved products, we may not become profitable and may need to obtain additional funding to continue operations.

We will need substantial additional funds to advance development of our product candidates, and we cannot guarantee that we will have sufficient funds available in the future to develop and commercialize our current or future product candidates.

Developing pharmaceutical products, including conducting preclinical studies and clinical trials, is a very time-consuming, expensive and uncertain process that takes years to complete. We will need substantial additional funds to expand our development, regulatory, manufacturing, marketing and sales capabilities or contract with other organizations in order to enter and advance our product candidates through preclinical studies and clinical trials. For example, in October 2021 we entered into the Oberland Capital Financing Agreement (See Note 12 – "Subsequent Events" for more information). Our Centessa Subsidiaries have used substantial funds in their research and development programs and will continue to expend significant resources to advance their programs and product candidates.

As of September 30, 2021, we had $578.8 million in cash and cash equivalents. In October 2021, we entered into a financing agreement with funds managed by Oberland Capital and drew down an initial tranche of funding in the amount of $75.0 million. Based on the current non-risk-adjusted operating plan, the Company expects the cash and cash equivalents as of September 30, 2021, plus the net proceeds of the First Purchase Note of $74.6 million received on October 4, 2021, supplemented by the funds available from the Oberland Notes, if drawn, will be sufficient to fund its operations into mid-2024. Our future capital requirements and the period for which we expect our existing resources to support our operations may vary significantly from what we expect, and changing circumstances, some of which may be beyond our control, could cause us to consume capital significantly faster than we currently anticipate, and we may need to seek additional funds sooner than planned. Our monthly spending levels vary based on new and ongoing development and corporate activities. Because the length of time and activities associated with successful development of our product candidates is highly uncertain, we are unable to estimate the actual funds we will require for development and any approved marketing and commercialization activities.

We currently expect to use our cash resources to fund the continued development and pre-commercialization costs of our clinical-stage product candidates; to fund continued development of the other programs in our pipeline, including designing and conducting preclinical studies and clinical trials, as well as funding discovery, manufacturing, research and development; to fund the acquisition of and drug development activities related to new programs; although we have no material agreements, commitments or understandings with respect to any in-license or acquisition, we have and plan to continue to evaluate such opportunities and engage in related discussions with other business entities from time to time; and the remainder for working capital and other general corporate purposes.

To execute our business plan, we will need, among other things, to:

- obtain the human and financial resources necessary to develop, test, obtain regulatory approval for, manufacture and market our product candidates;
- build and maintain a strong intellectual property portfolio and avoid infringing intellectual property of third parties;
- establish and maintain successful licenses, collaborations and alliances;
- satisfy the requirements of clinical trial protocols, including patient enrollment;
- establish and demonstrate the clinical efficacy and safety of our product candidates;
- obtain regulatory approvals;
- manage our spending as costs and expenses increase due to preclinical studies and clinical trials, regulatory approvals, commercialization, legal and regulatory compliance, and increased operations;
- obtain additional capital to support and expand our operations; and

- market our products to achieve acceptance and use by the medical community in general.

We do not expect to realize revenue from product sales, milestone payments or royalties in the foreseeable future, if at all. Our revenue sources are, and will remain, extremely limited unless and until our product candidates are clinically tested, approved for commercialization and successfully marketed.

We will be required to seek additional funding in the future and intend to do so through either public or private equity offerings or debt financings, credit or loan facilities or a combination of one or more of these funding sources. Attempting to secure additional financing may divert our management from our day-to-day activities, which may adversely affect our ability to develop our product candidates. Our ability to raise additional funds will depend on financial, economic and other factors, many of which are beyond our control. Additional funds may not be available to us on acceptable terms or at all. If we raise additional funds by issuing equity securities, our shareholders will suffer dilution and the terms of any financing may adversely affect the rights of our shareholders. In addition, as a condition to providing additional funds to us, future investors may demand, and may be granted, rights superior to those of existing shareholders. Debt financing, if available, may involve restrictive covenants limiting our flexibility in conducting future business activities, and, in the event of insolvency, debt holders would be repaid before holders of equity securities received any distribution of corporate assets.

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

Our credit facility and payment obligations under the Note Purchase Agreement ("NPA") with Cocoon SA LLC, an affiliate of Oberland Capital (collectively, "Oberland Capital") as agent for the Purchasers, contain operating and financial covenants that restrict our business and financing activities, are subject to acceleration in specified circumstances and may adversely affect our financial position or results of operations and our ability to raise additional capital which in turn may increase our vulnerability to adverse regulatory developments or economic or business downturns or which may result in Oberland Capital taking possession of our assets and disposing of any collateral.

Our credit facility with Oberland Capital contains restrictions that limit our flexibility in operating our business. Under the terms of the credit facility, we must maintain, and cause our subsidiaries to maintain, certain covenants, including with respect to limitations on new indebtedness, restrictions on the payment of dividends and maintenance of revenue levels. Our credit facility is collateralized by all of our assets including, among other things, our intellectual property.

Under the NPA, the Purchasers agreed to purchase, and the Company agreed to sell, tranches of secured notes in the aggregate principal amount of up to $300,000,000 as follows: (a) no later than October 4, 2021, a secured note in the aggregate principal amount of $75,000,000 (the "First Purchase Note"), (b) on and after the Signing Date until September 30, 2023, at the Company's option, a secured note in the aggregate principal amount of $75,000,000 (the "Second Purchase Note"), (c) on and after the Signing Date until September 30, 2023, at the Company's option, a secured note in the aggregate principal amount of $50,000,000 (the "Third Purchase Note"), and (d) one or more secured notes in the aggregate principal amount of up to $100,000,000 at any time at the Company's and Purchasers' option, to be used to finance certain permitted acquisitions as described in the Note Purchase Agreement (the "Fourth Purchase Notes" and collectively with the First Purchase Note, the Second Purchase Note and the Third Purchase Note, the "Notes"). The obligations of the Purchasers to purchase the Notes are subject to certain conditions precedent. On October 4, 2021 (the "First Purchase Date"), the Company issued the First Purchase Note. The Notes will mature on the six-year anniversary of the First Purchase Date, unless earlier accelerated under the terms of the Note Purchase Agreement. At maturity, the Company must repay the outstanding principal amount of the Notes, together with any accrued and unpaid interest thereon and other outstanding obligations thereunder. Interest is payable quarterly during the term of the Notes at a rate per annum equal to the sum of (a) the greater of (i) LIBOR (which may be subject to replacement as contemplated by the NPA) and (ii) 0.25% and (b) 7.75% (which percentage is subject to adjustment as described in the NPA); provided that the interest rate shall never be less than 8.00%. The initial interest rate for the Notes is 8.00% per annum. The Company's obligations under the facility are secured by a first priority security interest in all assets of the Company and Guarantors, subject to variation in accordance with local law with respect to assets held by the Company and the Guarantors outside of the United States.

Starting on the date of the first commercial sale of lixivaptan, currently a product candidate under development by the Company, and ending on the tenth anniversary of the First Purchase Date, the Purchasers shall have the right to receive 1.00%

(the "Revenue Participation Rate") of the first $200.0 million of worldwide net sales of lixivaptan in each calendar year, payable quarterly (the "Revenue Participation Payments"). The Revenue Participation Rate is subject to pro-rata increase if the Second Purchase Notes and/or the Third Purchase Notes are issued and shall not exceed 2.67%.

In addition, upon the first regulatory approval of any of the Company's product candidates by either the FDA or EMA, the Company is obligated to pay the Purchasers an amount equal to 30% of the aggregate principal amount issued under the Notes by the Company (the "Milestone Payment"). The Milestone Payment shall be paid in quarterly installments over five years beginning on the earlier of (i) the date of the first commercial sale following such regulatory approval; and (ii) the six month anniversary of such regulatory approval. The Milestone Payment is triggered one time only, and applies only to the Company's first product to obtain regulatory approval.

The Company may redeem all, but not less than all, of the outstanding Notes (if any) and pay all other outstanding obligations under the NPA. On the applicable date, the Company shall repurchase the Notes by paying an amount of up to (i) 175% of the principal amount issued under the Notes if such repurchase occurs on or prior to the third anniversary of the First Purchase Date, (ii) 185% of the principal amount issued under the Notes if such repurchase occurs between the third and sixth anniversaries of the First Purchase Date, and (iii) 205% of the principal amount issued under the Notes if such repurchase occurs thereafter, in each case less specified deductions and exclusions described in the NPA, including amounts paid by the Company to the Purchasers in respect of certain asset sale or strategic transactions, the interest payments, the Revenue Participation Payments and the Milestone Payments (the "Final Payment Amount").

If we breach certain of our debt covenants and are unable to cure such breach within the prescribed period, or are not granted waivers in relation to such breach, it may constitute an event of default under the credit facility, giving Oberland Capital the right to require us to repay the then outstanding debt immediately, and Oberland Capital could, among other things, foreclose on the collateral granted to them to collateralize such indebtedness, if we are unable to pay the outstanding debt immediately. A breach of the covenants contained in the credit facility documents and the acceleration of its repayment obligations by Oberland Capital could have a material adverse effect on our business, financial condition, results of operations and prospects.

The credit facility and the Revenue Participation Payments and Milestone Payments contained therein could have important negative consequences to the holders of our securities. For example, a portion of our cash flow from operations will be needed to make payments to Oberland Capital and will not be available to fund future operations. Additionally, we may have increased vulnerability to adverse general economic and industry conditions. Payment requirements under the credit facility will increase our cash outflows if and when the conditions for payment are triggered. Our future operating performance is subject to market conditions and business factors that are beyond our control. If our cash inflows and capital resources are insufficient to allow us to make required payments, we may have to reduce or delay capital expenditures, sell assets or seek additional capital. If we raise funds by selling additional equity, such sale would result in dilution to our stockholders. There is no assurance that if we are required to secure funding, we can do so on terms acceptable to us, or at all.

If we engage in acquisitions or strategic partnerships, this may increase our capital requirements, dilute our shareholders, cause us to incur debt or assume contingent liabilities, and subject us to other risks.

As part of our asset-centric business model and strategy, we may engage in various acquisitions and strategic partnerships in the future, including licensing or acquiring new or complementary products, intellectual property rights, technologies, or businesses. For example, in October 2021, our Centessa Subsidiary, Orexia, entered into an exclusive collaboration agreement with Schrödinger. For more information, see "Recent Highlights and Program Updates". Any acquisition or strategic partnership may entail numerous risks, including:

- increased operating expenses and cash requirements;
- the assumption of indebtedness or contingent liabilities;
- the issuance of our equity securities which would result in dilution to our shareholders;
- assimilation of operations, intellectual property, products and product candidates of an acquired company, including difficulties associated with integrating new personnel;
- the diversion of our management's attention from our existing product programs and initiatives in pursuing such an acquisition or strategic partnership;
- retention of key employees, the loss of key personnel, and uncertainties in our ability to maintain key business relationships;

- risks and uncertainties associated with the other party to such a transaction, including the prospects of that party and their existing products or product candidates and regulatory approvals; and
- our inability to generate revenue from acquired intellectual property, technology and/or products sufficient to meet our objectives or even to offset the associated transaction and maintenance costs; and
- our assumption of liabilities of the acquired subsidiary or acquired assets.

In addition, if we undertake such a transaction, we may issue dilutive securities, assume or incur debt obligations, incur large one-time expenses and acquire intangible assets that could result in significant future amortization expense.

If we acquire additional companies in the future, it could adversely affect our operating results and the value of our ADSs.

As part of our asset-centric business model and strategy, we may acquire additional companies. Investments in our existing and any future subsidiaries involve numerous risks, including, but not necessarily limited to:

- risk of conducting research and development activities in new therapeutic areas or treatment modalities in which we have little to no experience;
- diversion of financial and managerial resources from existing operations;
- successfully negotiating a proposed acquisition, in-license or investment in a timely manner and at a price or on terms and conditions favorable to us;
- successfully combining and integrating a potential acquisition into our existing business to fully realize the benefits of such acquisition;
- the impact of regulatory reviews on a proposed acquisition, in-license or investment; and
- the assumption of liabilities of acquired subsidiaries and outcome of any legal proceedings that may be instituted with respect to the proposed acquisition, in-license or investment.

If we fail to properly evaluate potential acquisitions, in-licenses, investments or other transactions associated with the creation of new research and development programs or the maintenance of existing ones, we might not achieve the anticipated benefits of any such transaction, we might incur costs in excess of what we anticipate, and management resources and attention might be diverted from other necessary or valuable activities.

Risks Related to Our Business and the Clinical Development, Regulatory Review and Approval

Our product candidates are in various stages of development, including many in discovery and preclinical stages, and may fail in development or suffer delays that materially adversely affect their commercial viability.

We have no products on the market and most of our product candidates in our pipeline are in the early stages of development. For example, across our organization, we currently have four product candidates that are in clinical development—lixivaptan, developed by Palladio, imgatuzumab, developed by Pega-One, SerpinPC, developed by ApcinteX, and ZF874, developed by Z Factor. The remainder of our programs are in discovery or IND-enabling phases. Our ability to achieve and sustain profitability depends on obtaining regulatory approvals for, and successfully commercializing, our product candidates, either alone or with third parties. Before obtaining regulatory approval for the commercial distribution of our product candidates, we or a collaborator must conduct extensive preclinical tests and clinical trials to demonstrate the safety and efficacy of our drug product candidates and the safety, purity, and potency or efficacy, of our biologic product candidates. Preclinical testing and clinical trials are expensive, difficult to design and implement, can take many years to complete and are uncertain as to outcome. The start or end of a clinical study is often delayed or halted due to changing regulatory requirements, manufacturing challenges, required clinical trial administrative actions, slower than anticipated patient enrollment, changing standards of care, availability or prevalence of use of a comparative drug or required prior therapy, clinical outcomes or financial constraints. For instance, delays or difficulties in patient enrollment or difficulties in retaining trial participants can result in increased costs, longer development times or termination of a clinical trial. Clinical trials of a new product candidate require the enrollment of a sufficient number of patients, including patients who are suffering from the disease the product candidate is intended to treat and who meet other eligibility criteria. Rates of patient enrollment are affected by many factors, including the size of the patient population, the eligibility criteria for the clinical trial, the age and condition of the patients, the stage and severity of disease, the nature of the protocol, the proximity of patients to clinical sites and the availability of effective treatments for the relevant disease.

A product candidate can unexpectedly fail at any stage of preclinical and clinical development. The historical failure rate for product candidates is high due to scientific feasibility, safety, efficacy, changing standards of medical care and other variables. The results from preclinical testing or early clinical trials of a product candidate may not predict the results that will be obtained in later phase clinical trials of the product candidate. We, the FDA or other applicable regulatory authorities may suspend clinical trials of a product candidate at any time for various reasons, including a belief that subjects participating in such trials are being exposed to unacceptable health risks or adverse side effects. We may not have the financial resources to continue development of, or to enter into collaborations for, a product candidate if we experience any problems or other unforeseen events that delay or prevent regulatory approval of, or our ability to commercialize, product candidates, including:

- negative or inconclusive results from our clinical trials or the clinical trials of others for product candidates similar to ours, leading to a decision or requirement to conduct additional preclinical testing or clinical trials or abandon a program;
- serious and unexpected drug-related side effects experienced by participants in our clinical trials or by individuals using drugs similar to our product candidates;
- delays in submitting Investigational New Drug applications ("INDs"), Clinical Trial Applications ("CTAs"), or comparable foreign applications or delays or failure in obtaining the necessary approvals from regulators to commence a clinical trial, or a suspension or termination of a clinical trial once commenced;
- conditions imposed by the FDA or comparable foreign authorities regarding the scope or design of our clinical trials;
- delays in enrolling research subjects in clinical trials;
- high drop-out rates of research subjects;
- inadequate supply or quality of product candidate components or materials or other supplies necessary for the conduct of our clinical trials;
- greater than anticipated clinical trial costs;
- poor effectiveness of our product candidates during clinical trials;
- unfavorable FDA or other regulatory agency inspection and review of a clinical trial site;
- failure of our third-party contractors or investigators to comply with regulatory requirements or otherwise meet their contractual obligations in a timely manner, or at all;
- delays and changes in regulatory requirements, policy and guidelines, including the imposition of additional regulatory oversight around clinical testing generally or with respect to our technology in particular;
- varying interpretations of data by the FDA and similar foreign regulatory agencies; or
- factors including any delays caused by the continuing impact of the COVID-19 global pandemic and future epidemics, pandemics and other macroeconomic considerations.

Some of the clinical trials performed to date were, and in the future we may conduct, open-label studies involving only a limited number of clinical sites and a limited number of patients. An "open-label" clinical trial is one where both the patient and investigator know whether the patient is receiving the investigational product candidate or either an existing approved drug or placebo. Most typically, open-label clinical trials test only the investigational product candidate and sometimes may do so at different dose levels. Open-label clinical trials are subject to various limitations that may exaggerate any therapeutic effect as patients in open-label clinical trials are aware when they are receiving treatment. Open-label clinical trials may be subject to a "patient bias" where patients perceive their symptoms to have improved merely due to their awareness of receiving an experimental treatment. Moreover, patients selected for early clinical studies often include the most severe sufferers and their symptoms may have been bound to improve notwithstanding the new treatment. In addition, open-label clinical trials may be subject to an "investigator bias" where those assessing and reviewing the physiological outcomes of the clinical trials are aware of which patients have received treatment and may interpret the information of the treated group more favorably given this knowledge. Given that our development programs for ApcinteX and Palladio have included open-label clinical trials, the results from these clinical trials may not be predictive of future clinical trial results with these or other product candidates when studied in a controlled environment with a placebo or active control.

We may not be successful in our efforts to identify, discover, in-license or otherwise acquire additional product candidates and may fail to capitalize on programs or product candidates that may be a greater commercial opportunity or for which there is a greater likelihood of success.

The success of our business depends upon our ability to identify, develop and commercialize product candidates. Research programs to identify new product candidates require substantial technical, financial and human resources. Although certain of our product candidates are currently in clinical or preclinical development, we may fail to identify other potential product candidates for clinical development for several reasons. For example, our research may be unsuccessful in identifying potential product candidates or our potential product candidates may be shown to have harmful side effects, may be commercially impracticable to manufacture or may have other characteristics that may make the products unmarketable or unlikely to receive marketing approval.

Additionally, because we have limited resources, we may forego or delay pursuit of opportunities with certain programs or product candidates or for indications that later prove to have greater commercial potential. Our spending on current and future research and development programs may not yield any commercially viable products. If we do not accurately evaluate the commercial potential for a particular product candidate, we may relinquish valuable rights to that product candidate through strategic collaboration, licensing or other arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such product candidate. Alternatively, we may allocate internal resources to a product candidate in a therapeutic area in which it would have been more advantageous to enter into a partnering arrangement.

If any of these events occur, we may be forced to abandon our development efforts with respect to a particular product candidate or fail to develop a potentially successful product candidate, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Success in preclinical studies or early clinical trials may not be indicative of results obtained in later trials.

Results from preclinical studies or previous clinical trials are not necessarily predictive of future clinical trial results, and interim results of a clinical trial are not necessarily indicative of final results. The results generated to date in preclinical studies or clinical trials for our product candidates do not ensure that later preclinical studies or clinical trials will demonstrate similar results. Our product candidates may fail to show the desired safety and efficacy in clinical development despite demonstrating positive results in preclinical studies or having successfully advanced through initial clinical trials. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through preclinical and earlier stage clinical trials. In later-stage clinical trials, we will likely be subject to more rigorous statistical analyses than in completed earlier stage clinical trials. In some instances, there can be significant variability in safety or efficacy results between different clinical trials of the same product candidate due to numerous factors, including changes in clinical trial procedures set forth in protocols, differences in the size and type of the patient populations, adherence to the dosing regimen and other clinical trial protocols, and the rate of dropout among clinical trial participants. We cannot guarantee that any of our clinical trials will be conducted as planned or completed on schedule, or at all. Clinical trials can fail at any stage of testing and failure may result from a multitude of factors, including, among other things, flaws in study design, dose selection issues, placebo effects, patient enrollment criteria and failure to demonstrate favorable safety or efficacy traits.

There is a high failure rate for small molecule drugs and biologic products proceeding through clinical development. Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in late-stage clinical trials even after achieving promising results in preclinical testing and earlier-stage clinical trials. Data obtained from preclinical and clinical activities are subject to varying interpretations, which may delay, limit or prevent regulatory approval, and many companies that have believed their product candidates performed satisfactorily in preclinical studies and clinical trials have nonetheless failed to obtain marketing approval of their products. In addition, we may experience regulatory delays or rejections as a result of many factors, including due to changes in regulatory policy during the period of our product candidate development. Furthermore, the failure of any of our product candidates to demonstrate safety and efficacy in any clinical trial could negatively impact the perception of our other product candidates and/or cause the FDA or other regulatory authorities to require additional testing before approving any of our product candidates. Any such delays could materially and adversely affect our business, financial condition, results of operations and prospects.

We may encounter substantial delays or challenges in the initiation, conduct or completion of our clinical trials, and the results of clinical development are uncertain.

Before obtaining marketing approval from regulatory authorities for the sale of our product candidates, we must conduct extensive clinical trials to demonstrate the safety and efficacy of the product candidate for its intended indications. Clinical trials are expensive, time-consuming and uncertain as to outcome. We cannot guarantee that any clinical trials will be conducted as planned or completed on schedule, if at all. A failure of one or more clinical trials can occur at any stage of testing. Events that may prevent successful or timely completion of clinical development include:

- delay in completing preclinical studies;
- delays in reaching a consensus with regulatory authorities on trial design;
- delays in obtaining authorizations of INDs to commence a clinical trial;
- delays in reaching agreement or failing to agree on acceptable terms with prospective CROs, and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and clinical trial sites;
- delays in obtaining Institutional Review Board ("IRB"), or independent ethics committee approval at each clinical trial site;
- delays in opening a sufficient number of clinical trial sites and recruiting an adequate number of suitable patients to participate in our clinical trials;
- imposition of a clinical hold by regulatory authorities as a result of a serious adverse event, concerns with a class of product candidates or after an inspection of our clinical trial operations or trial sites;
- delays in having patients complete participation in a trial or return for post-treatment follow-up;
- occurrence of clinical trial sites deviating from clinical trial protocol or dropping out of a clinical trial;
- obtaining sufficient product supply of product candidate for use in preclinical studies or clinical trials from third-party suppliers;
- occurrence of serious adverse events associated with the product candidate that are viewed to outweigh its potential benefits;
- changes in regulatory requirements and guidance that require amending or submitting new clinical protocols; or
- macro factors such as the COVID-19 global pandemic.

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

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

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

Our drug development costs will also increase if we experience delays in testing or obtaining marketing approvals. We do not know whether any of our preclinical studies or clinical trials will begin as planned, need to be restructured or be completed on schedule, if at all.

Further, we, the FDA or other regulatory authorities, or an IRB or ethics committee of the institutions in which our clinical trials are being conducted, or the Data Safety Monitoring Board for such trials, if any, may suspend or terminate our clinical trials. Such authorities may suspend or terminate a clinical trial at any time due to a number of factors, including if it appears that we or our collaborators are failing to conduct a trial in accordance with regulatory requirements, including the FDA's current Good Clinical Practice ("GCP"), regulations, unforeseen safety issues or unacceptable health risks, failure to demonstrate a benefit from the product candidates, or if the FDA finds deficiencies in our INDs or the conduct of these trials. Therefore, we cannot predict with any certainty the schedule for commencement and completion of future clinical trials. If we experience delays in the commencement or completion of our clinical trials, or if we terminate a clinical trial prior to completion, the commercial prospects of our product candidates could be negatively impacted, and our ability to generate revenues from our product candidates may be delayed or eliminated entirely.

Even if we complete the necessary preclinical studies and clinical trials, the marketing approval process is expensive, time-consuming and uncertain and may prevent us from obtaining approvals for the commercialization of our product candidates.

Any product candidate we develop and the activities associated with its development and commercialization, including its design, testing, manufacture, safety, efficacy, recordkeeping, labeling, storage, approval, advertising, promotion, sale, and distribution, are subject to comprehensive regulation by the FDA and other regulatory authorities in the United States and by comparable authorities in other countries. Failure to obtain marketing approval for a product candidate will prevent us from commercializing the product candidate in a given jurisdiction. We have not received approval to market any product candidates from regulatory authorities in any jurisdiction and it is possible that none of the product candidates we are developing or may seek to develop in the future will ever obtain regulatory approval. We have no experience in submitting and supporting the applications necessary to gain marketing approvals and expect to rely on third-party CROs or regulatory consultants to assist us in this process. Securing regulatory approval requires the submission of extensive preclinical and clinical data and supporting information to the various regulatory authorities for each therapeutic indication to establish the product candidate's safety and efficacy. Securing regulatory approval also requires the submission of information about the product manufacturing process to, and inspection of manufacturing facilities by, the relevant regulatory authority. Any product candidates we develop may not be effective, may be only moderately effective, or may prove to have undesirable or unintended side effects, toxicities or other characteristics that may preclude its obtaining marketing approval or prevent or limit commercial use.

The process of obtaining marketing approvals is expensive, may take many years if additional clinical trials are required, if approval is obtained at all, and can vary substantially based upon a variety of factors, including the type, complexity, and novelty of the product candidates involved. Changes in marketing approval policies during the development period, changes in or the enactment of additional statutes or regulations, or changes in regulatory review for each submitted product application, may cause delays in the approval or rejection of an application. The FDA and comparable authorities in other countries have substantial discretion in the approval process and may refuse to accept any application or may decide that our data are insufficient for approval and require additional preclinical, clinical or other studies. This is particularly true for clinical trials in rare diseases, where the very small patient population makes it difficult or impossible to conduct traditional, adequate and well-controlled studies, and therefore the FDA or comparable foreign regulatory authorities are often required to exercise flexibility in approving therapies for such diseases. To the extent that the results of the trials are not satisfactory to the FDA or comparable foreign regulatory authorities for support of a marketing application, we may be required to expend significant resources, which may not be available to us, to conduct additional trials in support of potential approval of our product candidates. In addition, varying interpretations of the data obtained from preclinical and clinical testing could delay, limit, or prevent marketing approval of a product candidate. Any marketing approval that we may ultimately obtain could be limited or subject to restrictions or post-approval commitments that render the approved product not commercially viable.

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

We may find it difficult to enroll patients in our clinical trials, which could delay or prevent us from proceeding with clinical trials of our product candidates.

Identifying and qualifying patients to participate in clinical trials of our product candidates is critical to our success. The timing of our clinical trials depends on our ability to recruit patients to participate in such trials as well as the completion of any required follow-up periods. Some of our product candidates are designed to target orphan indications. For example, Palladio is developing lixivaptan for the treatment of ADPKD and ApcinteX is developing SerpinPC for the treatment of hemophilia. Trials in orphan indications often take longer to enroll than trials for other indications due to the smaller patient

population from which subjects can be recruited. We may experience delays in any of our future clinical trials. If patients are unwilling to participate in our studies because of negative publicity from adverse events related to certain modalities utilized in one or more of our product candidates, competitive clinical trials for similar patient populations or for other reasons, the timeline for recruiting patients, conducting studies and obtaining regulatory approval of our product candidates may be delayed. delays could result in increased costs, delays in advancing our product candidates, delays in testing the effectiveness of our product candidates or termination of the clinical trials altogether.

We may not be able to identify, recruit and enroll a sufficient number of patients, or those with required or desired characteristics, to complete our clinical trials in a timely manner. Patient enrollment and trial completion is affected by factors including:

- size of the patient population and process for identifying subjects;
- design of the trial protocol;
- eligibility and exclusion criteria;
- perceived risks and benefits of the product candidate under study;
- perceived risks and benefits of approaches utilized by one or more of our product candidates to treatment of diseases;
- availability of competing therapies and clinical trials;
- severity of the disease under investigation;
- proximity and availability of clinical trial sites for prospective subjects;
- ability to recruit clinical trial investigators with the appropriate competencies and experience;
- ability to obtain and maintain subject consent;
- risk that enrolled subjects will drop out before completion of the trial;
- patient referral practices of physicians;
- ability to monitor subjects adequately during and after treatment; and
- factors we may not be able to control, such as current or potential pandemics that may limit patients, principal investigators or staff or clinical site availability (e.g., the COVID-19 pandemic).

We plan to seek initial marketing approval in the United States and certain other major markets such as major countries in the EU, and the United Kingdom. We may not be able to initiate or continue clinical trials if we cannot enroll a sufficient number of eligible patients to participate in the clinical trials required by FDA, EMA, MHRA or other regulatory authorities. Our ability to successfully initiate, enroll and complete a clinical trial in any foreign country is subject to numerous risks unique to conducting business in foreign countries, including:

- difficulty in establishing or managing relationships with CROs, and physicians;
- difficulty in obtaining local regulatory approval to conduct clinical trials;
- different standards for the conduct of clinical trials;
- our inability to locate qualified local consultants, physicians and partners; and
- the potential burden of complying with a variety of foreign laws, medical standards and regulatory requirements, including the regulation of pharmaceutical and biotechnology products and treatment.

If we have difficulty enrolling a sufficient number of patients to conduct our clinical trials as planned, we may need to delay, limit or terminate ongoing or planned clinical trials, any of which would have an adverse effect on our business, financial condition, results of operations and prospects.

We are dependent on third parties having accurately generated, collected, interpreted and reported data from certain preclinical studies and clinical trials that were previously conducted for our product candidates.

We have licensed patent and other intellectual property rights from third parties and we may continue to seek and enter into similar licenses for future programs. In certain cases, we intend to rely on results of studies previously conducted by third parties to support our own development of these candidates. For example, the historical development of imgatuzumab was

conducted by Roche, the results from which Pega-One intends to utilize to support the further development of this program. In such cases, we may have no involvement with or control over the preclinical and clinical development of any of such product candidates prior to obtaining the in-license. Therefore, we would be dependent on these third parties having conducted their research and development in accordance with the applicable protocols, legal and regulatory requirements, and scientific standards; having accurately reported the results of all preclinical studies and clinical trials conducted with respect to such product candidates and having correctly collected and interpreted the data from these studies and trials. If these activities were not compliant, accurate or correct, the clinical development, regulatory approval or commercialization of our product candidates will be adversely affected.

In addition, our belief in the therapeutic potential of lixivaptan is based, in part, on experiences of Cardiokine in its development of this molecule for a hyponatremia indication, which included over 30 clinical trials. Cardiokine had previously submitted an NDA for lixivaptan for the hyponatremia indication, for which the FDA subsequently issued a complete response letter that cited certain product quality and safety issues and resulted in the agency's determination not to approve lixivaptan for hyponatremia. Palladio subsequently obtained feedback from the FDA, following which, the FDA agreed with Palladio that no additional non-clinical work would be required to support the commencement of clinical trials or an NDA submission for an ADPKD indication. While, the meeting minutes issued by the FDA stated that the FDA did not believe the mortality findings from the legacy Cardiokine BALANCE trial — treatment of hyponatremia in hospitalized patients with congestive heart failure —would pose a barrier to approval of lixivaptan for the treatment of ADPKD, there can be no assurance that the FDA will maintain such position with respect to the lixivaptan ADPKD program under development by Palladio. If the FDA requires additional development and testing of lixivaptan, including in the form of additional preclinical or clinical studies that we have not planned for, we would be required to expend additional resources and our developmental timelines for this candidate will be delayed.

We may be unable to obtain U.S. or foreign regulatory approval and, as a result, unable to commercialize our product candidates.

Our product candidates are subject to extensive governmental regulations relating to, among other things, research, testing, development, manufacturing, safety, efficacy, approval, recordkeeping, reporting, labeling, storage, packaging, advertising and promotion, pricing, marketing and distribution of drugs. Rigorous preclinical testing and clinical trials and an extensive regulatory approval process are required to be successfully completed in the U.S. and in many foreign jurisdictions before a new drug can be marketed. Satisfaction of these and other regulatory requirements is costly, time consuming, uncertain and subject to unanticipated delays. It is possible that none of the product candidates we may develop will obtain the regulatory approvals necessary for us or our collaborators to begin selling them. Regulatory authorities may also fail to approve the facilities or processes used to manufacture a product candidate, our dosing or delivery methods.

We have very limited experience in conducting and managing the clinical trials necessary to obtain regulatory approvals, including approval by the FDA. The time required to obtain FDA and other approvals is unpredictable but typically takes many years following the commencement of clinical trials, depending upon the type, complexity and novelty of the product candidate. The standards that the FDA and its foreign counterparts use when regulating us are not always applied predictably or uniformly and can change. For example, the FDA may revisit its stance that our planned pivotal trial of lixivaptan in ADPKD can serve as a potentially registrational trial. Further, certain historical trials conducted with lixivaptan were conducted by a third party sponsor for an indication other than ADPKD. To the extent any data from historical trials are intended to support a marketing application for ADPKD, lesser weight may be applied to such data. Any analysis we perform of data from preclinical and clinical activities is subject to confirmation and interpretation by regulatory authorities, which could delay, limit or prevent regulatory approval. We may also encounter unexpected delays or increased costs due to new government regulations, for example, from future legislation or administrative action, or from changes in FDA policy during the period of product development, clinical trials and FDA regulatory review. It is impossible to predict whether legislative changes will be enacted, or whether FDA or foreign regulations, guidance or interpretations will be changed, or what the impact of such changes, if any, may be.

In certain cases in the future, we may develop therapies that may represent a new class of drug for which the FDA and its foreign counterparts have not yet established any definitive policies, practices or guidelines in relation to these drugs. For example, we may in the future develop product candidates that we believe are regulated as new drugs under the Federal Food, Drug, and Cosmetic Act, but the FDA could decide to regulate them or other products we may develop as biologics under the Public Health Service Act. The lack of policies, practices or guidelines may hinder or slow review by the FDA of any regulatory filings that we may submit. Moreover, the FDA may respond to these submissions by defining requirements we may not have anticipated. Such responses could lead to significant delays in the clinical development of our product candidates. In addition, because there may be approved treatments for some of the diseases for which we may seek approval, in order to

receive regulatory approval, we may need to demonstrate through clinical trials that the product candidates we develop to treat these diseases, if any, are not only safe and effective, but safer or more effective than existing products.

Any delay or failure in obtaining required approvals could have a material adverse effect on our ability to generate revenues from the particular product candidate for which we are seeking approval. Furthermore, any regulatory approval to market a product may be subject to limitations on the approved uses for which we may market the product or the labeling or other restrictions. In addition, the FDA has the authority to require a REMS plan as part of a new drug application (NDA), or biologics license application ("BLA"), or after approval, which may impose further requirements or restrictions on the distribution or use of an approved drug or biologic, such as limiting prescribing to certain physicians or medical centers that have undergone specialized training, limiting treatment to patients who meet certain safe-use criteria and requiring treated patients to enroll in a registry. These limitations and restrictions may limit the size of the market for the product and affect reimbursement by third-party payors.

We are also subject to numerous foreign regulatory requirements governing, among other things, the conduct of clinical trials, manufacturing and marketing authorization, pricing and third-party reimbursement. The foreign regulatory approval process varies among countries and may include all of the risks associated with FDA approval described above as well as risks attributable to the satisfaction of local regulations in foreign jurisdictions. Moreover, the time required to obtain approval may differ from that required to obtain FDA approval. Approval by the FDA does not ensure approval by regulatory authorities outside the U.S. and vice versa.

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 or as additional analyses are conducted, and as the data 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. Interim data from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Preliminary or "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. As a result, interim and preliminary data should be viewed with caution until the final data are available. Material adverse changes between preliminary, "top-line," or interim data and final data could significantly harm our business prospects.

We may be unable to obtain orphan drug designation or exclusivity. If our competitors are able to obtain orphan drug exclusivity for products that constitute the same drug and treat the same indications as our product candidates, we may not be able to have competing products approved by the applicable regulatory authority for a significant period of time.

We have received orphan drug designation for lixivaptan for ADPKD in the United States and we may in the future seek orphan drug designation for certain of our other product candidates, but we may be unable to maintain orphan drug designation or obtain any benefits associated with orphan drug designation, including market exclusivity. Regulatory authorities in some jurisdictions, including the United States and the European Union, may designate drugs and biologics intended to treat relatively small patient populations as orphan drugs. Under the Orphan Drug Act of 1983, FDA may designate a product candidate as an orphan drug if it is intended to treat a rare disease or condition, which is defined as a disease or condition having a patient population of fewer than 200,000 individuals in the United States, or a patient population greater than 200,000 in the United States where there is no reasonable expectation that the cost of developing the drug will be recovered from sales in the United States. In the European Union, the European Commission after recommendation from the EMA's Committee for Orphan Medicinal Products grants orphan drug designation to promote the development of products that are intended for the diagnosis, prevention or treatment of a life-threatening or chronically debilitating condition affecting not more than 5 in 10,000 persons in the European Union. Additionally, orphan designation is granted for products intended for the diagnosis, prevention or treatment of a life-threatening, seriously debilitating or serious and chronic condition and when, without incentives, it is unlikely that sales of the drug in the European Union would be sufficient to justify the necessary investment in developing the drug or biologic product.

Certain of our current product candidates, and our future potential product candidates may target patient populations that are smaller than the numbers described above. If we request orphan drug designation for our product candidates, there can be no assurances that FDA or the European Commission will grant any of our product candidates such designation. Additionally, the designation of any of our product candidates as an orphan product does not guarantee that any regulatory agency will accelerate regulatory review of, or ultimately approve, that product candidate, nor does it limit the ability of any regulatory agency to grant orphan drug designation to product candidates of other companies that treat the same indications as our product candidates prior to our product candidates receiving exclusive marketing approval.

Generally, if a product candidate with an orphan drug designation receives the first marketing approval for the indication for which it has such designation, the product is entitled to a period of marketing exclusivity, which precludes the FDA or the European Commission from approving another marketing application for a product that constitutes the same drug treating the same indication for that marketing exclusivity period, except in limited circumstances. If another sponsor receives such approval before we do (regardless of our orphan drug designation), we will be precluded from receiving marketing approval for our product for the applicable exclusivity period. The applicable period is seven years in the United States and 10 years in the European Union. The exclusivity period in the United States can be extended by six months if the sponsor submits pediatric data that fairly respond to a written request from the FDA for such data. The exclusivity period in the European Union can be reduced to six years if a product no longer meets the criteria for orphan drug designation or if the product is sufficiently profitable so that market exclusivity is no longer justified. Orphan drug exclusivity may be revoked if any regulatory agency determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantity of the product to meet the needs of patients with the rare disease or condition.

Even if we obtain orphan drug exclusivity for a product candidate, that exclusivity may not effectively protect the product candidate from competition because different drugs can be approved for the same condition. In the United States, even after an orphan drug is approved, the FDA may subsequently approve another drug for the same condition if the FDA concludes that the latter drug is not the same drug or is clinically superior in that it is shown to be safer, more effective or makes a major contribution to patient care. In the European Union, marketing authorization may be granted to a similar medicinal product for the same orphan indication if:

- the second applicant can establish in its application that its medicinal product, although similar to the orphan medicinal product already authorized, is safer, more effective or otherwise clinically superior;
- the holder of the marketing authorization for the original orphan medicinal product consents to a second orphan medicinal product application; or
- the holder of the marketing authorization for the original orphan medicinal product cannot supply sufficient quantities of orphan medicinal product.

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

The biotechnology and pharmaceutical industries are characterized by rapidly changing technologies, significant competition and a strong emphasis on intellectual property. We face substantial competition from many different sources, including large and specialty pharmaceutical and biotechnology companies, academic research institutions, government agencies and public and private research institutions. In addition, we face competition from other companies that have adopted business models that are similar to ours in which they establish strategic alliances, create joint ventures or collaborations, or enter into licensing arrangements with third parties for programs, product candidates, technologies or intellectual property. We may not be able to compete effectively with such companies. See "—We may not be successful in our efforts to use our differentiated asset-centric business model to build a pipeline of product candidates with commercial value."

For example, for our clinical-stage product candidates, our main competitors include:

- For lixivaptan, tolvaptan for the treatment of ADPKD, along with bardoxolone, which is currently undergoing a Phase 3 trial.
- For SerpinPC, approved treatments such as emicizumab that are factor replacement therapies. In addition to these approaches, gene therapies for HA and HB are being developed by various sponsors including BioMarin, Pfizer/Spark and Freeline.
- For imgatuzumab, anti-PD1 immune checkpoint inhibitors such as cemiplimab and pembrolizumab. Cetuximab is also used off-label for advanced CSCC patients who are ineligible for anti-PD1 therapy or who relapse after treatment. Beyond immune checkpoint inhibitors, cisplatin-based combinations have demonstrated modest activity but with significant toxicity.
- For ZF874, several product candidates in clinical development such as ARO-AAT being developed by Arrowhead Pharmaceuticals, Inc. and belcesiran being developed by Dicerna Pharmaceuticals, Inc. for A1ATD. In addition, Vertex Pharmaceuticals, Inc. has a preclinical A1ATD development program.

Many of our potential competitors, alone or with their strategic partners, may have substantially greater financial, technical and other resources, such as larger research and development, clinical, marketing and manufacturing organizations.

Mergers and acquisitions in the biotechnology and pharmaceutical industries may result in even more resources being concentrated among a smaller number of competitors. Our commercial opportunity could be reduced or eliminated if competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any products that we may develop. Competitors also may obtain FDA or other regulatory approval for their products more rapidly or earlier than we may obtain approval for ours, which could result in our product being prevented from being marketed for significant periods (for example, where our competitor has secured regulatory exclusivity) or our competitors establishing a strong market position before we are able to enter the market. Additionally, technologies developed by our competitors may render our potential product candidates uneconomical or obsolete, and we may not be successful in marketing our product candidates against competitors.

In addition, as a result of the expiration or successful challenge of our patent rights, we could face more litigation with respect to the validity and/or scope of patents relating to our competitors' products. The availability of our competitors' products could limit the demand, and the price we are able to charge, for any products that we may develop and commercialize.

Our product candidates and the process for administering our product candidates may cause undesirable side effects or have other properties that could delay or prevent their regulatory approval, limit the commercial potential or result in significant negative consequences following any potential marketing approval.

Our product candidates may cause undesirable side effects. Additionally, the administration process or related procedures also can cause adverse side effects. Adverse events that occur in our trials may cause us, or cause regulatory authorities or others to order us to halt, delay or amend preclinical development or clinical development of our product candidates and could result in more restrictive labelling or the denial of regulatory approval of our product candidates for any or all targeted indications. Even if serious adverse events are unrelated to study treatment, such occurrences could affect patient enrollment or the ability of enrolled patients to complete the trial. In addition, if any of our product candidates are tested or used in combination with other drugs, these combinations may have additional side effects, which could be more severe than those caused by either therapy alone.

Additionally, certain of our product candidates could cause undesirable side effects in clinical trials related to on-target toxicity. If on-target toxicity is observed, or if our product candidates have characteristics that are unexpected, we may need to abandon their development or limit development to more narrow uses or subpopulations in which the undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective. Many compounds that initially showed promise in early stage testing for treating cancer have later been found to cause side effects that prevented further development of the compound.

Furthermore, clinical trials by their nature utilize a sample of the potential patient population. With a limited number of patients and limited duration of exposure, rare and severe side effects of our product candidates or those of our competitors may only be uncovered when a significantly larger number of patients have been exposed to the drug. While we believe that our product candidates have demonstrated manageable tolerability profiles thus far in the target indications, there can be no assurance that it or any of our other product candidates will not cause more severe side effects in a greater proportion of patients. In addition, some of our product candidates are intended to address limitations in current treatment approaches by offering potentially greater tolerability. If we do not observe a favorable tolerability profile in testing of such product candidates that differentiate them from competitors in the market, we may decide to suspend or terminate development of such candidates.

In addition, certain of our product candidates target diseases that are life-threatening or are associated with significant co-morbidities. For example, some of our product candidates are designed to address cancers, an indication in which patients may undergo treatment with other therapies such as chemotherapy, radiation, and/or other high dose or myeloablative treatments in the course of treatment of their disease, and may therefore experience side effects or AEs, including death, that are unrelated to our product candidates. While these side effects or AEs may be unrelated to our product candidates, they may still affect the success of our clinical trials. The inclusion of critically ill patients in our clinical trials may also result in deaths or other adverse medical events due to underlying disease or to other therapies or medications that such patients may receive.

Additionally, if any of our product candidates receives marketing approval, FDA could require us to adopt REMS, to ensure that the benefits outweigh its risks, which may include, among other things, a medication guide outlining the risks of the product for distribution to patients and a communication plan to health care practitioners. Furthermore, if we or others later identify undesirable side effects caused by our product candidate, several potentially significant negative consequences could result, including:

- regulatory authorities may suspend or withdraw approvals of such product candidate;

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

Any of these events could prevent us from achieving or maintaining market acceptance of our product candidates and could significantly harm our business, prospects, financial condition and results of operations.

We may not be able to submit INDs or IND amendments to commence additional clinical trials on the timelines we expect, and even if we are able to, the FDA may not permit us to proceed.

Currently, most of the product candidates in our pipeline have not yet commenced clinical trials, and are in preclinical development and IND-enabling activities. We may not be able to submit INDs for our product candidates on the timelines we expect. For example, we may experience manufacturing delays or other delays with IND-enabling studies. Moreover, we cannot be sure that submission of an IND will result in the FDA allowing further clinical trials to begin, or that, once begun, issues will not arise that suspend or terminate clinical trials. Additionally, even if such regulatory authorities agree with the design and implementation of the clinical trials set forth in an IND, we cannot guarantee that such regulatory authorities will not change their requirements in the future. These considerations also apply to new clinical trials we may submit as amendments to existing INDs or to a new IND. Any failure to file INDs on the timelines we expect or to obtain regulatory approvals for our trials may prevent us from completing our clinical trials or commercializing our products on a timely basis, if at all.

We are planning to conduct future clinical trials for certain product candidates outside the United States, and the FDA and comparable foreign regulatory authorities may not accept data from such trials.

We are planning to conduct future clinical trials for certain product candidates outside the United States, including in Europe. The acceptance of study data from clinical trials conducted outside the United States or another jurisdiction by the FDA or comparable foreign regulatory authority may be subject to certain conditions or may not be accepted at all. In cases where data from foreign clinical trials are intended to serve as the basis for marketing approval in the United States, the FDA will generally not approve the application on the basis of foreign data alone unless (i) the data are applicable to the U.S. population and U.S. medical practice; and (ii) the trials were performed by clinical investigators of recognized competence and pursuant to GCP regulations. Additionally, the FDA's clinical trial requirements, including sufficient size of patient populations and statistical powering, must be met. Many foreign regulatory authorities have similar approval requirements. In addition, such foreign trials would be subject to the applicable local laws of the foreign jurisdictions where the trials are conducted. There can be no assurance that the FDA or any comparable foreign regulatory authority will accept data from trials conducted outside of the United States or the applicable jurisdiction. If the FDA or any comparable foreign regulatory authority does not accept such data, it would result in the need for additional trials, which could be costly and time-consuming, and which may result in product candidates that we may develop not receiving approval for commercialization in the applicable jurisdiction.

Even if we obtain and maintain approval for our product candidates from the FDA, we may never obtain approval for our product candidates outside of the United States, which would limit our market opportunities and adversely affect our business.

Approval of a product candidate in the United States by the FDA does not ensure approval of such product candidate by regulatory authorities in other countries or jurisdictions, and approval by one foreign regulatory authority does not ensure approval by regulatory authorities in other foreign countries or by the FDA. Sales of our product candidates outside of the United States will be subject to foreign regulatory requirements governing clinical trials and marketing approval. Even if the FDA grants marketing approval for a product candidate, comparable regulatory authorities of foreign countries also must approve the manufacturing and marketing of the product candidates in those countries. Approval procedures vary among jurisdictions and can involve requirements and administrative review periods different from, and more onerous than, those in the United States, including additional preclinical studies or clinical trials. In many countries outside the United States, a product candidate must be approved for reimbursement before it can be approved for sale in that country. In some cases, the price that we intend to charge for our products, if approved, is also subject to approval. We intend to submit a marketing authorization application to the EMA for approval of our product candidates in the European Union, but obtaining such approval from the European Commission following the opinion of the EMA is a lengthy and expensive process. We may also submit marketing applications to regulators in other jurisdictions, such as to the MHRA in the United Kingdom. Even if a product candidate is approved, the FDA, the European Commission, the MHRA and other foreign regulatory authorities, as the case may be, may limit the indications for which the product may be marketed, require extensive warnings on the product

labeling or require expensive and time-consuming additional clinical trials or reporting as conditions of approval. Regulatory authorities in countries outside of the United States and the European Union also have requirements for approval of product candidates with which we must comply prior to marketing in those countries. Obtaining foreign regulatory approvals and compliance with foreign regulatory requirements could result in significant delays, difficulties and costs for us and could delay or prevent the introduction of our product candidates in certain countries.

Further, clinical trials conducted in one country may not be accepted by regulatory authorities in other countries. Also, regulatory approval for any of our product candidates may be withdrawn. If we fail to comply with the regulatory requirements, our target market will be reduced and our ability to realize the full market potential of our product candidates will be harmed and our business, financial condition, results of operations and prospects will be adversely affected.

A Fast Track designation by the FDA, even if granted, may not lead to a faster development or regulatory review or approval process, and does not increase the likelihood that our product candidates will receive marketing approval.

If a drug or biologic is intended for the treatment of a serious or life-threatening condition and the product demonstrates the potential to address unmet medical needs for this condition, the product sponsor may apply for FDA Fast Track designation for a particular indication. We may seek Fast Track designation for certain of our current and future product candidates, but there is no assurance that the FDA will grant this status to any of our proposed product candidates. The FDA has broad discretion whether or not to grant Fast Track designation, so even if we believe a particular product candidate is eligible for this designation, there can be no assurance that the FDA would decide to grant it. Even if we do receive Fast Track designation, we may not experience a faster development process, review or approval compared to conventional FDA procedures, and receiving a Fast Track designation does not provide assurance of ultimate FDA approval. In addition, the FDA may withdraw Fast Track designation if it believes that the designation is no longer supported by data from our clinical development program. In addition, the FDA may withdraw any Fast Track designation at any time.

Even if we receive regulatory approval of one or more of our product candidates, we would be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense and we may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our product candidates.

Any regulatory approvals that we receive for our product candidates will require surveillance to monitor the safety and efficacy of the product candidate. The FDA may also require a REMS in order to approve our product candidates, which could entail requirements for a medication guide, physician communication plans or additional elements to ensure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. In addition, if the FDA or a comparable foreign regulatory authority approves our product candidates, the manufacturing processes, labeling, packaging, distribution, adverse event reporting, storage, advertising, promotion, import, export and recordkeeping for our product candidates will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with cGMPs, good laboratory practice ("GLP") regulations and GCPs, for any clinical trials that we conduct post-approval. In addition, manufacturers are required to comply with applicable product tracking and tracing requirements. Later discovery of previously unknown problems with our product candidates, including adverse events of unanticipated severity or frequency, or with our third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in, among other things:

- restrictions on the marketing or manufacturing of our product candidates, withdrawal of the product from the market or voluntary or mandatory product recalls;
- manufacturing delays and supply disruptions where regulatory inspections identify observations of noncompliance requiring remediation;
- revisions to the labeling, including limitation on approved uses or the addition of additional warnings, contraindications or other safety information, including boxed warnings;
- imposition of a REMS, which may include distribution or use restrictions;
- requirements to conduct additional post-market clinical trials to assess the safety of the product;
- fines, warning letters or holds on clinical trials;
- refusal by the FDA to approve pending applications or supplements to approved applications filed by us or suspension or revocation of approvals;
- product seizure or detention, or refusal to permit the import or export of our product candidates; and

- injunctions or the imposition of civil or criminal penalties.

The FDA's and other regulatory authorities' policies may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or abroad. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained and we may not achieve or sustain profitability.

The market opportunities for our oncology product candidates may be relatively small since the patients who may potentially be treated with our oncology product candidates are those who are ineligible for or have failed prior treatments, and our estimates of the prevalence of our target patient populations may be inaccurate.

Cancer therapies are sometimes characterized by line of therapy (first line, second line, third line, fourth line, etc.), and the FDA often approves new therapies initially only for a particular line or lines of use. When cancer is detected early enough, first line therapy is sometimes adequate to cure the cancer or prolong life without a cure. Whenever first line therapy, usually chemotherapy, antibody drugs, tumor-targeted small molecules, hormone therapy, radiation therapy, surgery, or a combination of these, proves unsuccessful, second line therapy may be administered. Second line therapies often consist of more chemotherapy, radiation, antibody drugs, tumor-targeted small molecules, or a combination of these. Third line therapies can include chemotherapy, antibody drugs and small molecule tumor-targeted therapies, more invasive forms of surgery, and new technologies. There is no guarantee that our product candidates, even if approved as a second or third or subsequent line of therapy, would be approved for an earlier line of therapy, and, prior to any such approvals, we may have to conduct additional clinical trials.

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

If we decide in the future to develop our product candidates in combination with other therapies, such strategy may expose us to additional risks.

We may in the future develop one or more of our product candidates in combination with one or more approved or unapproved therapies. Even if any product candidate we develop were to receive marketing approval for use in combination with other approved therapies, the FDA, the EMA, the MHRA or comparable foreign regulatory authorities outside of the United States could still revoke approval of the therapy used in combination with our product. If the therapies used in combination with our product candidates are replaced as the standard of care for the indications we choose for any of our product candidates, the FDA, the EMA, the MHRA or comparable foreign regulatory authorities may require us to conduct additional clinical trials. The occurrence of any of these risks could result in our own products, if approved, being removed from the market or being less successful commercially.

Further, we will not be able to market and sell any product candidate we develop in combination with an unapproved cancer therapy for a combination indication if that unapproved therapy does not ultimately obtain marketing approval either alone or in combination with our product. In addition, unapproved cancer therapies face the same risks described with respect to our product candidates currently in development and clinical trials, including the potential for serious adverse effects, delay in their clinical trials and lack of FDA approval.

If the FDA, EMA, MHRA or comparable foreign regulatory authorities do not approve these other products or revoke their approval of, or if safety, efficacy, quality, manufacturing or supply issues arise with, the products we choose to evaluate in combination with our product candidate we develop, we may be unable to obtain approval of or market such combination therapy.

Certain of our product candidates are expected to be used with a drug delivery system and thus may be regulated as a combination product and may face additional challenges, risks and delays in the product development and regulatory approval process.

Our intranasal OX2R agonist program is expected to be used with the OptiNose Bi-Directional Exhalation Delivery System, to which we have an exclusive license agreement. When evaluating product candidates that utilize a specific drug delivery system or device, the FDA will evaluate the characteristics of that delivery system and its functionality, as well as the potential for undesirable interactions between the drug and the delivery system, including the potential to negatively impact the safety or effectiveness of the drug. Intranasal OX2R is in preclinical development and use of the OptiNose Bi-Directional Exhalation Delivery System with OX2R may be unsuccessful in clinical trials and we may have to identify another delivery device or develop our own. The FDA review process can be more complicated for combination products, and may result in delays, particularly if novel delivery systems are involved. Additionally, quality or design concerns with the delivery system could delay or prevent regulatory approval and commercialization of intranasal OX2R.

Risks Related to our Reliance on Third Parties

We rely, and expect to continue to rely, on third parties to conduct our preclinical studies and clinical trials and if these third parties perform in an unsatisfactory manner, our business could be substantially harmed.

We currently conduct and expect to continue to rely on third parties such as CROs to conduct our clinical trials. However, we do not currently have the ability to independently conduct large-scale clinical trials, such as a Phase 3 clinical trial, without assistance of third parties.

We have relied upon and plan to continue to rely upon medical institutions, clinical investigators, contract laboratories and other third parties, such as CROs, to conduct or assist us in conducting GCP-compliant clinical trials on our product candidates properly and on time, and may not currently have all of the necessary contractual relationships in place to do so. Once we have established contractual relationships with such third-party CROs, we will have only limited control over their actual performance of these activities.

We and our CROs and other vendors are required to comply with cGMP, GCP and GLP which are regulations and guidelines enforced by the FDA, the Competent Authorities of the Member States of the European Union and any comparable foreign regulatory authorities for all of our product candidates in preclinical and clinical development. Regulatory authorities enforce these regulations through periodic inspections of trial sponsors, principal investigators, clinical trial sites and other contractors. Although we rely on CROs to conduct any current or planned GLP-compliant preclinical studies and GCP-compliant clinical trials and have limited influence over their actual performance, we remain responsible for ensuring that each of our preclinical studies and clinical trials is conducted in accordance with its investigational plan and protocol and applicable laws and regulations, and our reliance on the CROs does not relieve us of our regulatory responsibilities. If we or any of our CROs or vendors fail to comply with applicable regulations, the data generated in our preclinical studies and clinical trials may be deemed unreliable and the FDA, EMA, MHRA or any comparable foreign regulatory agency may require us to perform additional preclinical studies and clinical trials before approving our marketing applications. We cannot assure you that upon inspection by a given regulatory agency, such regulatory agency will determine that all of our clinical trials comply with GCP regulations. In addition, our clinical trials must be conducted with products produced under cGMP requirements. Our failure to comply with these requirements may require us to repeat clinical trials, which would delay the regulatory approval process.

While we will have agreements governing their activities, our CROs will not be our employees, and we will not be able to control whether or not they devote sufficient time and resources to our future preclinical and clinical programs. These CROs may also have relationships with other commercial entities, including our competitors, for whom they may also be conducting clinical trials, or other drug development activities which could harm our business. We face the risk of potential unauthorized disclosure or misappropriation of our intellectual property by CROs, which may reduce our trade secret protection and allow our potential competitors to access and exploit our proprietary technology. CROs also may use our proprietary information and intellectual property in such a way as to result in litigation or other intellectual property-related proceedings that could jeopardize or invalidate our proprietary information and intellectual property. If our CROs do not successfully carry out their contractual duties or obligations, fail to meet expected deadlines, or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical protocols or regulatory requirements or for any other reason, our clinical trials may be extended, delayed or terminated, the clinical data generated in our clinical trials may be deemed unreliable, and we may not be able to obtain regulatory approval for, or successfully commercialize any product candidate that we develop. As a result, our financial results and the commercial prospects for any product candidate that we develop would be harmed, our costs could increase, and our ability to generate revenue could be delayed.

If our relationships with these CROs terminate, we may not be able to enter into arrangements with alternative CROs or do so on commercially reasonable terms. Switching or adding additional CROs involves substantial cost and requires management time and focus, and could delay development and commercialization of our product candidates. In addition, there is a natural transition period when a new CRO commences work. As a result, delays occur, which can negatively impact our ability to meet our desired clinical development timelines. Though we intend to carefully manage our relationships with our CROs, there can be no assurance that we will not encounter challenges or delays in the future or that these delays or challenges will not have a negative impact on our business and financial condition.

We could experience manufacturing problems that result in delays in our development or commercialization of our programs or otherwise harm our business.

The manufacturing processes our CMOs use to produce our and our affiliates' product candidates are complex. Several factors could cause production interruptions, including inability to develop novel manufacturing processes, equipment malfunctions, facility contamination, raw material shortages or contamination, natural disasters, disruption in utility services, human error or disruptions in the operations of our suppliers, including acquisition of the supplier by a third party or declaration of bankruptcy. The expertise required to manufacture these product candidates may be unique to a particular CMO, and as a result, it would be difficult and time consuming to find an alternative CMO.

Some of our product candidates include biologics, some of which have physical and chemical properties that cannot be fully characterized. As a result, assays of the finished product may not be sufficient to ensure that the product is consistent from lot-to-lot or will perform in the intended manner. Accordingly, our CMOs must employ multiple steps to control the manufacturing process to assure that the process is reproducible and the product candidate is made strictly and consistently in compliance with the process. Problems with the manufacturing process, even minor deviations from the normal process, could result in product defects or manufacturing failures that result in lot failures, product recalls, product liability claims or insufficient inventory to conduct clinical trials or supply commercial markets. We may encounter problems achieving adequate quantities and quality of clinical-grade materials that meet the FDA, the EMA, the MHRA or other applicable standards or specifications with consistent and acceptable production yields and costs.

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

Our CMOs also may encounter problems hiring and retaining the experienced scientific, quality assurance, quality-control and manufacturing personnel needed to operate our manufacturing processes, which could result in delays in production or difficulties in maintaining compliance with applicable regulatory requirements.

Any problems in our CMOs' supply chain, manufacturing process or facilities could result in delays in planned clinical trials and increased costs, and could make us a less attractive collaborator for potential partners, including larger biotechnology companies and academic research institutions, which could limit access to additional attractive development programs. Problems in our manufacturing process could restrict our ability to meet potential future market demand for products.

We currently rely and expect to rely in the future on the use of third parties to manufacture our product candidates. Our business could be harmed if the third party manufacturers experience supply chain shortages, fail to provide us with sufficient quantities of our product candidates or fail to do so at acceptable quality levels or prices or deliver defective products.

We do not currently own any facility that may be used as our clinical-scale manufacturing and processing facility and must currently rely on outside vendors to manufacture our product candidates. We will need to negotiate and maintain contractual arrangements with these outside vendors for the supply of our product candidates and we may not be able to do so on favorable terms. We have not yet caused our product candidates to be manufactured on a commercial scale and may not be able to do so for any of our product candidates.

Our anticipated reliance on a limited number of third-party manufacturers exposes us to a number of risks, including the following:

- we may be unable to identify manufacturers on acceptable terms or at all because the number of potential manufacturers is limited and the FDA must inspect any manufacturers for current cGMP compliance as part of our marketing application;
- a new manufacturer would have to be educated in, or develop substantially equivalent processes for, the production of our product candidates;
- a change in manufacturers or certain changes in manufacturing processes/procedures will require that we conduct a manufacturing comparability study to verify that any new manufacturer or manufacturing process/procedures will produce our product candidate according to the specifications previously submitted to the FDA or other regulatory authority, and such study may be unsuccessful;
- our third-party manufacturers might be unable to timely manufacture our product candidates or produce the quantity and quality required to meet our clinical and commercial needs, if any;
- contract manufacturers may not be able to execute our manufacturing procedures and other logistical support requirements appropriately;
- our future contract manufacturers may not perform as agreed, may not devote sufficient resources to our product candidates or may not remain in the contract manufacturing business for the time required to supply our clinical trials or to successfully produce, store, and distribute our products, if any;
- manufacturers are subject to ongoing periodic unannounced inspection by the FDA and corresponding state agencies to ensure strict compliance with cGMP and other government regulations and corresponding foreign standards and we have no control over third-party manufacturers' compliance with these regulations and standards;
- we may not own, or may have to share, the intellectual property rights to any improvements made by our third-party manufacturers in the manufacturing process for our product candidates;
- our third-party manufacturers could breach or terminate their agreements with us;
- raw materials and components used in the manufacturing process, particularly those for which we have no other source or supplier, may not be available or may not be suitable or acceptable for use due to material or component defects;
- our contract manufacturers and critical reagent suppliers may be subject to inclement weather, as well as natural or man-made disasters; and
- our contract manufacturers may have unacceptable or inconsistent product quality success rates and yields, and we have no direct control over our contract manufacturers' ability to maintain adequate quality control, quality assurance and qualified personnel.

Each of these risks could delay or prevent the completion of our clinical trials or the approval of any of our product candidates by the FDA, result in higher costs or adversely impact commercialization of our product candidates. In addition, we will rely on third parties to perform certain specification tests on our product candidates prior to delivery to patients. If these tests are not appropriately done and test data are not reliable, patients could be put at risk of serious harm and the FDA could place significant restrictions on our company until deficiencies are remedied. Moreover, because each of our Centessa Subsidiaries has a separate manufacturing process for their programs, we will not benefit from any synergies related to manufacturing costs. We may also face logistical problems in managing different CMOs and processes for all of our Centessa Subsidiaries.

Certain third parties upon whom we rely for the supply of the active pharmaceutical ingredient used in our product candidates are our sole source of supply, and the loss of any of these suppliers could significantly harm our business.

Certain of the third parties upon whom we rely for the supply of the active pharmaceutical ingredient used in our product candidates are our sole source of supply, and the loss of any of these suppliers could significantly harm our business. The active pharmaceutical ingredients ("API") used in certain of our product candidates are supplied to us from single-source suppliers. Our ability to successfully develop our product candidates, and to ultimately supply our commercial products in quantities sufficient to meet the market demand, depends in part on our ability to obtain the API for these products in accordance with regulatory requirements and in sufficient quantities for clinical testing and commercialization. We do not currently have arrangements in place for a redundant or second-source supply of any such API in the event any of our current suppliers of such API cease their operations for any reason. We are also unable to predict how changing global economic conditions or potential global health concerns such as the COVID-19 pandemic will affect our third-party suppliers and

manufacturers. Any negative impact of such matters on our third-party suppliers and manufacturers may also have an adverse impact on our results of operations or financial condition. For all of our product candidates, we intend to identify and qualify additional manufacturers to provide such API prior to submission of an NDA or BLA (as applicable) to the FDA and/or EMA, MHRA or other applicable regulatory bodies. We are not certain, however, that our single-source suppliers will be able to meet our demand for their products, either because of the nature of our agreements with those suppliers, our limited experience with those suppliers or our relative importance as a customer to those suppliers. It may be difficult for us to assess their ability to timely meet our demand in the future based on past performance. While our suppliers have generally met our demand for their products on a timely basis in the past, they may subordinate our needs in the future to their other customers. Establishing additional or replacement suppliers for the API used in our product candidates, if required, may not be accomplished quickly. If we are able to find a replacement supplier, such replacement supplier would need to be qualified and may require additional regulatory inspection or approval, which could result in further delay. While we seek to maintain adequate inventory of the API used in our product candidates, any interruption or delay in the supply of components or materials, or our inability to obtain such API from alternate sources at acceptable prices in a timely manner could impede, delay, limit or prevent our development efforts, which could harm our business, results of operations, financial condition and prospects.

If our third-party manufacturers use hazardous and biological materials in a manner that causes injury or violates applicable law, we may be liable for damages.

Our research and development activities involve the controlled use of potentially hazardous substances, including chemical and biological materials, by our third-party manufacturers. Our manufacturers are subject to federal, state and local laws and regulations in the United States governing the use, manufacture, storage, handling and disposal of medical and hazardous materials. Although we believe that our manufacturers' procedures for using, handling, storing and disposing of these materials comply with legally prescribed standards, we cannot completely eliminate the risk of contamination or injury resulting from medical or hazardous materials. As a result of any such contamination or injury, we may incur liability or local, city, state or federal authorities may curtail the use of these materials and interrupt our business operations. In the event of an accident, we could be held liable for damages or penalized with fines, and the liability could exceed our resources. We do not have any insurance for liabilities arising from medical or hazardous materials. Compliance with applicable environmental laws and regulations is expensive, and current or future environmental regulations may impair our research, development and production efforts, which could harm our business, prospects, financial condition or results of operations.

If we are unable to obtain licenses from third parties on commercially reasonable terms or fail to comply with our obligations under such agreements, our business could be harmed.

It may be necessary for us to use the patented or proprietary technology of third parties to commercialize our products, in which case we would be required to obtain a license from these third parties. If we are unable to license such technology, or if we are forced to license such technology, on unfavorable terms, our business could be materially harmed. If we are unable to obtain a necessary license, we may be unable to develop or commercialize the affected product candidates, which could materially harm our business, and the third parties owning such intellectual property rights could seek either an injunction prohibiting our sales, or, with respect to our sales, an obligation on our part to pay royalties and/or other forms of compensation. Even if we are able to obtain a license, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us.

If we fail to comply with our obligations under our license agreements, our counterparties may have the right to terminate these agreements, in which event we might not be able to develop, manufacture or market, or may be forced to cease developing, manufacturing or marketing, any product that is covered by these agreements or may face other penalties under such agreements. Such an occurrence could materially adversely affect the value of the product candidate being developed under any such agreement. Termination of these agreements or reduction or elimination of our rights under these agreements may result in our having to negotiate new or reinstated agreements with less favorable terms, cause us to lose our rights under these agreements, including our rights to important intellectual property or technology, or impede, delay or prohibit the further development or commercialization of one or more product candidates that rely on such agreements.

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

Earthquakes, outbreak of disease, or other natural disasters could severely disrupt our operations, and have a material adverse effect on our business, results of operations, financial condition and prospects. If a natural disaster, power outage or other event occurred that prevented us from using all or a significant portion of our headquarters, that damaged critical

infrastructure, such as the manufacturing facilities of our third-party CMOs, or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible for us to continue our business for a substantial period of time. For example, in December 2019, an outbreak of a novel strain of coronavirus originated in Wuhan, China. See "—Business interruptions resulting from the COVID-19 outbreak or similar public health crises could cause a disruption of the development of our product candidates and adversely impact our business." In addition, since the beginning of the COVID-19 pandemic, three vaccines for the coronavirus have been granted Emergency Use Authorization by the FDA, and one of those later received marketing approval. Additional vaccines may be authorized or approved in the future. The resultant demand for vaccines and potential for manufacturing facilities and materials to be commandeered under the Defense Production Act of 1950, or equivalent foreign legislation, may make it more difficult to obtain materials or manufacturing slots for the products needed for our clinical trials, which could lead to delays in these trials. The disaster recovery and business continuity plans we have in place currently are limited and are unlikely to prove adequate in the event of a serious disaster or similar event. We may incur substantial expenses as a result of the limited nature of our disaster recovery and business continuity plans, which, particularly when taken together with our lack of earthquake insurance, could have a material adverse effect on our business.

Risks Related to Our Intellectual Property

If we are unable to obtain and maintain sufficient patent and other intellectual property protection for our product candidates and technology or other product candidates that may be identified, or if the scope of the intellectual property protection obtained is not sufficiently broad, our competitors could develop and commercialize product candidates similar or identical to the product candidates, and our ability to successfully commercialize the product candidates and other product candidates that we may pursue may be impaired.

As is the case with other pharmaceutical and biopharmaceutical companies, our success depends in significant part on our ability and the ability of our licensors and collaborators to obtain, maintain, enforce and defend patents and other intellectual property rights with respect to our product candidates and technology and to operate our business without infringing, misappropriating, or otherwise violating the intellectual property rights of others. We have and expect to continue to maintain and expand our own patent estate.

We have also licensed patent and other intellectual property rights to and from our partners. Some of these licenses give us the right to prepare, file and prosecute patent applications and maintain and enforce patents we have licensed, whereas other licenses may not give us such rights. 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 to or from our partners, and we may have to rely on our partners to fulfill these responsibilities. Consequently, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business. If our current or future licensors, licensees or collaborators fail to establish, maintain or protect such patents and other intellectual property rights, such rights may be reduced or eliminated. If our licensors, licensees or collaborators are not fully cooperative or disagree with us as to the prosecution, maintenance or enforcement of any patent rights, such patent rights could be compromised.

The patent prosecution process is expensive and time-consuming. We and our current or future licensors, licensees or collaborators may not be able to prepare, file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. It is also possible that we or our licensors will fail to file patent applications covering inventions made in the course of development and commercialization activities before a competitor or another third party files a patent application covering, or publishes information disclosing, a similar, independently-developed invention. Such competitor's patent application may pose obstacles to our ability to obtain or limit the scope of patent protection we may obtain. Although we enter into non-disclosure and confidentiality agreements with parties who have access to confidential or patentable aspects of our research and development output, such as our employees, collaborators, CROs, contract manufacturers, consultants, advisors and other third parties, any of these parties may breach the agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to seek patent protection. In addition, 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 be certain that we or our licensors were the first to make the inventions claimed in our owned or licensed patents or pending patent applications, or were the first to file for patent protection of such inventions, or if such licensed patents rights may otherwise become invalid.

The patent position of biotechnology and pharmaceutical companies generally is uncertain, involves complex legal and factual questions and is the subject of much litigation. As a result, the issuance, scope, validity, enforceability and commercial value of our and our current or future licensors' patent rights are uncertain. Our and our licensors' 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 exclude others from commercializing competitive technologies and products. The patent examination process may require us or our licensors to narrow the scope of the claims of our pending and future patent applications, and therefore, even if

such patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors or other third parties from competing with us, or otherwise provide us with any competitive advantage. Our and our licensors' patent applications cannot be enforced against third parties practicing the technology claimed in such applications unless and until a patent issues from such applications, and then only to the extent the issued claims cover such technology. Any of the foregoing could harm our competitive position, business, financial condition, results of operations and prospects.

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

Our trademarks or trade names may be challenged, infringed, diluted, circumvented or declared generic or determined to be infringing on other marks. We intend to rely on both registration and common law protection for our trademarks. We may not be able to protect our rights to these trademarks and trade names or may be forced to stop using these names, which we need for name recognition by potential partners or customers in our markets of interest. During the trademark registration process, we may receive Office Actions from the United States Patent and Trademark Office ("USPTO"), objecting to the registration of our trademark. Although we would be given an opportunity to respond to those objections, we may be unable to overcome such rejections. In addition, in the USPTO and in comparable agencies in many foreign jurisdictions, third parties are given an opportunity to oppose pending trademark applications and/or to seek the cancellation of registered trademarks. Opposition or cancellation proceedings may be filed against our trademarks, and our trademarks may not survive such proceedings. If we are unable to obtain a registered trademark or establish name recognition based on our trademarks and trade names, we may not be able to compete effectively and our business may be adversely affected.

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

We rely on trade secrets and confidentiality agreements to protect our unpatented know-how, technology and other proprietary information and to maintain our competitive position. Trade secrets and know-how can be difficult to protect. We seek to protect these trade secrets and other proprietary technology, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, collaborators, CROs, contract manufacturers, consultants, advisors and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants. We cannot guarantee that we have entered into such agreements with each party that may have or has had access to our trade secrets or proprietary technology and processes. 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. These risks are heightened due to our reliance on third parties, including third party consultants, CROs and CMOs, for certain aspects of our business. The activities conducted by our third party vendors require us to share our trade secrets with them, which increases the possibility that a competitor will discover them or that our trade secrets will be misappropriated or disclosed. 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. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent them from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor or other third party, our competitive position would be materially and adversely harmed.

Third-party claims of intellectual property infringement, misappropriation or other violations may be costly and time consuming and may prevent or delay our product discovery and development efforts.

Third parties may initiate legal proceedings alleging that we are infringing, misappropriating, or otherwise violating 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 to develop, manufacture, market and sell our current and future product candidates and use our proprietary technologies without infringing, misappropriating or otherwise violating the intellectual property rights of third parties. There is a substantial amount of litigation involving patents and other intellectual property rights in the biotechnology and pharmaceutical industries, as well as administrative proceedings for challenging patents, including derivation, interference, reexamination, inter partes review, and post grant review proceedings before the USPTO or oppositions and other comparable proceedings in foreign jurisdictions. We or any of our future licensors or strategic partners may be party to, exposed to, or threatened with, future adversarial proceedings or litigation by third parties having patent or other intellectual property rights alleging that our current or future product candidates and/or proprietary technologies infringe, misappropriate or otherwise violate their intellectual property rights. Even if we believe third-party intellectual property claims are without merit, there is no assurance that a court would find in our favor on questions of infringement, validity, enforceability, or priority. With regard to our subsidiary Capella Bioscience, we are aware of issued patents in Europe

owned by La Jolla Institute of Allergy and Immunology (the "La Jolla patents") that are directed to a method of treatment with an inhibitor of LIGHT. The La Jolla patents could be construed to cover, and the owner of such patent may claim that its patents do cover, certain product candidates and technologies, including Capella Bioscience's anti-LIGHT antibody in certain treatment indications in certain European jurisdictions. The La Jolla patents are expected to expire in 2028, without taking into account any possible patent term adjustments or extensions. The La Jolla patents are currently subject to an opposition proceeding at the EPO brought by European Oppositions Limited which may result in a narrowing of the patents scope or loss of rights under the patents or the patents may be upheld in their granted form. There can be no assurance that the challenge by European Oppositions Limited against the La Jolla patents, or other proceedings challenging the La Jolla patents, will be successful. Depending on the outcome of challenges to the La Jolla patents, Capella Bioscience's product launch in Europe, if a product is approved, may need to be delayed until after the expiry of the La Jolla patents.

We cannot assure you that our product candidates and other technologies that we have developed, are developing or may develop in the future do not or will not infringe, misappropriate or otherwise violate existing or future patents or other intellectual property rights owned by third parties. Numerous U.S. and foreign issued patents and pending patent applications, which are owned by third parties, exist in the fields in which we are developing our product candidates. As the biotechnology and pharmaceutical industries expand and more patents are issued, the risk increases that our product candidates may give rise to claims of infringement of the patent rights of others. Moreover, it is not always clear to industry participants, including us, which patents cover various types of drugs, products or their methods of use or manufacture. Thus, because of the large number of patents issued and patent applications filed in our fields, there may be a risk that third parties may allege they have patent rights encompassing our product candidates, technologies or methods.

If a third party claims that we infringe, misappropriate or otherwise violate its intellectual property rights, we may face a number of issues, including, but not limited to:

- infringement, misappropriation and other intellectual property claims which, regardless of merit, may be expensive and time-consuming to litigate and may divert our management's attention from our core business and may impact our reputation;
- substantial damages for infringement, misappropriation or other violations, which we may have to pay if a court decides that the product candidate or technology at issue infringes, misappropriates or violates the third party's rights, and, if the court finds that the infringement was willful, we could be ordered to pay treble damages and the patent owner's attorneys' fees;
- a court prohibiting us from developing, manufacturing, marketing or selling our product candidates, or from using our proprietary technologies, unless the third party licenses its product rights to us, which it is not required to do, on commercially reasonable terms or at all;
- if a license is available from a third party, we may have to pay substantial royalties, upfront fees and other amounts, and/or grant cross-licenses to intellectual property rights for our products, or the license to us may be non-exclusive, which would permit third parties to use the same intellectual property to compete with us;
- redesigning our product candidates or processes so they do not infringe, misappropriate or violate third party intellectual property rights, which may not be possible or may require substantial monetary expenditures and time; and
- 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 ADSs.

Some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. In addition, any uncertainties resulting from the initiation and continuation of any litigation could have a material adverse effect on our ability to raise the funds necessary to continue our operations or could otherwise have a material adverse effect on our business, results of operations, financial condition and prospects. The occurrence of any of the foregoing could have a material adverse effect on our business, financial condition, results of operations or prospects.

We may choose to challenge the patentability of claims in a third party's U.S. patent by requesting that the USPTO review the patent claims in an ex-parte re-exam, inter partes review or post-grant review proceedings. These proceedings are expensive and may consume our time or other resources. We may choose to challenge a third party's patent in patent opposition proceedings in the European Patent Office ("EPO"), or other foreign patent office. The costs of these opposition proceedings could be substantial, and may consume our time or other resources. If we fail to obtain a favorable result at the USPTO, EPO or

other patent office then we may be exposed to litigation by a third party alleging that the patent may be infringed by our product candidates or proprietary technologies.

Third parties may assert that we are employing their proprietary technology without authorization. Patents issued in the United States by law enjoy a presumption of validity that can be rebutted only with evidence that is "clear and convincing," a heightened standard of proof. There may be issued third-party patents of which we are currently unaware with claims to compositions, formulations, methods of manufacture or methods for treatment related to the use or manufacture of our product candidates. Patent applications can take many years to issue. In addition, because some patent applications in the United States may be maintained in secrecy until the patents are issued, patent applications in the United States and many foreign jurisdictions are typically not published until 18 months after filing, and publications in the scientific literature often lag behind actual discoveries, we cannot be certain that others have not filed patent applications covering our product candidates or technology. If any such patent applications issue as patents, and if such patents have priority over our patent applications or patents we may own or in-license, we may be required to obtain rights to such patents owned by third parties which may not be available on commercially reasonable terms or at all, or may only be available on a non-exclusive basis. There may be currently pending patent applications which may later result in issued patents that our product candidates may infringe. It is also possible that patents owned by third parties of which we are aware, but which we do not believe are relevant to our product candidates or other technologies, could be found to be infringed by our product candidates or other technologies. In addition, third parties may obtain patents in the future and claim that use of our technologies infringes upon these patents. Moreover, we may fail to identify relevant patents or incorrectly conclude that a patent is invalid, not enforceable, exhausted, or not infringed by our activities. If any third-party patents were held by a court of competent jurisdiction to cover the manufacturing process of our product candidates, molecules used in or formed during the manufacturing process, or any final product itself, the holders of any such patents may be able to block our ability to commercialize the product candidate unless we obtained a license under the applicable patents, or until such patents expire or they are finally determined to be held invalid or unenforceable. Similarly, if any third-party patent were held by a court of competent jurisdiction to cover aspects of our formulations, processes for manufacture or methods of use, including combination therapy or patient selection methods, the holders of any such patent may be able to block our ability to develop and commercialize the product candidate unless we obtained a license or until such patent expires or is finally determined to be held invalid or unenforceable. In either case, such a license may not be available on commercially reasonable terms or at all. If we are unable to obtain a necessary license to a third-party patent on commercially reasonable terms, or at all, our ability to commercialize our product candidates may be impaired or delayed, which could in turn significantly harm our business. Even if we obtain a license, it may be nonexclusive, thereby giving our competitors access to the same technologies licensed to us. In addition, if the breadth or strength of protection provided by our patent applications or any patents we may own or in-license in the future is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future product candidates.

Parties making claims against us may seek and obtain injunctive or other equitable relief, which could effectively block our ability to further develop and commercialize our product candidates. Defense of these claims, regardless of their merit, could involve substantial litigation expense and would be a substantial diversion of employee resources from our business. In the event of a successful claim of infringement, misappropriation or other violation against us, we may have to pay substantial damages, including treble damages and attorneys' fees for willful infringement, obtain one or more licenses from third parties, pay royalties or redesign our infringing products, which may be impossible or require substantial time and monetary expenditure. We cannot predict whether any such license would be available at all or whether it would be available on commercially reasonable terms. Furthermore, even in the absence of litigation, we may need or may choose to obtain licenses from third parties to advance our research or allow commercialization of our product candidates. We may fail to obtain any of these licenses at a reasonable cost or on reasonable terms, if at all. In that event, we would be unable to further develop and commercialize our product candidates, which could harm our business significantly.

We may become involved in lawsuits to protect or enforce our patents or other intellectual property, which could be expensive, time-consuming and unsuccessful, and issued patents covering our technology and product candidates could be found invalid or unenforceable if challenged.

Competitors and other third parties may infringe or otherwise violate our issued patents or other intellectual property or the patents or other intellectual property of our licensors. In addition, our patents or the patents of our licensors may become involved in inventorship or priority disputes. Our pending patent applications cannot be enforced against third parties practicing the technology claimed in such applications unless and until a patent issues from such applications. To counter infringement or other unauthorized use, we may be required to file infringement claims, which can be expensive and time-consuming. Any claims we assert against perceived infringers could provoke these parties to assert counterclaims against us alleging that we infringe their patents or that our patents or our licensed patents are invalid or unenforceable. In a patent infringement proceeding, a court may decide that a patent of ours or a licensed patent is invalid or unenforceable, in whole or in part,

construe the patent's claims narrowly or refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology. An adverse result in any litigation proceeding could put one or more of our owned or licensed patents at risk of being invalidated, held unenforceable or interpreted narrowly. We may find it impractical or undesirable to enforce our intellectual property against some third parties.

If we were to initiate legal proceedings against a third party to enforce a patent directed to our product candidates, or one of our future product candidates, the defendant could counterclaim that our patent is invalid or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness, non-enablement or insufficient written description. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from the USPTO or made a misleading statement during prosecution. Third parties may also raise similar claims before the USPTO or an equivalent foreign body, even outside the context of litigation. Potential proceedings include re-examination, post-grant review, inter partes review, interference proceedings, derivation proceedings and equivalent proceedings in foreign jurisdictions (e.g., opposition proceedings). Such proceedings could result in the revocation of, cancellation of, or amendment to our patents in such a way that they no longer cover our technology or any product candidates that we may develop. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity question, 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 or unenforceability, we would lose at least part, and perhaps all, of the patent protection on the applicable product candidates or technology covered by the patent rendered invalid or unenforceable. Such a loss of patent protection would materially harm our business, financial condition, results of operations and prospects.

Interference proceedings provoked by third parties or brought by us or declared by the USPTO may be necessary to determine the priority of inventions with respect to our patents or patent applications. An unfavorable outcome could require us to cease using the related technology or to attempt to license rights to it from the prevailing party. Our business could be materially harmed if the prevailing party does not offer us a license on commercially reasonable terms.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation.

Our competitors maybe larger than we are and may have substantially greater resources. They are, therefore, likely to be able to sustain the costs of complex patent litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios. Accordingly, despite our efforts, we may not be able to prevent third parties from infringing upon, misappropriating or otherwise violating our intellectual property. Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims could result in substantial costs and diversion of management resources, which could harm our business. In addition, the uncertainties associated with litigation could compromise our ability to raise the funds necessary to continue our clinical trials, continue our internal research programs, or in-license needed technology or other product candidates. There could also be public announcements of the results of the hearing, motions, or other interim proceedings or developments. If securities analysts or investors perceive those results to be negative, it could cause the price of shares of our ADSs to decline. Any of the foregoing events could harm our business, financial condition, results of operation and prospects.

Intellectual property litigation could cause us to spend substantial resources and distract our personnel from their normal responsibilities.

Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses, and could distract our technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our ADSs. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could compromise our ability to compete in the marketplace, including compromising our ability to raise the funds necessary to continue our clinical trials, continue our research programs, license necessary technology from third parties, or enter into development collaborations that would help us

commercialize our product candidates, if approved. Any of the foregoing events would harm our business, financial condition, results of operations and prospects.

The patent protection we obtain for our product candidates and technology may be challenged or not sufficient enough to provide us with any competitive advantage.

Even if our owned or licensed patent applications issue as patents, the issuance of any such patents is not conclusive as to their inventorship, scope, validity, or enforceability, and such patents may be challenged, invalidated or held to be unenforceable, including in the courts or patent offices in the United States and abroad, or circumvented. We may be subject to a third party preissuance submission of prior art to the USPTO, or equivalent foreign bodies, or become involved in opposition, derivation, revocation, re-examination, post-grant and inter partes review, or interference proceedings challenging our patent rights or the patent rights of others.

Currently, one of our in-licensed European patents related to Morphogen's MGX292 is involved in a European opposition proceeding at the EPO. While we and the licensor are defending against this opposition, there is a risk that one or more of the grounds raised by the opponents will invalidate one or more of the granted claims or require an amendment of the claims in a way that does not cover our product candidates. This may prevent us from asserting this patent against our competitors marketing otherwise infringing products in relevant European countries where this patent has been granted.

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 products without infringing third-party patent rights. Moreover, we, or one of our licensors, may have to participate in interference proceedings declared by the USPTO to determine priority of invention or in post-grant challenge proceedings, such as oppositions in a foreign patent office, that challenge priority of invention or other features of patentability. Such proceedings and any other patent challenges may result in loss of patent rights, loss of exclusivity, loss of priority, or in patent claims being narrowed, invalidated, or held unenforceable, which could limit our ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our technology and product candidates. Such proceedings also may result in substantial cost and require significant time from our scientists and management, even if the eventual outcome is favorable to us. Any of the foregoing could harm our business, financial condition, results of operations and prospects.

Furthermore, 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. As a result, our owned and licensed patent portfolios may not provide us with adequate protection against third parties seeking to commercialize products similar or identical to ours. We expect to request extensions of patent terms to the extent available in countries where we obtain issued patents. In the United States, the Drug Price Competition and Patent Term Restoration Act of 1984 permits a patent term extension of up to five years beyond the expiration of the patent. However, there are no assurances that the FDA or any comparable foreign regulatory authority or national patent office will grant such extensions, in whole or in part. In such case, our competitors may launch their products earlier than might otherwise be anticipated. Moreover, some of our owned or in-licensed patents and patent applications are, and may in the future be, co-owned with third parties. If we are unable to obtain an exclusive license to any such co-owners' interest in such patents or patent applications, such co-owners may be able to license their rights to other third parties, including our competitors, and our competitors could market competing products and technology. In addition, we may need the cooperation of any such co-owners in order to enforce such patents against third parties, and such cooperation may not be provided to us.

In addition, our owned and in-licensed patents may be subject to a reservation of rights by the licensor, its affiliates and one or more third parties. When new technologies are developed with government funding, the government generally obtains certain rights in any resulting patents, including a non-exclusive license authorizing the government to use the invention for noncommercial purposes. These rights may permit the government to disclose our confidential information to third parties or allow third parties to use our licensed technology. The government can also exercise its march-in rights if it determines that action is necessary because we fail to achieve practical application of the government-funded technology, because action is necessary to alleviate health or safety needs, to meet requirements of federal regulations, or to give preference to U.S. industry. In addition, our rights in such inventions may be subject to certain requirements to manufacture products embodying such inventions in the United States. Any of the foregoing could harm our competitive position, business, financial condition, results of operations and prospects.

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

Many of our employees were previously employed at other biotechnology or pharmaceutical companies. Although we try to ensure that our employees, consultants and advisors 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 these individuals have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's former employer. Litigation may be necessary to defend against these claims.

In addition, we or our licensors may be subject to claims that former employees, collaborators, or other third parties have an interest in our owned or in-licensed patents or other intellectual property as an inventor or co-inventor. While it is our policy to require our employees 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.

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, delay development of our product candidates and be a distraction to management. Any of the foregoing events would harm our business, financial condition, results of operations and prospects.

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

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

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of some countries do not favor the enforcement of patents and other intellectual property protection, which could make it difficult for us to stop the infringement of our patents generally. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful.

Many countries, including major European Union countries, India, Japan and China, have compulsory licensing laws under which a patent owner may be compelled under specified circumstances to grant licenses to third parties. In addition, many countries limit the enforceability of patents against government agencies or government contractors. In those countries, we may have limited remedies if patents are infringed or if we are compelled to grant a license to a third party, which could materially diminish the value of those patents. This could limit our potential revenue opportunities. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license, which could adversely affect our business, financial condition, results of operations and prospects.

A number of our programs and associated product candidates are heavily dependent on licensed intellectual property. If we were to lose our rights to licensed intellectual property, we may not be able to continue developing or commercializing our product candidates, if approved. If we breach any of the agreements under which we license the use, development and commercialization rights to our product candidates or technology from third parties or, in certain cases, we fail to meet certain development deadlines, we could lose license rights that are important to our business.

We are heavily reliant upon licenses to certain patent rights and other intellectual property from third parties that are important or necessary to the development of our product candidates. We may also need to obtain additional licenses to advance the development and commercialization of other product candidates we may develop. We expect that future license agreements will impose upon us, various development, regulatory and or commercial diligence obligations, payment of milestones and/or royalties and other obligations. If we fail to comply with our obligations under these agreements, or we are subject to a bankruptcy-related event, the licensor may have the right to terminate the license, in which event we would not be able to develop, market or otherwise commercialize products covered by the license, and in some instances, may be also obligated to transfer back to licensor our developments related to the licensed product and associated regulatory rights. Our business could suffer, for example, if any current or future licenses terminate, if the licensors fail to abide by the terms of the license, if the licensed patents or other rights are found to be invalid or unenforceable, or if we are unable to enter into necessary licenses on acceptable terms.

Licensing of intellectual property is of critical importance to our business and involves complex legal, business and scientific issues and certain provisions in intellectual property license agreements may be susceptible to multiple interpretations. Disputes may arise between us and our licensors regarding intellectual property subject to a license agreement, including:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- whether and the extent to which our technology and processes infringe on intellectual property of the licensor that is not subject to the licensing agreement;
- our right to transfer, assign, or sublicense patent and other rights to third parties;
- our diligence obligations with respect to the use of the licensed technology in relation to our development and commercialization of our product candidates, and what activities satisfy those diligence obligations;
- the ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and us and our partners;
- our right to transfer or assign the license;
- the ability and effects of termination; and
- restrictive covenants that may restrict our abilities to compete or market competing products.

The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology, or increase what we believe to be our financial or other obligations under the relevant agreement, either of which could harm our business, financial condition, results of operations and prospects. Moreover, if disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on acceptable terms, we may be unable to successfully develop and commercialize the affected product candidates.

We may enter into additional licenses to third-party intellectual property that are necessary or useful to our business. Our current licenses and any future licenses that we may enter into impose various fees, royalty payment, milestone and other obligations on us. Under some license agreements, we may not control prosecution of the licensed intellectual property, or may not have the first right to enforce the intellectual property. In those cases, we may not be able to adequately influence patent prosecution or enforcement, or prevent inadvertent lapses of coverage due to failure to pay maintenance fees. If we fail to comply with any of our obligations under a current or future license agreement, the licensor may allege that we have breached our license agreement, and may accordingly seek to terminate our license. Termination of any of our current or future licenses could result in our loss of the right to use the licensed intellectual property, which could materially adversely affect our ability to develop and commercialize a product candidate or product, if approved, as well as harm our competitive business position and our business prospects. Under some license agreements, termination may also result in the transfer or granting of rights under certain of our intellectual property and information related to the product candidate being developed under the license, such as regulatory information.

In addition, if our licensors fail to abide by the terms of the license, if the licensors fail to prevent infringement by third parties, if the licensed patents or other rights are found to be invalid or unenforceable, or if we are unable to enter into necessary licenses on acceptable terms, our business, competitive position, financial condition, results of operations and prospects could be materially harmed.

Patent terms may be inadequate to protect our competitive position on our product candidates for an adequate amount of time. If we are not able to obtain patent term extension or non-patent exclusivity in the United States under the Hatch-

Waxman Act and in foreign countries under similar legislation, thereby potentially extending the marketing exclusivity term of our product candidates, our business may be materially harmed.

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

For instance, for our subsidiary, Pega-One SAS, in-licensed patents and patent applications directed to imgatuzumab and uses thereof are expected to expire between 2026 and 2028, which do not include any possible patent term extension. Our in-licensed patents may expire before, or soon after, our first product achieves marketing approval in the United States or foreign jurisdictions. Upon the expiration of our current patents, we may lose the right to exclude others from practicing these inventions. The expiration of these patents could also have a similar material adverse effect on our business, financial condition, prospects and results of operations.

For our subsidiary, Palladio Biosciences, the earliest in-licensed patents directed to composition of matter of lixivaptan and certain methods of use related to lixivaptan have expired. The expiration of these patents could have a material adverse effect on our business, financial condition, prospects and results of operations. We own pending patent applications directed to methods of treatment with lixivaptan that, if issued as patents, are expected to expire in 2038, without taking into account any possible patent term adjustments or extensions. However, we cannot be assured that the USPTO or relevant foreign patent offices will grant any of these patent applications.

With respect to Pega-One, we intend to utilize new preclinical, clinical and combination proprietary data to expand the product-specific patents estate. Additionally, with respect to our biologics products, we hope to take advantage of enhanced regulatory exclusivity periods, such as the 12 years of regulatory exclusivity available to biologics manufacturers under the Biologics Competition and Innovation Act of 2009. However, despite these measures, we may still lose the right the exclude others from practicing these inventions, which may negatively impact our business.

Depending upon the timing, duration and conditions of any FDA marketing approval of our product candidates, one or more of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984, referred to as the Hatch-Waxman Amendments, and similar legislation in the European Union. The Hatch-Waxman Amendments permit a patent term extension of up to five years for a patent covering an approved product as compensation for effective patent term lost during product development and the FDA regulatory review process. However, we may not receive an extension if we fail to exercise due diligence during the testing phase or regulatory review process, fail to apply within applicable deadlines, fail to apply prior to expiration of relevant patents or otherwise fail to satisfy applicable requirements. Moreover, the length of the extension could be less than we request. Only one patent per approved product can be extended, the extension cannot extend the total patent term beyond 14 years from approval and only those claims covering the approved drug, a method for using it or a method for manufacturing it may be extended. If we are unable to obtain patent term extension or the term of any such extension is less than we request, the period during which we can enforce our patent rights for the applicable product candidate will be shortened and our competitors may obtain approval to market competing products sooner. As a result, our revenue from applicable products could be reduced. Further, if this occurs, our competitors may take advantage of our investment in development and trials by referencing our clinical and preclinical data and launch their product earlier than might otherwise be the case, and our competitive position, business, financial condition, results of operations and prospects could be materially harmed.

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

Obtaining and enforcing patents in the pharmaceutical industry is inherently uncertain, due in part to ongoing changes in the patent laws. Depending on decisions by Congress, the federal courts, and the USPTO, the laws and regulations governing patents, and interpretation thereof, could change in unpredictable ways that could weaken our and our licensors' or collaborators' ability to obtain new patents or to enforce existing or future patents. For example, the Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. Therefore, there is increased uncertainty with regard to our and our

licensors' or collaborators' ability to obtain patents in the future, as well as uncertainty with respect to the value of patents once obtained.

Recent patent reform legislation could increase the uncertainties and costs surrounding the prosecution of our and our licensors' or collaborators' patent applications and the enforcement or defense of our or our licensors' or collaborators' issued patents. Assuming that other requirements for patentability are met, prior to March 2013, in the United States, the first to invent the claimed invention was entitled to the patent, while outside the United States, the first to file a patent application was entitled to the patent. After March 2013, under the Leahy-Smith America Invents Act (the Leahy-Smith Act), enacted in September 2011, the United States transitioned to a first inventor to file system in which, assuming that other requirements for patentability are met, the first inventor to file a patent application will be entitled to the patent on an invention regardless of whether a third party was the first to invent the claimed invention. The Leahy-Smith Act also includes a number of significant changes that affect the way patent applications are prosecuted and may also affect patent litigation. These include allowing third party submission of prior art to the USPTO during patent prosecution and additional procedures to attack the validity of a patent by USPTO-administered post-grant proceedings, including post-grant review, inter partes review and derivation proceedings. The USPTO recently developed new regulations and procedures to govern administration of the Leahy-Smith Act, and many of the substantive changes to patent law associated with the Leahy-Smith Act, particularly the first inventor-to-file provisions. Accordingly, 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 or our licensors' patent applications and the enforcement or defense of our or our licensors' issued patents, all of which could harm our business, financial condition, results of operations and prospects.

Intellectual property rights do not necessarily address all potential threats.

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

- others may be able to make products that are similar to any product candidates we may develop or utilize similar technology but that are not covered by the claims of the patents that we license or may own in the future;
- we, or our current or future licensors might not have been the first to make the inventions covered by the issued patent or pending patent application that we license or may own in the future;
- we, or our current or future licensors might not have been the first to file patent applications covering certain of our or their inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our owned or licensed intellectual property rights;
- it is possible that our pending owned or licensed patent applications or those that we may own or license in the future will not lead to issued patents;
- issued patents that we hold rights to may be held invalid or unenforceable, including as a result of legal challenges by our competitors;
- our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;
- we may not develop additional proprietary technologies that are patentable;
- the patents of others may harm our business; and
- we may choose not to file a patent in order to maintain certain trade secrets or know-how, and a third party may subsequently file a patent covering such intellectual property.

Should any of these events occur, they could harm our business, financial condition, results of operations and prospects.

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 non-compliance with these requirements.

Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and/or applications will be due to be paid to the USPTO and various governmental patent agencies outside of the United States in several stages over the lifetime of the patents and/or applications. We have systems in place to remind us to pay these fees, and we employ an outside firm and rely on our outside counsel to pay these fees due to non-U.S. patent agencies. The USPTO and various non-U.S. governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. We employ reputable law firms and other professionals to help us comply, and in many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. However, there are situations in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, our competitors might be able to enter the market and this circumstance would have a material adverse effect on our business.

We engage a number of consultants employed by academic institutions in jurisdictions that contain inventorship laws mandating that any inventions developed by such consultants whilst performing consultancy services automatically or otherwise shall reside in the employing institution and granting such institutions the first right to develop and/or commercialize such inventions. We may not be able to secure rights (whether through ownership or license interest) in inventions developed by such consultants during performance of consulting services for our companies.

We enter into confidentiality and intellectual property assignment agreements with our employees, consultants, outside scientific collaborators, sponsored researchers and other advisors. These agreements generally provide that inventions conceived by the party in the course of rendering services to us will be our exclusive property. However, these agreements may not be honored and may not effectively assign intellectual property rights to us. For example, even if we have a consulting agreement in place with an academic advisor pursuant to which such academic advisor is required to assign any inventions developed in connection with providing services to us, such academic advisor may not have the right to assign such inventions to us, as it may conflict with his or her obligations to assign their intellectual property to his or her employing institution.

Despite our undertaking of the measures listed above, we are subject to claims challenging the inventorship or ownership of our patents and other intellectual property and may be subject to further claims in the future. For example, our subsidiary PearlRiver has entered into consulting arrangements with a number of its founders and other investigators who, in each case, are employed by or affiliated with certain universities in Germany. The consulting arrangements provide that in the event such consultants invent during the course of performing activities for PearlRiver, such invention shall nonetheless be owned by the employing university and the employing university would be entitled to commercialize the invention. In order for PearlRiver to gain access to such invention, it would need to negotiate and enter into a licensing arrangement with the employing university. There can be no assurances that PearlRiver would be successful in such negotiations or that a license would be obtained on favorable terms. Litigation may be necessary to defend against these and other claims challenging inventorship or ownership. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, valuable intellectual property. Such an outcome could have a material adverse effect on our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

Certain of our employees and inventions are subject to German law.

Certain of our personnel work in Germany and are subject to German employment law. Inventions which may be the subject of a patent or of protection as a utility model and which are or were made by personnel working in Germany (except for legal representatives of our respective legal entities, for example managing directors) are subject to the provisions of the German Act on Employees' Inventions (Gesetz über Arbeitnehmererfindungen), or the German Inventions Act, which regulates the ownership of, and compensation for, inventions made by employees. We face the risk that disputes may occur between us and our current or past employees pertaining to the sufficiency of compensation paid by us, allocation of rights to inventions under this act or alleged non-adherence to the provisions of this act, any of which may be costly to resolve and take up our management's time and efforts whether we prevail or fail in such dispute. Even if we lawfully own all inventions created by our employees who are subject to the German Inventions Act, we are required under German law to reasonably compensate such employees for the use of the inventions and intellectual property rights related thereto. If we are required to pay compensation or face other disputes under the German Inventions Act, our results of operations could be adversely affected. Legal representatives of legal entities, for example managing directors, whose contractual relationships with the respective entity are subject to German law and that are not subject to the German Inventions Act as well as consultants must assign and transfer their interest in inventions and/or patents they invent or co-invent to us in order for us to have any rights to such inventions or patents.

There can be no assurance that all such assignments are fully effective, which may lead to unexpected costs or economic disadvantages and may harm our business, prospects, financial condition and results of operations. If any of our current or past employees, legal representatives of our legal entities or consultants obtain or retain ownership or co-ownership of any inventions or related intellectual property rights that we believe we own, we may lose valuable intellectual property rights and be required to obtain and maintain licenses from such employees or legal representatives of legal entities or consultants to such inventions or intellectual property rights, which may not be available on commercially reasonable terms or at all, or may be non-exclusive. If we are unable to obtain and maintain a license to any such employee's, legal representative's of legal entities or consultant's interest in such inventions or intellectual property rights, we may need to cease the development, manufacture, and commercialization of one or more of the products or solutions we may develop or may have developed. In addition, any loss of exclusivity of our intellectual property rights could limit our ability to stop others from using or commercializing similar or identical products and solutions. Any of the foregoing events could have a material adverse effect on our business, financial condition, prospects and results of operations.

Risks Related to Commercialization

We have never commercialized a product candidate and we may lack the necessary expertise, personnel and resources to successfully commercialize any of our products that receive regulatory approval on our own or together with collaborators.

We have never commercialized a product candidate. Our operations to date have been limited to organizing and staffing our company, business planning, raising capital, acquiring the rights to our product candidates and undertaking preclinical studies and clinical trials of our product candidates. We currently have no sales force, marketing or distribution capabilities. To achieve commercial success of our product candidates, if any are approved, we will have to develop our own sales, marketing and supply capabilities or outsource these activities to a third party.

Factors that may affect our ability to commercialize our product candidates on our own include recruiting and retaining adequate numbers of effective sales and marketing personnel, obtaining access to or persuading adequate numbers of physicians to prescribe our product candidates and other unforeseen costs associated with creating an independent sales and marketing organization. Developing a sales and marketing organization requires significant investment, is time-consuming and could delay the launch of our product candidates. We may not be able to build an effective sales and marketing organization in the United States, the European Union, the United Kingdom or other key global markets. If we are unable to build our own distribution and marketing capabilities or to find suitable partners for the commercialization of our product candidates, we may have difficulties generating revenue from them.

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

Ethical, social and legal concerns about our product candidates could result in additional regulations restricting or prohibiting our products. Even with the requisite approvals from the FDA in the United States, the European Commission (on the recommendation of the EMA) in the European Economic Area, the MHRA in the United Kingdom and other regulatory authorities internationally, the commercial success of our product candidates will depend, in part, on the acceptance of physicians, patients and health care payors of our product candidates as medically necessary, cost-effective and safe. Any

product that we commercialize may not gain acceptance by physicians, patients, health care payors and others in the medical community. If these products do not achieve an adequate level of acceptance, we may not generate significant product revenue and 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 and safety of such product candidates as demonstrated in clinical trials;
- the potential and perceived advantages of product candidates over alternative treatments;
- the cost of treatment relative to alternative treatments;
- the clinical indications for which the product candidate is approved by FDA, the EMA or the MHRA;
- patient awareness of, and willingness to seek, genotyping;
- the willingness of physicians to prescribe new therapies;
- the willingness of the target patient population to try new therapies;
- the prevalence and severity of any side effects;
- product labeling or product insert requirements of FDA, EMA, MHRA or other regulatory authorities, including any limitations or warnings contained in a product's approved labeling;
- relative convenience and ease of administration;
- the strength of marketing and distribution support;
- the timing of market introduction of competitive products;
- publicity concerning our products or competing products and treatments; and
- sufficient third-party payor coverage and reimbursement.

Even if a potential product displays a favorable efficacy and safety profile in preclinical studies and clinical trials, market acceptance of the product will not be fully known until after it is launched.

If the market opportunities for our product candidates are smaller than we believe they are, it may not be financially viable to commercialize, and if we do commercialize, our product revenues for any therapies that are approved for commercial sale may be adversely affected and our business may suffer.

We focus our research and product development on treatments for various diseases. Our understanding of both the number of people who have these diseases, as well as the subset of people with these diseases who have the potential to benefit from treatment with our product candidates, are based on estimates. These estimates may prove to be incorrect and new studies may reduce the estimated incidence or prevalence of these diseases. The number of patients in the United States, the European Union, the United Kingdom and elsewhere may turn out to be lower than expected, may not be otherwise amenable to treatment with our products or patients may become increasingly difficult to identify and access, all of which would adversely affect our business, financial condition, results of operations and prospects.

Further, there are several factors that could contribute to making the actual number of patients who receive our potential products less than the potentially addressable market. These include the lack of widespread availability of, and limited reimbursement for, new products or therapies in many underdeveloped markets.

If we are unable to establish sales, medical affairs and marketing capabilities or enter into agreements with third parties to market and sell our product candidates, we may be unable to generate any product revenue.

We currently have no sales and marketing organization. To successfully commercialize any products that may result from our development programs, we will need to develop these capabilities, either on our own or with others. The establishment and development of our own commercial team or the establishment of a contract sales force to market any products we may develop will be expensive and time-consuming and could delay any product launch. Moreover, we cannot be certain that we will be able to successfully develop this capability. We may enter into collaborations regarding our product candidates with entities to utilize their established marketing and distribution capabilities, but we may be unable to enter into such agreements on favorable terms, if at all. If any current or future collaborators do not commit sufficient resources to commercialize our products, or we are unable to develop the necessary capabilities on our own, we will be unable to generate sufficient product revenue to sustain our business. We compete with many companies that currently have extensive, experienced and well-funded

medical affairs, marketing and sales operations to recruit, hire, train and retain marketing and sales personnel. We also face competition in our search for third parties to assist us with the sales and marketing efforts of our product candidates. Without an internal team or the support of a third party to perform marketing and sales functions, we may be unable to compete successfully against these more established companies.

Our efforts to educate the medical community and third-party payors on the benefits of our product candidates may require significant resources and may never be successful. Such efforts may require more resources than are typically required due to the complexity and uniqueness of our potential products. If any of our product candidates is approved but fails to achieve market acceptance among physicians, patients or third-party payors, we will not be able to generate significant revenues from such product, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

Healthcare legislative reform measures may have a material adverse effect on our business and results of operations.

In the United States, there have been, and continue to be, several legislative initiatives to contain healthcare costs. For example, in March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act ("ACA"), was passed, which substantially changes the way health care is financed by both the government and private insurers, and significantly impacts the U.S. pharmaceutical industry. The ACA, among other things: (i) addresses a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected; (ii) increases the minimum Medicaid rebates owed by manufacturers under the Medicaid Drug Rebate Program and extends the rebate program to individuals enrolled in Medicaid managed care organizations; (iii) establishes annual fees and taxes on manufacturers of certain branded prescription drugs; (iv) expands the availability of lower pricing under the 340B drug pricing program by adding new entities to the program; and (v) establishes a new Medicare Part D coverage gap discount program, in which manufacturers must agree to offer 50% (increased to 70% pursuant to the Bipartisan Budget Act of 2018, effective as of January 1, 2019) point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D. Additionally, in the United States, the Biologics Price Competition and Innovation Act of 2009 created an abbreviated approval pathway for biologic products that are demonstrated to be "highly similar" or "biosimilar or interchangeable" with an FDA-approved biologic product. This new pathway could allow competitors to reference data from biologic products already approved after 12 years from the time of approval. This could expose us to potential competition by lower-cost biosimilars even if we commercialize a product candidate faster than our competitors.

Additionally, on July 9, 2021, President Biden issued an executive order directing the FDA to, among other things, work with states and tribes to safely import prescription drugs from Canada and to continue to clarify and improve the approval framework for generic drugs and biosimilars, including the standards for interchangeability of biological products, facilitate the development and approval of biosimilar and interchangeable products, clarify existing requirements and procedures related to the review and submission of BLAs, and identify and address any efforts to impede generic drug and biosimilar competition.

Additional changes that may affect our business include those governing enrollment in federal healthcare programs, reimbursement changes, rules regarding prescription drug benefits under the health insurance exchanges and fraud and abuse and enforcement. Continued implementation of the ACA and the passage of additional laws and regulations may result in the expansion of new programs such as Medicare payment for performance initiatives, and may impact existing government healthcare programs, such as by improving the physician quality reporting system and feedback program.

For each state that does not choose to expand its Medicaid program, there likely will be fewer insured patients overall, which could impact the sales, business and financial condition of manufacturers of branded prescription drugs. Where patients receive insurance coverage under any of the new options made available through the ACA, the possibility exists that manufacturers may be required to pay Medicaid rebates on that resulting drug utilization, a decision that could impact manufacturer revenues. The U.S. federal government also has announced delays in the implementation of key provisions of the ACA. The implications of these delays for our and our partners' business and financial condition, if any, are not yet clear.

We expect that additional state and federal healthcare reform measures will be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for our product candidates or additional pricing pressures.

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

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

In March 2010, the ACA was enacted, which includes measures that have significantly changed the way health care is financed by both governmental and private insurers. There have been executive, judicial and congressional challenges to certain aspects of the ACA. On June 17, 2021, the U.S. Supreme Court dismissed the most recent judicial challenge to the ACA brought by several states without specifically ruling on the constitutionality of the ACA. Prior to the Supreme Court's decision, President Biden issued an executive order to initiate a special enrollment period from February 15, 2021 through August 15, 2021 for purposes of obtaining health insurance coverage through the ACA marketplace. The executive order also instructed certain governmental agencies to review and reconsider their existing policies and rules that limit access to healthcare, including among others, reexamining Medicaid demonstration projects and waiver programs that include work requirements, and policies that create unnecessary barriers to obtaining access to health insurance coverage through Medicaid or the ACA. It is unclear how other healthcare reform measures of the Biden administration or other efforts, if any, to challenge, repeal or replace the ACA will impact our business.

In addition, other legislative and regulatory changes have been proposed and adopted since the ACA was enacted. For example, in August 2011, then-President Obama signed into law the Budget Control Act of 2011, which, among other things, created the Joint Select Committee on Deficit Reduction to recommend to Congress proposals in spending reductions. The Joint Select Committee on Deficit Reduction did not achieve a targeted deficit reduction, which triggered the legislation's automatic reduction to several government programs. This includes aggregate reductions to Medicare payments to providers of, on average, 2% per fiscal year, and, due to subsequent legislative amendments, will remain in effect through 2030 unless Congress takes additional action. However, the Medicare sequester reductions under the Budget Control Act of 2011 will be suspended from May 1, 2020 through December 31, 2021 due to the COVID-19 pandemic. Recently, there has been increasing legislative and enforcement interest in the United States with respect to specialty drug pricing practices. Specifically, there have been several recent U.S. congressional inquiries and proposed bills designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under Medicare, review the relationship between pricing and manufacturer patient programs and reform government program reimbursement methodologies for drugs. The probability of success of any previously announced policies under the former Trump administration and their impact on the United States prescription drug marketplace is unknown, particularly in light of the new Biden administration. Further, on May 30, 2018, the Right to Try Act, was signed into law. The law, among other things, provides a federal framework for certain patients to access certain investigational new drug products that have completed a Phase 1 clinical trial and that are undergoing investigation for FDA approval. Under certain circumstances, eligible patients can seek treatment without enrolling in clinical trials and without obtaining FDA permission under the FDA expanded access program. There is no obligation for a pharmaceutical manufacturer to make its drug products available to eligible patients as a result of the Right to Try Act.

In addition, there have been several changes to the 340B drug pricing program, which imposes ceilings on prices that drug manufacturers can charge for medications sold to certain health care facilities. On December 27, 2018, the District Court for the District of Columbia invalidated a reimbursement formula change under the 340B drug pricing program, and CMS subsequently altered the FYs 2019 and 2018 reimbursement formula on specified covered outpatient drugs. The court ruled this change was not an "adjustment" which was within the Secretary's discretion to make but was instead a fundamental change in the reimbursement calculation. However, more recently, on July 31, 2020, the U.S. Court of Appeals for the District of Columbia Circuit overturned the district court's decision and found that the changes were within the Secretary's authority. On September 14, 2020, the plaintiffs-appellees filed a Petition for Rehearing En Banc (i.e., before the full court), but was denied on October 16, 2020. Plaintiffs-appellees filed a petition for a writ of certiorari at the Supreme Court on February 10, 2021. On Friday July 2, 2021, the Supreme Court granted the petition. It is unclear how these developments could affect covered hospitals who might purchase our future products and affect the rates we may charge such facilities for our approved products in the future, if any.

Additionally, there has been increasing legislative and enforcement interest in the United States with respect to drug pricing practices. At the federal level, President Biden signed an Executive Order on July 9, 2021 affirming the administration's policy to (i) support legislative reforms that would lower the prices of prescription drug and biologics, including by allowing Medicare to negotiate drug prices, by imposing inflation caps, and, by supporting the development and market entry of lower-cost generic drugs and biosimilars; and (ii) support the enactment of a public health insurance option. Among other things, the Executive Order also directs HHS to provide a report on actions to combat excessive pricing of prescription drugs, enhance the domestic drug supply chain, reduce the price that the Federal government pays for drugs, and address price gouging in the industry; and 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. 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. On September

25, 2020, CMS stated drugs imported by states under this rule will not be eligible for federal rebates under Section 1927 of the Social Security Act and manufacturers would not report these drugs for "best price" or Average Manufacturer Price purposes. Since these drugs are not considered covered outpatient drugs, CMS further stated it will not publish a National Average Drug Acquisition Cost for these drugs. If implemented, importation of drugs from Canada may materially and adversely affect the price we receive for any of our product candidates. Further, on November 20, 2020 CMS issued an Interim Final Rule implementing the Most Favored Nation ("MFN") Model under which Medicare Part B reimbursement rates will be calculated for certain drugs and biologicals based on the lowest price drug manufacturers receive in Organization for Economic Cooperation and Development countries with a similar gross domestic product per capita.

The MFN Model regulations mandate participation by identified Part B providers and would have applied to all U.S. states and territories for a seven-year period beginning January 1, 2021, and ending December 31, 2027. However, on August 6, 2021 CMS announced a proposed rule to rescind the Most Favored Nations rule. Additionally, on December 2, 2020, HHS published a regulation removing safe harbor protection for price reductions from pharmaceutical manufacturers to plan sponsors under Part D, either directly or through pharmacy benefit managers, unless the price reduction is required by law. The rule also creates a new safe harbor for price reductions reflected at the point-of-sale, as well as a safe harbor for certain fixed fee arrangements between pharmacy benefit managers and manufacturers. on December 2, 2020, HHS published a regulation removing safe harbor protection for price reductions from pharmaceutical manufacturers to plan sponsors under Part D, either directly or through pharmacy benefit managers, unless the price reduction is required by law. The rule also creates a new safe harbor for price reductions reflected at the point-of-sale, as well as a safe harbor for certain fixed fee arrangements between pharmacy benefit managers and manufacturers. Pursuant to court order, the removal and addition of the aforementioned safe harbors have been delayed until January 1, 2023. Further, implementation of this change and new safe harbors for point-of-sale reductions in price for prescription pharmaceutical products and pharmacy benefit manager service fees are currently under review by the Biden administration and may be amended or repealed. Although a number of these and other proposed measures may require authorization through additional legislation to become effective, and the Biden administration may reverse or otherwise change these measures, both the Biden administration and Congress have indicated that it will continue to seek new legislative measures to control drug costs.

At the state level, individual states are increasingly aggressive in passing legislation and implementing regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing.

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

The insurance coverage and reimbursement status of newly-approved products is uncertain. Failure to obtain or maintain adequate coverage and reimbursement for our products, if approved, could limit our ability to market those products and decrease our ability to generate product revenue.

We expect the cost of our product candidates and programs, to be substantial, when and if they achieve regulatory approval. We expect that coverage and reimbursement by government and private payors will be essential for most patients to be able to afford these treatments. Accordingly, sales of our product candidates will depend substantially, both domestically and abroad, on the extent to which the costs of our product candidates will be paid by health maintenance, managed care, pharmacy benefit and similar healthcare management organizations, or will be reimbursed by government authorities, private health coverage insurers and other third-party payors. Coverage and reimbursement by a third-party payor may depend upon several factors, including the third-party payor's determination that use of a product is:

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

Obtaining coverage and reimbursement for a product from third-party payors is a time-consuming and costly process that could require us to provide to the payor supporting scientific, clinical and cost-effectiveness data. We may not be able to

provide data sufficient to gain acceptance with respect to coverage and reimbursement. If coverage and reimbursement are not available, or are available only at limited levels, we may not be able to successfully commercialize our product candidates. Even if coverage is provided, the approved reimbursement amount may not be adequate to realize a sufficient return on our investment.

There is significant uncertainty related to third-party coverage and reimbursement of newly approved products. In the United States, third-party payors, including government payors such as the Medicare and Medicaid programs, play an important role in determining the extent to which new drugs and biologics will be covered and reimbursed. The Medicare and Medicaid programs increasingly are used as models for how private payors and government payors develop their coverage and reimbursement policies. It is difficult to predict what the CMS will decide with respect to coverage and reimbursement for fundamentally novel products, as there is no body of established practices and precedents for these types of products. Moreover, reimbursement agencies in the European Union may be more conservative than CMS. For example, several cancer drugs have been approved for reimbursement in the United States and have not been approved for reimbursement in certain European Union Member States. It is difficult to predict what third-party payors will decide with respect to the coverage and reimbursement for our product candidates.

Outside the United States, international operations generally are subject to extensive government price controls and other market regulations, and increasing emphasis on cost-containment initiatives in the European Union, Canada and other countries may put pricing pressure on us. In many countries, the prices of medical products are subject to varying price control mechanisms as part of national health systems. In general, the prices of medicines under such systems are substantially lower than in the United States. Other countries allow companies to fix their own prices for medical products, but monitor and control company profits. Additional foreign price controls or other changes in pricing regulation could restrict the amount that we are able to charge for our product candidates. Accordingly, in markets outside the United States, the reimbursement for our products may be reduced compared with the United States and may be insufficient to generate commercially reasonable product revenues. Further, as discussed above, United States regulators are contemplating a MFN Model under which Medicare Part B reimbursement rates would be calculated for certain drugs and biologicals based on the lowest price drug manufacturers receive in Organization for Economic Cooperation and Development countries with a similar gross domestic product per capita.

Moreover, increasing efforts by government and third-party payors in the United States and abroad to cap or reduce healthcare costs may cause such organizations to limit both coverage and the level of reimbursement for new products approved and, as a result, they may not cover or provide adequate payment for our product candidates. Net prices for drugs 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 drugs from countries where they may be sold at lower prices than in the United States. Payors increasingly are considering new metrics as the basis for reimbursement rates, such as average sales price (“ASP”), average manufacturer price, and actual acquisition cost. The existing data for reimbursement based on some of these metrics is relatively limited, although certain states have begun to survey acquisition cost data for the purpose of setting Medicaid reimbursement rates, and CMS has begun making pharmacy National Average Drug Acquisition Cost and National Average Retail Price data publicly available on at least a monthly basis. Therefore, it may be difficult to project the impact of these evolving reimbursement metrics on the willingness of payors to cover candidate products that we or our partners are able to commercialize. In addition, many pharmaceutical manufacturers must calculate and report certain price reporting metrics to the government, such as ASP, and best price. Penalties may apply in some cases when such metrics are not submitted accurately and timely. Further, these prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs. We expect to experience pricing pressures in connection with the sale of any of our product candidates due to the trend toward managed healthcare, the increasing influence of health maintenance organizations and additional legislative changes. The downward pressure on healthcare costs in general, particularly prescription drugs and surgical procedures and other treatments, has become intense. As a result, increasingly high barriers are being erected to the entry of new products such as ours.

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

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

- decreased demand for any product candidates or medicines that we may develop;
- injury to our reputation and significant negative media attention;

- withdrawal of clinical trial participants;
- significant costs to defend the related litigation;
- substantial monetary awards to trial participants or patients;
- loss of revenue; and
- the inability to commercialize our product candidates.

Although we coverage for clinical trials that we sponsor, it may not be adequate to cover all liabilities that we may incur. We anticipate that we will need to increase our insurance coverage as we commence additional clinical trials and if we successfully commercialize any product candidates. The market for insurance coverage is increasingly expensive, and the costs of insurance coverage will increase as our clinical programs increase in size. 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.

Risks Related to our Business and Industry

Business interruptions resulting from the COVID-19 outbreak or similar public health crises could cause a disruption of the development of our product candidates and adversely impact our business.

In December 2019, a novel strain of the coronavirus, COVID-19, was identified in Wuhan, China. This virus spread globally, including within the United States and in March 2020 the World Health Organization declared COVID-19 a pandemic. The pandemic and government measures taken in response have also had a significant impact, both direct and indirect, on businesses and commerce, as worker shortages have occurred; supply chains have been disrupted; facilities and production have been suspended; and demand for certain goods and services, such as medical services and supplies, has spiked, while demand for other goods and services, such as travel, has fallen. As a result of the ongoing COVID-19 pandemic, we have, and expect to continue to experience disruptions that could severely impact our business, preclinical studies and clinical trials, including:

- delays or difficulties in enrolling and retaining patients in our clinical trials;
- delays or difficulties in clinical site initiation, including difficulties in recruiting clinical site investigators and clinical site staff;
- delays in receiving authorizations from regulatory authorities to initiate our planned clinical trials;
- diversion of healthcare resources away from the conduct of clinical trials, including the diversion of hospitals serving as our clinical trial sites and hospital staff supporting the conduct of our clinical trials;
- interruption of key clinical trial activities, such as clinical trial site data monitoring, due to limitations on travel imposed or recommended by federal or state governments, employers and others or interruption of clinical trial subject visits and study procedures (such as endoscopies that are deemed non-essential), which may impact the integrity of subject data and clinical study endpoints;
- risk that participants enrolled in our clinical trials will contract COVID-19 while the clinical trial is ongoing, which could impact the results of the clinical trial, including by increasing the number of observed adverse events;
- risk that we are unable to enroll participants in our clinical trials in adequate numbers;
- interruption or delays in the operations of the FDA or other regulatory authorities, which may impact review and approval timelines;
- interruption of, or delays in receiving, supplies of our product candidates from our contract manufacturing organizations due to staffing shortages, production slowdowns or stoppages and disruptions in delivery systems;
- interruptions in preclinical studies due to restricted or limited operations at our laboratory facility;
- delays in necessary interactions with local regulators, ethics committees and other important agencies and contractors due to limitations in employee resources or forced furlough of government employees;
- changes in local regulations as part of a response to the COVID-19 pandemic, which may require us to change the ways in which our clinical trials are conducted, which may result in unexpected costs, or to discontinue such clinical trials altogether;

- limitations on employee resources that would otherwise be focused on the conduct of our preclinical studies and clinical trials, including because of sickness of employees or their families or the desire of employees to avoid contact with large groups of people; and
- interruption or delays to our sourced identification, discovery and clinical activities.

Since March 2020, when foreign and domestic inspections of facilities were largely placed on hold, the FDA has been working to resume routine surveillance, bioresearch monitoring and pre-approval inspections on a prioritized basis. The FDA has developed a rating system to assist in determining when and where it is safest to conduct prioritized domestic inspections. As of May 2021, certain inspections, such as foreign pre-approval, surveillance and for-cause inspections that are not deemed mission-critical, remain temporarily postponed. In April 2021, the FDA issued guidance for industry formally announcing plans to employ remote interactive evaluations, using risk management methods, to meet user fee commitments and goal dates and in May 2021 announced plans to continue progress toward resuming standard operational levels. Should the FDA determine that an inspection is necessary for approval of a marketing application and an inspection cannot be completed during the review cycle due to restrictions on travel, the FDA has stated that it generally intends to issue a complete response letter or defer action on the application until an inspection can be completed. In 2020 and 2021, a number of companies announced receipt of complete response letters due to the FDA's inability to complete required inspections for their applications. Regulatory authorities outside the U.S. may adopt similar restrictions or other policy measures in response to the COVID-19 pandemic and may experience delays in their regulatory activities.

Additionally, as of May 26, 2021, the FDA noted it is continuing to ensure timely reviews of applications for medical products during the COVID-19 pandemic in line with its user fee performance goals. On July 16, 2020, FDA noted that it is continuing to expedite oncology product development with its staff teleworking full-time. However, FDA may not be able to continue its current pace and approval timelines could be extended, including where a pre-approval inspection or an inspection of clinical sites is required and due to the COVID-19 pandemic and travel restrictions FDA is unable to complete such required inspections during the review period.

The COVID-19 pandemic continues to rapidly evolve. The extent to which the pandemic impacts our business, preclinical studies and clinical trials will depend on future developments, which are highly uncertain and cannot be predicted with confidence, such as the ultimate geographic spread of the disease, the duration of the pandemic, travel restrictions and social distancing in the United States and other countries, business closures or business disruptions and the effectiveness of actions taken in the United States and other countries to contain and treat the disease.

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

Our ability to compete in the highly competitive biotechnology and pharmaceutical industries depends upon our ability to attract and retain highly qualified managerial, scientific and medical personnel. We are highly dependent on our senior management, including scientific and medical personnel and other key employees. While we expect to engage in an orderly transition process as we integrate newly appointed officers and managers, we face a variety of risks and uncertainties relating to management transition, including diversion of management attention from business concerns, failure to retain other key personnel or loss of institutional knowledge. In addition, the loss of the services of any of our executive officers, other key employees and other scientific and medical advisors, and an inability to find suitable replacements could result in delays in product development and harm our business. In particular, due to our small number of employees, the loss of one employee may have a larger impact on our business than compared to a loss at one of our peers. We currently do not maintain "key person" insurance for any members of our management team.

Our Centessa Subsidiaries have historically conducted operations across facilities around the world. We may in the future expand our operations in the U.S. and other geographies, particularly in certain biotech hubs. Competition for skilled personnel in our market is intense and may limit our ability to hire and retain highly qualified personnel on acceptable terms or at all. Changes to immigration and work authorization laws and regulations, including those that restrain the flow of scientific and professional talent, can be significantly affected by political forces and levels of economic activity. Our business may be materially adversely affected if legislative or administrative changes to immigration or visa laws and regulations impair our hiring processes and goals or projects in the key jurisdictions in which we operate.

To encourage valuable employees to remain at our company, in addition to salary and cash incentives, we have provided equity awards that vest over time. The value to employees of equity awards that vest over time may be significantly affected by movements in our share price that are beyond our control, and may at any time be insufficient to counteract more lucrative offers from other companies. Despite our efforts to retain valuable employees, members of our management, scientific

and development teams may terminate their employment with us at any time. Although we have employment agreements with our key employees, certain of these employment agreements provide for at-will employment, which means that any of our employees could leave our employment at any time. Our success also depends on our ability to continue to attract, retain and motivate highly skilled junior, mid-level and senior managers as well as junior, mid-level and senior scientific and medical personnel.

Additionally, we rely on our scientific founders and other scientific and clinical advisors and consultants to assist us in formulating our research, development and clinical strategies. Certain of our scientific founders, advisors and consultants are not our employees and may have commitments to, or consulting or advisory contracts with, other entities that may limit their availability to us. If a conflict of interest arises between their work for us and their work for another entity, we may lose their services. Furthermore, our advisors may have arrangements with other companies to assist those companies in developing products or technologies that may compete with ours. In particular, if we are unable to maintain consulting relationships with our scientific founders or if they provide services to our competitors, our development and commercialization efforts will be impaired and our business will be significantly harmed.

Our employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements.

We are exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with FDA regulations, provide accurate information to the FDA, comply with manufacturing standards we may establish, comply with federal and state healthcare fraud and abuse laws and regulations, report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, kickbacks, self-dealing and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. It is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant fines or other sanctions.

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

We 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 chemicals and biological materials. 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.

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. Our failure to comply with these laws and regulations also may result in substantial fines, penalties or other sanctions.

Our internal computer systems, or those of our collaborators or other contractors or consultants, may fail or suffer security breaches, which could result in a material disruption of our product development programs.

In the ordinary course of our business, we may store, use, process or otherwise gain access to certain sensitive information, including proprietary information, confidential information, personal data and personal health data, intellectual property, trade secrets, and proprietary business information owned or controlled by ourselves or other parties. We may use third-party service providers and subprocessors to help us operate our business and we may also share such sensitive information with our partners or other third parties in conjunction with our business. We may be required to expend significant resources, at significant cost, fundamentally change our business activities and practices, or modify our operations, including

our clinical trial activities, or information technology in an effort to protect against security breaches and to mitigate, detect, and remediate actual or potential vulnerabilities as well as security breaches. Our internal computer systems (including, without limitation, any relevant sensitive information and other assets stored therein or accessible thereby) and those of our current and any future collaborators, contractors or consultants are vulnerable to damage from computer viruses, bugs, unauthorized access, denial-of-service attacks (such as credential stuffing); ransomware attacks, user errors or malfeasance, natural disasters, terrorism, war and telecommunication and electrical failures. For example, Capella Biosciences was the victim of an attack in which an unrelated party hacked into the email of Capella Biosciences' Chief Executive Officer. In the past, a Centessa Subsidiary experienced unauthorized access to its systems through social engineering schemes. If any such material system failure, accident or security breach were to occur and cause interruptions in our operations, it could result in a material disruption of our development programs and our business operations, whether due to a loss of our trade secrets or other sensitive information or other similar disruptions, as well as necessitating that we incur significant costs to address such failure, accident or security breach. For example, the loss of clinical trial data from completed or future clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. In addition, failures or significant downtime of our information technology or telecommunication systems or those used by our third-party service providers could cause significant interruptions in our operations and adversely impact the confidentiality, integrity and availability of sensitive information. We may also be the subject of server malfunction, software or hardware failures, supply-chain cyber attacks, loss of data or other computer assets, and other similar issues. Due to the COVID-19 pandemic, a significant portion of our workforce works remotely that has increased the risk to our information technology assets and data.

To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or applications, or inappropriate disclosure of sensitive information, we could incur liability, our competitive position could be harmed and the further development and commercialization of our product candidates could be delayed. Relevant laws, regulations, and industry standards, as well as contractual obligations, may require us to implement specific security measures or use industry-standard or reasonable measures to protect against security breaches. Even if we were to take and have taken security measures designed to protect against security breaches, there can be no assurance that such security measures or those of our service providers, partners and other third parties will be effective in protecting against disruptions or security breaches, or militating against the impact or the adverse consequences thereof. We may be unable to detect, anticipate, measure or prevent threats or techniques used to detect or exploit vulnerabilities in our (or our third parties') information technology, services, communications or software, or cause security breaches, because such threats and techniques change frequently, are often sophisticated in nature, and may not be detected until after an incident has occurred. We cannot be certain that we will be able to address any such vulnerabilities, in whole or part, and there may be delays in developing and deploying patches and other remedial measures to adequately address vulnerabilities. Relevant laws, regulations, and industry standards, as well as contractual obligations, may also require us to notify relevant stakeholders (including affected individuals, partners, collaborators, customers, regulators, law enforcement agencies, credit reporting agencies and others) of security breaches, and such disclosures are costly and could also have a material adverse effect on our reputation, business, or financial condition.

Actual or perceived security breaches or vulnerabilities, lack of appropriate information security safeguards and concerns regarding data privacy or security may cause some of our actual or prospective customers, collaborators, partners and/or clinical trial participants to stop participating in our trials, using our products or working with us. Additionally, regulators could impose penalties and monetary fines against us for similar concerns. The discontinuance of relationships with third parties, or the failure to meet the expectations of such third parties, and/or regulatory investigation or enforcement, could result in material harm to our operations, financial performance or reputation and affect our ability to grow and operate our business. We cannot be sure that our insurance coverage, if any, will be adequate or otherwise protect us from or adequately mitigate liabilities arising out of such security breaches or vulnerabilities. The successful assertion of one or more large claims against us that exceeds our available insurance coverage, or results in changes to our insurance policies (including premium increases or the imposition of large excess or deductible or co-insurance requirements), could materially and adversely affect our business.

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

Our results of operations could be adversely affected by general conditions in the global economy and in the global financial markets. The most recent global financial crisis caused extreme volatility and disruptions in the capital and credit markets. A severe or prolonged economic downturn, such as the most recent global financial crisis, could result in a variety of risks to our business, including weakened demand for our product candidates and our ability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy could strain our suppliers, possibly resulting in supply disruption, or cause delays in payments for our services by third-party payors or our collaborators. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the current economic climate and financial market conditions could adversely impact our business.

Our international operations may expose us to business, regulatory, legal, political, operational, financial, pricing and reimbursement risks associated with doing business across multiple jurisdictions outside of the United States.

Our business is subject to risks associated with conducting business internationally. Our Centessa Subsidiaries, suppliers, industry partners and clinical study centers are located across Europe, the United States and certain other jurisdictions. Furthermore, our business strategy incorporates potential international expansion as we seek to obtain regulatory approval for, and commercialize, our product candidates in patient populations outside the United States. If approved, we may hire sales representatives and conduct physician and patient association outreach activities across multiple jurisdictions. Doing business internationally involves a number of risks, including but not limited to:

- multiple, conflicting and changing laws, regulations, and compliance requirements such as privacy regulations, tax laws and practice, 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 products in various countries;
- rejection or qualification of foreign clinical trial data by the competent authorities of other countries;
- additional potentially relevant third-party patent rights;
- complexities and difficulties in obtaining, maintaining, protecting and enforcing our intellectual property;
- difficulties in staffing and managing foreign operations;
- complexities associated with managing multiple payor reimbursement regimes, government payors or patient self-pay systems;
- limits in 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 products and exposure to foreign currency exchange rate fluctuations;
- natural disasters, political and economic instability, including wars, terrorism and political unrest, outbreak of disease, boycotts, curtailment of trade and other business restrictions;
- certain expenses including, among others, expenses for travel, translation and insurance; and
- regulatory and compliance risks that relate to anti-corruption compliance and record-keeping that may fall within the purview of the U.S. Foreign Corrupt Practices Act and/or the UK Bribery Act of 2010, or provisions of anti-corruption or anti-bribery laws in other countries.

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

We may be subject, directly or indirectly, to federal and state healthcare fraud and abuse laws, false claims laws and health information privacy and security laws. If we are unable to comply, or have not fully complied, with such laws, we could face substantial penalties.

If we obtain FDA approval for any of our product candidates and begin commercializing those products in the United States, our operations will be directly, or indirectly through our prescribers, customers and purchasers, subject to various federal and state fraud and abuse laws and regulations, including, without limitation, the federal Health Care Program Anti-Kickback Statute, the federal civil and criminal False Claims Act and Physician Payments Sunshine Act and regulations. These laws will impact, among other things, our proposed sales, marketing and educational programs. In addition, we may be subject to patient privacy laws by both the federal government and the states in which we conduct our business. The laws that will affect our operations include, but are not limited to:

- the federal Health Care Program Anti-Kickback Statute, which prohibits, among other things, persons or entities from knowingly and willfully soliciting, receiving, offering or paying any remuneration (including any kickback, bribe or rebate), directly or indirectly, overtly or covertly, in cash or in kind, in return for the purchase, recommendation, leasing or furnishing of an item or service reimbursable under a federal healthcare program, such as the Medicare and Medicaid programs. This statute has been interpreted to apply to arrangements between pharmaceutical manufacturers on the one hand, and prescribers, purchasers and formulary managers on the other. The ACA amends the intent requirement of the federal Anti-Kickback Statute. A person or entity no longer needs to have actual knowledge of this statute or specific intent to violate it. Violations are subject to civil and criminal

fines and penalties for each violation, plus up to three times the remuneration involved, imprisonment, and exclusion from government healthcare programs. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute;

- federal civil and criminal false claims laws and civil monetary penalty laws which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, claims for payment or approval from Medicare, Medicaid or other government payors that are false or fraudulent. The ACA provides and recent government cases against pharmaceutical and medical device manufacturers support the view that Federal Anti-Kickback Statute violations and certain marketing practices, including off-label promotion, may implicate the False Claims Act;
- the federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), which created new federal criminal statutes that prohibit a person from, among other things, knowingly and willfully executing a scheme or from making false or fraudulent statements to defraud any healthcare benefit program, regardless of the payor (e.g., public or private);
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act ("HITECH"), and its implementing regulations, and as amended again by the final HIPAA omnibus rule, Modifications to the HIPAA Privacy, Security, Enforcement, and Breach Notification Rules Under HITECH and the Genetic Information Nondiscrimination Act; Other Modifications to HIPAA, published in January 2013, which imposes certain requirements on covered entities, including health plans, health care clearinghouses and certain health care providers and their business associates and covered subcontractors relating to the privacy, security and transmission of individually identifiable health information without appropriate authorization;
- federal transparency laws, including the federal Physician Payment Sunshine Act, that require disclosure of payments and other transfers of value provided to physicians (defined to include defined to include doctors, dentists, optometrists, podiatrists and chiropractors) and teaching hospitals, and ownership and investment interests held by physicians and other healthcare providers and their immediate family members and applicable group purchasing organizations. Beginning in 2022, applicable manufacturers also will be required to report such information regarding its payments and other transfers of value to physician assistants, nurse practitioners, clinical nurse specialists, anesthesiologist assistants, certified registered nurse anesthetists and certified nurse midwives during the previous year;
- federal government price reporting laws, which require us to calculate and report complex pricing metrics in an accurate and timely manner to government programs;
- federal consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers; and
- state law equivalents of each of the above federal laws, state laws that require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures and state and foreign laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts in certain circumstances, such as specific disease states.

Because of the breadth of these laws and the narrowness of the statutory exceptions and safe harbors available, it is possible that some of our business activities could be subject to challenge under one or more of such laws. If our operations are found to be in violation of any of the laws described above or any other government regulations that apply to us, we may be subject to penalties, including civil and criminal penalties, damages, fines, exclusion from participation in government health care programs, such as Medicare and Medicaid, individual imprisonment and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

The provision of benefits or advantages to physicians to induce or encourage the prescription, recommendation, endorsement, purchase, supply, order or use of medicinal products is prohibited in the European Union. The provision of benefits or advantages to physicians is also governed by the national anti-bribery laws of European Union Member States, such as the UK Bribery Act 2010. Infringement of these laws could result in substantial fines and individual imprisonment.

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

Union Member States. Failure to comply with these requirements could result in reputational risk, public reprimands, administrative penalties, fines or individual imprisonment.

For further information on privacy laws, regulations and standards, as well as policies, contracts and other obligations related to data privacy and security, and the potential application thereof to our operations (including in relation to our use of health-related personal data), see the sub-section immediately below this.

We are subject to stringent and changing privacy laws, regulations and standards as well as policies, contracts and other obligations related to data privacy and security. Our actual or perceived failure to comply with such obligations could lead to government enforcement actions (that could include fines and penalties), a disruption of our clinical trials or commercialization of our products, private litigation, harm to our reputation, or other adverse effects on our business or prospects.

The legislative and regulatory framework relating to the collection, use, retention, safeguarding, disclosure, sharing, transfer, security and other processing (collectively, "Process" or "Processing") of personal data (including health-related personal data) worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. Globally, virtually every jurisdiction in which we operate has established its own data security and privacy frameworks with which we must comply and some of which may impose potentially conflicting obligations.

Accordingly, we are, or may become, subject to data privacy and security laws, regulations, and industry standards as well as policies, contracts and other obligations that apply to the Processing of personal data both by us and on our behalf (collectively, Data Protection Requirements). If we fail, or are perceived to have failed, to address or comply with Data Protection Requirements, this could result in government enforcement actions against us that could include investigations, fines, penalties, audits and inspections, additional reporting requirements and/or oversight, temporary or permanent bans on all or some Processing of personal data, orders to destroy or not use personal data, and imprisonment of company officials. Further, individuals or other relevant stakeholders could bring a variety of claims against us for our actual or perceived failure to comply with the Data Protection Requirements. Any of these events could have a material adverse effect on our reputation, business, or financial condition, and could lead to a loss of actual or prospective customers, collaborators or partners; interrupt or stop clinical trials; result in an inability to Process personal data or to operate in certain jurisdictions; limit our ability to develop or commercialize our products; or require us to revise or restructure our operations.

For example, in Europe, the collection and use of personal data, including health related data, is governed by the General Data Protection Regulation (EU) 2016/679 ("GDPR"), which came into effect on May 25, 2018 across the European Economic Area ("EEA"), and by related applicable data protection and privacy laws of the member states of the EEA. Switzerland has passed similar laws, and, following Brexit, the United Kingdom has transposed the GDPR into UK domestic law with effect from January 2021.

Collectively, European data protection laws (including the GDPR) are wide-ranging in scope and impose numerous, significant and complex compliance burdens in relation to the Processing of personal data, which increase our obligations with respect to clinical trials conducted in the EEA or the UK, such as: limiting permitted Processing of personal data to only that which is necessary for specified, explicit and legitimate purposes; requiring the establishment of a legal basis for Processing personal data; adopting a broad the definition of personal data to possibly include 'pseudonymized' or key-coded data; creating obligations for controllers and processors to appoint data protection officers in certain circumstances; imposing stringent transparency obligations to data subjects, which requires more detailed notices for clinical trial subjects and investigators; introducing the obligation to carry out data protection impact assessments in certain circumstances; establishing limitations on the collection and retention of personal data through 'data minimization' and 'storage limitation' principles; establishing obligations to implement 'privacy by design'; introducing obligations to honor increased rights for data subjects; formalizing a heightened and codified standard of data subject consent; establishing obligations to implement certain technical and organizational safeguards to protect the security and confidentiality of personal data; introducing obligations to agree to certain specific contractual terms and to take certain measures when working with third-party processors or joint controllers; imposing mandatory data breach notification requirements; and mandating the appointment of representatives in the UK and/or EU in certain circumstances. In particular, the Processing of "special category personal data" (such as personal data related to health and genetic information), which is relevant to our operations in the context of our conduct of clinical trials, imposes heightened compliance burdens under European data protection laws and is a topic of active interest among relevant regulators.

In addition, the GDPR provides that EEA member states may introduce specific or additional requirements related to the Processing of special categories of personal data such as health data that we may process in connection with clinical trials or otherwise. In the UK, the UK Data Protection Act 2018 complements the UK GDPR in this regard. This fact may lead to

greater divergence on the law that applies to the Processing of such personal data across the EEA and/or UK, which may increase our costs and overall compliance risk. Such country-specific regulations could also limit our ability to Process relevant personal data in the context of our EEA and/or UK operations ultimately having an adverse impact on our business, and harming our business and financial condition.

Further, certain European data protection laws restrict transfers of personal data to countries outside Europe that do not ensure an adequate level of protection, like the United States (so-called "third countries"). These transfers are prohibited unless an appropriate safeguard specified by the European data protection laws is implemented, such as the Standard Contractual Clauses ("SCCs") approved by the European Commission, or a derogation applies. The Court of Justice of the European Union ("CJEU") in its decision in Case C-311/18 (*Data Protection Commissioner v Facebook Ireland and Maximillian Schrems* or *Schrems II*) deemed that the SCCs are valid. However, the CJEU ruled that transfers made pursuant to the SCCs and other alternative transfer mechanisms need to be assessed on a case-by-case basis taking into account the legal regime applicable in the destination country, in particular regarding applicable surveillance laws and relevant rights of individuals with respect to the transferred personal data, to ensure an "essentially equivalent" level of protection to that guaranteed in the EEA in the jurisdiction where the data importer is based. On June 4, 2021, the European Commission published new versions of the SCCs ("New SCCs"), which seek to address the issues identified by the CJEU's *Schrems II* decision and provide further details regarding the transfer assessments of the importer third country's laws that the parties are required to conduct when implementing the New SCCs. On June 18, 2021, the European Data Protection Board ("EDPB") has issued its final guidance following the CJEU's decision that imposes significant new diligence requirements on transferring data outside the EEA, including under an approved transfer mechanism. This guidance requires an "essential equivalency" assessment of the laws of the destination country transferred. If the "essentially equivalent" level of protection standard outlined by the CJEU's decision is not satisfied in the destination country, the exporting entity must then assess if supplementary technical, organizational and/or contractual measures can be put in place that, in combination with the chosen transfer mechanism, would address the deficiency in the laws and ensure that essentially equivalent protection can be given to the data. Complying with this guidance will be expensive and time consuming and may ultimately prevent us from transferring personal data outside the EEA, which would cause significant business disruption. At present, there are few, if any, viable alternatives to the SCCs. The risks associated with such exports of personal data from locations within Europe are particularly relevant to our business as our group comprises several operating entities, many of which are located, and/or sponsor clinical trials, in Europe. We have yet to adopt and implement comprehensive processes, systems and other relevant measures within our organization, and/or with our relevant collaborators, service providers, contractors or consultants, which are appropriate to address relevant requirements relating to international transfers of personal data from Europe, and to minimize the potential impacts and risks resulting from those requirements, across our organization. Failure to implement valid mechanisms for personal data transfers from Europe may result in our facing increased exposure to regulatory actions, substantial fines and injunctions against Processing personal data from Europe. Inability to export personal data may also: restrict our activities outside Europe; limit our ability to collaborate with partners as well as other service providers, contractors and other companies outside of Europe; and/or require us to increase our Processing capabilities within Europe at significant expense or otherwise cause us to change the geographical location or segregation of our relevant systems and operations – any or all of which could adversely affect our operations or financial results. Additionally, other countries outside of Europe have enacted or are considering enacting similar cross-border data transfer restrictions and laws requiring local data residency, which could increase the cost and complexity of delivering our services and operating our business. The type of challenges we face in Europe will likely also arise in other jurisdictions that adopt laws similar in construction to the GDPR or regulatory frameworks of equivalent complexity.

European data protection laws also provide for robust regulatory enforcement and significant penalties for noncompliance, including, for example, under the GDPR, fines of up to €20 million or 4% of global annual revenue of any noncompliant organization for the preceding financial year, whichever is higher. In addition to administrative fines, a wide variety of other potential enforcement powers are available to competent supervisory authorities in respect of potential and suspected violations of the GDPR, including extensive audit and inspection rights, and powers to order temporary or permanent bans on all or some Processing of personal data carried out by noncompliant businesses – including permitting authorities to require destruction of improperly gathered or used personal data. European supervisory authorities have shown a willingness to impose significant fines and issue orders preventing the processing of personal data on non-compliant businesses. The GDPR also confers a private right of action on data subjects and non-profit associations to lodge complaints with supervisory authorities, seek judicial remedies, and obtain compensation for damages resulting from violations of the GDPR. As noted above, the legality of transfers of personal data to the United States and other third countries is a subject of particular uncertainty and we expect increased enforcement activity from the supervisory authorities with respect to such transfers.

Further, the UK's decision to leave the EU, often referred to as Brexit, and ongoing developments in the UK have created uncertainty regarding data protection regulation in the UK. As noted above, the data protection obligations of the GDPR continue to apply to UK-related Processing of personal data in substantially unvaried form under the so-called 'UK

GDPR' (i.e., the GDPR as it continues to form part of UK law by virtue of section 3 of the EU (Withdrawal) Act 2018, as amended). However, going forward, there is increasing risk for divergence in application, interpretation and enforcement of the data protection laws as between the UK and EEA. In September 2021, the UK Government announced a consultation on reforms to the UK data protection regime. This consultation may result in changes to the UK GDPR that affect our efforts to create a harmonized approach to processing European personal data and potentially exposes us to two parallel regimes where the UK GDPR and EU GDPR both apply, each of which potentially authorizes similar fines and other potentially divergent enforcement actions for certain violations. Any changes introduced by the UK Government may also be considered by the European Commission to undermine the UK data protection regime and therefore lead to the revocation of adequacy finding granted to the United Kingdom to enable personal data to transfer from the EU to the UK. Additionally, following the expiry of the post-Brexit transitional arrangements, the UK Information Commissioner's Office is not able to be our 'lead supervisory authority' in respect of any 'cross border Processing' for the purposes of the GDPR. For so long as we are unable to, and/or do not, designate a lead supervisory authority in an EEA member state, with effect from January 1, 2021, we are not able to benefit from the GDPR's 'one stop shop' mechanism. Amongst other things, this would mean that, in the event of a violation of the GDPR affecting data subjects across the UK and the EEA, we could be investigated by, and ultimately fined by, the UK Information Commissioner's Office and the supervisory authority in each and every EEA member state where data subjects have been affected by such violation.

In the United States, there are a broad variety of data protection laws and regulations that may apply to our activities such as state data breach notification laws, state personal data privacy laws (for example, the California Consumer Privacy Act of 2018 ("CCPA"), state health information privacy laws, and federal and state consumer protection laws. A range of enforcement agencies exist at both the state and federal levels that can enforce these laws and regulations. For example, the CCPA requires covered businesses that process personal information of California residents to disclose their data collection, use and sharing practices. Further, the CCPA provides California residents with new data privacy rights (including the ability to opt out of certain disclosures of personal data), imposes new operational requirements for covered businesses, provides for civil penalties for violations as well as a private right of action for data breaches and statutory damages (that is expected to increase data breach class action litigation and result in significant exposure to costly legal judgements and settlements). Aspects of the CCPA and its interpretation and enforcement remain uncertain. In addition, it is anticipated that the CCPA will be expanded on January 1, 2023, when the California Privacy Rights Act of 2020 ("CPRA") becomes operative. The CPRA will, among other things, give California residents the ability to limit use of certain sensitive personal information, further restrict the use of cross-contextual advertising, establish restrictions on the retention of personal information, expand the types of data breaches subject to the CCPA's private right of action, provide for increased penalties for CPRA violations concerning California residents under the age of 16, and establish a new California Privacy Protection Agency to implement and enforce the new. Although there are limited exemptions for clinical trial data under the CCPA, the CCPA and other similar laws could impact our business activities depending on how it is interpreted.

Certain other state laws impose similar privacy obligations and we also expect anticipate that more states to may enact legislation similar to the CCPA, which provides consumers with new privacy rights and increases the privacy and security obligations of entities handling certain personal information of such consumers. The CCPA has prompted a number of proposals for new federal and state-level privacy legislation. Such proposed legislation, if enacted, may add additional complexity, variation in requirements, restrictions and potential legal risk, require additional investment of resources in compliance programs, impact strategies and the availability of previously useful data and could result in increased compliance costs and/or changes in business practices and policies.

On March 2, 2021, for example, Virginia enacted the Consumer Data Protection Act (the "CDPA"). The CDPA will become effective January 1, 2023. The CDPA will regulate how businesses (which the CDPA refers to as "controllers") collect and share personal information. While the CDPA incorporates many similar concepts of the CCPA and CPRA, there are also several key differences in the scope, application, and enforcement of the law that will change the operational practices of controllers. The new law will impact how controllers collect and process personal sensitive data, conduct data protection assessments, transfer personal data to affiliates, and respond to consumer rights requests.

Also, on July 8, 2021, Colorado's governor signed the Colorado Privacy Act ("CPA"), into law. The CPA is rather similar to the Virginia's CPDA but also contains additional requirements. The new measure applies to companies conducting business in Colorado or who produce or deliver commercial products or services intentionally targeted to its residents of the state that either: (1) control or process the personal data of at least 100,000 consumers during a calendar year; or (2) derive revenue or receive a discount on the price of goods or services from the sale of personal data and process or control the personal data of at least 25,000 consumers.

With the CPA, Colorado became the third state to enact a comprehensive privacy law but it is quite possible that other states will follow suit. The existence of comprehensive privacy laws in different states in the country will make our compliance obligations more complex and costly and may increase the likelihood that we may be subject to enforcement actions or otherwise incur liability for noncompliance.

In other foreign jurisdictions in which we operate or have operated (including sponsoring past, present or future clinical trials), such as, without limitation, Canada and Georgia, we may also be subject to stringent Data Protection Requirements. In Canada, for instance, Quebec just passed a comprehensive new data protection law that will have far-reaching effects.

Generally, these laws exemplify the vulnerability of our business to the evolving regulatory environment related to personal data and may require us to modify our Processing practices at substantial costs and expenses in an effort to comply.

Additionally, regulations promulgated pursuant to HIPAA, as amended, establish privacy and security standards that limit the use and disclosure of individually identifiable health information, or protected health information, and require the implementation of administrative, physical and technological safeguards designed to protect the privacy, confidentiality, integrity and availability of protected health information. These provisions may be applicable to our business or that of our collaborators, service providers, contractors or consultants.

Determining whether protected health information has been handled in compliance with applicable Data Protection Requirements can be complex and may be subject to changing interpretation. If we are unable to properly protect the privacy and security of protected health information, we could be found to have violated these privacy and security laws and/or breached certain contracts with our business partners (including as a business associate). Further, if we fail to comply with applicable Data Protection Requirements, such as, to the extent applicable, HIPAA privacy and security standards, we could face significant civil and criminal penalties. In the United States, the Department of Health and Human Services' and state attorneys general enforcement activity can result in financial liability and reputational harm, and responses to such enforcement activity can consume significant internal resources. In addition, state attorneys general are authorized to bring civil actions seeking either injunctions or damages in response to violations that threaten the privacy of state residents. We cannot be sure how these regulations will be interpreted, enforced or applied to our operations. In addition to the risks associated with enforcement activities and potential contractual liabilities, our ongoing efforts to comply with evolving laws and regulations at the federal and state level may be costly and require ongoing modifications to our policies, procedures and systems.

Given the breadth and evolving nature of Data Protection Requirements, preparing for and complying with these requirements is rigorous, time-intensive and requires significant resources and a review of our technologies, systems and practices, as well as those of any third-party collaborators, service providers, contractors or consultants that Process personal data on our behalf.

We may publish privacy policies and other documentation regarding our Processing of personal data and/or other confidential, proprietary or sensitive information. Although we endeavor to comply with our published policies and other documentation, we may at times fail to do so or may be perceived to have failed to do so. Moreover, despite our efforts, we may not be successful in achieving compliance if our employees, third-party collaborators, service providers, contractors or consultants fail to comply with our policies and documentation. Such failures can subject us to potential foreign, local, state and federal action if they are found to be deceptive, unfair, or misrepresentative of our actual practices. Moreover, subjects about whom we or our partners obtain information, as well as the providers who share this information with us, may contractually limit our ability to use and disclose the information. Claims that we have violated individuals' privacy rights or failed to comply with data protection laws or applicable privacy notices even if we are not found liable, could be expensive and time-consuming to defend and could result in adverse publicity that could harm our business or otherwise materially and negatively impact 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 harm our business.

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

We are comprised of multiple portfolio operating entities, all of which are at differing stages in their commercial, clinical, and preclinical operations, and all of which have taken differing measures to comply (and have varying degrees of compliance) with Data Protection Requirements. The lack of uniformity in the portfolio operating entities' efforts to comply with Data Protection Requirements, including, without limitation, establishing appropriate information security measures, could materially and adversely affect our business.

We are comprised of multiple portfolio operating entities, many of which were previously unrelated to the others and have operated discretely. Accordingly, the particular application of Data Protection Requirements may vary significantly across our group; as may the approach adopted by, and success of, relevant members of our organization to comply with relevant Data Protection Requirements. We have yet to adopt a harmonized approach to compliance with Data Protection Requirements across our group. The design, implementation, consolidation and harmonization of Processing operations, and relevant systems and facilities, across our company may cause us to incur significant expense, even where relevant members of the group are located within the same jurisdictions. These efforts could adversely affect our financial results.

Furthermore, the risks resulting from potential failure to comply, or perception of failure to comply, with Data Protection Requirements may vary significantly across our group.

Our company results from the combination of multiple early-stage operating companies within the life sciences sector. As early-stage companies, many of our operating companies are not at a level of maturity in relation to efforts to achieve compliance with Data Protection Requirements and the structuring of Processing operations, which would ordinarily be expected of an operating company that is a subsidiary of a publicly-traded company. Consequently, there exists a high level of risk with respect to one or more such companies as a result of its or their failure to comply, or perception of failure to comply, with Data Protection Requirements.

Risks Related to Ownership of Our Securities

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

We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act ("JOBS Act"), enacted in April 2012. For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended ("Sarbanes-Oxley Act"), reduced disclosure obligations regarding executive compensation our periodic reports and proxy statements, and exemptions from the requirements of holding nonbinding advisory votes on executive compensation and shareholder approval of any golden parachute payments not previously approved. We could be an emerging growth company for up to five years following 2021, the year in which we completed our initial public offering, although circumstances could cause us to lose that status earlier. We will remain an emerging growth company until the earlier of (1) the last day of the fiscal

year (a) following the fifth anniversary of the closing of our initial public offering, (b) in which we have total annual gross revenue of at least $1.07 billion or (c) in which we are deemed to be a large accelerated filer, which requires the market value of our ordinary shares that is held by non-affiliates to exceed $700 million as of the prior June 30th, and (2) the date on which we have issued more than $1 billion in non-convertible debt during the prior three-year period.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to not "opt out" of this exemption from complying with new or revised accounting standards and, therefore, we will adopt new or revised accounting standards at the time private companies adopt the new or revised accounting standard and will do so until such time that we either (i) irrevocably elect to "opt out" of such extended transition period or (ii) no longer qualify as an emerging growth company.

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

Our articles of association provide that the courts of England and Wales will be the exclusive forum for the resolution of all shareholder complaints other than complaints asserting a cause of action arising under the Securities Act or the Exchange Act, and that the United States District Court for the Southern District of New York will be the exclusive forum for the resolution of any shareholder complaint asserting a cause of action arising under the Securities Act or the Exchange Act.

Our articles of association provide that, unless we consent by ordinary resolution to the selection of an alternative forum, the courts of England and Wales shall, to the fullest extent permitted by law, be the exclusive forum for: (a) any derivative action or proceeding brought on our behalf; (b) any action or proceeding asserting a claim of breach of fiduciary duty owed by any of our directors, officers or other employees to us; (c) any action or proceeding asserting a claim arising out of any provision of the Companies Act 2006 ("Companies Act"), or our articles of association (as may be amended from time to time); or (d) any action or proceeding asserting a claim or otherwise related to our affairs, or the England and Wales Forum Provision. The England and Wales Forum Provision will not apply to any causes of action arising under the Securities Act or the Exchange Act. Our articles of association will further provide that unless we consent by ordinary resolution to the selection of an alternative forum, the United States District Courts shall be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act or the Exchange Act, or the U.S. Federal Forum Provision. In addition, our articles of association will provide that any person or entity purchasing or otherwise acquiring any interest in our shares is deemed to have notice of and consented to the England and Wales Forum Provision and the U.S. Federal Forum Provision; provided, however, that our shareholders cannot and will not be deemed to have waived our compliance with the U.S. federal securities laws and the rules and regulations thereunder.

The England and Wales Forum Provision and the U.S. Federal Forum Provision in our articles of association may impose additional litigation costs on our shareholders in pursuing any such claims. Additionally, the forum selection clauses in our articles of association may limit the ability of our shareholders to bring a claim in a judicial forum that they find favorable for disputes with us or our directors, officers or employees, which may discourage the filing of lawsuits against us and our directors, officers and employees, even though an action, if successful, might benefit our shareholders. In addition, while the Delaware Supreme Court ruled in March 2020 that federal forum selection provisions purporting to require claims under the Securities Act be brought in federal court are "facially valid" under Delaware law, there is uncertainty as to whether other courts, including the courts of England and Wales and other courts within the U.S., will enforce our U.S. Federal Forum Provision. If the U.S. Federal Forum Provision is found to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our results of operations and financial condition. The U.S. Federal Forum Provision may also impose additional litigation costs on our shareholders who assert that the provision is not enforceable or invalid. The courts of England and Wales and the United States District Court for the Southern District of New York may also reach different judgments or results than would other courts, including courts where a shareholder considering an action may be located or would otherwise choose to bring the action, and such judgments may be more or less favorable to us than our shareholders.

The price of our ADSs may be volatile, and you could lose all or part of your investment.

The trading price of our ADSs is likely to be highly volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control, including limited trading volume. In addition to the factors discussed in this "Risk Factors" section, these factors include:

- the results of our ongoing, planned or any future preclinical studies, clinical trials or clinical development programs;

- the commencement, enrollment, or results of clinical trials of our product candidates or any future clinical trials we may conduct, or changes in the development status of our product candidates;
- adverse results or delays in preclinical studies and clinical trials;
- our decision to initiate a clinical trial, not to initiate a clinical trial, or to terminate an existing clinical trial;
- any delay in our regulatory filings or any adverse regulatory decisions, including failure to receive regulatory approval of our product candidates;
- changes in laws or regulations applicable to our products, including but not limited to clinical trial requirements for approvals;
- adverse developments concerning our manufacturers or our manufacturing plans;
- our inability to obtain adequate product supply for any licensed product or inability to do so at acceptable prices;
- our inability to establish collaborations if needed;
- our failure to commercialize our product candidates;
- changes in the structure of healthcare payment systems;
- additions or departures of key scientific or management personnel;
- unanticipated serious safety concerns related to the use of our product candidates;
- introduction of new products or services offered by us or our competitors;
- announcements of significant acquisitions, strategic partnerships, joint ventures or capital commitments by us or our competitors;
- our ability to effectively manage our growth;
- the size and growth of our initial cancer target markets;
- our ability to successfully treat additional types of cancers or at different stages;
- actual or anticipated variations in quarterly operating results;
- our cash position;
- our failure to meet the estimates and projections of the investment community or that we may otherwise provide to the public;
- publication of research reports about us or our industry, or immunotherapy in particular, or positive or negative recommendations or withdrawal of research coverage by securities analysts;
- changes in the market valuations of similar companies;
- overall performance of the equity markets;
- sales of our ADSs by us or holders of our ADSs in the future;
- trading volume of our ADSs;
- changes in accounting practices;
- ineffectiveness of our internal controls;
- disputes or other developments relating to intellectual property or proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our technologies;
- significant lawsuits, including intellectual property or shareholder litigation;
- general political and economic conditions; and
- other events or factors, many of which are beyond our control.

In addition, the stock market in general, and the market for biopharmaceutical companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies. Broad market and industry factors may negatively affect the market price of our ADSs, regardless of our actual operating performance. If the market price of our ADSs does not exceed the price at which you

purchased them, you may not realize any return on your investment in us and may lose some or all of your investment. In the past, securities class action litigation has often been instituted against companies following periods of volatility in the market price of a company's securities. This type of litigation, if instituted, could result in substantial costs and a diversion of management's attention and resources, which would harm our business, financial condition, results of operation and future prospects.

Sales of a substantial number of securities by shareholders in the public market could cause our ADS price to fall.

If our shareholders sell, or indicate an intention to sell, substantial amounts of our ADSs in the public market after the lockup and other legal restrictions on resale lapse, the trading price of our ADSs could decline. In connection with our initial public offering, our officers, directors and substantially all of our pre-IPO shareholders have agreed to be subject to a contractual lock-up with the underwriters, which will expire 180 days after June 1, 2021, the date of the Prospectus. The lock-up agreements contain important exceptions that govern their applicability. Morgan Stanley & Co. LLC, Goldman Sachs & Co. LLC, Jefferies LLC and Evercore Group L.L.C., however, may, in their sole discretion, permit our officers, directors and other shareholders who are subject to these lock-up agreements to sell ordinary shares or ADSs prior to the expiration of the lock-up agreements.

In addition, ordinary shares that are either subject to outstanding options or reserved for future issuance under equity incentive plans will become eligible for sale in the public market to the extent permitted by the provisions of various vesting schedules, the lock-up agreements and Rule 144 and Rule 701 under the Securities Act of 1933, as amended, or the Securities Act. If these additional ordinary shares are sold, or if it is perceived that they will be sold, in the public market, the trading price of our ADSs could decline.

As of September 30, 2021, the holders of 49,197,753 ordinary shares (or ordinary shares converted to ADSs) are entitled to rights with respect to the registration of their shares under the Securities Act, subject to the 180-day lock-up agreements described above. Registration of these shares under the Securities Act would result in such shares becoming freely tradable without restriction under the Securities Act, except for shares held by affiliates, as defined in Rule 144 under the Securities Act. Any sales of securities by these shareholders could have a material adverse effect on the trading price of our ADSs.

We do not know whether an active, liquid and orderly trading market will develop for our ADSs or what the market price of our ADSs will be and, as a result, it may be difficult for you to sell your ADSs.

Although our ADSs are listed on The Nasdaq Global Select Market, an active trading market for our ADSs may never develop or be sustained following our IPO. You may not be able to sell your ADSs quickly or at the market price if trading in shares of our ADSs is not active. As a result of these and other factors, you may be unable to resell your ADSs at or above the price at which your purchased them. Further, an inactive market may also impair our ability to raise capital by selling additional ADSs and may impair our ability to enter into strategic partnerships or acquire companies or products by using our ADSs as consideration.

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

The trading market for our ADSs will depend in part on the research and reports that securities or industry analysts publish about us or our business. Securities and industry analysts do not currently, and may never, publish research on our company. If no securities or industry analysts commence coverage of our company, the trading price for our ADSs would likely be negatively impacted. In the event securities or industry analysts initiate coverage, if one or more of the analysts who cover us downgrades our ADSs or publishes inaccurate or unfavorable research about our business, our ADS price may decline. If one or more of these analysts ceases coverage of our company or fails to publish reports on us regularly, demand for our ADSs could decrease, which might cause our ADS price and trading volume to decline.

Our principal shareholders and management own a significant percentage of our voting shares and will be able to exert significant influence over matters subject to shareholders' approval.

Our executive officers, directors, and 5.0% shareholders beneficially owned approximately 46.2% of our voting shares as of September 30, 2021. Therefore, these shareholders will have the ability to influence us through this ownership position. These shareholders may be able to determine matters requiring shareholder approval. For example, these shareholders may be able to control elections, re-elections and removal of directors, amendments of our articles of association, or approval of any

merger, scheme of arrangement, sale of assets, or other major corporate transaction. This may prevent or discourage unsolicited acquisition proposals or offers for our ADSs that you may feel are in your best interest as a holder of our ADSs.

In addition, some of these persons or entities may have interests different than yours. For example, because many of these shareholders purchased their ordinary shares at prices substantially below the price at which you may have purchased our ADSs and have held their ordinary shares for a longer period, they may be more interested in selling our company to an acquirer than other investors or they may want us to pursue strategies that deviate from the interests of other shareholders.

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

We expect that significant additional capital may be needed in the future to continue our planned operations, including conducting clinical trials, expanded research and development activities, and costs associated with operating as a public company. To raise capital, we may sell ADSs, ordinary shares, convertible securities, or other equity securities in one or more transactions at prices and in a manner we determine from time to time. If we sell ADSs, ordinary shares, convertible securities, or other equity securities, investors may be materially diluted by subsequent sales, and new investors could gain rights, preferences, and privileges senior to the holders of our ADSs. Pursuant to our 2021 Plan, our management is authorized to grant share options to our employees, directors, and consultants.

As of September 30, 2021, the aggregate number of ordinary shares that may be issued pursuant to future share awards under the 2021 Plan is 8,437,705 ordinary shares. The number of ordinary shares reserved for issuance under the 2021 Plan shall be cumulatively increased on January 1, 2022 and each January 1 thereafter by up to 5.0% of the total number of ordinary shares outstanding on December 31 of the preceding calendar year or a lesser number of ordinary shares determined by our board of directors. Unless our board of directors elects not to increase the number of ordinary shares available for future grant each year, our shareholders may experience additional dilution, which could cause the price of our ADSs to fall.

We have broad discretion in the use of our cash resources and may not use them effectively.

Our management will have broad discretion in the application of our cash resources, and you will not have the opportunity as part of your investment decision to assess whether such resources are being used appropriately. Because of the number and variability of factors that will determine our use of our cash resources, their ultimate use may vary substantially from their currently intended use. Our management might not apply our cash resources in ways that ultimately increase or maintain the value of your investment. Pending their use, we may invest our cash resources in short-term, investment-grade, interest-bearing securities. These investments may not yield a favorable return to our shareholders.

We do not intend to pay dividends on our ordinary shares, so any returns will be limited to the value of our ordinary shares or ADSs.

We currently anticipate that we will retain future earnings for the development, operation, and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. In addition, we may enter into agreements that prohibit us from paying cash dividends without prior written consent from our contracting parties, or which other terms prohibiting or limiting the amount of dividends that may be declared or paid on our ADS. Furthermore, under the Companies Act, a company's accumulated realized profits, so far as not previously utilized by distribution or capitalization, must exceed its accumulated realized losses so far as not previously written off in a reduction or reorganization of capital duly made (on a non-consolidated basis), before dividends can be paid. In the future, were our dividend policy to change, a dividend or distribution may still be restricted from being declared and paid. In addition, under the Companies Act, a public company can only affect a buyback of shares out of distributable profits or a fresh issue of shares and cannot do so out of capital. For these reasons, any return to shareholders may therefore be limited to the appreciation of their shares, which may never occur.

As a public company, we may be at an increased risk of securities class action litigation, which is expensive and could divert management attention.

The market price of our securities may be volatile and, in the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. Historically, 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 biotechnology and pharmaceutical companies have experienced significant share price volatility in

recent years. If we were to be sued, it could result in substantial costs and a diversion of management's attention and resources, which could harm our business.

We will incur significant increased costs as a result of operating as a public company, and our management will be required to devote substantial time to new compliance initiatives.

As a newly public company, we will incur significant legal, accounting, and other expenses that we had not historically incurred as a private company. We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act, which will require, among other things, that we file with the Securities and Exchange Commission (SEC), annual, quarterly, and current reports with respect to our business and financial condition. In addition, the Sarbanes-Oxley Act, as well as rules subsequently adopted by the SEC and The Nasdaq Global Select Market to implement provisions of the Sarbanes-Oxley Act, impose significant requirements on public companies, including requiring establishment and maintenance of effective disclosure and financial controls and changes in corporate governance practices. Further, in July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act), was enacted. There are significant corporate governance and executive compensation related provisions in the Dodd-Frank Act that require the SEC to adopt additional rules and regulations in these areas, such as "say on pay" and proxy access. Recent legislation permits emerging growth companies to implement many of these requirements over a longer period and up to five years from the pricing of our initial public offering. We intend to take advantage of this new legislation but cannot guarantee that we will not be required to implement these requirements sooner than budgeted or planned and thereby incur unexpected expenses. Shareholder activism, the current political environment, and the current high level of government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and impact the manner in which we operate our business in ways we cannot currently anticipate.

We expect the rules and regulations applicable to public companies to substantially increase our legal and financial compliance costs and to make some activities more time-consuming and costly. If these requirements divert the attention of our management and personnel from other business concerns, they could have a material adverse effect on our business, financial condition, and results of operations. The increased costs will decrease our net income or increase our net loss and may require us to reduce costs in other areas of our business or increase the prices of our products or services. For example, we expect these rules and regulations to make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to incur substantial costs to maintain the same or similar coverage. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees, or as executive officers.

We have material weaknesses in our internal control systems over financial reporting and will need to hire additional personnel and design and implement proper and effective internal controls over financial reporting. We may identify additional material weaknesses in the future that may cause us to fail to meet our reporting obligations or result in material misstatements in our financial statements. If we fail to remediate our material weaknesses, we may not be able to report our financial results accurately or to prevent fraud.

Our management is responsible for establishing and maintaining internal control over financial reporting, disclosure controls, and compliance with the other requirements of the Sarbanes-Oxley Act and the rules promulgated by the SEC thereunder. Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with international financial reporting standards. 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 financial statements will not be prevented or detected on a timely basis.

In connection with the audits of our financial statements as of December 31, 2020 and for the period from October 26, 2020 (inception) through December 31, 2020 and in connection with audits of our Centessa Subsidiaries as of December 31, 2019 and 2020 for the periods or years ended December 31, 2019 and 2020, we identified material weaknesses in our internal control over financial reporting. Neither Centessa nor the Centessa Subsidiaries have a sufficient complement of personnel commensurate with the accounting and reporting requirements of a public company. The material weaknesses identified relate to inadequate controls that address segregation of certain accounting duties and reconciliation and analysis of certain key accounts. We have concluded that these material weaknesses arose because, as a pre-revenue private company recently formed, we and Centessa Subsidiaries did not have the necessary personnel to design effective components of internal control including risk assessment control activities information/communication and monitoring to satisfy the accounting and financial reporting requirements of a public company.

Management will aim to remediate the material weaknesses described above through hiring additional qualified accounting and financial reporting personnel, and designing and implementing financial reporting systems, processes, policies and internal controls. However, we will not be able to fully remediate these material weaknesses until these steps have been completed and are functioning effectively, which may expose us to errors, losses or fraud until remediated. In addition, we cannot at this time provide an estimate of the costs we expect to incur or the expected timeline in connection with implementing our remediation plan. These remediation measures may be time-consuming and costly, and might place significant demands on our financial and operational resources. If we are unable to successfully remediate these material weaknesses or successfully supervise and rely on outside advisors with expertise in these matters to assist us in the preparation of our financial statements, our financial statements could contain material misstatements that, when discovered in the future, could cause us to fail to meet our future reporting obligations and cause the price of our ADSs to decline.

If we fail to develop or maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired.

As a public company, we will be required to develop and maintain internal control over financial reporting and to report any material weaknesses in such internal controls. The Sarbanes-Oxley Act, requires that we evaluate and determine the effectiveness of our internal control over financial reporting and, beginning with our second annual report following our initial public offering, provide a management report on internal control over financial reporting. In addition, once we are no longer an emerging growth company, we will be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm.

Any failure to develop or maintain effective controls, or any difficulties encountered in their implementation or improvement, could harm our results of operations, cause us to fail to meet our reporting obligations, result in a restatement of our financial statements for prior periods, or adversely affect the results of management evaluations and independent registered public accounting firm audits of our internal control over financial reporting that we will eventually be required to include in our periodic reports that will be filed with the SEC. In addition, to the extent we acquire or establish additional consolidated subsidiaries, the financial statements of such entities may not be initially prepared by us, and we will not have direct control over their financial statement preparation. As a result, we will, for our financial reporting, depend on what these entities report to us, which could result in our adding monitoring and audit processes, and increase the difficulty of implementing and maintaining adequate controls over our financial processes and reporting in the future, which could lead to delays in our external reporting. In particular, this may occur where we are establishing such entities with partners that do not have sophisticated financial accounting processes in place, or where we are entering into new relationships at a rapid pace, straining our integration capacity. Additionally, if we do not receive the information from the consolidated subsidiaries on a timely basis, it could cause delays in our external reporting. Ineffective disclosure controls and procedures and internal controls over financial reporting could also cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the trading price of our ADSs.

We have relied upon and, in the future we expect to continue to rely upon third-party contracted service providers to assist with our financial reporting. We are in the process of designing and implementing internal controls over financial reporting required to comply with the Sarbanes-Oxley Act. This process will be time consuming, costly, and complicated. If we are unable to assert that our internal control over financial reporting is effective or when required in the future, if our independent registered public accounting firm issues an adverse opinion on the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our ADSs could be adversely affected and we could become subject to investigations by the stock exchange on which our securities are listed, the SEC, or other regulatory authorities, which could require additional financial and management resources.

Our business and operations in the UK and EU may be negatively impacted by the United Kingdom's withdrawal from the EU, which could adversely affect the price of our ADSs.

On June 23, 2016, the UK held a referendum in which a majority of voters approved an exit from the EU ("Brexit"). After nearly three years of negotiation and political and economic uncertainty, the UK's withdrawal from the EU became effective on January 31, 2020. There was a transitional period, during which EU laws, including pharmaceutical laws, continued to apply in the UK, however this ended on December 31, 2020. The UK and EU have signed a EU-UK trade and cooperation agreement ("EU-UK Trade and Cooperation Agreement"), which became provisionally applicable on January 1, 2021 and became formally applicable on May 1, 2021 following ratification from both the UK and EU. This agreement provides details on how some aspects of the UK and EU's relationship regarding medicinal products will operate, particularly in relation to Good Manufacturing Practice, however there are still many uncertainties. Many of the regulations that now apply

in the UK following the transition period (including financial laws and regulations, tax, intellectual property rights, data protection laws, supply chain logistics, environmental, health and safety laws and regulations, medicine approval and regulations, immigration laws and employment laws), will likely be amended in future as the UK determines its new approach, which may result in significant divergence from EU regulations. This lack of clarity on future UK laws and regulations and their interaction with the EU laws and regulations increases our regulatory burden of operating in and doing business with both the UK and the EU.

The long-term effects of Brexit will depend in part on how the EU-UK Trade and Cooperation Agreement, and any future agreements signed by the UK and the EU, take effect in practice. Such a withdrawal from the EU is unprecedented, and it is unclear how the restrictions on the UK's access to the European single market for goods, capital, services and labor within the EU and the wider commercial, legal and regulatory environment, could impact our current and future operations and clinical activities in the UK.

We may also face new regulatory costs and challenges that could have an adverse effect on our operations as a result of Brexit. Since the regulatory framework in the UK covering quality, safety and efficacy of medicinal products, clinical trials, marketing authorization, commercial sales and distribution of medicinal products is derived from EU directives and regulations, Brexit could materially impact the future regulatory regime with respect to the approval of any of our future product candidates in the UK. For instance, the UK will now no longer be covered by the centralized procedure for obtaining EEA-wide marketing and manufacturing authorizations from the EMA for medicinal products and a separate process for authorization of drug products will be required in the UK. For a period of two years from 1 January 2021, the MHRA may rely on a decision taken by the European Commission on the approval of a new marketing authorization in the centralized procedure, in order to more quickly grant a UK marketing authorization, however a separate application will still be required. Any delay in obtaining, or an inability to obtain, any regulatory approvals, as a result of Brexit or otherwise, would delay or prevent us from commercializing our current or future product candidates in the UK and could restrict our ability to generate revenue from that market.

We expect that, now the transition period has expired, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the UK determines which EU laws to replicate or replace, including those related to the regulation of medicinal products. Any of these effects of Brexit, and others we cannot anticipate, could negatively impact our business and results of operations in the UK.

The uncertainty concerning the UK's legal, political and economic relationship with the EU following Brexit may also be a source of instability in the international markets, create significant currency fluctuations, and/or otherwise adversely affect trading agreements or similar cross-border co-operation arrangements (whether economic, tax, fiscal, legal, regulatory or otherwise).

Holders of ADSs are not treated as holders of our ordinary shares.

By investing in our company, you are a holder of ADSs with underlying ordinary shares in a company incorporated under English law. Holders of ADSs are not treated as holders of our ordinary shares, unless they withdraw the ordinary shares underlying their ADSs in accordance with the deposit agreement and applicable laws and regulations. The depositary is the holder of the ordinary shares underlying the ADSs. Holders of ADSs therefore do not have any rights as holders of our ordinary shares, other than the rights that they have pursuant to the deposit agreement.

Holders of ADSs may be subject to limitations on the transfer of their ADSs and the withdrawal of the underlying ordinary shares.

ADSs are transferable on the books of the depositary. However, the depositary may close its books at any time or from time to time when it deems expedient in connection with the performance of its duties. The depositary may refuse to deliver, transfer or register transfers of ADSs generally when our books or the books of the depositary are closed, or at any time if we or the depositary think it is advisable to do so because of any requirement of law, government or governmental body, or under any provision of the deposit agreement, or for any other reason, subject to the right of ADS holders to cancel their ADSs and withdraw the underlying ordinary shares. Temporary delays in the cancellation of your ADSs and withdrawal of the underlying ordinary shares may arise because the depositary has closed its transfer books or we have closed our transfer books, the transfer of ordinary shares is blocked to permit voting at a shareholders' meeting or we are paying a dividend on our ordinary shares. In addition, ADS holders may not be able to cancel their ADSs and withdraw the underlying ordinary shares when they owe money for fees, taxes and similar charges and when it is necessary to prohibit withdrawals in order to comply with any laws or governmental regulations that apply to ADSs or to the withdrawal of ordinary shares or other deposited securities.

We are entitled to amend the deposit agreement and to change the rights of ADS holders under the terms of such agreement, or to terminate the deposit agreement, without the prior consent of the ADS holders.

We are entitled to amend the deposit agreement and to change the rights of the ADS holders under the terms of such agreement, without the prior consent of the ADS holders. We and the depositary may agree to amend the deposit agreement in any way we decide is necessary or advantageous to us or to the depositary. Amendments may reflect, among other things, operational changes in the ADS program, legal developments affecting ADSs or changes in the terms of our business relationship with the depositary. In the event that the terms of an amendment are materially disadvantageous to ADS holders, ADS holders will only receive 30 days' advance notice of the amendment, and no prior consent of the ADS holders is required under the deposit agreement. Furthermore, we may decide to direct the depositary to terminate the ADS facility at any time for any reason. For example, terminations may occur when we decide to list our ordinary shares on a non-U.S. securities exchange and determine not to continue to sponsor an ADS facility or when we become the subject of a takeover or a going-private transaction. If the ADS facility will terminate, ADS holders will receive at least 30 days' prior notice, but no prior consent is required from them. Under the circumstances that we decide to make an amendment to the deposit agreement that is disadvantageous to ADS holders or terminate the deposit agreement, the ADS holders may choose to sell their ADSs or surrender their ADSs and become direct holders of the underlying ordinary shares, but will have no right to any compensation whatsoever.

ADS holders may not be entitled to a jury trial with respect to claims arising under the deposit agreement, which could result in less favorable outcomes to the plaintiff(s) in any such action.

The deposit agreement governing the ADSs representing our ordinary shares provides that, to the fullest extent permitted by law, holders and beneficial owners of ADSs irrevocably waive the right to a jury trial of any claim they may have against us or the depositary arising out of or relating to the ADSs or the deposit agreement.

If this jury trial waiver provision is not permitted by applicable law, an action could proceed under the terms of the deposit agreement with a jury trial. If we or the depositary opposed a jury trial demand based on the waiver, the court would determine whether the waiver was enforceable based on the facts and circumstances of that case in accordance with the applicable state and federal law. To our knowledge, the enforceability of a contractual pre-dispute jury trial waiver in connection with claims arising under the federal securities laws has not been finally adjudicated by the United States Supreme Court. However, we believe that a contractual pre-dispute jury trial waiver provision is generally enforceable, including under the laws of the State of New York, which govern the deposit agreement, by a federal or state court in the City of New York, which has non-exclusive jurisdiction over matters arising under the deposit agreement. In determining whether to enforce a contractual pre-dispute jury trial waiver provision, courts will generally consider whether a party knowingly, intelligently and voluntarily waived the right to a jury trial. We believe that this is the case with respect to the deposit agreement and the ADSs. It is advisable that you consult legal counsel regarding the jury waiver provision before entering into the deposit agreement.

If you or any other holders or beneficial owners of ADSs bring a claim against us or the depositary in connection with matters arising under the deposit agreement or the ADSs, including claims under federal securities laws, you or such other holder or beneficial owner may not be entitled to a jury trial with respect to such claims, which may have the effect of limiting and discouraging lawsuits against us and/or the depositary. If a lawsuit is brought against us and/or the depositary under the deposit agreement, it may be heard only by a judge or justice of the applicable trial court, which would be conducted according to different civil procedures and may result in different outcomes than a trial by jury would have had, including results that could be less favorable to the plaintiff(s) in any such action, depending on, among other things, the nature of the claims, the judge or justice hearing such claims, and the venue of the hearing.

No condition, stipulation or provision of the deposit agreement or ADSs serves as a waiver by any holder or beneficial owner of ADSs or by us or the depositary of compliance with the U.S. federal securities laws and the rules and regulations promulgated thereunder.

Moreover, as the jury trial waiver relates to claims arising out of or relating to the ADSs or the deposit agreement, we believe that, as a matter of construction of the clause, the waiver would likely to continue to apply to ADS holders who withdraw the ordinary shares from the ADS facility with respect to claims arising before the cancellation of the ADSs and the withdrawal of the ordinary shares, and the waiver would most likely not apply to ADS holders who subsequently withdraw the ordinary shares represented by ADSs from the ADS facility with respect to claims arising after the withdrawal. However, to our knowledge, there has been no caselaw on the applicability of the jury trial waiver to ADS holders who withdraw the ordinary shares represented by the ADSs from the ADS facility.

ADS holders will not have the same voting rights as the holders of our ordinary shares and may not receive voting materials in time to be able to exercise their right to vote.

Except as described in the deposit agreement, holders of the ADSs will not be able to exercise voting rights attaching to the ordinary shares represented by the ADSs. Under the terms of the deposit agreement, holders of the ADSs may instruct the depositary to vote the ordinary shares underlying their ADSs. Otherwise, holders of ADSs will not be able to exercise their right to vote unless they withdraw the ordinary shares underlying their ADSs to vote them in person or by proxy in accordance with applicable laws and regulations and our articles of association. Even so, ADS holders may not know about a meeting far enough in advance to withdraw those ordinary shares. If we ask for the instructions of holders of the ADSs, the depositary, upon timely notice from us, will notify ADS holders of the upcoming vote and arrange to deliver our voting materials to them. Upon our request, the depositary will mail to holders a shareholder meeting notice that contains, among other things, a statement as to the manner in which voting instructions may be given. We cannot guarantee that ADS holders will receive the voting materials in time to ensure that they can instruct the depositary to vote the ordinary shares underlying their ADSs. A shareholder is only entitled to participate in, and vote at, the meeting of shareholders, provided that it holds our ordinary shares as of the record date set for such meeting and otherwise complies with our articles of association. In addition, the depositary's liability to ADS holders for failing to execute voting instructions or for the manner of executing voting instructions is limited by the deposit agreement. As a result, holders of ADSs may not be able to exercise their right to give voting instructions or to vote in person or by proxy and they may not have any recourse against the depositary or us if their ordinary shares are not voted as they have requested or if their shares cannot be voted.

ADS holders may not receive distributions on our ordinary shares represented by the ADSs or any value for them if it is illegal or impractical to make them available to holders of ADSs.

The depositary for the ADSs has agreed to pay to you the cash dividends or other distributions it or the custodian receives on our ordinary shares or other deposited securities after deducting its fees and expenses. You will receive these distributions in proportion to the number of our ordinary shares your ADSs represent. However, in accordance with the limitations set forth in the deposit agreement, it may be unlawful or impractical to make a distribution available to holders of ADSs. We have no obligation to take any other action to permit distribution on the ADSs, ordinary shares, rights or anything else to holders of the ADSs. This means that you may not receive the distributions we make on our ordinary shares or any value from them if it is unlawful or impractical to make them available to you. These restrictions may have an adverse effect on the value of your ADSs.

Claims of U.S. civil liabilities may not be enforceable against us.

We are incorporated under English law and have our registered office in England. Certain members of our board of directors and senior management are non-residents of the United States, and all or a substantial portion of our assets and the assets of such persons are located outside the United States. As a result, it may not be possible to serve process on such persons or us in the United States or to enforce judgments obtained in U.S. courts against them or us based on civil liability provisions of the securities laws of the United States.

The United States and England and Wales do not currently have a treaty providing for recognition and enforcement of judgments (other than arbitration awards) in civil and commercial matters. Consequently, a final judgment for payment given by a court in the United States, whether or not predicated solely upon U.S. securities laws, would not automatically be recognized or enforceable in England and Wales. In addition, uncertainty exists as to whether the courts of England and Wales would entertain original actions brought in England and Wales against us or our directors or senior management predicated upon the securities laws of the United States or any state in the United States. Any final and conclusive monetary judgment for a definite sum obtained against us in U.S. courts would be treated by the courts of England and Wales as a cause of action in itself and sued upon as a debt at common law so that no retrial of the issues would be necessary, provided that certain requirements are met. Whether these requirements are met in respect of a judgment based upon the civil liability provisions of the U.S. securities laws, including whether the award of monetary damages under such laws would constitute a penalty, is an issue for the court making such decision. If the courts of England and Wales give judgment for the sum payable under a U.S. judgment, the judgment of the English and Welsh court will be enforceable by methods generally available for this purpose. These methods generally permit the courts of England and Wales discretion to prescribe the manner of enforcement.

As a result, U.S. investors may not be able to enforce against us or our senior management, board of directors or certain experts named herein who are residents of England and Wales or countries other than the United States any judgments obtained in U.S. courts in civil and commercial matters, including judgments under the U.S. federal securities laws.

ADS holders' right to participate in any future rights offerings may be limited, which may cause dilution to their holdings.

We may from time to time distribute rights to our shareholders, including rights to acquire our securities. However, we cannot make rights available to you in the United States unless we register the rights and the securities to which the rights relate under the Securities Act or an exemption from the registration requirements is available. Also, under the deposit agreement, the depositary bank will not make rights available to you unless either both the rights and any related securities are registered under the Securities Act, or the distribution of them to ADS holders is exempted from registration under the Securities Act. We are under no obligation to file a registration statement with respect to any such rights or securities or to endeavor to cause such a registration statement to be declared effective. Moreover, we may not be able to establish an exemption from registration under the Securities Act. If the depositary does not distribute the rights, it may, under the deposit agreement, either sell them, if possible, or allow them to lapse. Accordingly, you may be unable to participate in our rights offerings and may experience dilution in your holdings.

If we are a controlled foreign corporation, there could be material adverse U.S. federal income tax consequences to certain U.S. Holders.

Each "Ten Percent Shareholder" (as defined below) in a non-U.S. corporation that is classified as a "controlled foreign corporation," or a CFC, for U.S. federal income tax purposes generally is required to include in income for U.S. federal tax purposes such Ten Percent Shareholder's pro rata share of the CFC's "Subpart F income" and investment of earnings in U.S. property, even if the CFC has made no distributions to its shareholders. Subpart F income generally includes dividends, interest, rents, royalties, "global intangible low-taxed income," gains from the sale of securities and income from certain transactions with related parties. In addition, a Ten Percent Shareholder that realizes gain from the sale or exchange of shares in a CFC may be required to classify a portion of such gain as dividend income rather than capital gain. A non-U.S. corporation generally will be classified as a CFC for U.S. federal income tax purposes if Ten Percent Shareholders own, directly or indirectly, more than 50% of either the total combined voting power of all classes of stock of such corporation entitled to vote or of the total value of the stock of such corporation. A "Ten Percent Shareholder" is a United States person (as defined by the Code) who owns or is considered to own 10% or more of the total combined voting power of all classes of stock entitled to vote or 10% or more of the total value of all classes of stock of such corporation.

We do not expect to be a CFC in the current taxable year; however, it is possible that we may become a CFC in a subsequent taxable year. The determination of CFC status is complex and includes attribution rules, the application of which is not certain. In addition, as a result of recent changes made to the attribution rules in the Code, the stock of our non-U.S. subsidiaries is attributed to our U.S. subsidiary, which results in our non-U.S. subsidiaries being treated as CFCs and could result in certain United States persons being treated as Ten Percent Shareholders of such non-U.S. subsidiary CFCs. We cannot provide any assurances that we will assist holders of our ordinary shares or ADSs in determining whether we are treated as a CFC or whether any holder of ordinary shares or ADSs is treated as a Ten Percent Shareholder with respect to any such CFC or furnish to any Ten Percent Shareholders information that may be necessary to comply with the aforementioned reporting and tax paying obligations.

U.S. Holders should consult their own tax advisors with respect to the potential material adverse U.S. tax consequences of becoming a Ten Percent Shareholder in a CFC, including the possibility and consequences of becoming a Ten Percent Shareholder in our non-U.S. subsidiaries that are treated as CFCs due to the changes to the attribution rules. If we are classified as both a CFC and a PFIC (as defined below), we generally will not be treated as a PFIC with respect to those U.S. Holders that meet the definition of a Ten Percent Shareholder during the period in which we are a CFC.

There is substantial uncertainty as to whether we are or will be a "PFIC". If we are a PFIC, there could be material adverse U.S. federal income tax consequences to U.S. holders.

Under the Code, we will be a PFIC, for any taxable year in which (1) 75% or more of our gross income consists of passive income or (2) 50% or more of the average quarterly value of our assets consists of assets that produce, or are held for the production of, passive income. For purposes of these tests, passive income includes dividends, interest, gains from the sale or exchange of investment property and certain rents and royalties. In addition, for purposes of the above calculations, a non-U.S. corporation that directly or indirectly owns at least 25% by value of the shares of another corporation is treated as holding and receiving directly its proportionate share of assets and income of such corporation. If we are a PFIC for any taxable year during which a U.S. Holder holds our ordinary shares or ADSs, the U.S. Holder may be subject to material adverse tax consequences regardless of whether we continue to qualify as a PFIC, including ineligibility for any preferred tax rates on capital gains or on actual or deemed dividends, interest charges on certain taxes treated as deferred and additional reporting requirements.

While we believe we may have been a PFIC for 2020, and we do not believe we will be a PFIC in the current year, it is uncertain whether we or any of our Centessa Subsidiaries will be treated as a PFIC for U.S. federal income tax purposes for the current or any subsequent tax year. The determination of whether we are a PFIC is a fact-intensive determination made on an annual basis applying principles and methodologies that in some circumstances are unclear and subject to varying interpretation. The value of our assets would also be determined differently for the purposes of this determination if we were treated as a CFC, as discussed above. Under the income test described above, our status as a PFIC depends on the composition of our income which will depend on the transactions we enter into in the future and our corporate structure. The composition of our income and assets is also affected by the spending of the cash we raise in any offering, including in our initial public offering. Because PFIC status is based on our income, assets, and activities for the entire taxable year, we cannot make a conclusive determination at this time as to whether we will be a PFIC for 2021 and our PFIC status may change from year to year. Although we will try to manage our business to avoid becoming a PFIC, our operations currently generate very limited amounts of non-passive income. Until we generate sufficient revenue from active licensing and other non-passive sources, there is a risk that we will be a PFIC under the PFIC income test.

In certain circumstances, a U.S. Holder of shares in a PFIC may alleviate some of the adverse tax consequences described above by making either a "qualified electing fund" ("QEF"), election or a mark-to-market election (if our ordinary shares or ADSs constitute "marketable" securities under the Code). However, a U.S. Holder may make a QEF election with respect to our ordinary shares or ADSs only if we agree to furnish such U.S. Holder annually with required information. If we determine that we are a PFIC for this taxable year or any future taxable year, we currently expect that we would make available the information necessary for U.S. Holders to make a QEF Election. However, there is also no assurance that we will have timely knowledge of our status as a PFIC in the future or of the required information to be provided.

If we are a PFIC and, at any time, have a foreign subsidiary that is classified as a PFIC, U.S. Holders generally would be deemed to own a portion of the shares of such lower-tier PFIC, and generally could incur liability for the deferred tax and interest charge described above if we receive a distribution from, or dispose of all or part of our interest in, the lower-tier PFIC or the U.S. Holders otherwise were deemed to have disposed of an interest in the lower-tier PFIC. If we determine that we are a PFIC, to the extent appropriate, we will cause any lower-tier PFIC that we control to provide to a U.S. Holder the information necessary for U.S Holders to make or maintain a QEF election with respect to the lower-tier PFIC. However, in the future, we may not hold a controlling interest in any such lower-tier PFIC and thus there can be no assurance that we will be able to cause the lower-tier PFIC to provide such required information. A mark-to-market election generally would not be available with respect to such lower-tier PFIC. U.S. Holders are urged to consult their tax advisors regarding the tax issues raised by lower-tier PFICs.

U.S. Holders should consult their own tax advisors with respect to the potential material adverse U.S. tax consequences if we or any of our Centessa Subsidiaries are or were to become a PFIC.

Future changes to tax laws could materially adversely affect our company and reduce net returns to our shareholders.

We conduct business globally. The tax treatment of the company or any of the group companies is subject to changes in tax laws, regulations and treaties, or the interpretation thereof, tax policy initiatives and reforms under consideration and the practices of tax authorities in jurisdictions in which we operate, as well as international tax policy initiatives and reforms including those related to the Organization for Economic Co-Operation and Development's ("OECD"), Base Erosion and Profit Shifting ("BEPS"), Project, the European Commission's state aid investigations and other initiatives. Such changes may include (but are not limited to) the taxation of operating income, investment income, dividends received or (in the specific context of withholding tax) dividends paid.

We are unable to predict what tax reform may be proposed or enacted in the future or what effect such changes would have on our business, but such changes, to the extent they are brought into tax legislation, regulations, policies or practices, could affect our financial position, future results of operations, cash flows in a particular period and overall or effective tax rates in the future in countries where we have operations, reduce post-tax returns to our shareholders, and increase the complexity, burden and cost of tax compliance.

Tax authorities may disagree with our positions and conclusions regarding certain tax positions, resulting in unanticipated costs, taxes or non-realization of expected benefits.

We operate through various Centessa Subsidiaries in a number of countries throughout the world. Consequently, we are subject to tax laws, treaties, and regulations in the countries in which we operate, and these laws and treaties are subject to interpretation. We have taken, and will continue to take, tax positions based on our interpretation of such tax laws. A tax

authority may disagree with tax positions that we have taken, which could result in increased tax liabilities. For example, HM Revenue & Customs ("HMRC"), the Internal Revenue Service or another tax authority could challenge our allocation of income by tax jurisdiction and the amounts paid between our affiliated companies pursuant to our intercompany arrangements and transfer pricing policies, including amounts paid with respect to our intellectual property development. There can be no assurance that a taxing authority will not have a different interpretation of applicable law and assess us with additional taxes. Similarly, a tax authority could assert that we are subject to tax in a jurisdiction where we believe we have not established a taxable connection, often referred to as a "permanent establishment" under international tax treaties, and such an assertion, if successful, could increase our expected tax liability in one or more jurisdictions. If we are assessed with additional taxes, this may result in a material adverse effect on our results of operations and/or financial condition.

A tax authority may take the position that material income tax liabilities, interest and penalties are payable by us, for example where there has been a technical violation of contradictory laws and regulations that are relatively new and have not been subject to extensive review or interpretation, in which case, we expect that we might contest such assessment. Contesting such an assessment may be lengthy and costly and if we were unsuccessful in disputing the assessment, the implications could increase our anticipated effective tax rate, where applicable, or result in other liabilities.

We may be unable to use U.K. net operating loss and tax credit carryforwards and certain built-in losses to reduce future tax payments or benefit from favorable U.K. tax legislation.

As a U.K. incorporated and tax resident entity, we are subject to U.K. corporate taxation on tax-adjusted trading profits. Due to the nature of our business, we have generated losses since inception and have not paid any U.K. corporation tax. We therefore have accumulated carryforward tax losses. Subject to numerous utilization criteria and restrictions (including those that limit the percentage of profits that can be reduced by carried forward losses and those that can restrict the use of carried forward losses where there is a change of ownership of more than half the ordinary shares of the Company and a major change in the nature, conduct or scale of the trade), we expect these to be eligible for carry forward and utilization against future operating profits. The use of loss carryforwards in relation to U.K. profits incurred on or after April 1, 2017 is generally limited each year to £5.0 million plus an incremental 50% of U.K. taxable profits. In addition, if we were to have a major change in the nature of the conduct of our trade, loss carryforwards may be restricted or extinguished.

As a company that carries out extensive research and development activities, we seek to benefit from two U.K. research and development tax relief programs, the Small and Medium-sized Enterprises R&D Tax Credit Program ("SME Program"), and the Research and Development Expenditure Credit program ("RDEC Program"). Where available, we may be able to surrender the trading losses that arise from our qualifying research and development activities for cash or carried forward for potential offset against future profits (subject to relevant restrictions). The majority of our pipeline research, clinical trials management and manufacturing development activities are eligible for inclusion within these tax credit cash rebate claims. Our eligibility to claim payable research and development tax credits may be limited or eliminated because we may no longer qualify as a small or medium-sized company. Proposed changes to the SME Program are contained in draft legislation currently before the U.K. Parliament which, if enacted, will come into force with effect from April 2021 and could in some cases cap claims under the SME Program to a multiple of payroll taxes (broadly, to a maximum payable credit equal to £20,000 plus three times the total PAYE and NICs liability of the company). This cap may limit the value we can claim. We may benefit in the future from the United Kingdom's "patent box" regime, which allows certain profits attributable to revenues from patented products (and other qualifying income) to be taxed at an effective rate of 10%. We are the exclusive licensee or owner of several patent applications which, if issued, would cover our product candidates, and accordingly, future upfront fees, milestone fees, product revenues and royalties could be taxed at this tax rate. When taken in combination with the enhanced relief available on our research and development expenditures, we expect a long-term lower rate of corporation tax to apply to us. If, however, there are unexpected adverse changes to the U.K. research and development tax credit regime or the "patent box" regime, or for any reason we are unable to qualify for such advantageous tax legislation, or we are unable to use net operating loss and tax credit carryforwards and certain built-in losses to reduce future tax payments then our business, results of operations and financial condition may be adversely affected.

Shareholder protections found in provisions under the UK City Code on Takeovers and Mergers, or the Takeover Code, will not apply if our place of central management and control remains outside of the United Kingdom (or the Channel Islands or the Isle of Man).

We believe that our place of central management and control is not in the United Kingdom (or the Channel Islands or the Isle of Man) for the purposes of the jurisdictional criteria of the Takeover Code. Accordingly, we believe that we are not currently subject to the Takeover Code and, as a result, our shareholders are not currently entitled to the benefit of certain takeover offer protections provided under the Takeover Code, including the rules regarding mandatory takeover bids.

In the event that this changes, or if the interpretation and application of the Takeover Code by the Panel on Takeovers and Mergers ("Takeover Panel"), changes (including changes to the way in which the Takeover Panel assesses the application of the Takeover Code to English companies whose shares are listed outside of the United Kingdom), the Takeover Code may apply to us in the future.

The Takeover Code provides a framework within which takeovers of companies which are subject to the Takeover Code are regulated and conducted. The following is a brief summary of some of the most important rules of the Takeover Code:

- in connection with a potential offer, if following an approach by or on behalf of a potential bidder, the company is "the subject of rumor or speculation" or there is an "untoward movement" in the company's share price, there is a requirement for the potential bidder to make a public announcement about a potential offer for the company, or for the company to make a public announcement about its review of a potential offer
- when any person, or group of persons acting in concert, acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares already held by that person and an interest in shares held or acquired by persons acting in concert with him or her) carry 30% or more of the voting rights of a company that is subject to the Takeover Code, that person is generally required to make a mandatory offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights in that company to acquire the balance of their interests in the company;
- when any person who, together with persons acting in concert with him or her, is interested in shares representing not less than 30% but does not hold more than 50% of the voting rights of a company that is subject to the Takeover Code, and such person, or any person acting in concert with him or her, acquires an additional interest in shares which increases the percentage of shares carrying voting rights in which he or she is interested, then such person is generally required to make a mandatory offer to all the holders of any class of equity share capital or other class of transferable securities carrying voting rights of that company to acquire the balance of their interests in the company;
- a mandatory offer triggered in the circumstances described in the two paragraphs above must be in cash (or be accompanied by a cash alternative) and at not less than the highest price paid within the preceding 12 months to acquire any interest in shares in the company by the person required to make the offer or any person acting in concert with him or her;
- in relation to a voluntary offer (i.e. any offer which is not a mandatory offer), when interests in shares representing 10% or more of the shares of a class have been acquired for cash by an offeror (i.e., a bidder) and any person acting in concert with it in the offer period and the previous 12 months, the offer must be in cash or include a cash alternative for all shareholders of that class at not less than the highest price paid for any interest in shares of that class by the offeror and by any person acting in concert with it in that period. Further, if an offeror, or any person acting in concert with them, acquires for cash any interest in shares during the offer period, a cash alternative must be made available at not less than the highest price paid for any interest in the shares of that class;
- if, after making an offer for a company, the offeror or any person acting in concert with them acquires an interest in shares in an offeree company (i.e., a target) at a price higher than the value of the offer, the offer must be increased to not less than the highest price paid for the interest in shares so acquired;
- the offeree company must appoint a competent independent adviser whose advice on the financial terms of the offer must be made known to all the shareholders, together with the opinion of the board of directors of the offeree company;
- special or favorable deals for selected shareholders are not permitted, except in certain circumstances where independent shareholder approval is given and the arrangements are regarded as fair and reasonable in the opinion of the financial adviser to the offeree;
- all shareholders must be given the same information;
- each document published in connection with an offer by or on behalf of the offeror or offeree must state that the directors of the offeror or the offeree, as the case may be, accept responsibility for the information contained therein;
- profit forecasts, quantified financial benefits statements and asset valuations must be made to specified standards and must be reported on by professional advisers;

- misleading, inaccurate or unsubstantiated statements made in documents or to the media must be publicly corrected immediately;
- actions during the course of an offer by the offeree company, which might frustrate the offer are generally prohibited unless shareholders approve these plans. Frustrating actions would include, for example, lengthening the notice period for directors under their service contract or agreeing to sell off material parts of the target group;
- stringent requirements are laid down for the disclosure of dealings in relevant securities during an offer, including the prompt disclosure of positions and dealing in relevant securities by the parties to an offer and any person who is interested (directly or indirectly) in 1% or more of any class of relevant securities; and
- employees of both the offeror and the offeree company and the trustees of the offeree company's pension scheme must be informed about an offer. In addition, the offeree company's employee representatives and pension scheme trustees have the right to have a separate opinion on the effects of the offer on employment appended to the offeree board of directors' circular or published on a website.

The rights of our shareholders may differ from the rights typically offered to shareholders of a U.S. corporation.

We are incorporated under the laws of England and Wales. The rights of holders of ordinary shares and, therefore, certain of the rights of holders of ADS, are governed by English law, including the provisions of the Companies Act, and by our articles of association. These rights differ in certain respects from the rights of shareholders in typical U.S. corporations.

The principal differences include the following:

- under English law and our articles of association, each shareholder present at a meeting has only one vote unless demand is made for a vote on a poll, in which case each holder gets one vote per share owned. Under U.S. law, each shareholder typically is entitled to one vote per share at all meetings;
- under English law, it is only on a poll that the number of shares determines the number of votes a holder may cast. You should be aware, however, that the voting rights of ADS are also governed by the provisions of a deposit agreement with our depositary bank;
- under English law, subject to certain exceptions and disapplications, each shareholder generally has preemptive rights to subscribe on a proportionate basis to any issuance of ordinary shares or rights to subscribe for, or to convert securities into, ordinary shares for cash. Under U.S. law, shareholders generally do not have preemptive rights unless specifically granted in the certificate of incorporation or otherwise;
- under English law and our articles of association, certain matters require the approval of 75% of the shareholders who vote (in person or by proxy) on the relevant resolution (or on a poll of shareholders representing 75% of the ordinary shares voting (in person or by proxy)), including amendments to the articles of association. This may make it more difficult for us to complete corporate transactions deemed advisable by our board of directors. Under U.S. law, generally only majority shareholder approval is required to amend the certificate of incorporation or to approve other significant transactions;
- in the United Kingdom, takeovers may be structured as takeover offers or as schemes of arrangement. Under English law, a bidder seeking to acquire us by means of a takeover offer would need to make an offer for all of our outstanding ordinary shares/ADS. If acceptances are not received for 90% or more of the ordinary shares/ADS under the offer, under English law, the bidder cannot complete a "squeeze out" to obtain 100% control of us. Accordingly, acceptances of 90% of our outstanding ordinary shares/ADSs will likely be a condition in any takeover offer to acquire us, not 50% as is more common in tender offers for corporations organized under Delaware law. By contrast, a scheme of arrangement, the successful completion of which would result in a bidder obtaining 100% control of us, requires the approval of a majority of shareholders voting at the meeting and representing 75% of the ordinary shares voting for approval; and
- under English law and our articles of association, shareholders and other persons whom we know or have reasonable cause to believe are, or have been, interested in our shares may be required to disclose information regarding their interests in our shares upon our request, and the failure to provide the required information could result in the loss or restriction of rights attaching to the shares, including prohibitions on certain transfers of the shares, withholding of dividends and loss of voting rights. Comparable provisions generally do not exist under U.S. law.

As an English public limited company, certain capital structure decisions will require shareholder approval, which may limit our flexibility to manage our capital structure.

English law provides that a board of directors may only allot shares (or grant rights to subscribe for or to convert any security into shares) with the prior authorization of shareholders, either pursuant to an ordinary resolution or as set out in the articles of association. This authorization must state the aggregate nominal amount of shares that it covers, can be valid up to a maximum period of five years and can be varied, renewed or revoked by shareholders. Such authority from our shareholders to allot additional shares for a period of five years from 2021 was included in the ordinary resolution passed by our shareholders on May 20, 2021, which authorization will need to be renewed upon expiration (i.e., at least every five years) but may be sought more frequently for additional five-year terms (or any shorter period).

English law also generally provides shareholders with preemptive rights when new shares are issued for cash. However, it is possible for the articles of association, or for shareholders to pass a special resolution at a general meeting, being a resolution passed by at least 75% of the votes cast, to disapply preemptive rights. Such a disapplication of preemptive rights may be for a maximum period of up to five years from the date of adoption of the articles of association, if the disapplication is contained in the articles of association, but not longer than the duration of the authority to allot shares to which this disapplication relates or from the date of the shareholder special resolution, if the disapplication is by shareholder special resolution. In either case, this disapplication would need to be renewed by our shareholders upon its expiration (i.e., at least every five years). Such authority from our shareholders to disapply preemptive rights for a period of five years was included in the special resolution passed by our shareholders on May 20, 2021, which disapplication will need to be renewed upon expiration (i.e., at least every five years) to remain effective, but may be sought more frequently for additional five-year terms (or any shorter period).

English law also generally prohibits a public company from repurchasing its own shares without the prior approval of its shareholders by ordinary resolution, being a resolution passed by a simple majority of votes cast, and other formalities. Such approval may be provided for a maximum period of up to five years. In addition, a public company can only affect a buyback of shares out of distributable profits or a fresh issue of shares and cannot do so out of capital.

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

Recent Sales of Unregistered Equity Securities

None

Use of Proceeds from Initial Public Offering

On June 2, 2021, we completed the first closing of our IPO of 16,500,000 ADSs at a price of $20.00 per ADS. On June 4, 2021, we closed the issuance and sale of an additional 2,475,000 ADSs, representing the full exercise by the underwriters of their option to purchase additional ADSs. Gross proceeds from the IPO totaled an aggregate of approximately $379.5 million. Morgan Stanley, Goldman Sachs & Co. LLC, Jefferies, and Evercore ISI served as the underwriters of the IPO. The offer and sale of all of the ADSs in the offering were registered under the Securities Act pursuant to registration statements on Form S-1 (File No. 333-255393 and 333-254739), which became effective on May 27, 2021.

We received aggregate net proceeds from the offering of approximately $344.1 million, after deducting underwriting discounts and commissions, as well as other offering expenses. No offering expenses were paid directly or indirectly to any of our directors or officers (or their associates) or persons owning ten percent or more of any class of our equity securities or to any other affiliates.

As of September 30, 2021, we have not used any of the proceeds from the IPO. There has been no material change in our planned use of the net proceeds from the IPO as described in the final prospectus filed with the SEC on June 1, 2021 pursuant to Rule 424(b) under the Securities Act.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

(a) Exhibits:

Exhibit number	Description of exhibit
3.1*	Articles of Association of the registrant, as currently in effect (incorporated by reference to Exhibit 3.2 to the Registrant's Registration Statement on Form S-1 (File No. 333-255393)).
4.1	Form of Deposit Agreement (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-1 (File No. 333-255393)).
4.2	Form of American Depositary Receipt (included in Exhibit 4.1) (incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form S-1 (File No. 333-255393)).
10.1	Note Purchase Agreement, dated October 1, 2021 by and between the Registrant, the Purchasers party thereto and Cocoon SA LLC.
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

* This certification will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liability of that section. Such certification will not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, except to the extent specifically incorporated by reference into such filing.

† Portions of this exhibit (indicated by "[***]") have been omitted pursuant to Item 601(b)(10) of Regulation S-K.

(b) Financial Statements Schedules:

Schedules have been omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or notes thereto.

SIGNATURES

Pursuant to the requirements 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.

CENTESSA PHARMACEUTICALS PLC

By: /s/ Saurabh Saha, M.D., Ph.D.
Name: Saurabh Saha, M.D., Ph.D.
Title: *Chief Executive Officer (Principal Executive Officer)*

By: /s/ Gregory Weinhoff, M.D., M.B.A.
Name: Gregory Weinhoff, M.D., M.B.A.
Title: *Chief Financial Officer (Principal Financial Officer)*

Certain identified information has been excluded from this exhibit because it is both not material and is the type that the registrant treats as private or confidential. Information that was omitted has been noted in this document with a placeholder identified by the mark "[***]".

NOTE PURCHASE AGREEMENT

dated as of October 1, 2021

among

CENTESSA PHARMACEUTICALS PLC

as Issuer,

THE OTHER OBLIGORS PARTY HERETO,

THE PURCHASERS PARTY HERETO,

and

COCOON SA LLC
as Purchaser Agent

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NOTE PURCHASE AGREEMENT

This Note Purchase Agreement (as the same may from time to time be amended, modified, supplemented or restated, this "**Agreement**") is made and dated as of October 1, 2021 (the "**Effective Date**") among the Purchasers listed on Schedule 1.1 hereof or otherwise a party hereto from time to time (each a "**Purchaser**" and collectively, the "**Purchasers**"), Cocoon SA LLC, a Delaware limited liability company, as agent for the Purchasers (in such capacity, "**Purchaser Agent**"), Centessa Pharmaceuticals plc, a public company incorporated under the laws of England & Wales having its registered office at 3rd floor, 1 Ashley Road, Altrincham, Cheshire, UK, WA14 2DT ("**Issuer**"), and the other Obligors from time to time party hereto. The parties agree as follows:

Article I
ACCOUNTING AND OTHER TERMS

Except as specifically provided otherwise in this Agreement, all accounting terms used herein that are not specifically defined have the meanings given to them in accordance with GAAP as in effect from time to time, provided that if Issuer notifies Purchaser Agent and the Purchasers that Issuer requests an amendment to any provision hereof to eliminate the effect of any change occurring after the date hereof in GAAP or in the application thereof on the operation of such provision, regardless of whether any such notice is given before or after such change in GAAP or in the application thereof, then such provision shall be interpreted on the basis of GAAP as in effect and applied immediately before such change shall have become effective until such notice shall have been withdrawn or such provision amended in accordance herewith; provided, further, that all terms of an accounting or financial nature (including the definitions of Capital Lease Obligations and Indebtedness) shall be construed without giving effect to (i) any changes to the current GAAP accounting model for leases of the type described in ASU 2016-02, Leases (Topic 842) issued by the FASB, (ii) any election under Accounting Standards Codification 825-10-25 (previously referred to as Statement of Financial Accounting Standards 159) (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any Indebtedness or other liabilities of Issuer or any Subsidiary at "fair value," as defined therein and (iii) any treatment of Indebtedness in respect of convertible debt instruments under Accounting Standards Codification 470-20 (or any other Accounting Standards Codification or Financial Accounting Standard having a similar result or effect) to value any such Indebtedness in a reduced or bifurcated manner as described therein, and such Indebtedness shall at all times be valued at the full stated principal amount thereof.

Capitalized terms not otherwise defined in this Agreement shall have the meanings set forth in Article XV.

All other capitalized terms contained in this Agreement that are not defined in this Agreement or Article XV, unless otherwise indicated, shall have the meaning provided by the UCC to the extent such terms are defined therein.

All references to "**Dollars**" or "**$**" are United States Dollars, unless otherwise noted. For purposes of this Agreement, (a) the words "include," "includes" and "including" shall be deemed to be followed by the words without limitation"; (b) the word "or" is not exclusive; and (c) the words "herein," "hereof," "hereby," "hereto" and "hereunder" refer to this Agreement as a whole. The definitions given for any defined terms in this Agreement shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. Any notice or delivery to Purchasers shall be satisfied by notice or delivery (as applicable) to Purchaser Agent. Unless the context otherwise requires, references herein to:

(x) Articles, Sections, and Exhibits mean the Articles and Sections of, and Exhibits attached to, this Agreement and (y) an agreement, instrument or other document means such agreement, instrument or other document as amended, amended and restated, supplemented and modified from time to time to the extent permitted by the provisions thereof.

Article II
NOTES; TERMS OF PAYMENT; REVENUE PARTICIPATION; MILESTONE PAYMENT

Section II.1 Purchase and Sale of Notes.

(a) Subject to the terms and conditions of this Agreement (including the conditions precedent set forth in Sections 3.1, 3.2 and 3.6), on the First Purchase Date, the Purchasers agree, severally and not jointly, to purchase Notes from Issuer, and Issuer agrees to issue and sell Notes to each Purchaser, in an aggregate principal amount of Seventy Five Million Dollars ($75,000,000) in one (1) purchase according to each Purchaser's Commitment as set forth on Schedule 1.1 hereto for a purchase price equal to 100% of the principal amount thereof (the "**First Purchase**").

(b) Subject to the terms and conditions of this Agreement (including the conditions precedent set forth in Sections 3.1, 3.3 and 3.6), on the Second Purchase Date, at the sole option (but without obligation) of Issuer, the Purchasers agree, severally and not jointly, to purchase Notes from Issuer, and Issuer agrees to issue Notes to each Purchaser, in an aggregate principal amount of Seventy Five Million Dollars ($75,000,000), in one (1) purchase according to each Purchaser's Commitment as set forth on Schedule 1.1 hereto for a purchase price equal to 100% of the principal amount thereof (the "Second Purchase").

(c) Subject to the terms and conditions of this Agreement (including the conditions precedent set forth in Sections 3.1, 3.4 and 3.6), on the Third Purchase Date, at the sole option (but without obligation) of Issuer, the Purchasers agree, severally and not jointly, to purchase Notes from Issuer, and Issuer agrees to issue Notes to each Purchaser, in an aggregate principal amount of Fifty Million Dollars ($50,000,000), in one (1) purchase according to each Purchaser's Commitment as set forth on Schedule 1.1 hereto for a purchase price equal to 100% of the principal amount thereof (the "Third Purchase").

(d) Subject to the terms and conditions of this Agreement (including the conditions precedent set forth in Sections 3.1, 3.5 and 3.6), on the Fourth Purchase Date, at the sole option (but without obligation) of Issuer and subject to the approval of the Purchasers in their sole discretion (and without obligation), each Purchaser may, severally and not jointly, purchase Notes from Issuer, and Issuer agrees to issue Notes to each Purchaser, in an aggregate principal amount of up to One Hundred Million Dollars ($100,000,000) in no more than four (4) minimum increments of Twenty Million Dollars ($20,000,000) according to each Purchaser's Fourth Purchase Percentage for a purchase price equal to 100% of the principal amount thereof (each, a "**Fourth Purchase**"; together with the First Purchase, any Second Purchase and any Third Purchase, individually, a "**Purchase**" and collectively the "**Purchases**"), in each case for the purpose of financing a Permitted Acquisition.

Notwithstanding anything to the contrary herein, each Purchaser's Commitments shall expire on the applicable Commitment Termination Date and no Purchaser shall be committed to purchase any Notes as part of the Fourth Purchase.

Section II.2 Payments of Principal, Revenue Participation Payments, Milestone Amount and the Final Payment Amount.

(a) Repayment of the Notes. The outstanding principal amount of the Notes, together with all accrued and unpaid interest thereon, shall be due and payable in full on the earlier of (x) the Maturity Date and (y) the date that all Obligations are accelerated and become due and payable pursuant to Section 9.1 or otherwise. To the extent redeemed or otherwise repaid, the Notes may not be re-issued and the principal amount thereunder may not be re-borrowed.

(b) Voluntary Redemption and Payment. Issuer shall have the option to redeem all, but not less than all, of the outstanding Notes (if any) and pay all other outstanding Obligations under this Agreement, provided Issuer provides at least ten (10) days' advance written notice to Purchaser Agent of the date of such redemption and payment. On the applicable date, Issuer shall repurchase the Notes and pay all other Obligations by paying the Final Payment Amount, plus all accrued and unpaid default interest, Reimbursable Expenses and all other Obligations to the Purchasers. Notwithstanding anything to the contrary contained in this Agreement, Issuer may rescind any notice of redemption and payment pursuant to this Section 2.2(b) if such redemption would have resulted from a refinancing of the Obligations, which refinancing shall not be consummated or shall otherwise be delayed; provided that Issuer must provide Purchaser Agent with a new notice at least five (5) days prior to any redemption date if Issuer has rescinded the prior notice. Upon redemption of the Notes pursuant to this Section 2.2(b), the Purchasers' remaining Commitments shall immediately and irrevocably terminate.

(c) Asset Sale Repurchase Events. In the event of any Asset Sale Repurchase Event, Issuer shall provide ten (10) days' prior written notice of the anticipated date of such Asset Sale Repurchase Event to Purchaser Agent and the Purchasers. In connection with any Asset Sale Repurchase Event, the Required Purchasers in their sole discretion (and without obligation) may require Issuer to pay in cash an amount equal to the Applicable Redemption Percentage of Net Proceeds from such Asset Sale Repurchase Event to repurchase all or a portion of the Notes and prepay the Obligations in connection with all or such portion, as applicable, of the Notes. If the Required Purchasers require Issuer to repurchase all or a portion of the Notes and prepay the other Obligations in connection with such Notes being repurchased pursuant to this Section 2.2(c), the Required Purchasers (or Purchaser Agent on behalf of the Required Purchasers) shall provide written notice thereof no later than five (5) days after receipt of Issuer's notice of an Asset Sale Repurchase Event and Issuer shall apply the Applicable Redemption Percentage of Net Proceeds from such Asset Sale Repurchase Event to repurchase the Notes and prepay the other Obligations within two (2) Business Days of each date on which such Net Proceeds are received (or such later date as is acceptable to the Required Purchasers in their sole discretion (and without obligation)) with such amount of Net Proceeds being allocated first, to the Reimbursable Expenses then due and payable; second, to any outstanding and unpaid default interest; third, to repurchase such principal amount of the Notes equal to the product of such Net Proceeds (after deducting amounts paid pursuant to the first and second clauses immediately above) multiplied by the quotient obtained by dividing (x) the outstanding principal amount of the Notes by (y) the Final Payment Amount (in each case of the proceeding prongs (x) and (y), as determined immediately prior to such payment); and fourth, to the remaining Obligations payable under Section 2.2(g) (the amount so prepaid pursuant to this clause fourth, the "**Prepaid Amount**"). For the avoidance of doubt, to the extent an Asset Sale Repurchase Event also constitutes a Change of Control, Section 2.2(f) shall apply in lieu of this Section 2.2(c).

(d) Revenue Participation Payments.

(i) From and after the commencement of the Revenue Participation Period, Issuer shall pay to the Purchasers the Revenue Participation Payments quarterly in cash on each Payment

Date, until the earlier of (x) payment in full of the Obligations and (ii) the end of the Revenue Participation Period.

(ii) With respect to each fiscal quarter, the relevant amount payable in respect of the Revenue Participation Payments for such fiscal quarter shall be paid on the applicable Payment Date, with such payment to be calculated (x) with respect to Issuer and its Subsidiaries, based on the Cash Receipts for the period ending two (2) Business Days prior to the end of such fiscal quarter or (y) with respect to any Lixivaptan Transferee, Net Sales reported by such Person for the prior fiscal quarter; provided that all payments in respect of any fiscal quarter in respect of Net Sales by Issuer and its Subsidiaries shall be subject to reconciliation based on the final Net Sales for the applicable fiscal quarter on the Payment Date for the subsequent fiscal quarter, with such reconciliation being prepared by Issuer and delivered to the Purchasers as part of the Revenue Report for such fiscal quarter, and based on Net Sales for the applicable fiscal year in which such fiscal quarter occurs based on, in the case of Net Sales by Issuer and its Subsidiaries, the audited consolidated financial statements of Issuer for the applicable fiscal year. With respect to each reconciliation, any overpayments shall be credited against, and any underpayments shall be added to, the immediately subsequent payment in respect of the Revenue Participation Payments. For the avoidance of doubt, the Purchasers shall not be required to refund any Revenue Participation Payments.

(iii) All Revenue Participation Payments and other payments pursuant to this Section 2.2(d) shall be made to each Purchaser in accordance with its Pro Rata Share.

(e) Milestone Payments.

(i) Upon the occurrence of the Milestone Event, Issuer shall pay to the Purchasers the Milestone Amount in twenty (20) (or, if fewer than five (5) years remain prior to the End of Term, such lesser number equal to the number of Payment Dates remaining prior to the End of Term) equal quarterly installments on each Payment Date, commencing with the first Payment Date following the earlier of (i) the six month anniversary of the Milestone Event and (ii) the date of the First Commercial Sale of the Included Product subject to such Milestone Event (the "**Milestone Period**").

(ii) Upon the issuance of additional Notes after the occurrence of the Milestone Event, each Milestone Payment due thereafter shall be increased to take into account of such issuance of additional Notes and paid ratably over the remaining Milestone Period.

(iii) All Milestone Payments shall be made to each Purchaser in accordance with its Pro Rata Share.

(f) Change of Control. In the event of any Change of Control, Issuer shall provide thirty (30) days' prior written notice of the anticipated date of such Change of Control to Purchaser Agent and the Purchasers. In connection with any Change of Control, the Required Purchasers in their sole discretion (and without obligation) may require Issuer to repurchase the outstanding Notes (if any) and pay all other outstanding Obligations under this Agreement. If the Required Purchasers require Issuer to repurchase the outstanding Notes (if any) and pay all other Obligations, the Required Purchasers (or Purchaser Agent on behalf of the Required Purchasers) shall provide written notice thereof no later than fifteen (15) days after receipt of Issuer's notice of a Change of Control. If the Required Purchasers have elected to require Issuer to repurchase the Notes (if any) and pay all other Obligations, Issuer shall make such repurchase and payment on the effective date of such Change of Control (or such later date as is acceptable to the Required Purchasers in their sole discretion (and without obligation)) by paying the Final Payment Amount, plus all accrued and unpaid default interest, Reimbursable Expenses and all other Obligations to the Purchasers.

(g) Final Payment Amount. The Final Payment Amount, together with any accrued and unpaid default interest, Reimbursable Expenses and all other Obligations, shall be due and payable in full on the earliest of (v) the End of Term, (w) the election of Issuer to redeem all outstanding Notes and pay all other Obligations pursuant to Section 2.2(b), (x) upon the repurchase or redemption of all of the Notes pursuant to Section 2.2(c), (y) the election of the Required Purchasers to require such payment pursuant to Section 2.2(f) or Section 3.7(h)(iii), and (z) the date that all Obligations are accelerated and become due and payable pursuant to Section 9.1 or otherwise. Notwithstanding anything to the contrary herein, upon the termination or expiration of all Commitments and the receipt by the Purchasers of an aggregate amount of principal and interest (other than payments of default interest) on the Notes issued under this Agreement, Revenue Participation Payments, Milestone Payments and any Prepaid Amount equal to the then-applicable Capped Payment Amount, no further payments (except as provided in Article XIV) shall be due and payable by the Obligors under Section 2.2. If at any time there are no Notes outstanding and Issuer has paid the Capped Payment Amount, Issuer may finally and irrevocably terminate the Commitments by written notice to Purchaser Agent.

Section II.3 Payment of Interest

(a) Interest Payments. Issuer shall make quarterly payments of interest in arrears on each outstanding Note and any other Obligations commencing on the first (1st) Payment Date following the First Purchase Date and continuing on each successive Payment Date thereafter through and including the Payment Date immediately preceding the Maturity Date.

(b) Interest Rate. Subject to Section 2.3(c), the principal amount outstanding under the Notes and any other Obligations shall accrue interest at per annum rate equal to the Applicable Rate, which interest shall be payable quarterly in arrears in accordance with Sections 2.3(a) and 2.3(f). Interest shall accrue on each Note commencing on, and including, the Purchase Date of such Note, and shall accrue on the principal amount outstanding under such Note through and including the day on which such Note is paid in full. Interest shall accrue on all other Obligations commencing on, and including, the date that such Obligations are due, and shall accrue on the unpaid amount of such Obligations through and including the day on which such Obligations are paid in full.

(c) Default Rate. Immediately upon the occurrence and during the continuance of an Event of Default, all outstanding Obligations shall accrue interest at a floating per annum rate equal to the rate that is otherwise applicable thereto plus four percentage points (4.00%) (the "**Default Rate**"). Payment or acceptance of the increased interest rate provided in this Section 2.3(c) is not a permitted alternative to timely payment and shall not constitute a waiver of any Event of Default or otherwise prejudice or limit any rights or remedies of Purchaser Agent or any Purchaser.

(d) 360Day Year. Interest shall be computed on the basis of a three hundred sixty (360) day year, and the actual number of days elapsed.

(e) Inability to Determine Rates; Illegality; Effect of Benchmark Transition Event.

(i) Inability to Determine Rates. If, on or prior to the first day of any Interest Period (an "**Affected Interest Period**"), Purchaser Agent determines (which determination shall be conclusive and binding on Issuer and the other Obligors absent manifest error) that, by reason of circumstances affecting the London interbank eurodollar market, Base LIBOR cannot be determined pursuant to the definition thereof, Purchaser Agent will promptly so notify Issuer in writing. For each Affected Interest Period thereafter, until Purchaser Agent provides written notice that Base LIBOR is

available for the Interest Period immediately following the date of such notice, all Notes shall bear interest at the Applicable Rate using the following adjustments:

(1) the Prime Rate shall replace LIBOR and the Prime Rate Floor shall replace the LIBOR Floor; and

(2) the Applicable Margin shall be adjusted to equal (1) 7.75% minus (2) the difference between the Prime Rate and LIBOR in effect as of the immediately preceding Interest Period.

(ii) Illegality. If Purchaser Agent or any Purchaser determines that any applicable law has made it unlawful, or that any Governmental Authority has asserted that it is unlawful, for any Purchaser or its applicable lending office to purchase or hold Notes whose interest is determined by reference to LIBOR, or to determine or charge interest rates based upon LIBOR, or any Governmental Authority has imposed material restrictions on the authority of any Purchaser to purchase or sell, or to take deposits of, Dollars in the London interbank market, then, upon written notice thereof by Purchaser Agent to Issuer, any obligation of the Purchasers to purchase or hold Notes whose interest is determined by reference to LIBOR shall be suspended until Purchaser Agent notifies Issuer that the circumstances giving rise to such determination no longer exist. Upon receipt of such notice that it is illegal for any Purchaser to make or maintain loans whose interest is determined by reference to LIBOR, all Notes shall thereafter bear interest at the Applicable Rate subject to the adjustments provided pursuant to Section 2.3(e)(i)(1) and Section 2.3(e)(i)(2).

(iii) Effect of Benchmark Transition Event.

(1) Benchmark Replacement. Notwithstanding anything to the contrary herein or in any other Note Document, upon the occurrence of a Benchmark Transition Event or an Early Opt-in Election, as applicable, Purchaser Agent and Issuer may, by mutual agreement, amend this Agreement to replace LIBOR with a Benchmark Replacement. Any such amendment with respect to a Benchmark Transition Event will become effective at 5:00 p.m. on the fifth (5th) Business Day after Purchaser Agent has posted such proposed amendment to all Purchasers and Issuer so long as Purchaser Agent has not received, by such time, written notice of objection to such amendment from Purchasers comprising the Required Purchasers. Any such amendment with respect to an Early Opt-in Election will become effective on the date that Purchasers comprising the Required Purchasers have delivered to Purchaser Agent written notice that such Required Purchasers accept such amendment. No replacement of LIBOR with a Benchmark Replacement pursuant to this Section 2.3(e)(iii) will occur prior to the applicable Benchmark Transition Start Date.

(2) Benchmark Replacement Conforming Changes. In connection with the implementation of a Benchmark Replacement, Purchaser Agent will have the right to make Benchmark Replacement Conforming Changes from time to time and, notwithstanding anything to the contrary herein or in any other Note Document, any amendments implementing such Benchmark Replacement Conforming Changes will become effective without any further action or consent of any other party to this Agreement.

(3) Notices; Standards for Decisions and Determinations. Purchaser Agent will notify Issuer and the Purchasers of (1) any occurrence of a Benchmark Transition Event (other than a Benchmark Transition Event that occurred prior to the Effective Date) or an Early Opt-in Election, as applicable, and its related Benchmark Replacement Date and Benchmark Transition Start Date, (2) the implementation of any Benchmark Replacement, (3) the effectiveness of any Benchmark Replacement Conforming Changes and (4) the commencement or conclusion of any Benchmark Unavailability Period.

Any determination, decision or election that may be made by Purchaser Agent or Purchasers pursuant to this Section 2.3(e)(iii), including any determination with respect to a tenor, rate or adjustment or of the occurrence or non-occurrence of an event, circumstance or date and any decision to take or refrain from taking any action, will be conclusive and binding absent manifest error and may be made in its or their sole discretion and without consent from any other party hereto, except, in each case, as expressly required pursuant to this Section 2.3(e)(iii).

(4) Benchmark Unavailability Period. Upon Issuer's receipt of notice of the commencement of a Benchmark Unavailability Period, all Notes shall bear interest at the Applicable Rate subject to the adjustments provided in Sections 2.3(e)(i)(1) and 2.3(e)(i)(2).

(f) Debit of Accounts. Purchaser Agent and each Purchaser may debit (or ACH) the Designated Deposit Account, or, to the extent adequate funds are not available in the Designated Deposit Account, any other Deposit Account maintained by Issuer or any of its Subsidiaries, including for principal and interest payments or any other amounts Issuer owes the Purchasers under the Note Documents when due. Any such debits (or ACH activity) shall not constitute a setoff.

(g) Payments. Except as otherwise expressly provided herein, all payments by Issuer under the Note Documents shall be made to the respective Purchaser to which such payments are owed (or in the case of any Obligations owed to Purchaser Agent, to Purchaser Agent), at such Purchaser's office (or if applicable, Purchaser Agent's office) in immediately available funds on the date specified herein. Payments received after 1:00 pm Eastern time are considered received at the opening of business on the next Business Day. When a payment is due on a day that is not a Business Day, the payment is due the next preceding Business Day. All payments to be made by Issuer or any Guarantor hereunder or under any other Note Document, including payments of principal and interest, and all fees, expenses, indemnities and reimbursements, shall be made without setoff, recoupment or counterclaim, in lawful money of the United States and in immediately available funds.

Section II.4 Form of Notes; Note Record. The Notes shall be substantially in the form attached as Exhibit D hereto, and the terms of this Agreement shall be incorporated by reference into the Notes as if set forth therein; provided that in the event of any conflict between the terms of this Agreement and the Notes, the terms of this Agreement shall control. Issuer irrevocably authorizes each Purchaser to make or cause to be made, on or about the Purchase Date of any Notes or at the time of receipt of any payment of principal on such Purchaser's Note, an appropriate notation on such Purchaser's Note Record reflecting the purchase of such Notes or (as the case may be) the receipt of such payment. The outstanding amount of each Note set forth on such Purchaser's Note Record shall be prima facie evidence of the principal amount thereof owing and unpaid to such Purchaser, but the failure to record, or any error in so recording, any such amount on such Purchaser's Note Record shall not limit or otherwise affect the obligations of Issuer under any Note or any other Note Document to make payments of principal of or interest on, or the Final Payment Amount in respect of, any Note when due. Upon receipt of an affidavit of an officer of a Purchaser as to the loss, theft, destruction, or mutilation of its Note, Issuer shall issue, in lieu thereof, a replacement Note in the same principal amount thereof and of like tenor.

Section II.5 Reimbursable Expenses. Issuer shall pay to Purchaser Agent all Reimbursable Expenses (including reasonable attorneys' fees and expenses for documentation and negotiation of this Agreement) incurred through and after the Effective Date, when due. It is the intention of the parties hereto that Issuer shall pay Reimbursable Expenses directly. In the event Purchaser Agent or any Purchaser pays any of such expenses directly, Issuer will reimburse Purchaser Agent or such Purchaser for such expenses and interest on such expenses shall accrue beginning on the third (3rd) Business Day following written notice to Issuer of such expenses until reimbursed at the interest rate specified in Section 2.3(b) (or, subject to Section 2.3(c), the Default Rate).

Article III
CONDITIONS

Section III.1 Conditions Precedent to the Effective Date. The effectiveness of this Agreement is subject to the condition precedent that Purchaser Agent and each Purchaser shall consent to or shall have received, in form and substance satisfactory to Purchaser Agent and each Purchaser, such documents, and completion of such other matters, as Purchaser Agent and each Purchaser may have reasonably requested, the satisfaction or performance of which may be waived by the Required Purchasers in their sole discretion (and without obligation), including, without limitation:

(a) this Agreement, duly executed by Issuer and each Guarantor, as applicable;

(b) an irrevocable Purchase Notice delivered by Issuer in respect of the First Purchase; and

(c) a completed Perfection Certificate for Issuer and each of its Subsidiaries.

Section III.2 Conditions Precedent to the First Purchase Date. The obligation of each Purchaser to make the First Purchase is subject to the satisfaction of the following conditions precedent, the satisfaction or performance of which may be waived by the Required Purchasers in their sole discretion (and without obligation):

(a) duly executed Control Agreements, with respect to any U.S. Collateral Accounts maintained by Issuer or any of its Subsidiaries;

(b) UCC-1 financing statements in proper form for filing against each Obligor in its Jurisdiction of Organization (determined in accordance with the UCC) or in the District of Columbia with respect to each Obligor organized outside of the United States;

(c) short-form security agreements for Intellectual Property in proper form for filing against each Obligor with the United States Patent and Trademark Office or the United States Copyright Office, as applicable;

(d) the English Collateral Documents, duly executed and perfected;

(e) insurance certificates in form and substance reasonably satisfactory to Purchaser Agent;

(f) the Operating Documents of each Obligor, certified by the secretary or an assistant secretary or director or, in case of an Obligor incorporated in the Federal Republic of Germany, managing director of the applicable Obligor, and, to the extent available in the jurisdiction of incorporation of that Obligor, good standing certificates of each Obligor certified by the Secretary of States (or equivalent agency) of such Obligor's jurisdiction of organization or formation and each material jurisdiction in which each Obligor is qualified to conduct business, each as of a date no earlier than thirty (30) days (or in the case of an Obligor incorporated in the Federal Republic of Germany, fourteen (14) days) prior to the First Purchase Date;

(g) in the case of an Obligor incorporated in the Federal Republic of Germany, an up to date certified list of all members of the supervisory board, the advisory board or any other board (if any) and a copy of the rules of procedure of the supervisory board and the advisory board (if any);

(h) certified copies of resolutions duly approved by the board of directors (or other governing body, and in the case of an Obligor incorporated in the Federal Republic of Germany, including any resolution of the supervisory board, the advisory board and/or any other board) of the Obligors and any resolutions, consent or waiver duly approved by the requisite holders of each Obligor's Equity Interests and any other person or board under the relevant agreements, if applicable (or, other than in relation to an Obligor incorporated in the Federal Republic of Germany, certifying that no such resolutions, consent or waiver is required), authorizing and approving the transactions contemplated hereunder and the execution, delivery and performance of this Agreement and the other Note Documents to which it is a party;

(i) in the case of an Obligor incorporated in the Federal Republic of Germany, evidence that all necessary exemptions from section 181 BGB have been validly granted;

(j) certified copies, dated as of date no earlier than thirty (30) days (or in the case of an Obligor incorporated in England and Wales, one (1) Business Day) prior to the First Purchase Date, of lien searches (or in the case of an Obligor incorporated in England and Wales, searches of any security registered at Companies House), as Purchaser Agent shall request, accompanied by written evidence (including any UCC termination statements) that the Liens revealed from such searches either constitute Permitted Liens or have been or, in connection with Notes issued on the First Purchase Date, will be terminated or released;

(k) one or more duly executed legal opinions of counsel to the Obligors including (without limitation), in the case of any Obligor incorporated under the laws of the Federal Republic of Germany, a legal capacity opinion of counsel to the Obligors, in each case dated as of the First Purchase Date and in form and substance satisfactory to Purchaser Agent;

(l) Issuer shall pay all Reimbursable Expenses then due and payable; and

(m) an ACH authorization with respect to each Deposit Account and Securities Account of the Obligors in form and substance satisfactory to Purchaser Agent.

Section III.3 Conditions Precedent to the Second Purchase Date. The obligation of each Purchaser to make the Second Purchase is subject to the satisfaction of the following conditions precedent, the satisfaction or performance of which may be waived by the Required Purchasers in their sole discretion (and without obligation):

(a) the First Purchase shall have occurred; and

(b) the Second Purchase Date shall occur on or prior to the applicable Commitment Termination Date.

Section III.4 Conditions Precedent to the Third Purchase Date. The obligation of each Purchaser to make the Third Purchase is subject to the satisfaction of the following conditions precedent, the satisfaction or performance of which may be waived by the Required Purchasers in their sole discretion (and without obligation):

(a) the Second Purchase shall have occurred; and

(b) the Third Purchase Date shall occur on or prior to the applicable Commitment Termination Date.

Section III.5 Conditions Precedent to any Fourth Purchase Date. In addition to the approval of each Purchaser, in its sole discretion (and without obligation), each Fourth Purchase is subject to the satisfaction of the following condition precedent, the satisfaction or performance of which may be waived by the Required Purchasers in their sole discretion (and without obligation):

(a) the terms and conditions of the Permitted Acquisition relating to the applicable Fourth Purchase shall have been satisfied and Issuer shall have delivered evidence satisfactory to Purchaser Agent of the occurrence of such Permitted Acquisition (or the occurrence thereof substantially concurrently with such Fourth Purchase). It is understood and agreed that the making of any Fourth Purchase shall be at each Purchaser's sole discretion (and without obligation).

Section III.6 Conditions Precedent to all Note Purchases. The obligation of each Purchaser to make any Purchase is subject to the following conditions precedent, the satisfaction or performance of which may be waived by the Required Purchasers in their sole discretion (and without obligation):

(a) within the time period required by Section 3.9 (or such shorter period as agreed in writing by Purchaser Agent and the Purchasers), receipt by Purchaser Agent of an executed Purchase Notice in the form of Exhibit B attached hereto;

(b) the representations and warranties in Article V hereof shall be true, accurate and complete in all material respects on the date of the Purchase Notice and on the Purchase Date of each purchase of Notes; provided that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date,

(c) no Event of Default shall have occurred and be continuing or result from the purchase of Notes;

(d) there has not been any event or circumstance, either individually or in the aggregate, that has resulted in or could reasonably be expected to result in a Material Adverse Change;

(e) duly executed Notes, in number, form and content reasonably acceptable to each Purchaser, and in favor of each Purchaser with respect to the Notes purchased by such Purchaser in such Purchase;

(f) Issuer shall have provided updates, if any, to the information in the Perfection Certificate since the Effective Date or the most recent updated thereto and all financial statements, reports or notices required under the Note Documents prior to the applicable Purchase Date, including, without limitation, those required under Section 6.2; and

(g) payment of Reimbursable Expenses then due as specified in Section 2.5 hereof.

Section III.7 Post-Closing Items. After the Effective Date, Issuer agrees to deliver to Purchaser Agent the following documents:

(a) No later than five (5) days after the Effective Date, (i) evidence satisfactory to Purchaser Agent of the ratification by Issuer's Board of Directors of resolutions in the form attached as Exhibit J authorizing the execution, delivery and performance of this Agreement, the English Collateral Documents and the transactions contemplated hereby and thereby and (ii) an unqualified legal capacity opinion of counsel to either the Obligors or the Purchaser Agent with respect to each Obligor incorporated in England and Wales, in form and substance satisfactory to Purchaser Agent;

(b) No later than ten (10) days after the Effective Date, the certificate(s) for the Shares (in each case to the extent certificated), together with Assignment(s) Separate from Certificate, duly executed in blank, in each case subject to the Agreed Security Principles;

(c) No later than twenty-one (21) days after the Effective Date, confirmation satisfactory to Purchaser Agent of completion of registration of the security granted by any Obligor incorporated in England and Wales;

(d) No later than thirty (30) days after the Effective Date, Issuer's additional insured, lender's loss payee and notice of cancellation insurance endorsements;

(e) No later than thirty (30) days after the Effective Date, a landlord consent executed in favor of Purchaser Agent in respect of Issuer's headquarters located at 5 Walnut Grove Drive, Suite 120, Horsham, PA 19044;

(f) No later than thirty (30) days after the Effective Date:

(i) a process agent appointment letter in Germany;

(ii) the German Collateral Documents and the French Collateral Documents, in each case duly executed and perfected, and evidence that (i) all relevant notices and acknowledgements (including waivers) to be delivered under the German Collateral Documents have been received and (ii) all relevant registrations under the German Collateral Documents have been made successfully;

(iii) documents and evidences as per Sections 3.2(f) through (i) in each case dated as of the date of the German Collateral Documents, provided that any resolution which has been validly passed prior to or on the First Purchase Date and were attached to the relevant certificate of the managing directors is not required to be updated in case it is neither superseded nor amended as well as suffices to authorize the entering into and the performance under the German Collateral Documents; and

(iv) one or more duly executed legal opinions of counsel to the Obligors in customary form and scope for transactions of this type, in each case dated as of the date of the German Collateral Documents or French Collateral Documents, as applicable, and in form and substance satisfactory to Purchaser Agent; provided that legal opinions as to enforceability with respect to the German Collateral Documents and the French Collateral Documents shall be delivered by counsel to Purchasers and Purchaser Agent;

(g) No later than one hundred and twenty (120) days after the Effective Date, consents in form and substance reasonably acceptable to Purchaser Agent with respect to the Restricted Licenses set forth on Schedule 3.7; and

(h) French Subsidiary Restructuring Requirement

(i) No later than one (1) year after the Effective Date, (w) evidence satisfactory to Purchaser Agent in its sole discretion that (A) the French Subsidiary shall have been re-domiciled in the United States or England and Wales or (B) the business and assets of the French Subsidiary shall have been transferred in full to a Subsidiary established in the United States or England and Wales for reasonably equivalent value in a manner that would not impair the priority and value of the Liens to be granted to the Purchaser Agent pursuant to the Note Documents on such transferred business and assets, (x) a Guarantee Assumption Agreement, duly executed by such re-domiciled or successor Subsidiary, (y) in the case of a re-domicile or successor Subsidiary in England and Wales, collateral and security documents consistent with the English Collateral Documents, duly executed by such re-

domiciled or successor Subsidiary, and (z) such other collateral and security documents and other actions as would be required for a new Subsidiary pursuant to Section 6.12, in each case reasonably satisfactory to Purchaser Agent.

(ii) Notwithstanding the requirements set forth in the above Section 3.7(h)(i), if the requirements of Section 3.7(h)(i) have not been met within one (1) year after the Effective Date, then in lieu of compliance with such requirements, Issuer shall establish a Deposit Account that is subject to a blocked Control Agreement in favor of the Purchaser Agent, in form and substance satisfactory to Purchaser Agent (the "**Blocked Account**") and deposit $25,000,000 in such Blocked Account, in each case no later than one (1) year after the Effective Date. Purchaser Agent shall have sole dominion and control over all funds deposited in the Blocked Account and such funds may be withdrawn therefrom only with the consent of Purchaser Agent. The Blocked Account and the blocked Control Agreement covering such Block Account shall remain in place until the receipt of the Marketing Approval from the FDA or EMA of any Included Product of an Obligor other than the French Subsidiary. For the avoidance of doubt, this Section 3.7(h)(ii) does not substitute, replace or release the Obligors from any other obligations under the Transaction Documents, including, without limitation, those under Section 6.6.

(iii) In the event that (x) the requirements of Section 3.7(h)(i) have not been met within one (1) year after the Effective Date and (y) Marketing Approval from FDA or EMA shall have been obtained for any of the Included Products of the French Subsidiary prior to receipt of Marketing Approval from the FDA or EMA for any of the Included Products of the other Obligors (the date that both events specified in clauses (x) and (y) have occurred, the "**Specified Repurchase Trigger Date**"), the Required Purchasers in their sole discretion (and without obligation) may require Issuer to repurchase the outstanding Notes (if any) and pay all other outstanding Obligations under this Agreement. If the Required Purchasers require Issuer to repurchase the outstanding Notes (if any) and pay all other Obligations, the Required Purchasers (or Purchaser Agent on behalf of the Required Purchasers) shall provide written notice thereof within thirty (30) days of the Specified Repurchase Trigger Date and the repurchase date shall be the one year anniversary of the receipt of such Marketing Approval from the FDA or EMA. If the Required Purchasers have elected to require Issuer to repurchase the Notes (if any) and pay all other Obligations, Issuer shall make such repurchase and payment on the repurchase date specified in this Section 3.7(h)(iii) by paying the Final Payment Amount, plus all accrued and unpaid default interest, Reimbursable Expenses and all other Obligations to the Purchasers.

Section III.8 Covenant to Deliver. Issuer agrees to deliver to Purchaser Agent and the Purchasers each item required to be delivered to Purchaser Agent under this Agreement as a condition precedent to any purchase of Notes. Issuer expressly agrees that a purchase of Notes made prior to the receipt by Purchaser Agent or any Purchaser of any such item shall not constitute a waiver by Purchaser Agent or any Purchaser of Issuer's obligation to deliver such item, and any such purchase of Notes in the absence of a required item shall be made in each Purchaser's sole discretion (and without obligation).

Section III.9 Procedures for Issuance and Purchase. Subject to the prior satisfaction of all other applicable conditions to the purchase of Notes set forth in this Agreement, to issue Notes, Issuer shall notify the Purchasers (which notice shall be irrevocable) by electronic mail, facsimile, or telephone by 12:00 noon Eastern time, in the case of the First Purchase, on the Effective Date or, in the case of any other Purchase, fifteen (15) Business Days (or such shorter periods as agreed in writing by Purchaser Agent and the Purchasers) prior to the date the Notes are to be issued. Together with any such electronic, or telephonic notification, Issuer shall deliver to the Purchasers by electronic mail a completed Purchase Notice executed by a Responsible Officer or his or her designee. The Purchasers may rely on any telephone notice given by a person whom a Purchaser reasonably believes is a Responsible Officer or designee. On each Purchase Date, each Purchaser shall credit and/or transfer (as applicable) to the Designated Deposit Account or such other Deposit Account of Issuer to which Purchaser Agent agrees in

its sole discretion (without obligation), an amount equal to the purchase price of the Notes purchased by such Purchaser on such Purchase Date.

Section III.10 Material Weakness. Issuer shall use its reasonable best efforts to address any findings of material weakness in its internal controls identified prior to the Effective Date prior to the end of the fiscal year ending December 31, 2022.

Article IV
CREATION OF SECURITY INTEREST

Section IV.1 Grant of Security Interest. Each Obligor hereby grants Purchaser Agent, for the benefit of the Secured Parties, to secure the payment and performance in full of all of the Obligations, a continuing security interest in all of such Obligor's right, title and interest in, to and under the Collateral, wherever located, whether now owned or hereafter acquired or arising, and all proceeds and products thereof. Each Obligor represents, warrants and covenants that, upon the filing of applicable financing statements by the Purchasers, the security interest granted herein is and shall at all times continue to be a first priority perfected security interest in the Collateral, subject only to Permitted Liens that are permitted by the terms of this Agreement to have priority to Purchaser Agent's Lien. If any Obligor shall acquire a Commercial Tort Claim, such Obligor shall promptly notify Purchaser Agent in a writing signed by Issuer, as the case may be, of the general details thereof (and further details as may be reasonably required by Purchaser Agent) and grant to Purchaser Agent, for the benefit of the Secured Parties, in such writing a security interest therein and in the proceeds thereof, all upon the terms of this Agreement, with such writing to be in form and substance reasonably satisfactory to Purchaser Agent.

If this Agreement is terminated, Purchaser Agent's Lien in the Collateral shall continue until the Obligations (other than inchoate indemnity or reimbursement obligations) are repaid in full in cash. Upon payment in full in cash of the Obligations (other than inchoate indemnity or reimbursement obligations) and at such time as the Commitments have been terminated, Purchaser Agent shall, at the sole cost and expense of the Obligors, release its Liens in the Collateral and all rights therein shall revert to the Obligors. Upon such termination, and from time to time thereafter, Purchaser Agent shall, at the sole cost and expense of the Obligors, execute and deliver such instruments, documents and filings the Obligors reasonably request to evidence such termination and release.

Section IV.2 Authorization to File Financing Statements. Each Obligor hereby authorizes Purchaser Agent to file financing statements, make any registration, or take any other necessary action (as determined by Purchaser Agent), without notice to any Obligor, with all jurisdictions deemed necessary (as determined by Purchaser Agent) to perfect or protect Purchaser Agent's interest or rights under the Note Documents. Each Obligor incorporated in the Federal Republic of Germany hereby (i) releases the Purchaser Agent and the Purchasers from the restrictions of section 181 German Civil Code (*Bürgerliches Gesetzbuch*), and (ii) authorizes the Purchaser Agent and the Purchasers to delegate their powers of attorney, including the exemption from the restriction in section 181 German Civil Code (*Bürgerliches Gesetzbuch*). Each Obligor represents to each of the Purchaser Agent and the Purchasers that the release hereby granted is effective under the term of its constitutional documents.

Section IV.3 Pledge of Collateral. Each Obligor hereby pledges, collaterally assigns and grants to Purchaser Agent, for the benefit of the Secured Parties, a security interest in all the Shares, together with all proceeds and substitutions thereof, all cash, stock and other moneys and property paid thereon, all rights to subscribe for securities declared or granted in connection therewith, and all other cash and noncash proceeds of the foregoing, as security for the performance of the Obligations. On the First Purchase Date, or, to the extent not certificated as of the First Purchase Date, within ten (10) days of the certification of any Shares, the certificate or certificates for the Shares will be delivered to Purchaser

Agent, accompanied by an instrument of assignment duly executed in blank by the applicable Obligor. To the extent required by the terms and conditions governing the Shares, the Obligors shall cause the books of each entity whose Shares are part of the Collateral and any transfer agent to reflect the pledge of the Shares. Upon the occurrence and during the continuance of an Event of Default hereunder, Purchaser Agent may effect the transfer of any securities included in the Collateral (including but not limited to the Shares) into the name of Purchaser Agent and cause new (as applicable) certificates representing such securities to be issued in the name of Purchaser Agent or its transferee. Each Obligor will execute and deliver such documents, and take or cause to be taken such actions, as Purchaser Agent may, insofar as the law governing the security interest concerned so permits, according to the terms and conditions of the relevant security interest, reasonably request to perfect or continue the perfection of Purchaser Agent's security interest in the Shares. Unless an Event of Default shall have occurred and be continuing, each Obligor shall be entitled, insofar as the law governing the security interest concerned so permits, according to the terms and conditions of the relevant security interest, to exercise any voting rights with respect to the Shares and to give consents, waivers and ratifications in respect thereof, provided that no vote shall be cast or consent, waiver or ratification given or action taken which would be inconsistent with any of the terms of this Agreement or which would constitute or create any violation of any of such terms. Except as otherwise set forth in the Foreign Collateral Documents, all such rights to vote and give consents, waivers and ratifications shall terminate upon the occurrence and continuance of an Event of Default. The terms of this Section 4.3 shall, in each case, be subject to the Agreed Security Principles.

Article V
REPRESENTATIONS AND WARRANTIES

Each Obligor represents and warrants to Purchaser Agent and the Purchasers as follows:

Section V.1 Due Organization, Authorization: Power and Authority. Issuer and each of its Subsidiaries is duly existing and (other than with respect to Obligors incorporated in England and Wales and/or in the Federal Republic of Germany) in good standing as a Registered Organization in its jurisdictions of organization, incorporation or formation and Issuer and each of its Subsidiaries is qualified and licensed to do business and (other than with respect to Obligors incorporated in England and Wales or in the Federal Republic of Germany) is in good standing in any jurisdiction in which the conduct of its businesses or its ownership of property requires that it be qualified except where the failure to do so could not reasonably be expected to result in a Material Adverse Change. In connection with this Agreement, Issuer on behalf of itself and its Subsidiaries has delivered to Purchaser Agent a completed perfection certificate signed by an officer of Issuer (the "**Perfection Certificate**"). Each Obligor represents and warrants that (a) such Obligor's exact legal name is that which is indicated on the Perfection Certificate and on the signature page of each Note Document to which it is a party; (b) each Obligor is an organization of the type and is organized or incorporated in the jurisdiction set forth on the Perfection Certificate; (c) the Perfection Certificate accurately set forth each Obligor's organizational or company identification number or accurately states that such Obligor has none; (d) the Perfection Certificate accurately sets forth each Obligor's place of business, or, if more than one, its chief executive office as well as each Obligor's mailing address (if different than its chief executive office); (e) each Obligor (and each of its respective predecessors) have not, in the past five (5) years, changed its jurisdiction of organization or incorporation, organizational structure or type, or any organizational or company number assigned by its jurisdiction; and (f) all other information set forth on the Perfection Certificate pertaining to the Obligors and the Subsidiaries, is accurate and complete in all material respects (it being understood and agreed that Issuer and each of its Subsidiaries shall from time to time update certain information in the Perfection Certificate after the Effective Date) pursuant to Section 3.6 and/or Section 6.2; such updated Perfection Certificate subject to the review and approval of Purchaser Agent. If Issuer or any of its Subsidiaries is not now a Registered Organization but later becomes one, Issuer shall notify Purchaser Agent of such occurrence and provide Purchaser Agent with such Person's

organizational identification number within five (5) Business Days of receiving such organizational or company identification number.

The execution, delivery and performance by each Obligor of the Note Documents to which it is a party have been duly authorized, and do not (i) conflict with such Obligors' organizational or organizational documents, including its respective Operating Documents, (ii) contravene, conflict with, constitute a default under or violate any material Requirement of Law applicable thereto, (iii) contravene, conflict or violate any applicable order, writ, judgment, injunction, decree, determination or award of any Governmental Authority by which Issuer or such Obligor, or any of their property or assets may be bound or affected, (iv) require any action by, filing, registration, or qualification with, or Governmental Approval from, any Governmental Authority (except such Governmental Approvals which have already been obtained and are in full force and effect) or are being obtained pursuant to Section 6.1(b), or (v) constitute an event of default under any material agreement by which Issuer or any of such Obligor, or their respective properties, is bound. No Obligor is in default under any agreement to which it is a party or by which it or any of its assets is bound in which such default could reasonably be expected to result in a Material Adverse Change.

Section V.2 Collateral.

(a) Each Obligor has good title to, have rights in, and the power to transfer each item of the Collateral upon which it purports to grant a Lien under the Note Documents, free and clear of any and all Liens except Permitted Liens, and no Obligor has any Deposit Accounts, Securities Accounts, Commodity Accounts or other bank or investment accounts other than the Collateral Accounts and the Excluded Accounts, if any, described in the Perfection Certificate delivered to Purchaser Agent in connection herewith with respect of which Issuer or such Obligor has given Purchaser Agent notice and, other than with respect to the Excluded Accounts, taken such actions as are necessary to give Purchaser Agent a perfected security interest therein. Each Account owned by any Obligor is a bona fide, existing obligation of the applicable Account Debtor.

(b) On the Effective Date, and except as disclosed on the Perfection Certificate, the Collateral (other than (i) mobile equipment such as laptop computers and personal digital assistants in the possession of any Obligor's employees or agents and (ii) other Collateral with a fair market value not to exceed (a) One Million Dollars ($1,000,000) in any single location or (b) Two Million Five Hundred Thousand Dollars ($2,500,000) in the aggregate in all locations, excluding, for purposes of this clause (ii)(b), any single location holding Collateral with a fair market value of less than One Hundred and Seventy Five Thousand Dollars ($175,000) in the aggregate) is not in the possession of any third party bailee (such as a warehouse). None of the components of the Collateral shall be maintained at locations other than as disclosed in the Perfection Certificate on the Effective Date or as permitted pursuant to Section 6.10.

(c) All Inventory, if any, owned by any Obligor is free from material defects and, with respect to any goods held for sale, is in all material respects of good and marketable quality.

(d) Except as noted on the Perfection Certificate, no Obligor is a party to, nor is bound by, any Restricted License. Issuer shall provide written notice to Purchaser Agent and each Purchaser within ten (10) days of any Obligor entering into or becoming bound by any material license or material agreement with respect to which an Obligor is the licensee (other than overthecounter software that is commercially available to the public).

(e) As of the Effective Date, neither Issuer nor any of its Subsidiaries owns or has title to or interest in, any real property, except for leasehold interest in the real property leased by it as is necessary or desirable to the conduct of its business.

Section V.3 Litigation. Except as disclosed (i) in the Perfection Certificate or (ii) in accordance with Section 6.9 hereof, there are no actions, audits, suits, investigations, or proceedings (including any Environmental Claims) pending or, to the knowledge of the Responsible Officers, threatened in writing by or against Issuer or any of its Subsidiaries involving more than One Million Dollars ($1,000,000). Except as disclosed on the Perfection Certificate delivered on or prior to the Effective Date, there are no actions, audits, suits, investigations or proceedings (including any Environmental Claims) pending or threatened in writing by or against Issuer or any of its Subsidiaries, which either (x), if adversely determined, could reasonably be expected to result in a Material Adverse Change or (y) is not covered by independent third party insurance as to which liability has been accepted by the carrier providing such insurance.

Section V.4 No Material Deterioration in Financial Condition; Financial Statements.

(a) All consolidated financial statements for Issuer and its Subsidiaries and the consolidated financial statements for each Subsidiary for the periods prior to the acquisition thereof by Issuer delivered to Purchaser Agent fairly present, in conformity with GAAP, in all material respects the consolidated financial condition of Issuer and its Subsidiaries or such Subsidiary, as applicable, and the consolidated results of operations of Issuer and its Subsidiaries or such Subsidiary, as applicable as of the date thereof and for the periods covered thereby. There has not been any material deterioration in the consolidated financial condition of Issuer and its Subsidiaries since the date of the most recent financial statements submitted to any Purchaser.

(b) Since January 29, 2021, as of the Effective Date and each Purchase Date, there has not been any Transfer by Issuer or any Subsidiary of any material part of the business or property of Issuer or such Subsidiary and there has been no Investment or acquisition of any business or property by Issuer or any Subsidiary, in each case that has not been reflected in the most recent consolidated financial statements for Issuer.

Section V.5 Solvency. Each Obligor is, and will be, after giving effect to the issuance of the Notes, Solvent.

Section V.6 Compliance with Laws.

(a) Neither Issuer nor any of its Subsidiaries is an "investment company" or a company "controlled" by an "investment company" under the Investment Company Act of 1940, as amended. Neither Issuer nor any of its Subsidiaries is engaged as one of its important activities in extending credit for margin stock (under Regulations X, T and U of the Federal Reserve Board of Governors). Issuer and each of its Subsidiaries has complied in all material respects with the Federal Fair Labor Standards Act.

(b) Neither Issuer nor any of its Subsidiaries is an AIF or an AIFM.

(c) No Issuer nor any of its Subsidiaries has violated any laws, ordinances or rules, the violation of which could reasonably be expected to result in a Material Adverse Change. Neither Issuer nor any of its Subsidiaries is a "holding company" or an "affiliate" of a "holding company" or a

"subsidiary company" of a "holding company" as each term is defined and used in the Public Utility Holding Company Act of 2005. Neither Issuer's nor any of its Subsidiaries' properties or assets has been used by Issuer or such Subsidiary or, to the Knowledge of Issuer and its Subsidiaries, by previous Persons, in disposing, producing, storing, treating, or transporting any hazardous substance other than in material compliance with applicable laws. Issuer and each of its Subsidiaries has obtained all consents, approvals and authorizations of, made all declarations or filings with, and given all notices to, all Governmental Authorities that are necessary to continue their respective businesses as currently conducted.

(d) None of Issuer, any of its Subsidiaries, or any of Issuer's or its Subsidiaries' Affiliates or any of their respective agents acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement is (i) in violation of any AntiTerrorism Law or Anti-Corruption Laws, (ii) engaging in or conspiring 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 any AntiTerrorism Law or Anti-Corruption Laws, or (iii) is a Sanctioned Person. None of Issuer, any of its Subsidiaries or, to the Knowledge of Issuer and its Subsidiaries, any of their Affiliates or agents, acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement, (x) conducts any business or engages in making or receiving any contribution of funds, goods or services to or for the benefit of any Sanctioned Person, or (y) deals in, or otherwise engages in any transaction relating to, any property or interest in property blocked or sanctioned pursuant to any Sanctions (including Executive Order No. 13224, any similar executive order), other AntiTerrorism Law or other Anti-Corruption Laws; provided that this Section 5.6(d) shall not be interpreted or applied in relation to it, Issuer, any of its Subsidiaries, or any of Issuer's or its Subsidiaries' Affiliates or any of their respective agents acting or benefiting in any capacity in connection with the transactions contemplated by this Agreement, the Purchaser Agent or any Purchaser to the extent that the representations made under this Section 5.6(d) violate or expose such entity or any director, officer or employee thereof to any liability under any applicable anti-boycott or blocking law, regulation or statute that is in force from time to time in the European Union and/or any of its member states or the United Kingdom that are applicable to such entity (including EU Regulation (EC) No 2271/96) and/or Section 7 of the German Foreign Trade Regulation (*Außenwirtschaftsverordnung*) in connection with Section 4 of the German Foreign Trade Act (*Außenwirtschaftsgesetz*).

Section V.7 Investments. Neither Issuer nor any of its Subsidiaries owns any Equity Interests except for Permitted Investments.

Section V.8 Tax; Pension Contributions.

(a) Issuer and each of its Subsidiaries has timely filed, or submitted extensions for, all required tax returns and reports, and Issuer and each of its Subsidiaries, has timely paid, or submitted extensions for, all foreign, federal, state, provincial and local taxes, assessments, deposits and contributions owed by Issuer and such Subsidiaries, in all jurisdictions in which Issuer or any such Subsidiary is subject to taxes, including the United States and Canada, unless (i) such taxes are being contested in accordance with the following sentence or (ii) such taxes, assessments, deposits and contributions do not, individually or in the aggregate, exceed Three Hundred Fifty Thousand Dollars ($350,000).

(b) Issuer and each of its Subsidiaries, may defer payment of any contested taxes, provided that Issuer or such Subsidiary, (i) in good faith contests its obligation to pay the taxes by appropriate proceedings promptly and diligently instituted and conducted, (ii) notifies Purchaser Agent in writing of the commencement of, and any material development in, the proceedings, and (iii) posts bonds or takes any other steps required to prevent the Governmental Authority levying such contested taxes

from obtaining a Lien upon any of the Collateral that is other than a "Permitted Lien." Neither Issuer nor any of its Subsidiaries is aware of any claims or adjustments proposed for any of Issuer's or such Subsidiaries' prior tax years which could result in additional taxes becoming due and payable by Issuer or any of its Subsidiaries.

(c) Issuer is not required to make any Tax Deduction (as defined in Section 14.1) from any payment it may make under any Note Document to a Purchaser which is:

(i) a Qualifying Purchaser (as defined in Section 14.1): (x) falling within clause (a)(i) of the definition of "Qualifying Purchaser"; or (y) except where a Direction has been given under section 931 of the ITA in relation to the payment concerned, falling within clause (a)(ii) of the definition of "Qualifying Purchaser"; or (z) falling within clause (b) of the definition of "Qualifying Purchaser";

(ii) a Treaty Purchaser and the payment is one specified in a direction given by the Commissioners of Revenue & Customs under Regulation 2 of the Double Taxation Relief (Taxes on Income) (General) Regulations 1970 (SI 1970/488); or

(iii) a QPP Purchaser.

(d) Under the law of each Obligors' jurisdiction of organization or incorporation it is not necessary that any stamp, registration or similar tax be paid on or in relation to the Note Documents or the transactions contemplated thereby (excluding any assignment or transfer of any Notes or other divestment of an interest in any Notes by a Finance Party).

(e) Issuer and each of its Subsidiaries have paid all amounts necessary to fund all present pension, profit sharing and deferred compensation plans, if any, in accordance with their terms, and neither Issuer nor any of its Subsidiaries have, withdrawn from participation in, and have not permitted partial or complete termination of, or permitted the occurrence of any other event with respect to, any such plan which could reasonably be expected to result in any liability of Issuer or its Subsidiaries, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other Governmental Authority.

Section V.9 Use of Proceeds. Issuer shall use the proceeds of the Notes (other than Notes issued in respect of the Fourth Purchase) solely as working capital and to fund its general business requirements in accordance with the provisions of this Agreement, and not for personal, family, household or agricultural purposes. Any Notes issued on any Fourth Purchase Date shall be used by Issuer to fund Permitted Acquisitions including the payment of Acquisition Costs and provide working capital to fund the general business requirements of acquired companies, and not for personal, family, household or agricultural purposes.

Section V.10 Shares. Each Obligor has full power and authority to create a first lien on the Shares pledged by it pursuant to the Note Documents and no disability or contractual obligation exists that would prohibit Issuer from pledging the Shares pursuant to the Note Documents. To the Knowledge of Issuer and its Subsidiaries, there are no subscriptions, warrants, except as set forth in the Perfection Certificate, rights of first refusal or other restrictions on transfer relative to, or options exercisable with respect to the Shares. The Shares have been and will be duly authorized and validly issued, and are fully paid and nonassessable. To the Knowledge of Issuer and its Subsidiaries, the Shares are not the subject of any present or threatened suit, action, arbitration, administrative or other proceeding, and Issuer knows of no reasonable grounds for the institution of any such proceedings.

Section V.11 Intellectual Property.

(a) Schedule 5.11(a) sets forth, as of the Effective Date, a true and complete list of all (i) Patents, including the jurisdiction and patent number and indicating which Subsidiary owns or has license to such Patents, (ii) Trademarks, (iii) registered Copyrights or applications for registered Copyrights and (iv) domain name registrations and websites, in each case with respect to clauses (i), (ii), (iii) and (iv) above in this clause (a) that constitute Product Intellectual Property. Except as disclosed therein, (A) each issued Patent and Trademark listed on Schedule 5.11(a) is subsisting and has not lapsed, expired, been cancelled or become abandoned, except in the ordinary course of business or where such lapse or abandonment, either individually or in the aggregate, could not reasonably be likely to result in a Material Adverse Change, and (B) each pending Patent listed on Schedule 5.11(a) is subsisting and has not lapsed, expired, been cancelled or become abandoned, except in the ordinary course of business or where such lapse or abandonment could not reasonably be likely to result in a Material Adverse Change.

(b) To the Knowledge of Issuer and its Subsidiaries, neither Issuer nor any Subsidiary has in the past three (3) years infringed or misappropriated, nor are such Persons infringing or misappropriating (including with respect to its current use and Development of Included Products) any Patents or other Intellectual Property that is owned or controlled by a Third Party. To the Knowledge of Issuer and its Subsidiaries as of each date this representation is made (or in the case of Included Products that are in pre-clinical development, to the actual Knowledge (without a duty of inquiry) of Issuer and its Subsidiaries as of the Effective Date), the use, Development, Manufacture, import or Commercialization by Issuer and its Subsidiaries of the Included Products as currently contemplated does not and will not infringe any Patents or misappropriate any other Intellectual Property that is owned or controlled by a Third Party and to which Issuer and/or its Subsidiaries do not have a license.

(c) There are no unpaid maintenance, annuity or renewal fees currently overdue for any of the Patents that constitute Product Intellectual Property.

(d) Except as disclosed in the Perfection Certificate, there is no pending, decided or settled opposition, interference proceeding, reexamination proceeding, cancellation proceeding, injunction, claim, lawsuit, declaratory judgment, administrative post-grant review proceeding, other administrative or judicial proceeding, hearing, investigation, complaint, arbitration, mediation, International Trade Commission investigation, decree, or any other filed claim (collectively referred to hereinafter as "**Disputes**") related to any of the Patents that constitute Product Intellectual Property has any such Dispute been threatened in writing challenging the legality, validity, enforceability or ownership of any Patents that constitute Product Intellectual Property. There are no Disputes by any Person or Third Party against Issuer, its Affiliates or its Licensees or its licensor, and Issuer has not received any written notice or claim of any such Dispute as pertaining to the Included Products.

(e) Issuer and its Affiliates have taken commercially reasonable measures and precautions to protect and maintain (i) the confidentiality of all trade secrets with respect to any Included Product that it owns or exclusively licenses and (ii) the value of all Intellectual Property related to any Included Product, except where such failure to take action, either individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Change.

(f) No material trade secret owned or controlled by Issuer or any of its Affiliates with respect to any Included Product has been published or disclosed to any Person except pursuant to a written agreement requiring such Person to keep such trade secret confidential and except where such disclosure could not reasonably be expected to result in a Material Adverse Change.

(g) The Patents included in the Product Intellectual Property have all been assigned by the inventors to Issuer (either directly or through its Subsidiaries) ("**Assigned Patents**") or, to the Knowledge of Issuer and its Subsidiaries, to the applicable licensor ("**Licensed Patents**"); either Issuer, or one of its Subsidiaries, or, to the Knowledge of Issuer, the applicable licensor is currently recorded (for applications that have been filed at the United States Patent and Trademark Office), or will be recorded (for applications that are to be filed at the United States Patent and Trademark Office at National Phase entry) at the United States Patent and Trademark Office as the sole assignee of such Assigned Patents or Licensed Patents; to the Knowledge of Issuer and its Subsidiaries, there are no currently asserted or unasserted claims of any persons disputing the inventorship or ownership of any of such Patents; and there are no liens, security interests or encumbrances that have been filed against any of such Patents.

Section V.12 Regulatory Approvals.

(a) Issuer and its Affiliates and Licensees have made available to Purchaser Agent any written reports or other written communications received from a Governmental Authority that would indicate that any Regulatory Authority (i) is likely to revise or revoke any current Regulatory Approval granted by any Regulatory Authority with respect to any Included Product or (ii) is likely to pursue any material compliance actions against any Obligor. To the Knowledge of Issuer and its Subsidiaries, there are no other facts or circumstances that would reasonably be expected to (A) indicate that any of the events specified in the immediately preceding clauses (i) or (ii) may occur or (B) cause Issuer or any of its Subsidiaries to voluntarily revise, withdraw or not apply for any Regulatory Approval.

(b) Issuer and its Subsidiaries possess all Regulatory Approvals issued or required by the Regulatory Agencies, which Regulatory Approvals are necessary to conduct the business relating to the Included Products as of each date this representation is made, including to conduct the current Clinical Trials relating to the Included Products, and neither Issuer nor its Subsidiaries has received any notice of proceedings relating to, and there are no facts or circumstances to the Knowledge of Issuer and its Subsidiaries that would reasonably be expected to lead to, the revocation, suspension, termination or modification of any such Regulatory Approvals. All applications, notifications, submissions, information, claims, reports and statistics and other data and conclusions derived therefrom, utilized as the basis for or submitted in connection with any and all requests for a Regulatory Approval from the FDA or other Regulatory Authority relating to Issuer or any Subsidiary, their business operations and Included Products, when submitted to the FDA or other Regulatory Authority were true, complete and correct in all material respects as of the date of submission or any necessary or required updates, changes, corrections or modifications to such applications, submissions, information and data have been submitted to the FDA or other Regulatory Authority. None of the officers or directors, or, to the Knowledge of Issuer and its Subsidiaries, employees or Affiliates of Issuer or any Subsidiary or any agent or consultant has (i) made an untrue statement of material fact or fraudulent statement to any Regulatory Authority or failed to disclose a material fact required to be disclosed to a Regulatory Authority; or (ii) committed an act, made a statement, or failed to make a statement that could reasonably be expected to provide a basis for the FDA to invoke its policy respecting "Fraud, Untrue Statements of Material Facts, Bribery, and Illegal Gratuities," set forth in 56 Fed. Reg. 46191 (September 10, 1991).

(c) Issuer and its Affiliates and Licensees are in compliance with, and have complied with, all applicable federal, state, local and foreign laws, rules, regulations, standards, orders and decrees governing its business, including all regulations promulgated by each Regulatory Authority, the failure of compliance with which, either individually or in the aggregate, could reasonably be expected to result in a Material Adverse Change; Issuer and its Affiliates and Licensees have not received any written notice citing action or inaction by any of them that would constitute any non-compliance with any applicable federal, state, local and foreign laws, rules, regulations, or standards, which could reasonably be expected to result in a Material Adverse Change.

(d) Non-clinical investigations and Clinical Trials conducted on behalf of Issuer or its Affiliates or Licensees relating to each Included Product were conducted in all material respects in compliance with applicable laws and, in all material respects, in accordance with experimental protocols, procedures and controls pursuant to, where applicable, accepted professional and scientific standards. The descriptions and the results of such trials provided to Purchaser Agent are accurate in all material respects. Neither Issuer nor its Affiliates and Licensees has received any written notices, written correspondence or, to the Knowledge of Issuer and its Subsidiaries, other communications from any Regulatory Authority or comparable authority (including any independent data monitoring committee or similar oversight body) requiring or recommending the termination, suspension, clinical hold or material modification of any Clinical Trials conducted by or on behalf of Issuer or its Affiliates and Licensees with respect to any Included Product.

(e) Neither Issuer nor any of its Affiliates or Licensees have received any written notices from, or had any written or oral communications with, (i) any Governmental Authority or (ii) any pricing and reimbursement representative of any Person, in each case exercising authority with respect to pricing and reimbursement for the Included Products, that have resulted in, or would reasonably be expected to result in, any non-coverage decision in respect of, or material reduction in the expected pricing of, the Included Products.

(f) All manufacturing operations conducted by or on behalf of Issuer and its Affiliates and Licensees relating to the Included Products have been and are being conducted in compliance with current good manufacturing practices set forth in 21 C.F.R. Parts 210 and 211 and applicable FDA guidance documents and any other applicable current good manufacturing practices in all material respects. Without limiting the generality of the foregoing, with respect to any Included Product being tested or manufactured by Issuer and its Subsidiaries, as of the Effective Date, to the Knowledge of Issuer and its Subsidiaries, neither Issuer nor any Subsidiary has received any written notice from any applicable Governmental Authority (including the FDA) that such Governmental Authority is conducting an investigation or review of (i) Issuer and its Subsidiaries' (or any third party contractors therefor) manufacturing facilities and processes for manufacturing such Included Product or the marketing and sales of such Included Product, in each case which have identified any material deficiencies or violations of any Requirement of Law or any permit related to the manufacture, marketing and/or sales of such Included Product that, either individually or in the aggregate, could reasonably be expected to result in a Material Adverse Change, or (ii) any such Regulatory Approval that could be reasonably expected to result in a revocation or withdrawal of such Regulatory Approval, nor has any such Governmental Authority issued any order or recommendation stating that the development, testing, manufacturing, marketing or sales of such Included Product by Issuer and its Subsidiaries should cease or that such Included Product should be withdrawn from the marketplace. Neither Issuer nor any Subsidiary of Issuer has experienced any significant failures in the manufacturing of any Included Product for commercial sale that has had or could reasonably be expected to have, if such failure occurred again, a Material Adverse Change.

(g) Neither Issuer nor any Subsidiary has received from the FDA, a Warning Letter, Form FDA-483, "Untitled Letter," or similar written correspondence or notice alleging violations of laws and regulations enforced by the FDA, or any comparable correspondence from any other Governmental Authority with regard to any Included Product or the manufacture, processing, packaging or holding thereof, the subject of which communication is unresolved and if determined adversely to Issuer or such Subsidiary could reasonably be expected to result in a Material Adverse Change.

(h) (i) there have been no Safety Notices, (ii) to the Knowledge of Issuer and its Subsidiaries, there are no unresolved material product complaints with respect to the Included Products which could reasonably be expected to result in a Material Adverse Change, and (iii) to the Knowledge of

Issuer and its Subsidiaries, there are no facts that would be reasonably likely to result in (A) a material Safety Notice with respect to the Included Products, (B) a material change in the expected labeling of any of the Included Products.

(i) Neither Issuer nor its Affiliates nor their respective officers or employees nor, to the Knowledge of Issuer and its Subsidiaries, its agents, has been convicted of any crime or engaged in any conduct for which (i) debarment is mandated by 21 U.S.C. § 335a(a) or authorized by 21 U.S.C. § 335a(b); or (ii) exclusion is required pursuant to 42 U.S.C. § 1320a-7b and related regulations, nor, to the Knowledge of Issuer and its Subsidiaries, is any such debarment or exclusion threatened in writing or pending.

(j) Issuer and its Affiliates are in material compliance with all applicable federal, state and local laws and regulations regarding the privacy and security of health information and electronic transactions, including the Health Insurance Portability and Accountability Act (HIPAA), and has implemented adequate policies and procedures designed to assure continued compliance and to detect non-compliance.

(k) Issuer has made available to the Purchasers all Regulatory Approvals and all material correspondence with Governmental Authorities (including the FDA) with respect to such Regulatory Approvals, with respect to the Included Products and all requested documents related to the Included Products in each case in the possession and control of Issuer or its Subsidiaries.

Section V.13 Material Agreements. Issuer has made available to Purchasers true and complete copies of all Material Agreements. Neither Issuer nor its Affiliates is in material breach of any Material Agreement or in material default under any Material Agreement. There is no event or circumstance that would reasonably be expected to (a) constitute a material breach or default by Issuer and/or its Affiliates, (b) give any Person the right to receive or require a material rebate, or chargeback (in each case, except in the ordinary course of business contemplated by such Material Agreement), or penalty (excluding interest for late payment in the ordinary course) or results in material, non-ordinary course delay (and excluding causes of delays impacting the industry as a whole) in the overall project delivery schedule (and not, for the avoidance of doubt, a component thereof) under any Material Agreement, (c) give any Person the right to accelerate the maturity or performance of any Material Agreement in any material respect or (d) give any Person the right to cancel, terminate or materially adversely modify any Material Agreement. Neither Issuer nor its Affiliates has received any written notice or, to the Knowledge of Issuer and its Subsidiaries, any threat of termination of any such Material Agreement. To the Knowledge of Issuer and its Subsidiaries, no other party to a Material Agreement is in material breach of or in default under such Material Agreement. All Material Agreements are valid and binding on Issuer and its Affiliates (as applicable) and, to the Knowledge of Issuer and its Subsidiaries, on each other party thereto, and are in full force and effect.

Section V.14 Broker Fees. There are no brokerage commissions payable in connection with the financing described in this Agreement and the services of a broker have not been engaged by Issuer or any of its Subsidiaries or Affiliates in connection with the financing described in this Agreement.

Section V.15 Full Disclosure. No written representation, warranty or other statement of Issuer or any of its Subsidiaries in any certificate or written statement given to Purchaser Agent or any Purchaser, as of the date such representation, warranty, or other statement was made, taken together with all such written certificates and written statements, in light of the circumstances in which they are made, given to Purchaser Agent or any Purchaser, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements contained in the certificates or statements not misleading (it being recognized that the projections and forecasts provided by Issuer in good faith and

based upon reasonable assumptions are not viewed as facts and that actual results during the period or periods covered by such projections and forecasts may differ from the projected or forecasted results).

Section V.16 Centre of Main Interests and Establishments. For the purposes of Regulation (EU) 2015/848 of 20 May 2015 on insolvency proceedings (recast) (the "**Regulation**"), each Obligor incorporated

(a) in England and Wales has its centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in England and Wales and has no "establishment" (as that term is used in Article 2(10) of the Regulation) in any other jurisdiction;

(b) in France has its centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in France and has no "establishment" (as that term is used in Article 2(10) of the Regulation) in any other jurisdiction; and

(c) in the Federal Republic of Germany has its centre of main interest (as that term is used in Article 3(1) of the Regulation) is situated in the Federal Republic of Germany and has no "establishment" (as that term is used in Article 2(10) of the Regulation) in any other jurisdiction;

Section V.17 Insurance. All policies of insurance maintained by or on behalf of such Obligor and its Subsidiaries are in full force and effect and are of a nature and provide such coverage as is customarily carried by businesses of the size and character of such Obligor and its Subsidiaries. All policies of insurance maintained by Issuer and its Subsidiaries are correctly set forth in the Perfection Certificate.

Section V.18 ERISA Compliance, Employee and Labor Matters.

(a) Except as could not reasonably be expected, either individually or in the aggregate, to result in a Material Adverse Change, (i) each Plan is in compliance with the applicable provisions of ERISA, the Code and other federal or state laws and (ii) each Plan that is intended to be a qualified plan under Section 401(a) of the Code has received a favorable determination letter from the IRS to the effect that the form of such Plan is qualified under Section 401(a) of the Code and the trust related thereto has been determined by the IRS to be exempt from federal income tax under Section 501(a) of the Code, or an application for such a letter is currently being processed by the IRS, and, to the Knowledge of Issuer and its Subsidiaries, nothing has occurred that would prevent or cause the loss of such tax-qualified status.

(b) There are no pending or, to the Knowledge of Issuer and its Subsidiaries, threatened in writing claims (other than routine claims for benefits in the ordinary course), actions or lawsuits, or action by any Governmental Authority, with respect to any Plan that, either individually or in the aggregate, could reasonably be expected to result in a Material Adverse Change. There has been no prohibited transaction or violation of the fiduciary responsibility rules with respect to any Plan that, either individually or in the aggregate, has had or could reasonably be expected to result in a Material Adverse Change.

(c) No ERISA Event has occurred, and neither Issuer nor any ERISA Affiliate is aware of any fact, event or circumstance that, either individually or in the aggregate, could reasonably be expected to constitute or result in an ERISA Event with respect to any Pension Plan that, either individually or in the aggregate, has had or could reasonably be expected to result in a Material Adverse Change.

(d) The present value of all accrued benefits under each Pension Plan (based on those assumptions used to fund such Pension Plan) did not, as of the last annual valuation date prior to the date on which this representation is made or deemed made, exceed the value of the assets of such Pension Plan allocable to such accrued benefits by a material amount. As of the most recent valuation date for each Multiemployer Plan, the potential liability of Issuer or any ERISA Affiliate for a complete withdrawal from such Multiemployer Plan (within the meaning of Section 4203 or Section 4205 of ERISA), when aggregated with such potential liability for a complete withdrawal from all Multiemployer Plans, is zero.

(e) To the extent applicable, each Foreign Plan has been maintained in compliance with its terms and with the requirements of any and all applicable requirements of Law and has been maintained, where required, in good standing with applicable regulatory authorities, except to the extent that the failure so to comply could not reasonably be expected, either individually or in the aggregate, to result in a Material Adverse Change. Neither Issuer nor any of its Subsidiaries has incurred any material obligation in connection with the termination of or withdrawal from any Foreign Plan. The present value of the accrued benefit liabilities (whether or not vested) under each Foreign Plan that is funded, determined as of the end of the most recently ended fiscal year of Issuer or any of its Subsidiaries, as applicable, on the basis of actuarial assumptions, each of which is reasonable, did not exceed the current value of the property of such Foreign Plan by a material amount, and for each Foreign Plan that is not funded, the obligations of such Foreign Plan are properly accrued.

(f) Neither Issuer or any of its Subsidiaries (i) is or has at any time been an employer (for the purposes of sections 38 to 51 of the Pensions Act 2004 (U.K.)) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the Pensions Schemes Act 1993 (U.K.)), and (ii) is or has at any time been "connected" with or an "associate" of (as those terms are used in sections 38 and 43 of the Pensions Act 2004 (U.K.)) such an employer. Neither Issuer or any of its Subsidiaries has any liability under ERISA or the Code with respect to any citizen of the United States who performs services outside of the United States.

(g) There are no collective bargaining agreements covering employees of any Obligor or any of its Subsidiaries

Section V.19 Environmental Matters.

(a) Except with respect to any matters that, individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Change, neither such Obligor nor any of its Subsidiaries (i) has failed to comply with any Environmental Law or to obtain, maintain or comply with any permit, license or other approval required under any Environmental Law, (ii) has become subject to any Environmental Liability, (iii) has received written notice of any claim with respect to any Environmental Liability or (iv) has Knowledge of any basis for any Environmental Liability.

(b) The operations and property of each Obligor and its Subsidiaries comply with all applicable Environmental Laws, except to the extent the failure to so comply (either individually or in the aggregate) could not reasonably be expected to result in a Material Adverse Change.

Section V.20 Definition of "Knowledge." For purposes of the Note Documents, whenever a representation or warranty is made to Issuer's or a Subsidiary's knowledge or awareness, to the "best of" Issuer's or Subsidiary's knowledge, or with a similar qualification, knowledge or awareness means the actual knowledge, after reasonable investigation, of the Responsible Officers or the President, Chief Executive Officer, Chief Financial Officer, Chief Medical Officer, Chief Scientific Officer, Chief Technology Officer or other officers with responsibilities equivalent to those of the foregoing officers of such Person, as applicable.

Section V.21 Designated Deposit Account. The Designated Deposit Account is Issuer's primary operating account.

Article VI
AFFIRMATIVE COVENANTS

Each Obligor shall, and shall cause each of its Subsidiaries to, do all of the following:

Section VI.1 Government Compliance.

(a) Maintain its and all its Subsidiaries' legal existence and good standing (to the extent such concept is recognized in its or its Subsidiaries' jurisdiction of incorporation) in their respective jurisdictions of organization or incorporation and maintain qualification in each jurisdiction in which the failure to so qualify could reasonably be expected to result in a Material Adverse Change. Comply with all Requirement of Law, the noncompliance with which, either individually or in the aggregate, could reasonably be expected to result in a Material Adverse Change.

(b) Obtain and keep in full force and effect, all of the material Governmental Approvals, including those from or by the FDA, the EMA or the MHRA, necessary for the performance by Issuer and its Subsidiaries of their respective businesses and obligations under the Note Documents and the grant of a security interest to Purchaser Agent for the benefit of the Secured Parties, in all of the Collateral.

Section VI.2 Financial Statements, Reports, Certificates.

(a) Deliver to Purchaser Agent and each Purchaser:

(i) as soon as available, but no later than forty-five (45) days after the last day of each of the first three (3) calendar quarters of each fiscal year, a company prepared consolidated and consolidating balance sheet, income statement and cash flow statement covering the consolidated operations of Issuer and its Subsidiaries for such quarter certified by a Responsible Officer and in a form reasonably acceptable to Purchaser Agent, together with a duly completed Compliance Certificate signed by a Responsible Officer;

(ii) as soon as available, but no later than ninety (90) days after the last day of Issuer's fiscal year or within five (5) days of filing with the SEC, audited consolidated financial statements prepared under GAAP, consistently applied, together with an unqualified opinion (without a "going concern" or similar qualification or exception and without any qualification or exception as to the scope of the audit on which such opinion is based; provided that any qualification resulting solely from the scheduled maturity of the Notes occurring within one year from the date such opinion is delivered shall be permitted) on the financial statements from a top four independent certified public accounting firm (Deloitte, Ernst and Young, KPMG, and PricewaterhouseCoopers) or such other independent certified public accounting firm reasonably acceptable to Purchaser Agent, together with a duly completed Compliance Certificate signed by a Responsible Officer;

(iii) to the extent Issuer is obligated to produce pursuant to Section 404(b) of the *Sarbanes-Oxley Act of 2002*, as soon as available but no later than ninety (90) days after the last day of Issuer's fiscal year or within five (5) days of filing with the SEC, an auditor attestation, and report, on Issuer's internal controls together with Issuer's plan for addressing any material weaknesses identified therein. For the avoidance of doubt, the existence of a material weakness shall not solely in itself be considered an Event of Default;

(iv) no later than forty-five (45) days after the end of each of the first three calendar quarters of each fiscal year and no later than ninety (90) days after the last day of Issuer's fiscal year, as applicable, (a) a reasonably detailed quarterly report setting forth, with respect to such same period, the Clinical Updates, the Regulatory Updates, the Commercial Updates, and the Intellectual Property Updates, (b) updates to the Perfection Certificate to reflect any amendments, modifications and updates, if any, to the information in the Perfection Certificate since the Effective Date or the most recent update thereto (to the extent not covered in the Intellectual Property Update), (c) cash flow projections for the four quarter period following such fiscal quarter set forth in a quarter-by-quarter format, and (d) a financial "DashBoard" report which shall include unrestricted cash and Cash Equivalents, marketable securities, revenue for the reporting month, and year-to-date revenue. Issuer shall also provide Purchaser Agent with such additional information regarding the updates included in each such quarterly report as Purchaser Agent may reasonably request from time to time;

(v) as soon as available after approval thereof by Issuer's Board of Directors, but no later than thirty (30) days after the last day of each of Issuer's fiscal years, Issuer's annual financial projections for the entire current fiscal year as approved by Issuer's Board of Directors, which may consist of compiled budgets for Issuer and each of its Subsidiaries or such other format, in each case, as submitted and approved by Issuer's Board of Directors for annual budgeting purposes and which shall be set forth in a quarter-by-quarter format (such annual financial projections as originally delivered to Purchaser Agent and the Purchasers are referred to herein as the "**Annual Projections**"; provided that any revisions of the Annual Projections submitted to and/or approved by Issuer's Board of Directors shall be delivered promptly to Purchaser Agent and the Purchasers and in any event no later than five (5) Business Days after such approval);

(vi) within five (5) Business Days of delivery, copies of all statements, reports and notices made available to Issuer's security holders, or required to be delivered to the holders (or their agent or trustee) of Permitted Convertible Notes;

(vii) promptly and in any event no later than five (5) Business Days after each regularly-scheduled meeting of Issuer's Board of Directors, the board kit (or board pack) and other materials delivered to the directors in connection with any such meeting; provided that, if Issuer, upon the advice of counsel, reasonably determines that any such information constitutes attorney-client privileged information and the disclosure thereof would adversely impair the attorney-client privilege between Issuer and such counsel with respect to such information, then Issuer will promptly permit Purchaser Agent and the Purchasers to enter into a customary common interest agreement with respect to such information and, unless and until Purchaser Agent and the Purchasers have entered into such agreement, Issuer shall be entitled to withhold delivery of, or redact, any such information (and only such information) from Purchaser Agent and the Purchasers; provided, further, that any such board kit, board pack or other material delivered to the directors may be redacted in a readily identifiable manner by Issuer to exclude (x) information relating to a proposed refinancing of the Notes and Issuer's strategy regarding the Notes and (y) personal data (as defined in the UK General Data Protection Regulation (the "**UK GDPR**")) where disclosure by Issuer of such personal data is not permitted by the UK GDPR.

(viii) until Issuer has successfully addressed all findings of material weakness in its internal controls identified prior to the Effective Date, substantially concurrently with the delivery to the Audit Committee of the Board of Directors or any other committee of the Board of Directors engaged in addressing such findings of material weakness, all materials delivered to such committee in respect of such material weakness.

(ix) prompt notice (and in any event within five (5) Business Days) of any change to the name of Issuer of any of its Subsidiaries, and concurrently with the delivery of Compliance

Certificates under Section 6.2(a)(i), notice of any other amendments of or changes to the Operating Documents of Issuer or any of its Subsidiaries, in each case, together with any copies reflecting such amendments or changes with respect to the Operating Documents of Issuer or the applicable Subsidiary;

(x) prompt notice (and in any event no later than ten (10) Business Days) of any event that could reasonably be expected to materially and adversely affect the value of the Product Intellectual Property;

(xi) notice of any Asset Sale Repurchase Event or Change of Control (no later than fifteen (15) days prior to the anticipated date of such event (but only to the extent Issuer becomes aware of such anticipated Change of Control)), together with a description of such Asset Sale Repurchase Event or Change of Control event, copies of such documents entered into in connection with the transaction giving rise to the event as Purchaser Agent may request and in the case of Asset Sale Repurchase Event, calculations in form reasonably acceptable to Purchaser Agent of the amount of Net Proceeds, if any, arising from such Asset Sale Repurchase Event;

(xii) prompt notice (and in any event no later than five (5) Business Days) of any Milestone Event;

(xiii) prompt notice (and in any event no later than five (5) Business Days) of (A) the termination of any Material Agreement (other than upon the expiration thereof in accordance with its terms); (B) the receipt by Issuer or any of its Subsidiaries of any material notice under any Material Agreement; (C) the entering into of any new Material Agreement by an Obligor; or (D) any material amendment to a Material Agreement;

(xiv) as soon as possible, and in any event within five (5) Business Days after the occurrence of any ERISA Event that, either individually or together with any other ERISA Events, could reasonably be expected to result in liability of the Borrower and its Subsidiaries in an aggregate amount exceeding One Million Dollars ($1,000,000) prior to the Milestone Event or Two Million Five Hundred Thousand Dollars ($2,500,000) after the Milestone Event;

(xv) as soon as possible, and in any event within five (5) Business Days after receipt thereof, true and correct copies of all Form 483s, notices of adverse finding, warning letters, untitled letters and other written correspondence or written notices from the FDA, the EMA, the MHRA or any other Governmental Authority having jurisdiction over the facilities or business of Issuer or any of its Subsidiaries;

(xvi) promptly (and in any event no later than five (5) Business Days) following receipt thereof, copies of all non-privileged written environmental reports submitted to a Governmental Authority, whether prepared by personnel of any Obligor or by independent consultants, Governmental Authorities or any other Persons, with respect to significant environmental matters at any Facility that could be reasonably expected to result in a Material Adverse Change or with respect to any Environmental Claims that could be reasonably expected to result in a Material Adverse Change.

(xvii) to the extent not delivered pursuant to Sections 6.2(a)(xiii) and (a)(xiv) above, within five (5) days after the same are sent or received by any Obligor or Subsidiary or Affiliate thereof, copies of all material correspondence, reports, documents and other filings with any Governmental Authority that could reasonably be expected to have a material adverse effect on any of the Governmental Approvals material to Issuer's business or otherwise could reasonably be expected to result in a Material Adverse Change;

(xviii) promptly (and in any event no later than ten (10) Business Days) following Purchaser Agent's request from time to time, such information respecting the operations, properties, business or condition (financial or otherwise) of the Obligors pursuant to or in response to any environmental, social and governance policies and questionnaires of Purchaser Agent or any Purchaser; and

(xix) other information as reasonably requested by Purchaser Agent or any Purchaser.

Notwithstanding the foregoing, documents required to be delivered pursuant to the terms hereof (to the extent any such documents are included in materials otherwise filed with the SEC) may be delivered electronically and if so delivered, shall be deemed to have been delivered on the date on which (A) Issuer posts such documents, or provides a link thereto, on Issuer's website on the internet at Issuer's website address or (B) such documents are posted on Issuer's behalf on the internet or an intranet website, if any, to which Purchaser Agent and the Purchasers have access.

Any documents required to be delivered pursuant to Section 6.2(a)(vii) or (viii) may be delivered to the Person specified as receiving notices for the Purchaser Agent in accordance with Article X or uploaded in downloadable form to a data room or data portal to which such Person has access and download privileges; provided that such Person shall have received notice that such documents are available for download (it being agreed that such materials shall be shared with personnel of Purchaser Agent and the Purchasers on a need-to-know basis, as determined by the general counsel of Oberland Capital Management LLC; provided, that for the avoidance of doubt, all professionals involved with the management of this Agreement and the Purchasers' investment hereunder have a need to know such information).

(b) Promptly following the end of each fiscal quarter (but in any event no later than forty-five (45) days after the end of each of the first three fiscal quarters and ninety (90) days after the end of each fiscal year) during the Revenue Participation Period, deliver to the Purchasers a written report in the form set forth on Exhibit H (the "**Revenue Report**") setting forth (i) the calculation of the Revenue Participation Payments payable to the Purchasers for such fiscal quarter and each other fiscal quarter in the same fiscal year identifying Net Sales by Issuer and its Subsidiaries for such fiscal quarter, and Net Sales for the prior fiscal quarter by any Lixivaptan Transferee; (ii) quarterly and the year-to-date Revenue Participation Payments as of the end of such fiscal quarter; and (iii) the difference of (x) the amount the Purchasers have received with respect to such fiscal quarter (and each other fiscal quarter in such fiscal year) in payments from Issuer under Section 2.2(d) in respect of the fiscal year, minus (y) the actual Revenue Participation Payments owed to the Purchasers calculated based on Net Sales by Issuer and its Subsidiaries for such fiscal quarter and Net Sales by Lixivaptan Transferees for the prior fiscal quarter (the "**Revenue Participation True-Up Amount**"). Each Revenue Report shall attach the Lixivaptan Transferee Reports received by Issuer or any Subsidiary since the last delivery of a Revenue Report hereunder.

(c) After delivery of the financial statements pursuant to Section 6.2(a) at the request of Purchaser Agent, Issuer shall cause its chief financial officer to participate in a conference call with Purchaser Agent and the Purchasers to discuss, among other things, the financial condition of each Obligor, any financial or earnings reports and the other reports delivered pursuant to this Section 6.2; provided that such conference call shall be held during normal business hours and, so long as no Event of Default has occurred and is continuing, not more frequently than once per fiscal quarter.

(d) Keep proper books of record and account in accordance with GAAP in all material respects, in which full, true and correct entries shall be made of all dealings and transactions in

relation to its business and activities. Commencing respect to the preparation of the financial statements for the fiscal year ending December 31, 2021 and at all times thereafter, Issuer shall, and shall cause each of its Subsidiaries to (i) maintain effective disclosure controls and procedures required by Rule 13a-15 or Rule 15d-15 under the Exchange Act, and (ii) maintain a system of internal accounting controls sufficient to provide reasonable assurance that (A) transactions are executed in accordance with management's general or specific authorizations, (B) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset and liability accountability, (C) access to assets or incurrence of liability is permitted only in accordance with management's general or specific authorization and (D) the recorded accountability for assets and liabilities is compared with the existing assets and liabilities at reasonable intervals and appropriate action is taken with respect to any differences.

(e) Allow, at the sole cost of Issuer, Purchaser Agent or any Purchaser, during regular business hours upon reasonable prior notice (provided that no notice shall be required when an Event of Default has occurred and is continuing), to visit and inspect any of its properties, to examine and make abstracts or copies from any of its Books, to conduct a collateral audit and analysis of its operations and the Collateral and to conduct an audit of Net Sales (and audit, or cause Issuer or any Subsidiary to exercise any audit rights in respect of Net Sales by any Lixivaptan Transferee) and the application of proceeds from Asset Sale Repurchase Events. Such audits shall be conducted no more often than once every year unless (and more frequently if) an Event of Default has occurred and is continuing.

Section VI.3 Maintenance of Properties. (a) Maintain, preserve and protect all of its material properties and equipment (if any) necessary in the operation of its business in good working order and condition (ordinary wear and tear excepted) and (b) make all necessary repairs thereto and renewals and replacements thereof, except, in each case, to the extent that the failure to do so could not reasonably be expected to result in a Material Adverse Change.

Section VI.4 Taxes; Pensions. Timely file and require each of its Subsidiaries to timely file or submit extensions for, all required federal and other material tax returns and reports and timely pay, and require each of its Subsidiaries to timely pay, all applicable foreign, federal, state and local taxes, assessments, deposits and contributions owed by Issuer or its Subsidiaries, except for deferred payment of any taxes permitted pursuant to the terms of Section 5.8 hereof, and shall deliver to Purchasers, on demand, appropriate certificates attesting to such payments, and pay all amounts necessary to fund all present pension, profit sharing and deferred compensation plans (if any) in accordance with the terms of such plans.

Section VI.5 Insurance.

(a) Keep Issuer's and its Subsidiaries' business and the Collateral insured for risks and in amounts standard for companies in Issuer's and its Subsidiaries' industry and location. Insurance policies shall be in amounts that are reasonably satisfactory to Purchaser Agent and Purchasers. All property policies (if any) shall have a lender's loss payable endorsement showing Purchaser Agent as lender loss payee and waive subrogation against Purchaser Agent, and all liability policies shall show, or have endorsements showing, Purchaser Agent, as additional insured. Purchaser Agent shall be named as lender loss payee and/or additional insured with respect to any such insurance providing coverage in respect of any Collateral, and each provider of any such insurance shall agree, by endorsement upon the policy or policies issued by it or by independent instruments furnished to Purchaser Agent, that it will give Purchaser Agent thirty (30) days prior written notice before any such policy or policies shall be materially altered or canceled; provided that, if any such provider does not agree to provide such notice, then Issuer shall not materially alter or cancel any such policy or policies without giving Purchaser Agent

thirty (30) days prior written notice. At Purchaser Agent's reasonable request, Issuer shall deliver certified copies of policies and evidence of all premium payments.

(b) So long as no Event of Default has occurred and is continuing, Issuer shall have the option of applying the proceeds of any casualty policy toward the replacement or repair of destroyed or damaged property; provided that any such replaced or repaired property (i) shall be of equal or like value as the replaced or repaired Collateral and (ii) shall be deemed Collateral in which Purchaser Agent has been granted a first priority (except to the extent such replaced or repaired property was for property subject to a Permitted Lien) security interest. After the occurrence and during the continuance of an Event of Default, all proceeds payable under such casualty policy shall, at the sole option (but without obligation) of Purchaser Agent, be payable to Purchaser Agent, for the benefit of the Secured Parties, on account of the Obligations.

(c) If Issuer or any of its Subsidiaries fails to obtain insurance as required under this Section 6.5 or to pay any amount or furnish any required proof of payment to third persons, Purchaser Agent and/or any Purchaser may make, at Issuer's expense, all or part of such payment or obtain such insurance policies required in this Section 6.5, and take any action under the policies Purchaser Agent or such Purchaser, acting reasonably, deems prudent.

Section VI.6 Operating Accounts.

(a) Maintain all of Obligors' Collateral Accounts in accounts which are subject to a Control Agreement in favor of Purchaser Agent or other appropriate instrument with respect to such Collateral Account to perfect Purchaser Agent's Lien in such Collateral Account in accordance with the terms under this Agreement or other Note Documents, which in case of a Collateral Account is maintained in the Federal Republic of Germany or United Kingdom includes the respective bank's or financial institution's acknowledgement of the notice receipt (including a waiver of several rights as set out in the Note Documents).

(b) Issuer shall provide Purchaser Agent five (5) Business Days' prior written notice before any Obligor or any of its Subsidiaries establishes any Collateral Account at or with any Person other than the institutions identified to Purchaser Agent in the Perfection Certificate delivered by Issuer as of the Effective Date. In addition, for each Collateral Account that an Obligor or any of its Subsidiaries, at any time establishes after the Effective Date, such Obligor or such Subsidiary shall cause the applicable bank or financial institution at or with which such Collateral Account is maintained to execute and deliver a Control Agreement or other appropriate instrument with respect to such Collateral Account to perfect Purchaser Agent's Lien in such Collateral Account and/or any other relevant security interest in accordance with the terms hereunder (which in case of a Collateral Account is maintained in the Federal Republic of Germany or United Kingdom includes the respective bank's or financial institution's acknowledgement of the notice receipt (including a waiver of several rights as set out in the Note Documents)) prior to the establishment of such Collateral Account, which Control Agreement may not be terminated without prior written consent of Purchaser Agent.

(c) No Obligor shall maintain any Collateral Accounts except Collateral Accounts maintained in accordance with Sections 6.6(a) and (b).

(d) Maintain the Designated Deposit Account as Issuer's primary operating account at all times.

Section VI.7 Regulatory Approvals; Protection of Intellectual Property Rights.

(a) Maintain, in full force and effect in all material respects, each Regulatory Approval required to conduct their respective businesses as presently conducted; provided that such Obligor or such Subsidiary shall not be required to preserve any such Regulatory Approval if such Obligor or such Subsidiary shall determine in its reasonable good faith judgment that the preservation thereof is no longer necessary in the conduct of the Commercialization, Development or Manufacture of any Included Product.

(b) Issuer shall, at its sole expense, either directly or by causing any Subsidiary or Licensee (subject to all restrictions and limitations contained in any applicable license agreement) to do so, use commercially reasonable efforts (including taking legal action to specifically enforce the applicable terms of any License Agreement) to prepare, execute, deliver, file and have registered any and all agreements, documents or instruments which are necessary to diligently maintain the Product Intellectual Property. Issuer shall use commercially reasonable efforts to ensure that all Patent applications corresponding to the Product Intellectual Property are diligently prosecuted with the intent to protect the Included Products. Issuer shall use commercially reasonable efforts to diligently defend or assert all Intellectual Property owned by or licensed to Issuer and relating to the Included Products against infringement or interference by any other Persons, and against any claims of invalidity or unenforceability (including, without limitation, by bringing any legal action for infringement or defending any claim of invalidity or action of a third party for declaratory judgment of non-infringement or non-enforceability), except where the failure to do so, either individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Change. Issuer shall not, and shall use its commercially reasonable efforts to cause any Licensee (subject to all restrictions and limitations contained in any applicable license agreement) not to, disclaim or abandon, or fail to take any action necessary to prevent the disclaimer or abandonment of, the Product Intellectual Property, except where the failure to do so, either individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Change.

(c) In the event that Issuer becomes aware that any Included Product infringes or violates any Intellectual Property that is owned or controlled by a Third Party, Issuer shall use commercially reasonable efforts to attempt to secure the right to use such intellectual property on behalf of itself and any affected Licensee, as applicable, except where the failure to do so, either individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Change.

(d) Issuer shall directly, or through a Subsidiary or Licensee (subject to all restrictions and limitations contained in any applicable license agreement), take all commercially reasonable actions and prepare, execute, deliver and file any and all agreements, documents or instruments to secure and maintain, all applicable Regulatory Approvals, except where the failure to do so, either individually or in the aggregate, could not reasonably be expected to result in a Material Adverse Change.

(e) In the event that any Obligor or any of its Subsidiaries acquires Intellectual Property during the term of this Agreement, then the provisions of this Agreement shall automatically apply thereto and any such Intellectual Property shall automatically constitute part of the Collateral under this Agreement, without further action by any party, in each case from and after the date of such acquisition (except that any representations or warranties of any Obligor shall apply to any such Intellectual Property only from and after the date, if any, subsequent to such acquisition that such representations and warranties are brought down or made anew as provided herein). For the avoidance of doubt, this Section 6.7(e) shall not supersede or replace the Obligor's obligation to provide Intellectual Property Updates pursuant to Section 6.2(a)(iii).

Section VI.8 Litigation Cooperation. Commencing on the Effective Date and continuing through the termination of this Agreement, make available to Purchaser Agent and the Purchasers, without expense to Purchaser Agent or the Purchasers, Issuer and each of Issuer's officers, employees and agents and Books, to the extent that Purchaser Agent or any Purchaser may reasonably deem them necessary to prosecute or defend any thirdparty suit or proceeding instituted by or against Purchaser Agent or any Purchaser with respect to any Collateral or relating to Issuer.

Section VI.9 Notices of Litigation and Default. Issuer will give prompt written notice (and in any event within five (5) Business Days) to Purchaser Agent and the Purchasers of any litigation or governmental proceedings pending or threatened (in writing) against Issuer or any of its Subsidiaries, which, if adversely determined, could reasonably be expected to result in damages or costs to Issuer or any of its Subsidiaries of One Million Dollars ($1,000,000) or more prior to the Milestone Event or Two Million Five Hundred Thousand Dollars ($2,500,000) or more after the Milestone Event or which, if adversely determined, could reasonably be expected to result in a Material Adverse Change. Without limiting or contradicting any other more specific provision of this Agreement, promptly (and in any event within three (3) Business Days) upon Issuer becoming aware of the existence of any Event of Default or event which, with the giving of notice or passage of time, or both, would constitute an Event of Default, Issuer shall give written notice to Purchaser Agent and the Purchasers of such occurrence, which such notice shall include a reasonably detailed description of such Event of Default or event which, with the giving of notice or passage of time, or both, would constitute an Event of Default.

Section VI.10 Landlord Waivers; Bailee Waivers. In the event that any Obligor, after the Effective Date, intends to add any new offices or business locations, including warehouses, or otherwise store any portion of the Collateral with, or deliver any portion of the Collateral to, a bailee, in each case pursuant to Section 7.2, then, in the event that the new location is the chief executive office of such Obligor, or the value of Collateral at any such new location has a fair market value in excess of One Million Dollars ($1,000,000) or the fair market value of Collateral at all locations that are not subject to landlord or bailee waivers exceeds Two Million Five Hundred Thousand ($2,500,000) (excluding any single location holding Collateral with a fair market value of less than One Hundred and Seventy Five Thousand Dollars ($175,000)), at the request of Purchaser Agent, such Obligor shall use commercially reasonable efforts to obtain a bailee waiver or landlord waiver, as applicable, from such bailee or landlord in form and substance reasonably satisfactory to Purchaser Agent.

Section VI.11 Material Agreements.

(a) Each of Issuer and its Affiliates shall comply with all material terms and conditions of and fulfill all of its material obligations under all Material Agreements. Upon the occurrence of a breach of any Material Agreements by any other party thereto, Issuer shall seek to enforce all of its (and cause its Affiliates to seek to enforce all of their) rights and remedies thereunder if such breach, either individually or in the aggregate, could reasonably be expected to result in a Material Adverse Change.

(b) Neither Issuer nor any of its Subsidiaries shall, without the prior consent of Purchaser Agent, not to be unreasonably withheld, delayed or conditioned, (i) amend, modify, restate, cancel, supplement, terminate or waive any provision of any Material Agreements, or grant any consent thereunder, or agree to do any of the foregoing, in each case which, either individually or in the aggregate, could reasonably be expected to impair the rights and remedies of Purchaser Agent and the Purchasers, increase in any material respect the amount of milestone payments, royalty and/or similar payment obligations of Issuer and its Subsidiaries, or result in a Material Adverse Change or (ii) enter into any Restricted License.

Section VI.12 Creation/Acquisition of Subsidiaries. In the event Issuer, or any of its Subsidiaries creates or acquires any Subsidiary, Issuer shall provide prior written notice to Purchaser Agent and each Purchaser of the creation or acquisition of such new Subsidiary and shall promptly (and in any case within thirty (30) days of such formation or acquisition) take all such action as may be reasonably required by Purchaser Agent or any Purchaser to cause each such Subsidiary (other than any Excluded Subsidiary) to guarantee the Obligations of Issuer under the Note Documents (including, without limitation, the execution and delivery of a Guarantee Assumption Agreement, supplement(s) to or granting new Foreign Collateral Documents (perfected and, if applicable, evidence that (i) all relevant notices and acknowledgements to be delivered under any Foreign Collateral Documents have been received; and (ii) all relevant registrations under any Foreign Collateral Documents have been made), officer's certificate and, if reasonably requested by Purchaser Agent, an opinion of counsel) and, in each case, grant a continuing pledge and security interest in and to the assets of such Subsidiary (substantially as described on Exhibit A-1 hereto); and Issuer (or its Subsidiary, as applicable) shall grant and pledge to Purchaser Agent, for the benefit of the Secured Parties, a perfected security interest in the Shares of each such newly created or acquired Subsidiary; provided, however, that any foreign guarantees (including any Guarantee Assumption Agreement by a foreign Subsidiary), foreign security and pledge of foreign Shares shall be limited or not required as, and to the extent, set forth in the Agreed Security Principles.

Section VI.13 Pari Passu Ranking. Each Obligor shall ensure that at all times any unsecured and unsubordinated claims of a Secured Party against it under the Note Documents rank at least pari passu with the claims of all its other unsecured and unsubordinated creditors except those creditors whose claims are mandatorily preferred by laws of general application to such Obligor.

Section VI.14 Employee and Pension Matters.

(a) Issuer shall ensure that all pension schemes operated by or maintained for the benefit of members of Issuer and its Subsidiaries and/or any of their employees are fully funded based on the statutory funding objective under sections 221 and 222 of the Pensions Act 2004 and operated in accordance with applicable law, that all pension remittances for members of Issuer and its Subsidiaries and/or any of their employees are made in accordance with applicable law, and that no action or omission is taken by any member of Issuer and its Subsidiaries in relation to such a pension scheme which has or is reasonably likely to result in a Material Adverse Change (including, without limitation, the termination or commencement of winding-up proceedings of any such pension scheme or any Obligor or Subsidiary ceasing to employ any member of such a pension scheme).

(b) Issuer shall ensure that no member of Issuer and its Subsidiaries is or has been at any time an employer (for the purposes of sections 38 to 51 of the Pensions Act 2004 of the United Kingdom) of an occupational pension scheme which is not a money purchase scheme (both terms as defined in the Pension Schemes Act 1993 of the United Kingdom) or "connected" with or an "associate" of (as those terms are used in sections 38 or 43 of the Pensions Act 2004 of the United Kingdom) such an employer.

(c) Issuer shall deliver to Purchaser Agent (i) at such times as those reports are prepared in order to comply with the then current statutory or auditing requirements (as applicable either to the trustees of any relevant schemes or to Issuer), actuarial reports in relation to all pension schemes mentioned in clause (a) above and (ii) prompt notification of any material change in the rate of contributions to any pension schemes mentioned in clause (a) above paid or recommended to be paid (whether by the scheme actuary or otherwise) or required (by law or otherwise).

(d) No Issuer or any ERISA Affiliate shall sponsor, establish, maintain, participate in or incur any liability in respect of any "employee benefit plan" as defined in Section 3(3) of ERISA which

is, or within the preceding six years was, sponsored, maintained or contributed to by, or required to be contributed by, any member of Issuer and its Subsidiaries or any of their respective ERISA Affiliates.

Section VI.15 People with Significant Control Regime. Each Obligor incorporated in England and Wales shall (and shall ensure that any of its Subsidiary incorporated in England and Wales will):

(a) within the relevant timeframe, comply with any notice it receives pursuant to Part 21A of the Companies Act 2006 from any company incorporated in the United Kingdom whose shares are the subject of the security interest granted under the Note Documents; and

(b) promptly provide Purchaser Agent with a copy of that notice.

Section VI.16 Further Assurances. Execute any further instruments and take further action as Purchaser Agent or any Purchaser reasonably requests to perfect or continue Purchaser Agent's Lien in the Collateral or to effect the purposes of this Agreement, subject to the Agreed Security Principles.

Article VII
NEGATIVE COVENANTS

Each Obligor shall not, and not permit any of its Subsidiaries to, do any of the following without the prior written consent of the Required Purchasers:

Section VII.1 Transfers. Convey, sell, lease, license (including by way of covenants not to sue), transfer, assign, contribute or otherwise dispose of (collectively, "**Transfer**"), or permit any of its Subsidiaries to Transfer, all or any part of its business or property, or permit any of its Subsidiaries to issue any Equity Interests (other than to an Obligor), except for (a) Transfers of Inventory in the ordinary course of business; (b) Transfers of Equipment, Inventory and other Goods that are worn out, obsolete, or surplus; (c) Transfers from a Subsidiary of an Obligor to an Obligor or from one Obligor to another Obligor, provided that any assets so Transferred will continue to be subject to a first priority security interest in favor of Purchaser Agent (subject to Permitted Liens) and Transfers from Full Guarantors to Limited Guarantors shall be for Fair Market Value cash consideration; (d) Permitted Liens (other than clause (i)(b) of the definition thereof), Permitted Investments and Permitted Licenses; (e) the use of Cash in the ordinary course of business in a manner not otherwise prohibited by this Agreement, and for Permitted Acquisitions and Permitted Investments; and (f) any Transfer, or issuance of Equity Interests, that constitutes an Asset Sale Repurchase Event; provided that, in the case of this clause (f), (i) no Default or Event of Default has occurred and is continuing or would reasonably be expected to occur as a result of such Transfer, (ii) the Obligor or the applicable Subsidiary receives the consideration for such Transfer equal to the Fair Market Value of the asset subject to such Transfer, (iii) at least 75% of the consideration is, or will be when paid, in the form of Cash, and (iv) the Net Proceeds thereof will be applied in accordance with Section 2.2(c); provided that, notwithstanding anything to the contrary in this Agreement, neither any Obligor nor Subsidiary shall Transfer, or permit the Transfer of, any Lixivaptan Product unless each applicable Lixivaptan Transferee agrees in a writing to provide Lixivaptan Transferee Reports and to provide customary audit rights to the applicable Obligor or Subsidiary and the Purchaser Agent with respect to any Net Sales by such Lixivaptan Transferee.

Section VII.2 Changes in Business, Management, Ownership, or Business Locations. (a) Engage in or permit any of its Subsidiaries to engage in any business other than the businesses engaged in by Issuer and such Subsidiary, as applicable, as of the Effective Date or reasonably related thereto; or (b) liquidate or dissolve (other than (x) as permitted by Section 7.3 or (y) with respect to any German Obligor, to the extent explicitly permitted under the applicable German Collateral Documents).

No Obligor shall, without at least ten (10) days' prior written notice to Purchaser Agent: (A) add any new offices or locations where Collateral is located, including warehouses (unless the Purchaser Agent would not have a right to request a bailee waiver or landlord waiver pursuant to Section 6.10 with respect to such new officers or locations and such new offices or locations (i) contain less than One Million Dollars ($1,000,000) in assets or property of Issuer or any of its Subsidiaries and (ii) are not Issuer's or its Subsidiaries' chief executive office), (B) change its jurisdiction of organization or incorporation, (C) change its organizational structure or type, (D) change its legal name, or (E) change any organizational or company number (if any) assigned by its jurisdiction of organization or incorporation. No Obligor incorporated under the laws of the Federal Republic of Germany shall enter into a silent partnership within the meaning of sections 230 German Commercial Code (*Handelsgesetzbuch*) et seqq. or any other (typical or atypical) silent participations in a business operated by a person (including any jouissance rights (*Genussrechte*)), irrespective of the laws the relevant silent partnership or other participation is governed by.

Section VII.3 Mergers or Acquisitions. Merge or consolidate, or permit any of its Subsidiaries to merge or consolidate, with any other Person, or acquire, or permit any of its Subsidiaries to acquire, all or substantially all of the Equity Interests or property of another Person; provided that, (a) nothing herein shall prohibit any Obligor from effecting such a transaction to the extent it qualifies as a "Permitted Acquisition" or to the extent it qualifies as an Asset Sale Repurchase Event permitted pursuant to Section 7.1, and (b) an Obligor or a Subsidiary of an Obligor may merge, consolidate, liquidate or dissolve into another Obligor or Subsidiary of an Obligor (provided that (x) if any such Obligor is Issuer, Issuer is the surviving legal entity, (y) if such Subsidiary is an Obligor, the surviving Subsidiary shall be an Obligor, and (z) if such Subsidiary is a Full Guarantor, the surviving Subsidiary shall be a Full Guarantor), in each case so long as no Event of Default is occurring prior thereto or arises as a direct result therefrom and, in the case of any merger or consolidation with respect to any German Obligor, such merger or consolidation is explicitly permitted pursuant to the applicable German Collateral Documents. Without limiting the foregoing, Issuer shall not, without Purchaser Agent's prior written consent, not to be unreasonably withheld, delayed or conditioned, enter into any legally binding contractual arrangement with any Person to facilitate a merger or acquisition of Issuer, unless (i) no Event of Default exists when such agreement is entered into by Issuer, and (ii) such agreement does not give such Person the right to claim any fees, payments or damages from Issuer in excess of Two Million Five Hundred Thousand Dollars ($2,500,000) prior to the repayment of the Obligations.

Section VII.4 Indebtedness. Create, incur, assume, or be liable for any Indebtedness, other than Permitted Indebtedness.

Section VII.5 Encumbrance. Create, incur, allow, or suffer any Lien on any of its property, or assign or convey any right to receive income, including the sale of any Accounts, except for Permitted Liens, or permit any Collateral not to be subject to the first priority security interest granted herein (except for Permitted Liens that are permitted by the terms of this Agreement to have priority over Purchaser Agent's Lien or to the extent provided in the Agreed Security Principles), or enter into any agreement, document, instrument or other arrangement (except with or in favor of Purchaser Agent, for the benefit of the Secured Parties) with any Person which directly or indirectly prohibits or has the effect of prohibiting Issuer, or any of its Subsidiaries, from assigning, mortgaging, pledging, granting a security interest in or upon, or encumbering any of Issuer's or such Subsidiary's Intellectual Property, except as is otherwise permitted in Section 7.1 hereof and the definition of "**Permitted Liens**" herein.

Section VII.6 Maintenance of Collateral Accounts. Maintain any Collateral Account except pursuant to the terms of Section 6.6 hereof.

Section VII.7 Distributions; Investments. (a) Pay any dividends (other than dividends payable solely in Equity Interests of Issuer) or make any distribution or payment in respect of or redeem, retire or purchase any Equity Interests (other than Permitted Distributions); (b) directly or indirectly make any Investment other than Permitted Investments; or (c) use the proceeds of the Notes to finance or refinance the acquisition of any Equity Interests of any Person incorporated or organized under the laws of France.

Section VII.8 Domination and/or profit and loss absorption agreements. Enter into any domination and/or profit and loss absorption agreement (*Beherrschungs- und/oder Gewinnabführungsvertrag*) governed by the laws of the Federal Republic of Germany.

Section VII.9 Transactions with Affiliates. Directly or indirectly enter into or permit to exist any material transaction with any Affiliate of Issuer or any of its Subsidiaries, except for (a) transactions that are in the ordinary course of Issuer's or such Subsidiary's business, upon fair and reasonable terms that are no less favorable to Issuer or such Subsidiary than would be obtained in an arm's length transaction with a nonaffiliated Person), (b) sales of equity securities (other than Disqualified Equity Interests) that are not prohibited by the terms of this Agreement, (c) customary compensation and other benefits arrangements (including retirement, health, stock option, and other benefit plans and indemnification arrangements approved by the relevant board of directors, board of managers or equivalent corporate body) with Issuer's and its Subsidiaries' employees, officers, directors and managers approved by Issuer's or such Subsidiary's board of directors, and (d) transactions permitted pursuant to Section 7.7.

Section VII.10 Permitted Convertible Notes. (a) Repurchase or redeem (or call for redemption) any Permitted Convertible Notes or settle any conversions of any Permitted Convertible Notes in cash (other than cash in lieu of fractional shares), or (b) amend any provision in any document relating to the Permitted Convertible Notes which would increase the amount thereof, accelerate the principal or other payment in respect thereof, increase the interest rate or premiums payable thereon or adversely affect the subordination thereof to Obligations owed to the Purchasers.

Section VII.11 Compliance with Laws.

(a) Become an "investment company" or a company controlled by an "investment company", under the Investment Company Act of 1940, as amended, and/or under any other similar applicable law in any relevant jurisdiction, or undertake as one of its important activities extending credit to purchase or carry margin stock (as defined in Regulation U of the Board of Governors of the Federal Reserve System), or use the proceeds of any issuance of Notes for that purpose; fail to meet the minimum funding requirements of ERISA, permit a Reportable Event or Prohibited Transaction, as defined in ERISA, to occur; fail to comply with the Federal Fair Labor Standards Act or violate any other law or regulation, if the violation, either individually or in the aggregate, could reasonably be expected to result in a Material Adverse Change; withdraw from participation in, permit partial or complete termination of, or permit the occurrence of any other event with respect to, any present pension, profit sharing and deferred compensation plan which could reasonably be expected to result in any liability of Issuer or any of its Subsidiaries, including any liability to the Pension Benefit Guaranty Corporation or its successors or any other Governmental Authority.

(b) Cause or suffer to exist (a) any event that could result in the imposition of a Lien with respect to any Pension Plan or Multiemployer Plan or any similar Lien under applicable law in the relevant jurisdictions or (b) any other ERISA Event that, in the aggregate, could reasonably be expected to result in a Material Adverse Change.

(c) Take (or omit to take) any action to the extent that doing so will, or is reasonably likely to, result in an Obligor or any of its Subsidiary being an AIF or an AIFM.

(d) Purchaser Agent hereby notifies Issuer and each of its Subsidiaries that pursuant to the requirements of AntiTerrorism Laws and Anti-Corruption Laws, and Purchaser Agent's policies and practices, Purchaser Agent is required to obtain, verify and record certain information and documentation that identifies Issuer and each of its Subsidiaries and their principals, which information includes the name and address of Issuer and each of its Subsidiaries and their principals and such other information that will allow Purchaser Agent to identify such party in accordance with AntiTerrorism Laws and/or Anti-Corruption Laws.

(e) Neither Issuer nor any of its Subsidiaries shall, nor shall Issuer or any of its Subsidiaries permit any Affiliate to, directly or indirectly, knowingly enter into any documents, instruments, agreements or contracts with any Sanctioned Person. Issuer and each of its Subsidiaries shall immediately notify Purchaser Agent if Issuer or such Subsidiary has knowledge that Issuer, or any Subsidiary or Affiliate of Issuer, is an Sanctioned Person or (a) is convicted on, (b) pleads *nolo contendere* to, (c) is indicted on, or (d) is arraigned and held over on charges involving money laundering or predicate crimes to money laundering. Neither Issuer nor any of its Subsidiaries shall, nor shall Issuer or any of its Subsidiaries, permit any Affiliate to, directly or indirectly, (i) conduct any business or engage in any transaction or dealing with any Sanctioned Person, including, without limitation, the making or receiving of any contribution of funds, goods or services to or for the benefit of any Sanctioned Person, (ii) deal in, or otherwise engage in any transaction relating to, any property or interests in property blocked or Sanctioned pursuant to any Sanctions (including Executive Order No. 13224 or any similar executive order), other AntiTerrorism Law or other Anti-Corruption Laws, or (iii) 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 any Sanctions (including Executive Order No. 13224 or any similar executive order), other AntiTerrorism Law or other Anti-Corruption Laws.

(f) Each Obligor will comply, and shall cause each of its Subsidiaries and all other Persons, if any, on or occupying any Facilities to comply, with all Environmental Laws. If Purchaser Agent at any time has a reasonable basis to believe that there is any material violation by an Obligor of any Environmental Law, each Obligor will, and will cause each Subsidiary to, (i) cause the performance of such environmental audits and testing, and preparation of such environmental reports, at Issuer's sole cost and expense, as Purchaser Agent may from time to time reasonably request with respect to any parcel of real property subject to a Note Document that is a mortgage, deed of trust or similar instrument, which shall be conducted by Persons reasonably acceptable to Purchaser Agent and shall be in form and substance reasonably acceptable to Purchaser Agent, and (ii) permit Purchaser Agent or its representatives to have access to all such real property for the purpose of conducting, at Issuer's sole cost and expense, such environmental audits and testing as Purchaser Agent shall reasonably deem appropriate.

(g) Each Obligor will not, and will not permit any of its Subsidiaries to, use, generate, manufacture, install, treat, release, store or dispose of any Hazardous Material, except in compliance with all applicable Environmental Laws or where the failure to comply could not reasonably be expected to result in a Material Adverse Change.

Section I.12 Limitation of Negative Covenants to German Obligors.

(a) The restrictions imposed under Sections 7.1, 7.2 (except for the second sentence thereof) and 7.3 above shall not apply to any Obligor incorporated in the Federal Republic of Germany (a "**German Obligor**").

(b) Issuer and each German Obligor shall give the Purchaser Agent notice in writing and in good time of the intention of it or of any its subsidiaries incorporated in the Federal Republic of Germany to carry out any of the acts or take any of the steps prohibited under any of the clauses referred to in the foregoing Section 7.12(a) to be carried out or to be taken by any Obligor. Any such notification shall render an explanation if and how such steps might affect the financial situation of an Obligor, or the Purchasers' and Purchaser Agent's risk and security position, and it shall not be made later than twenty (20) Business Days before such measure shall be implemented, or in case of urgent matters requiring an implementation on shorter notice, immediately after the need for the relevant measure arises; provided, that the reasons for such urgent implementation are described in the notification.

(c) The Purchaser Agent shall be entitled within eight (8) Business Days of receipt of the relevant German Guarantor's notice under Section 7.12(a) to request the relevant German Obligor to supply to the Purchaser Agent any relevant information in connection with the proposed action or steps referred to in such notice.

(d) The Purchaser Agent shall notify the relevant German Obligor, within fifteen (15) Business Days of receipt of the relevant German Obligor's notice under Section 7.12(a) or, if additional information has been requested by the Purchaser Agent under Section 7.12(c), within fifteen (15) Business Days of receipt of such information, whether the proposed action or steps under Section 7.12(b) is, or is in the reasonable opinion of the Purchaser Agent, likely to have material adverse consequences for the Purchasers' risk or security position.

(e) If the proposed action or steps under Section 7.12(b) is considered by the Purchaser Agent to be likely to have material adverse consequences for the Purchasers' risk or security position and the relevant German Obligor nevertheless takes such action or steps or if the relevant German Obligor takes such actions or steps before expiry of the time period described under Section 7.12(b), this shall constitute an immediate Event of Default and the Purchaser Agent shall consequently be entitled to any or all of its rights and remedies under the Note Documents.

Article VIII
EVENTS OF DEFAULT

Any one of the following shall constitute an event of default (an "**Event of Default**") under this Agreement:

Section VIII.1 Payment Default.

(a) Issuer fails to (i) make any payment of principal or any Milestone Payments when such payment is due, or (ii) make any payment of interest on any Notes or any Revenue Participation Payment within two (2) Business Days of when such payment is due; or

(b) Issuer fails to pay any other Obligations within five (5) Business Days after such Obligations are due and payable (which five (5) Business Day grace period shall not apply to payments due on the Maturity Date or the date of acceleration pursuant to Section 9.1(a) hereof).

Section VIII.2 Covenant Default.

(a) Issuer or any of its Subsidiaries fails or neglects to perform any obligations in Section 3.7, 3.10, 6.1, 6.2, 6.6, 6.7, 6.9, 6.11 or 6.12 or violates any covenant in Article VII; or

(b) Issuer, or any of its Subsidiaries, fails or neglects to perform, keep, or observe any other term, provision, condition, covenant or agreement contained in this Agreement or any Note

Documents, and as to any Default (other than those specified in this Article VIII) under such other term, provision, condition, covenant or agreement that can be cured, has failed to cure the Default within fifteen (15) Business Days after the occurrence thereof; provided that if the Default cannot by its nature be cured within the (15) Business Day period or cannot after diligent attempts by Issuer be cured within such (15) Business Day period, and such Default is likely to be cured within a reasonable time, then Issuer shall have an additional period (which shall not in any case exceed thirty (30) days or such longer period as Purchaser Agent may agree in its sole discretion (without obligation)) to attempt to cure such Default, and within such reasonable time period the failure to cure the default shall not be deemed an Event of Default (but no Notes shall be purchased during such cure period). Grace periods provided under this Section 8.2(b) shall not apply, among other things, to financial covenants, if any, or any other covenants set forth in Section 8.2(a) above.

Section VIII.3 Material Adverse Change. A Material Adverse Change occurs.

Section VIII.4 Attachment; Levy; Restraint on Business.

(a) (i) The service of process seeking to attach, by trustee or similar process, any funds of Issuer or any of its Subsidiaries or of any entity under control of Issuer or its Subsidiaries on deposit with any bank or other institution at which Issuer or any of its Subsidiaries maintains a Collateral Account, or (ii) a notice of lien, levy, or assessment is filed against Issuer or any of its Subsidiaries or their respective assets by any government agency, or any analogous process in any jurisdiction and the same under subclauses (i) and (ii) hereof are not, within twenty (20) days after the occurrence thereof, discharged or stayed (whether through the posting of a bond or otherwise); provided that, no Notes shall be purchased during any twenty (20) day cure period; and

(b) (i) Any material portion of Issuer's or any of its Subsidiaries' assets is attached, expropriated, sequestrated, seized, levied on, or comes into possession of a trustee or receiver or any analogous process in any jurisdiction, or (ii) any court order enjoins, restrains, or prevents Issuer or any of its Subsidiaries from conducting any material part of its business.

Section VIII.5 Insolvency. (a) Issuer or any of its Subsidiaries is or becomes Insolvent; (b) Issuer or any of its Subsidiaries begins an Insolvency Proceeding; (c) an Insolvency Proceeding is begun against Issuer or any of its Subsidiaries and not dismissed or stayed within fortyfive (45) days (or in the case of an Obligor or a Subsidiary incorporated in England and Wales twenty one (21) days; or in the case of an Obligor or a Subsidiary incorporated in the Federal Republic of Germany ten (10) days) of commencement; or (d) a moratorium is declared in respect of any indebtedness of any Obligor and for the avoidance of doubt, if a moratorium occurs, the ending of the moratorium will not remedy any Event of Default caused by that moratorium.

Section VIII.6 Other Agreements. There is a default in any agreement to which Issuer or any of its Subsidiaries is a party with a third party or parties (a) that could entitle or permit such third party or parties, after the giving of notice or the expiration of any applicable grace periods, to accelerate the maturity of any Indebtedness in an aggregate amount in excess of Five Million Dollars ($5,000,000) (even if such third party is restricted from accelerating the maturity of such Indebtedness, including pursuant to the terms of a subordination or other similar agreement) or (b) that could reasonably be expected to result in a Material Adverse Change.

Section VIII.7 Judgments. One or more judgments, orders, or decrees for the payment of money in an amount, individually or in the aggregate, of at least Five Million Dollars ($5,000,000) (not covered by independent thirdparty insurance as to which liability has been accepted by such insurance

carrier) shall be rendered against Issuer or any of its Subsidiaries and shall remain unsatisfied, unvacated or unstayed for a period of twenty (20) Business Days after the entry thereof.

Section VIII.8 Misrepresentations. Any representation, warranty or statement made or deemed made by or on behalf of any Obligor in or in connection with any Note Document or any amendment or modification hereof or thereof, or in any report, certificate, financial statement or other document furnished pursuant to or in connection with any Note Document or any amendment or modification hereof or thereof shall: (i) prove to have been incorrect when made or deemed made to the extent that such representation or warranty contains any materiality or Material Adverse Change qualifier; or (ii) prove to have been incorrect in any material respect when made or deemed made to the extent that such representation or warranty does not otherwise contain any materiality or Material Adverse Change qualifier.

Section VIII.9 Permitted Convertible Notes. A default, breach or other event that could trigger any mandatory repurchases or redemptions in excess of Five Million Dollars ($5,000,000) occurs under the indenture or such other document governing the terms of the Permitted Convertible Notes, whether or not such default or breach that would allow the holders or the trustee (on behalf of the holders) to declare an event of default or accelerate the Indebtedness under the Permitted Convertible Notes or the holders or the trustee (on behalf of the holders) has required Issuer to repurchase or redeem the Permitted Convertible Notes pursuant to such event.

Section VIII.10Guaranty. (a) Any Guaranty terminates or ceases for any reason to be in full force and effect; (b) any circumstance described in Section 8.3, 8.4, 8.5, 8.7 or 8.8 occurs with respect to any Guarantor, or (c) the liquidation, winding up, or termination of existence of any Guarantor (except as expressly permitted by Section 7.3(b)).

Section VIII.11Governmental Approvals. Any Governmental Approval shall have been revoked, rescinded, suspended, modified in an adverse manner, or not renewed in the ordinary course for a full term *and* such revocation, rescission, suspension, modification or nonrenewal has resulted in or could reasonably be expected to result in a Material Adverse Change.

Section VIII.12Lien Priority. Any Lien created hereunder or by any other Note Document shall at any time fail to constitute a valid and perfected Lien on any of the Collateral purported to be secured thereby, subject to no prior or equal Lien, other than Permitted Liens which are permitted to have priority in accordance with the terms of this Agreement.

Section VIII.13Delisting. The ordinary shares or American Depository Shares ("**ADS**") of Issuer are delisted from the Nasdaq Global Market because of failure to comply with continued listing standards thereof or due to a voluntary delisting which results in such shares or ADSs not being listed on any other nationally recognized stock exchange in the United States having listing standards at least as restrictive as the Nasdaq Global Market.

Article IX
RIGHTS AND REMEDIES

Section IX.1 Rights and Remedies.

(a) Upon the occurrence and during the continuance of an Event of Default, Purchaser Agent may, and at the written direction of Required Purchasers shall, without notice or demand, do any or all of the following: (i) deliver notice of the Event of Default to Issuer, (ii) by notice to Issuer declare the Final Payment Amount and all other Obligations immediately due and payable (but if

an Event of Default described in Section 8.5 occurs the Final Payment Amount and all other Obligations shall be immediately due and payable without any action by Purchaser Agent or the Purchasers) or (iii) by notice to Issuer suspend or terminate the Commitments (but if an Event of Default described in Section 8.5 occurs all Commitments shall be immediately terminated without any action by Purchaser Agent or the Purchasers).

(b) Without limiting the rights of Purchaser Agent and the Purchasers set forth in Section 9.1(a) above, and subject to any limitations and further requirements (if any) set forth in any applicable Foreign Collateral Documents, upon the occurrence and during the continuance of an Event of Default, Purchaser Agent shall have the right at the written direction of the Required Purchasers, without notice or demand, to do any or all of the following:

(i) foreclose upon and/or sell or otherwise liquidate, the Collateral;

(ii) apply to the Obligations any (a) balances and deposits of Issuer that Purchaser Agent or any Purchaser holds or controls, or (b) any amount held or controlled by Purchaser Agent or any Purchaser owing to or for the credit or the account of Issuer;

(iii) commence and prosecute an Insolvency Proceeding or consent to any Obligor commencing any Insolvency Proceeding; and/or

(iv) exercise all of its rights and remedies as provided under the Foreign Collateral Documents.

(c) Without limiting the rights of Purchaser Agent and the Purchasers set forth in Sections 9.1(a) and (b) above, upon the occurrence and during the continuance of an Event of Default, Purchaser Agent shall have the right, without notice or demand, to do any or all of the following:

(i) settle or adjust disputes and claims directly with Account Debtors for amounts on terms and in any order that Purchaser Agent considers advisable, notify any Person owing Issuer money of Purchaser Agent's security interest in such funds, and verify the amount of such account;

(ii) make any payments and do any acts it considers necessary or reasonable to protect the Collateral and/or its security interest in the Collateral. Each Obligor shall assemble the Collateral if Purchaser Agent requests and make it available in a location Purchaser Agent reasonably designates. Purchaser Agent may peaceably enter premises where the Collateral is located, take and maintain possession of any part of the Collateral, and pay, purchase, contest, or compromise any Lien which appears to be prior or superior to its security interest and pay all expenses incurred. Each Obligor grants Purchaser Agent a license to enter and occupy any of its premises, without charge by Issuer, to exercise any of Purchaser Agent's rights or remedies;

(iii) ship, reclaim, recover, store, finish, maintain, repair, prepare for sale, and/or advertise for sale, the Collateral. Purchaser Agent is hereby granted a nonexclusive, royaltyfree license or other right to use, without charge, each Obligor and each of its Subsidiaries' labels, patents, copyrights, mask works, rights of use of any name, trade secrets, trade names, trademarks, service marks, and advertising matter, or any similar property as it pertains to the Collateral, in completing production of, advertising for sale, and selling any Collateral and, in connection with Purchaser Agent's exercise of its rights under this Section 9.1, each Obligor's and each of its Subsidiaries' rights under all licenses and all franchise agreements inure to Purchaser Agent, for the benefit of the Secured Parties;

(iv) place a "hold" on any account maintained with Purchaser Agent or the Purchasers and/or deliver a notice of exclusive control, any entitlement order, or other directions or instructions pursuant to any Control Agreement or similar agreements providing control of any Collateral;

(v) demand and receive possession of any Obligor's Books;

(vi) appoint a receiver to seize, manage and realize any of the Collateral, and such receiver shall have any right and authority as any competent court will grant or authorize in accordance with any applicable law, including any power or authority to manage the business of Issuer or any of its Subsidiaries; and

(vii) subject to Sections 9.1(a) and (b), exercise all rights and remedies available to Purchaser Agent and each Purchaser under the Note Documents or at law or equity, including all remedies provided under the UCC (including disposal of the Collateral pursuant to the terms thereof).

Notwithstanding any provision of this Section 9.1 to the contrary, upon the occurrence of any Event of Default, Purchaser Agent shall have the right to exercise any and all remedies referenced in this Section 9.1 without the written consent of Required Purchasers following the occurrence of an Exigent Circumstance. As used in the immediately preceding sentence, "**Exigent Circumstance**" is any event or circumstance that, in the reasonable judgment of Purchaser Agent, imminently threatens the ability of Purchaser Agent to realize upon all or any material portion of the Collateral, such as, without limitation, fraudulent removal, concealment, or abscondment thereof, destruction or material waste thereof, or failure of Issuer or any of its Subsidiaries after reasonable demand to maintain or reinstate adequate casualty insurance coverage, or which, in the judgment of Purchaser Agent, could reasonably be expected to result in a material diminution in value of the Collateral. For the avoidance of doubt the Final Payment Amount shall be due and payable at any time the Obligations become due and payable or are otherwise accelerated hereunder for any reason, whether due to acceleration pursuant to the terms of this Agreement (in which case it shall be due immediately, upon the giving of notice to Issuer in accordance with Section 9.1(a), or automatically, in accordance with the parenthetical to Section 9.1(a)(ii)), by operation of law or otherwise (including where bankruptcy filings or the exercise of any bankruptcy right or power, whether in any plan of reorganization or otherwise, results or would result in a payment, discharge, modification or other treatment of the Notes or Note Documents that would otherwise evade, avoid, or otherwise disappoint the expectations of the Purchasers in receiving the full benefit of their bargained-for Final Payment Amount). The Obligors acknowledge and agree that none of the Final Payment Amount shall constitute unmatured interest, whether under section 502(b)(2) of the United States Bankruptcy Code or otherwise, but instead is reasonably calculated to ensure that the Purchasers receive the benefit of their bargain under the terms of this Agreement. The Obligors acknowledge and agree that the Purchasers shall be entitled to recover the full amount of the Final Payment Amount in each and every circumstance such amount is due pursuant to or in connection with this Agreement, including in the case of any Insolvency Proceeding affecting Issuer or any of its Subsidiaries, so that the Purchasers shall receive the benefit of their bargain hereunder and otherwise receive full recovery as agreed under every possible circumstance, and each of the Obligors hereby waives any defense to payment, whether such defense may be based in public policy, ambiguity, or otherwise. The Obligors further acknowledge and agree, and waive any argument to the contrary, that payment of such amounts does not constitute a penalty or an otherwise unenforceable or invalid obligation. Any damages that the Purchasers may suffer or incur resulting from or arising in connection with any breach hereof or thereof by any Obligor shall constitute secured obligations owing to the Purchasers.

Section IX.2 Power of Attorney. Each Obligor hereby irrevocably appoints Purchaser Agent by way of security as its lawful attorneyinfact, exercisable only upon the occurrence and during the continuance of an Event of Default, to: (a) endorse such Obligor's or any of its Subsidiaries' name on any

checks or other forms of payment or security; (b) sign such Obligor's or any of its Subsidiaries' name on any invoice or bill of lading for any Account or drafts against Account Debtors; (c) settle and adjust disputes and claims about the Accounts directly with Account Debtors, for amounts and on terms Purchaser Agent determines reasonable; (d) make, settle, and adjust all claims under Issuer's insurance policies; (e) pay, contest or settle any Lien, charge, encumbrance, security interest, and adverse claim in or to the Collateral, or any judgment based thereon, or otherwise take any action to terminate or discharge the same; and (f) transfer the Collateral into the name of Purchaser Agent or a third party as the UCC or any applicable law permits. Each Obligor hereby appoints Purchaser Agent as its lawful attorneyinfact to sign such Obligor's or any of its Subsidiaries' name on any documents necessary to perfect or continue the perfection of Purchaser Agent's security interest in the Collateral regardless of whether an Event of Default has occurred until all Obligations (other than inchoate indemnity or reimbursement obligations) have been satisfied in full and Purchaser Agent and the Purchasers are under no further obligation to purchase Notes hereunder. Purchaser Agent's foregoing appointment as each Obligor's or any of its Subsidiaries' attorney in fact, and all of Purchaser Agent's rights and powers, coupled with an interest, are irrevocable until all Obligations (other than inchoate indemnity or reimbursement obligations) have been fully repaid and performed and Commitments have been terminated.

Section IX.3 Protective Payments. If Issuer or any of its Subsidiaries fail to timely obtain the insurance called for by Section 6.5 or fails to timely pay any premium thereon or fails to timely pay any other amount which Issuer or any of its Subsidiaries is obligated to pay under this Agreement or any other Note Document and provided any applicable grace period has expired, Purchaser Agent may, by written notice to Issuer at least five (5) Business Days prior, obtain such insurance or make such payment, and all amounts so paid by Purchaser Agent are Reimbursable Expenses and immediately due and payable, bearing interest at the Default Rate, and secured by the Collateral. Purchaser Agent will make reasonable efforts to provide Issuer with notice of Purchaser Agent obtaining such insurance or making such payment at the time it is obtained or paid or within a reasonable time thereafter. No such payments by Purchaser Agent are deemed an agreement to make similar payments in the future or Purchaser Agent's waiver of any Event of Default.

Section IX.4 Application of Payments and Proceeds. Notwithstanding anything to the contrary contained in this Agreement, upon the occurrence and during the continuance of an Event of Default, (a) each Obligor irrevocably waives the right to direct the application of any and all payments at any time or times thereafter received by Purchaser Agent from or on behalf of any Obligor or any of its Subsidiaries of all or any part of the Obligations, and, as between the Obligors on the one hand and Purchaser Agent and Purchasers on the other, Purchaser Agent shall have the continuing and exclusive right to apply and to reapply any and all payments received against the Obligations in such manner as Purchaser Agent may deem advisable notwithstanding any previous application by Purchaser Agent, and (b) to the extent permitted by applicable law, the proceeds of any sale of, or other realization upon all or any part of the Collateral shall be applied: first, to the Reimbursable Expenses; second, to accrued and unpaid interest on the Obligations (including any interest which, but for the provisions of the United States Bankruptcy Code, would have accrued on such amounts); third, to the principal amount of the Obligations outstanding; and fourth, to any other indebtedness or obligations of the Obligors owing to Purchaser Agent or any Purchaser under the Note Documents. Any balance remaining shall be delivered to applicable Obligor or to whoever may be lawfully entitled to receive such balance or as a court of competent jurisdiction may direct. In carrying out the foregoing, (x) amounts received shall be applied in the numerical order provided until exhausted prior to the application to the next succeeding category, and (y) each of the Persons entitled to receive a payment in any particular category shall receive an amount equal to its pro rata share of amounts available to be applied pursuant thereto for such category. Any reference in this Agreement to an allocation between or sharing by the Purchasers of any right, interest or obligation "ratably," "proportionally" or in similar terms shall refer to Pro Rata Share unless expressly

provided otherwise. Purchaser Agent, or if applicable, each Purchaser, shall promptly remit to the other Purchasers such sums as may be necessary to ensure the ratable repayment of each Purchaser's portion of any Note and the ratable distribution of interest, fees and reimbursements paid or made by any Obligor. Notwithstanding the foregoing, a Purchaser receiving a scheduled payment shall not be responsible for determining whether the other Purchasers also received their scheduled payment on such date; provided that, if it is later determined that a Purchaser received more than its ratable share of scheduled payments made on any date or dates, then such Purchaser shall remit to Purchaser Agent or other Purchasers such sums as may be necessary to ensure the ratable payment of such scheduled payments, as instructed by Purchaser Agent. If any payment or distribution of any kind or character, whether in cash, properties or securities, shall be received by a Purchaser in excess of its ratable share, then the portion of such payment or distribution in excess of such Purchaser's ratable share shall be received by such Purchaser in trust for and shall be promptly paid over to the other Purchaser for application to the payments of amounts due on the other Purchasers' claims. To the extent any payment for the account of an Obligor is required to be returned as a voidable transfer or otherwise, the Purchasers shall contribute to one another as is necessary to ensure that such return of payment is on a pro rata basis. If any Purchaser shall obtain possession of any Collateral, it shall hold such Collateral for itself and as agent and bailee for Purchaser Agent and other Purchasers for purposes of perfecting Purchaser Agent's security interest therein.

Section IX.5 Liability for Collateral. So long as Purchaser Agent and the Purchasers comply with reasonable banking practices and applicable law regarding the safekeeping of any Collateral, as applicable, in the possession or under the control of Purchaser Agent and the Purchasers, Purchaser Agent and the Purchasers shall not be liable or responsible for: (a) the safekeeping of the Collateral; (b) any loss or damage to the Collateral; (c) any diminution in the value of the Collateral; or (d) any act or default of any carrier, warehouseman, bailee, or other Person. Except as a result of Purchaser Agent's or any Purchaser's gross negligence or willful misconduct, the Obligors bear all risk of loss, damage or destruction of the Collateral.

Section IX.6 Licenses Related to Included Products. For the purpose of enabling Purchaser Agent and Purchasers to exercise rights and remedies under this Article 9 and the other Note Documents (including in order to take possession of, collect, receive, assemble, process, appropriate, remove, realize upon, sell, assign, license out, convey, transfer or grant options to purchase any Collateral), each Obligor hereby grants to Purchaser Agent an irrevocable, nonexclusive, assignable license (which license may be exercised only upon the occurrence and during the continuance of an Event of Default and for the purposes of, or in connection with, the exercise of remedies under this Article 9 and the other Note Documents), without payment of royalty, return on net sales, revenue share or other compensation to Issuer or any of its Subsidiaries or Affiliates, including the right to practice, use, sublicense or otherwise exploit, solely in connection with the Included Products or other items in the Collateral, any Intellectual Property owned or controlled by such Person, wherever the same may be located, and including in such license reasonable access to all media in which any of the licensed items may be recorded or stored and to all computer software and programs used for the compilation or printout thereof to the extent that such non-exclusive license is not prohibited by any applicable law. Any license, sublicense or other transaction entered into by Purchaser Agent in accordance with the provisions of this Section 9.6 will be binding upon any applicable Obligor, notwithstanding any subsequent cure of an Event of Default.

Section IX.7 Distressed Disposal. If a Distressed Disposal is being effected, Purchaser Agent is irrevocably authorized (at the cost of Issuer and without the consent, sanction, authority or further confirmation of Issuer or any Subsidiary) to release any intercompany loans, claims or other liabilities owed to Issuer or any Subsidiary, on the one hand, by Issuer or any Subsidiary, on the other, whose shares or Equity Interests are the subject of that Distressed Disposal. Issuer irrevocably undertakes to promptly do all such things and execute all such documents (or to procure that the relevant Subsidiary does all such

things and executes all such documents) requested by Purchaser Agent necessary to give effect to the provisions of this Section 9.7.

Section IX.8 No Waiver; Remedies Cumulative. Failure by Purchaser Agent or any Purchaser, at any time or times, to require strict performance by the Obligors of any provision of this Agreement or any other Note Document shall not waive, affect, or diminish any right of Purchaser Agent or any Purchaser thereafter to demand strict performance and compliance herewith or therewith. No waiver hereunder shall be effective unless signed by Purchaser Agent and the Required Purchasers and then is only effective for the specific instance and purpose for which it is given. The rights and remedies of Purchaser Agent and the Purchasers under this Agreement and the other Note Documents are cumulative. Purchaser Agent and the Purchasers have all rights and remedies provided under the UCC, any applicable law, by law, or in equity. The exercise by Purchaser Agent or any Purchaser of one right or remedy is not an election, and Purchaser Agent's or any Purchaser's waiver of any Event of Default is not a continuing waiver. Purchaser Agent's or any Purchaser's delay in exercising any remedy is not a waiver, election, or acquiescence.

Section IX.9 Demand Waiver. Each Obligor waives, to the fullest extent permitted by law, demand, notice of default or dishonor, notice of payment and nonpayment, notice of any default, notice of nonpayment at maturity, release, compromise, settlement, extension, or renewal of Accounts, documents, Instruments, Chattel Paper, or guarantees held by Purchaser Agent or any Purchaser on which Issuer or any Subsidiary is liable.

Article X
NOTICES; SERVICE OF PROCESS

All notices, consents, requests, approvals, demands or other communication (collectively, "**Communication**") by any party to this Agreement or any other Note Document must be in writing and shall be deemed to have been validly served, given, or delivered: (a) upon the earlier of actual receipt and three (3) Business Days after deposit in the U.S. mail, first class, registered or certified mail return receipt requested, with proper postage prepaid; (b) upon transmission, when sent by facsimile or email transmission as evidenced by a transmission confirmation sheet or server delivery confirmation notice, as applicable; (c) one (1) Business Day after deposit with a reputable overnight courier with all charges prepaid; or (d) when delivered, if handdelivered by messenger, all of which shall be addressed to the party to be notified and sent to the address, facsimile number or email address indicated below. Any of Purchaser Agent, the Purchasers or Issuer may change its mailing address, email address, or facsimile number by giving the other party written notice thereof in accordance with the terms of this Article X.

If to any Obligor:	c/o Centessa Pharmaceuticals plc 3rd Floor 1 Ashley Road, Altrincham, Cheshire, United Kingdom, WA14 2DT Attention: General Counsel Email: [***]
with a copy (which shall not constitute notice) to:	Goodwin Procter LLP 100 Northern Ave. Boston, MA, 02210 Attention: Mark D. Smith Email: [***]
If to Purchaser Agent:	Cocoon SA LLC c/o Oberland Capital Management LLC 1700 Broadway, 37th Floor New York, NY 10019 Attn: Kristian Wiggert Facsimile: [***] Telephone: [***] E-mail: [***]
with a copy (which shall not constitute notice) to:	Cooley LLP 3 Embarcadero Center, 20th Floor San Francisco, CA 94111 Attention: Gian-Michele a Marca Fax: [***] Email: [***]
If to any Purchaser:	As specified on the applicable signature page hereto.

Each party hereto irrevocably consents to service of process in any action or proceeding arising out of or relating to any Note Document, in the manner provided for notices in this Article X. Nothing in this Agreement or any other Note Document will affect the right of any party hereto to serve process in any other manner permitted by applicable laws. Each of Issuer and other Foreign Obligor hereby irrevocably appoints Centessa Pharmaceuticals, Inc. as its agent for service of process with respect to all of the Note Documents and all other related agreements to which it is a party (the "**Process Agent**") and Centessa Pharmaceuticals, Inc. hereby accepts such appointment as the Process Agent and hereby agrees to forward promptly to Issuer and such other Foreign Obligor, as applicable, all legal process addressed to Issuer and such other Foreign Obligor, as applicable, received by the Process Agent.

Article XI
CHOICE OF LAW, VENUE AND JURY TRIAL WAIVER

This Agreement and the other Note Documents and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Agreement or any other Note Document (except as may be expressly otherwise provided in any Note Document) shall be governed by, and construed in accordance with, the law of the State of New York (including Sections 5-1401 and 5-1402 of the New York General Obligations Law, but excluding all other choice of law and conflicts of law rules).

Each Obligor, Purchaser Agent and each Purchaser each submit to the exclusive jurisdiction of the courts of the State of New York sitting in the City and County of New York and of the United States District Court of the Southern District of New York and any appellate court thereof and agrees that all claims in respect of any such action, litigation or proceeding shall be heard and determined in such state court or, to the fullest extent permitted by applicable law, in such federal court; provided that the foregoing shall not preclude Purchaser Agent from bringing suit or taking other legal action in any other jurisdiction to realize on the Collateral. Each of the parties hereto agrees that a final judgment in any such action, litigation or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. **EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY OTHER NOTE DOCUMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT AND THE OTHER NOTE DOCUMENTS BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS ARTICLE XI.**

Article XII
GUARANTY

Section XII.1 The Guarantee. Each Guarantor hereby jointly and severally with each other Guarantor guarantees to Purchaser Agent and the Purchasers, and their successors and assigns, (i) the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of the principal of and interest on the Notes, all fees and other amounts and Obligations from time to time owing to Purchaser Agent and the Purchasers by Issuer and each other Obligor under the Notes, this Agreement or any other Note Document and (ii) the full and prompt performance and observance by Issuer and the other Guarantors of each and all of the covenants, liabilities, obligations and agreements required to be performed or observed by such Obligors under the Notes, this Agreement or any other Note Document, in each case strictly in accordance with the terms hereof and thereof (such obligations being herein collectively called the "**Guaranteed Obligations**"). Each Guarantor hereby further jointly and severally with each other Guarantor agrees that if Issuer or any other Obligor shall fail to pay in full when due (whether at stated maturity, by acceleration or otherwise) any of the Guaranteed Obligations, such Guarantor will promptly pay the same, without any demand or notice whatsoever, and that in the case of any extension of time of payment, or renewal of any of the Guaranteed Obligations, the same will be promptly paid in full when due (whether at extended maturity, by acceleration or otherwise) in accordance with the terms of such extension or renewal.

Section XII.2 Obligations Unconditional. The Guaranteed Obligations of the Guarantors are absolute and unconditional, joint and several, independent and irrespective of the value, genuineness, validity, regularity or enforceability of the obligations of Issuer under the Notes, this Agreement or any other agreement or instrument referred to herein, or any substitution, release or exchange of any other guarantee of or security for any of the Guaranteed Obligations, and, to the fullest extent permitted by law, irrespective of any other circumstance whatsoever that might otherwise constitute a legal or equitable discharge or defense of a surety or guarantor, it being the intent of this Section 12.2 that the obligations of the Guarantors hereunder shall be absolute and unconditional, joint and several, under any and all circumstances. Without limiting the generality of the foregoing, it is agreed that the occurrence of any

one or more of the following shall not alter or impair the liability of the Guarantors hereunder, which shall remain absolute and unconditional as described above:

(a) at any time or from time to time, without notice to the Guarantors, the manner, place, time for any payment, performance of or compliance with any of the Guaranteed Obligations shall be extended, amended, modified or waived;

(b) any of the acts mentioned in any of the provisions of this Agreement or any other agreement or instrument referred to herein shall be done or omitted or any failure, lack of diligence, omission or delay on the part of Purchaser Agent or any Purchaser to enforce, assert or exercise any right, power or remedy conferred on it thereunder;

(c) the maturity of any of the Guaranteed Obligations shall be accelerated, or any of the Guaranteed Obligations shall be modified, supplemented or amended in any respect, or any right under this Agreement or any other agreement or instrument referred to herein shall be waived or any other guarantee of any of the Guaranteed Obligations or any security therefor shall be released or exchanged in whole or in part or otherwise dealt with; or

(d) any Lien or security interest granted to, or in favor of, Purchaser Agent as security for any of the Guaranteed Obligations shall fail to be perfected or any manner of sale, disposition or application of proceeds of any collateral or other assets to all or part of the Guaranteed Obligations;

(e) any voluntary or involuntary bankruptcy, insolvency, reorganization, arrangement, readjustment, assignment for the benefit of creditors, composition, receivership, liquidation, marshalling of assets and liabilities or similar events or proceedings with respect to any Obligor or any other guarantor of the Guaranteed Obligations, as applicable, or any of their respective property or creditors, or any action taken by any trustee or receiver or by any court in any such proceeding;

(f) any merger or consolidation of any Obligor into or with any entity, or any sale, lease or transfer of any of the assets of any Obligor or any other guarantor of the Guaranteed Obligations to any other person or entity;

(g) any change in the ownership of any Obligor or any change in the relationship between any Obligor or any other guarantor of the Guaranteed Obligations, or any termination of any such relationship;

(h) the existence of any claim, set-off or other right which any Guarantor may have at any time against any Obligor, Purchaser Agent, any Purchaser or any other Person;

(i) any failure by Purchaser Agent or any Purchaser to disclose to the Guarantors any information relating to the business, condition (financial or otherwise), operations, performance, properties or prospects of any Obligor now or hereafter known to Purchaser Agent or any Purchaser;

(j) any obligations or liabilities the Obligors or any other guarantor of the Guaranteed Obligations owed to any Guarantor;

(k) the acceptance or the availability of any other security, collateral or guarantee, or other assurance of payment, for all or any part of the Guaranteed Obligations;

(l) any default, act or omission to act or delay of any kind (willful or otherwise) by any Obligor, Purchaser Agent, any Purchaser or any other Person or any other circumstance whatsoever which might, but for the provisions of this clause, constitute a legal or equitable discharge of the

Guarantors' obligations hereunder (except that the Guarantors may assert the defense of payment in full of the Guaranteed Obligations); or

(m) any notice of any sale, transfer or other disposition of any right, title or interest of Purchaser Agent or any Purchasers under the Notes, this Agreement or any other Note Document.

The Guarantors hereby expressly waive diligence, presentment, demand of payment, notice of acceptance, notice of non-performance, nonpayment, default, acceleration, dishonor, protest and any other notices whatsoever, which may be required by statute, rule of law or otherwise, now or hereafter in effect, to preserve any rights against the Guarantors with respect to or under the Notes, this Agreement or any other Note Document or any failure on the part of any Obligor, Guarantors or any other guarantor of the Guaranteed Obligations to perform or comply with any covenant, agreement, term or condition of the Notes, this Agreement or any other Note Document. The Guarantors further expressly waive any requirement that Purchaser Agent or any Purchaser exhaust any right, power or remedy or proceed against Issuer under this Agreement or any other agreement or instrument referred to herein, or against any other Person under any other guarantee of, or against or exhaust any security or collateral for, any of the Guaranteed Obligations.

Section XII.3 Reinstatement. The obligations of the Guarantors under this Article XII shall be automatically reinstated if and to the extent that for any reason any payment by or on behalf of Issuer in respect of the Guaranteed Obligations is rescinded or must be otherwise restored by any holder of any of the Guaranteed Obligations, whether as a result of any proceedings in bankruptcy or reorganization or otherwise, and the Guarantors jointly and severally agree that they will indemnify Purchaser Agent and the Purchasers on demand for all reasonable costs and expenses (including fees of counsel) incurred by such Persons in connection with such rescission or restoration, including any such costs and expenses incurred in defending against any claim alleging that such payment constituted a preference, fraudulent transfer or similar payment under any bankruptcy, insolvency or similar law.

Section XII.4 Subrogation. The Guarantors hereby jointly and severally agree that, until the payment and satisfaction in full of all Guaranteed Obligations and the expiration and termination of the Commitments, they shall not exercise any right or remedy arising by reason of any performance by them of their guarantee in Section 12.1, whether by subrogation or otherwise, against Issuer or any other guarantor of any of the Guaranteed Obligations or any security for any of the Guaranteed Obligations.

Section XII.5 Remedies. The Guarantors jointly and severally agree that, as between the Guarantors, on one hand, and Purchaser Agent and the Purchasers, on the other hand, the obligations of Issuer under the Notes, this Agreement and under the other Note Documents may be declared to be forthwith due and payable as provided in Section 9.1 (and shall be deemed to have become automatically due and payable in the circumstances provided in Section 9.1) for purposes of Section 12.1 notwithstanding any stay, injunction or other prohibition preventing such declaration (or such obligations from becoming automatically due and payable) as against Issuer and that, in the event of such declaration (or such obligations being deemed to have become automatically due and payable), such obligations (whether or not due and payable by Issuer) shall forthwith become due and payable by the Guarantors for purposes of Section 12.1.

Section XII.6 Instrument for the Payment of Money. Each Guarantor hereby acknowledges that the guarantee in this Article XII constitutes an Instrument for the payment of money, and consents and agrees that Purchaser Agent and the Purchasers, at their sole option, in the event of a dispute by such Guarantor in the payment of any moneys due hereunder, shall have the right to proceed by motion for summary judgment in lieu of complaint pursuant to N.Y. Civ. Prac. L&R § 3213.

Section XII.7 Continuing Guarantee. The guarantee in this Article XII is a continuing guarantee, and shall apply to all Guaranteed Obligations whenever arising.

Section XII.8 Rights of Contribution. The Guarantors hereby agree, as between themselves, that if any Guarantor shall become an Excess Funding Guarantor (as defined below) by reason of the payment by such Guarantor of any Guaranteed Obligations, each other Guarantor shall, on demand of such Excess Funding Guarantor (but subject to the next sentence), pay to such Excess Funding Guarantor an amount equal to such Guarantor's Fair Share (as defined below and determined, for this purpose, without reference to the properties, debts and liabilities of such Excess Funding Guarantor) of the Excess Payment (as defined below) in respect of such Guaranteed Obligations. The payment obligation of a Guarantor to any Excess Funding Guarantor under this Section 12.8 shall be subordinate and subject in right of payment to the prior payment in full of the obligations of such Guarantor under the other provisions of this Article XII and such Excess Funding Guarantor shall not exercise any right or remedy with respect to such excess until payment and satisfaction in full of all of such obligations. For purposes of this Section 12.8, (i) "**Excess Funding Guarantor**" means, in respect of any Guaranteed Obligations, a Guarantor that has paid an amount in excess of its Fair Share of such Guaranteed Obligations, (ii) "**Excess Payment**" means, in respect of any Guaranteed Obligations, the amount paid by an Excess Funding Guarantor in excess of its Fair Share of such Guaranteed Obligations and (iii) "**Fair Share**" means, for any Guarantor, the ratio (expressed as a percentage) of (x) the amount by which the aggregate present fair saleable value of all properties of such Guarantor (excluding any shares of stock of any other Guarantor) exceeds the amount of all the debts and liabilities of such Guarantor (including contingent, subordinated, unmatured and unliquidated liabilities, but excluding the obligations of such Guarantor hereunder and any obligations of any other Guarantor that have been guaranteed by such Guarantor) to (y) the amount by which the aggregate fair saleable value of all properties of all of the Guarantors exceeds the amount of all the debts and liabilities (including contingent, subordinated, unmatured and unliquidated liabilities, but excluding the obligations of Issuer and the Guarantors hereunder and under the other Note Documents) of all of the Guarantors, determined (A) with respect to any Guarantor that is a party hereto on the Effective Date, as of the Effective Date, and (B) with respect to any other Guarantor, as of the date such Guarantor becomes a Guarantor hereunder.

Section XII.9 General Limitation on Guarantee Obligations.

(a) In any action or proceeding involving any provincial, territorial or state corporate law, or any state or federal bankruptcy, insolvency, reorganization or other law affecting the rights of creditors generally, if the obligations of any Guarantor under Section 12.1 would otherwise, taking into account the provisions of Section 12.8, be held or determined to be void, invalid or unenforceable, or subordinated to the claims of any other creditors, on account of the amount of its liability under Section 12.1, then, notwithstanding any other provision hereof to the contrary, the amount of such liability shall, without any further action by such Guarantor, Purchaser Agent, any Purchaser or any other Person, be automatically limited and reduced to the highest amount that is valid and enforceable and not subordinated to the claims of other creditors as determined in such action or proceeding.

Section XII.10 Guarantee Limitations for German Guarantors

(a) Subject to Sections 12.10(b) through 12.10(g), the enforcement of the Guarantee Obligations shall be limited in relation to German Guarantors as follows:

(i) Each Secured Party agrees not to enforce the Guarantee Obligations if and to the extent:

(1) the Guarantee Obligations relate to any obligations of, or amounts owed by, an Affiliate of a German Guarantor (other than such German Guarantor's Subsidiaries (each an "**Upstream Affiliate**"); and

(2) such enforcement would cause the German Guarantor's Net Assets to be reduced below zero or further reduced if already below zero (such circumstances constituting a "**Share Capital Impairment**").

(ii) For the purposes of the calculation of the Net Assets, the following balance sheet items shall be adjusted as follows:

(1) the amount of any increase of the registered share capital (*Stammkapital*) of the German Guarantor, after the date of this Agreement that has been effected without the prior written consent of the Purchaser Agent shall be deducted from the relevant registered share capital (*Stammkapital*);

(2) in case the registered share capital of the German Guarantor is not fully paid up (*nicht voll eingezahlt*), the amount which is not paid up shall be deducted from the relevant registered share capital (*Stammkapital*);

(3) loans and other liabilities which are subordinated (including, without limitation, pursuant to this Agreement or section 39 sub-section 1 no. 5 InsO) to any Indebtedness outstanding under this Agreement (including liabilities in respect of guarantees for loans or other liabilities which is so subordinated) shall be disregarded; and

(4) loans or other liabilities incurred in violation of the provisions of this Agreement shall be disregarded.

(b) In relation to the limitations applicable in case of a Share Capital Impairment pursuant to Section 12.10(a), the German Guarantor hereby undertakes vis-à-vis the Secured Parties to deliver to the Purchaser Agent, within 10 Business Days after receipt from the Purchaser Agent of a notice stating that the Purchaser Agent intends to demand payment of the Guarantee Obligations from a German Guarantor, (i) an up-to-date balance sheet of the German Guarantor together with (ii) a detailed calculation (satisfactory to the Purchaser Agent of the amount of the Net Assets of the German Guarantor taking into account the adjustments set forth in Section 12.10(a)(ii) (a "**Net Asset Determination**"). Any such balance sheet and Net Asset Determination shall be prepared in accordance with the Accounting Principles as consistently applied and shall be, upon the Purchaser Agent's request, confirmed by the German Guarantor's Auditors within a period of 20 Business Days following such request. Based upon the Net Asset Determination (as and to the extent confirmed by the German Guarantor's Auditors, if such confirmation has been requested by the Purchaser Agent), the German Guarantor shall fulfil its Guarantee Obligations, and each Secured Party shall be entitled to enforce the Guarantee Obligations, in an amount which would, in accordance with the Net Asset Determination (as and to the extent confirmed by the German Guarantor's Auditors, if such confirmation has been requested by the Purchaser Agent), not cause a Share Capital Impairment on the German Guarantor's part.

(c) If the Guarantee Obligations, based upon the relevant Net Asset Determination (as and to the extent confirmed by the German Guarantor's Auditors, if such confirmation has been requested by the Purchaser Agent), may not be fully enforced for reasons of a Share Capital Impairment of the German Guarantor, the German Guarantor shall, within three months after a written request of the Purchaser Agent, convert into money (*in Geld umsetzen*), to the extent legally permitted, any and all of its assets shown in the German Guarantor's, balance sheet with a book value (*Buchwert*) that is substantially

lower than the market value of the relevant assets. After the expiry of the three-months period, the German Guarantor shall, within three (3) Business Days, (i) notify the Purchaser Agent of the amount of the net proceeds obtained from the relevant sale or other disposition by means of which the conversion into cash was effected and (ii) submit to the Purchaser Agent an updated Net Asset Determination in relation to the German Guarantor itself, taking into account such proceeds. Any such updated Net Asset Determination shall supersede that Net Asset Determination previously applicable for the limitations of the enforcement of the Guarantee Obligations for reasons of a Share Capital Impairment pursuant to Section 12.10(b). Upon the Purchaser Agent's request, any such updated Net Asset Determination shall be confirmed by the German Guarantor's Auditors within a period of 20 Business Days following the request and, once confirmed, it shall be superseding as aforementioned to the extent so confirmed.

(d) The limitations set out in Section 12.10(a) in relation to Share Capital Impairments shall not apply:

(i) to any Guarantee Obligations which relate to any monies borrowed under this Agreement which (i) have been on-lent or otherwise made available to the German Guarantor or any of its Subsidiaries and (ii) are still outstanding whereas each German Guarantor shall at any time upon the Purchaser Agent's request produce evidence to the Purchaser Agent (in form and substance satisfactory to the Purchaser Agent as to whether any monies borrowed under this Agreement have been on-lent or otherwise made available to it or any of its Subsidiaries; or

(ii) if, at the time of enforcement of the Guarantee Obligations a domination agreement (*Beherrschungsvertrag*) and/or a profit transfer agreement (*Gewinnabführungsvertrag*) (either directly or through an unbroken chain of domination and/or profit absorption agreements) is effective or should be effective pursuant to the terms and conditions of any Note Document, respectively, between the German Guarantor and:

(1) in case the German Guarantor is a Subsidiary of the relevant Upstream Affiliate whose obligations are secured by the relevant Guarantee Obligations, that Upstream Affiliate; or

(2) in case the German Guarantor and the relevant Upstream Affiliate whose obligations are secured by the relevant Guarantee Obligations are both Subsidiaries of a joint (direct or indirect) Holding, such Holding as dominating entity (*beherrschendes Unternehmen*);

(iii) if and to the extent any payment of Guarantee Obligations demanded by the Purchaser Agent from, and due to be made by, a German Guarantor is covered (*gedeckt*) by means of a fully recoverable claim for consideration or return (*vollwertiger Gegenleistungs- oder Rückgewähranspruch*) of the German Guarantor against the Upstream Affiliate whose obligations are secured by the relevant Guarantee Obligations.

(e) The limitations set out in Section 12.10(a) in relation to Share Capital Impairments shall further not apply:

(i) for so long as the German Guarantor has not complied with (in case of a Share Capital Impairment) its obligations pursuant to Section 12.10(b) and Section 12.10(c); and/or

(ii) if and to the extent, at the time of enforcement of the Guarantee Obligations, such limitations are not required to protect the managing directors of the German Guarantor from the risk of personal liability arising from such enforcement of the Guarantee Obligations.

(f) For the avoidance of doubt, nothing in this Section 12.10 shall be interpreted as a restriction or limitation of (i) the enforcement of the Guarantee Obligations to the extent the relevant Guarantee Obligations guarantee or relate to obligations of a German Guarantor itself in its capacity as Issuer or obligations of any of its direct or indirect Subsidiaries including, in each case, their legal successors or (ii) the enforcement of any claim of any Secured Party against an Issuer (in such capacity) under this Agreement.

(g) No reduction of the amount enforceable under the Guarantee Obligations in accordance with the above limitations will prejudice the rights of the Secured Parties to continue enforcing the Guarantee Obligations (subject always to the operation of the limitation set out above at the time of such enforcement) until full satisfaction of the guaranteed claims.

Article XIII
GENERAL PROVISIONS

Section XIII.1 Successors and Assigns.

(a) This Agreement binds and is for the benefit of the successors and permitted assigns of each party. Issuer may not transfer, pledge or assign this Agreement or any rights or obligations under it without Purchaser Agent's and each Purchaser's prior written consent (which may be granted or withheld in Purchaser Agent's and each Purchaser's sole discretion (without obligation), subject to Section 13.6). The Purchasers have the right, without the consent of or notice to Issuer, to sell, transfer, assign, pledge, negotiate, or grant participation in (any such sale, transfer, assignment, negotiation or grant of a participation, a "**Purchaser Transfer**") all or any part of, or any interest in, the Notes and the Purchasers' obligations, rights, and benefits under this Agreement and the other Note Documents to any Person. Issuer and Purchaser Agent shall be entitled to continue to deal solely and directly with such Purchaser in connection with the interests so assigned until Purchaser Agent shall have received and accepted an effective assignment or transfer agreement in form satisfactory to Purchaser Agent executed, delivered and fully completed by the applicable parties thereto, and shall have received such other information regarding the recipient of a Purchaser Transfer as Purchaser Agent reasonably shall require. Notwithstanding anything to the contrary contained herein, so long as no Default or Event of Default has occurred and is continuing, no Purchaser Transfer (other than a Purchaser Transfer in connection with (x) assignments by a Purchaser due to a forced divestiture at the request of any regulatory agency; or (y) upon the occurrence of a default, event of default or similar occurrence with respect to a Purchaser's own financing or securitization transactions) shall be permitted, without Issuer's consent, to any Person that is not an Eligible Assignee.

(b) Purchaser Agent, acting solely for this purpose as a non-fiduciary agent of Issuer, shall maintain at its office referred to in Article X a copy of each assignment and assumption delivered to it and a register for the recordation of the names and addresses of the Purchasers, and the commitments of, and principal amounts (and stated interest) of the Obligations owing to, each Purchaser pursuant to the terms hereof from time to time (the "**Register**"). The entries in the Register shall be conclusive absent manifest error, and Issuer, Purchaser Agent and each Purchaser shall treat each Person whose name is recorded in the Register pursuant to the terms hereof as a Purchaser hereunder for all purposes of the Note Documents. The Register shall be available for inspection by Issuer and each Purchaser, at any reasonable time and from time to time upon reasonable prior notice. For the avoidance of doubt, (i) each Note issued pursuant to this Agreement is a registered obligation, (ii) the right, title and interest of each Purchaser and its assignees in and to such Notes shall be transferable only upon notation of such transfer in the Register and (iii) no assignment thereof or participation therein shall be effective until recorded therein. This Section 13.1(b) shall be construed so that each Note is at all times maintained in "registered

form" within the meaning of Sections 163(f), 871(h)(2) and 881(c)(2) of the Code and Section 5f.103-1(c) of the United States Treasury Regulations.

(c) If: (i) a Purchaser assigns or transfers any of its rights or obligations under the Note Documents or changes its applicable Facility Office; and (ii) as a result of circumstances existing at the date the assignment, transfer or change occurs, an Obligor would be obliged to make a payment to the recipient of a Purchaser Transfer or Purchaser acting through its new Facility Office under Article XIV, then the recipient of the Purchaser Transfer or Purchaser acting through its new Facility Office is only entitled to receive payment under that Article XIV to the same extent as the assigning or transferring Purchaser or Purchaser acting through its previous Facility Office would have been if the assignment, transfer or change had not occurred. This Section 13.1(c) shall not apply in relation to Section 14.2, to a Treaty Purchaser that has included a confirmation of its scheme reference number and its jurisdiction of tax residence in accordance with Section 14.2(g)(ii) if the Obligor making the payment has not made an Issuer DTTP Filing in respect of that Treaty Purchaser.

Section XIII.2 Indemnification. Issuer agrees to indemnify, defend and hold Purchaser Agent and the Purchasers and their respective directors, officers, employees, agents, attorneys, or any other Person affiliated with or representing Purchaser Agent or the Purchasers (each, an "**Indemnified Person**") harmless against: (a) all obligations, demands, claims, and liabilities (collectively, "**Claims**") asserted by any other party (including Issuer or any of its Subsidiaries) in connection with, related to, following, or arising from, out of or under, (i) the transactions contemplated by the Note Documents, (ii) any Notes or the use or proposed use of the proceeds therefrom or (iii) any actual or alleged presence or release of Hazardous Materials on or from any property owned or operated by any Obligor or any of its Subsidiaries, or any Environmental Liability related in any way to any Obligor or any of its Subsidiaries; and (b) all losses or Reimbursable Expenses incurred, or paid by Indemnified Person in connection with, related to, following, or arising from, out of or under, the transactions contemplated by the Note Documents between Purchaser Agent, and/or the Purchasers and Issuer (including reasonable attorneys' fees and expenses), except for Claims and/or losses are determined by a court of competent jurisdiction by final and nonappealable judgment to have directly resulted from such Indemnified Person's gross negligence or willful misconduct. Issuer hereby further indemnifies, defends and holds each Indemnified Person harmless from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements of any kind or nature whatsoever (including the fees and disbursements of counsel for such Indemnified Person) in connection with any investigative, response, remedial, administrative or judicial matter or proceeding, whether or not such Indemnified Person shall be designated a party thereto and including any such proceeding initiated by or on behalf of Issuer or any of its Subsidiaries, and the reasonable expenses of investigation by engineers, environmental consultants and similar technical personnel and any commission, fee or compensation claimed by any broker (other than any broker retained by Purchaser Agent or Purchasers) asserting any right to payment for the transactions contemplated hereby which may be imposed on, incurred by or asserted against such Indemnified Person as a result of or in connection with the transactions contemplated hereby and the use or intended use of the proceeds of the Notes except for liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and disbursements directly caused by such Indemnified Person's gross negligence or willful misconduct.

Section XIII.3 Time of Essence. Without prejudice to any grace periods contained in this Agreement, time is of the essence for the performance of all Obligations in this Agreement.

Section XIII.4 Severability of Provisions. Each provision of this Agreement is severable from every other provision in determining the enforceability of any provision.

Section XIII.5 Correction of Note Documents. Purchaser Agent and the Purchasers may correct patent errors and fill in any blanks in this Agreement and the other Note Documents consistent with the agreement of the parties.

Section XIII.6 Amendments in Writing; Integration.

(a) No amendment, modification, termination or waiver of any provision of this Agreement or any other Note Document, no approval or consent thereunder, or any consent to any departure by Issuer or any of its Subsidiaries therefrom, shall in any event be effective unless the same shall be in writing and signed by Issuer, Purchaser Agent and the Required Purchasers provided that:

(i) no such amendment, waiver or other modification that would have the effect of increasing or reducing a Purchaser's Commitment or Commitment Percentage shall be effective as to such Purchaser without such Purchaser's written consent;

(ii) no such amendment, waiver or modification that would affect the rights and duties of Purchaser Agent shall be effective without Purchaser Agent's written consent or signature; and

(iii) no such amendment, waiver or other modification shall, unless signed by all the Purchasers directly affected thereby, (A) reduce the principal of, rate of interest on or any fees with respect to any Note or forgive any principal, interest (other than default interest) or fees (other than late charges) with respect to any Note; (B) postpone the date fixed for, or waive, any payment of principal of any Note or of interest on any Note (other than default interest) or any fees provided for hereunder (other than late charges or for any termination of any commitment); (C) reduce the applicable Revenue Participation Payments, the Milestone Payments or Final Payment Amount; (D) change the definition of the term "**Required Purchasers**" or the percentage of Purchasers which shall be required for the Purchasers to take any action hereunder; (E) release all or substantially all of the Collateral, authorize Issuer to sell or otherwise dispose of all or substantially all or any material portion of the Collateral or release any Guarantor of all or any portion of the Obligations or its guaranty obligations with respect thereto, except, in each case with respect to this clause (E), as otherwise may be expressly permitted under this Agreement or the other Note Documents (including in connection with any disposition permitted hereunder); (F) amend, waive or otherwise modify this Section 13.6 or the definitions of the terms used in this Section 13.6 insofar as the definitions affect the substance of this Section 13.6; (G) consent to the assignment, delegation or other transfer by Issuer of any of its rights and obligations under any Note Document or release Issuer of its payment obligations under any Note Document, except, in each case with respect to this clause (G), pursuant to a merger or consolidation permitted pursuant to this Agreement; (H) amend any of the provisions of Section 9.4 or amend any of the definitions of Pro Rata Share, Commitment, Commitment Percentage or that provide for the Purchasers to receive their Pro Rata Shares of any fees, payments, setoffs or proceeds of Collateral hereunder; (I) subordinate the Liens granted in favor of Purchaser Agent securing the Obligations; or (J) amend any of the provisions of Section 13.11. It is hereby understood and agreed that all Purchasers shall be deemed directly affected by an amendment, waiver or other modification of the type described in the preceding clauses (C), (D), (E), (F), (G), (H) and (I) and (J) of the preceding sentence;

(b) Other than as expressly provided for in Sections 13.6(a)(i), (ii) and (iii), Purchaser Agent may, if requested by the Required Purchasers, from time to time designate covenants in this Agreement less restrictive by notification to a representative of Issuer.

(c) This Agreement and the Note Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings,

representations, warranties, and negotiations between the parties about the subject matter of this Agreement and the Note Documents merge into this Agreement and the Note Documents.

Section XIII.7 Counterparts. This Agreement may be executed in any number of counterparts and by different parties on separate counterparts, each of which, when executed and delivered, is an original, and all taken together, constitute one Agreement.

Section XIII.8 Survival. All covenants, representations and warranties made in this Agreement continue in full force and effect until this Agreement has terminated pursuant to its terms and all Obligations (other than inchoate indemnity or reimbursement obligations and any other obligations which, by their terms, are to survive the termination of this Agreement) have been satisfied. The obligation of Issuer in Section 13.2 to indemnify each Purchaser and Purchaser Agent, as well as the confidentiality provisions in Section 13.9 and the Obligations under Section 2.5 and under Article XIV, shall survive until the statute of limitations with respect to such claim or cause of action shall have run.

Section XIII.9 Confidentiality. In handling any confidential information of Issuer, the Purchasers and Purchaser Agent shall exercise the same degree of care that it exercises for their own proprietary information (but in no event less than a reasonable standard of care), but disclosure of information may be made: (a) subject to the terms and conditions of this Agreement, to the Purchasers' and Purchaser Agent's Subsidiaries or Affiliates, or in connection with a Purchaser's own financing or securitization transactions and upon the occurrence of a default, event of default or similar occurrence with respect to such financing or securitization transaction; (b) to prospective transferees (other than those identified in (a) above) or purchasers of any interest in the Notes (provided that, the Purchasers and Purchaser Agent shall obtain such prospective transferee's or purchaser's agreement to the terms of this provision or to similar confidentiality terms); (c) as required by law, regulation, subpoena, or other order; (d) to Purchasers' or Purchaser Agent's regulators or as otherwise required in connection with an examination or audit; (e) as Purchaser Agent reasonably considers necessary in exercising remedies under the Note Documents; and (f) on a need-to-know basis, to third party service providers of the Purchasers and/or Purchaser Agent so long as such service providers have executed a confidentiality agreement with the Purchasers and Purchaser Agent with terms no less restrictive than those contained herein. The Purchasers and Purchaser Agent shall be responsible for any breach of the terms of this Confidentiality provision by any persons in (a) and (f) above to whom it provides confidential information of Issuer or its Subsidiaries. Purchasers and Purchaser Agent shall use commercially reasonable efforts to limit any disclosures of confidential information of Issuer or its Subsidiaries pursuant to (c) and (d) above to the minimum required disclosure, and to notify Issuer promptly of such disclosure to the extent Purchaser and/or Purchaser Agent is legally permitted to so notify. Confidential information does not include information that either: (i) is in the public domain or in the Purchasers' and/or Purchaser Agent's possession when disclosed to the Purchasers and/or Purchaser Agent, or becomes part of the public domain after disclosure to the Purchasers and/or Purchaser Agent; or (ii) is disclosed to the Purchasers and/or Purchaser Agent by a third party, if the Purchasers and/or Purchaser Agent does not know that the third party is prohibited from disclosing the information. Subject to the foregoing, Purchaser Agent and the Purchasers may use confidential information for the development of client databases, reporting purposes, and market analysis. The provisions of the immediately preceding sentence shall survive the termination of this Agreement. The agreements provided under this Section 13.9 supersede all prior agreements, understanding, representations, warranties, and negotiations between the parties about the subject matter of this Section 13.9.

Section XIII.10Press Releases. On or around the Effective Date (as reasonably determined by Issuer), Issuer shall issue a press release substantially in the form attached as Exhibit G in respect of the transactions contemplated by the Note Documents. Each of Issuer and Purchaser Agent shall mutually agree on any additional press releases or other public communications with respect to the transactions

contemplated by the Note Documents except (a) Issuer may file a Current Report on Form 8-K with the Securities and Exchange Commission in connection with the execution and delivery of this Agreement, and (b) originate any such publicity, news release or other similar public announcement as may be required by Law or any listing or trading agreement concerning its publicly traded securities, provided in the case of each of (a) and (b), Issuer shall use commercially reasonable efforts to consult with the Purchaser Agent reasonably in advance of such release.

Section XIII.11Right of Set Off. Issuer hereby grants to Purchaser Agent and to each Purchaser, a lien, security interest and right of set off as security for all Obligations to Purchaser Agent and each Purchaser hereunder, whether now existing or hereafter arising upon and against all deposits, credits, collateral and property, now or hereafter in the possession, custody, safekeeping or control of Purchaser Agent or the Purchasers or any entity under the control of Purchaser Agent or the Purchasers (including a Purchaser Agent affiliate) or in transit to any of them. At any time after the occurrence and during the continuance of an Event of Default, without demand or notice, Purchaser Agent or the Purchasers may set off the same or any part thereof and apply the same to any Obligation of Issuer even though unmatured and regardless of the adequacy of any other collateral securing the Obligations. ANY AND ALL RIGHTS TO REQUIRE PURCHASER AGENT TO EXERCISE ITS RIGHTS OR REMEDIES WITH RESPECT TO ANY OTHER COLLATERAL WHICH SECURES THE OBLIGATIONS, PRIOR TO EXERCISING ITS RIGHT OF SETOFF WITH RESPECT TO SUCH DEPOSITS, CREDITS OR OTHER PROPERTY OF ISSUER ARE HEREBY KNOWINGLY, VOLUNTARILY AND IRREVOCABLY WAIVED.

Section XIII.12Cooperation of Issuer. If necessary, Issuer agrees to (i) execute any documents (including new Notes) reasonably required to effectuate and acknowledge each assignment of a Commitment or Note to an assignee in accordance with Section 13.1, (ii) make Issuer's management available to meet with Purchaser Agent and prospective participants and assignees of Commitments or Notes (which meetings shall be conducted no more often than twice every twelve months unless an Event of Default has occurred and is continuing), and (iii) assist Purchaser Agent or the Purchasers in the preparation of information relating to the financial affairs of Issuer as any prospective participant or assignee of a Commitment or Note reasonably may request. Subject to the provisions of Section 13.9, Issuer authorizes each Purchaser to disclose to any prospective participant or assignee of a Commitment, any and all information in such Purchaser's possession concerning Issuer and its financial affairs which has been delivered to such Purchaser by or on behalf of Issuer pursuant to this Agreement, or which has been delivered to such Purchaser by or on behalf of Issuer in connection with such Purchaser's credit evaluation of Issuer prior to entering into this Agreement.

Section XIII.13Representations and Warranties of the Purchasers. Each Purchaser, severally and not jointly, represents and warrants to Issuer as of the date such Person becomes a Purchaser and as of each Purchase Date, that:

(a) Each of the Notes to be received by such Purchaser hereunder will be acquired for such Purchaser's own account, and not with a view to the resale or distribution of any part thereof in violation of the Securities Act, except pursuant to sales registered or exempted under the Securities Act, and such Purchaser has no present intention of selling, granting any participation in, or otherwise distributing the same in violation of the Securities Act without prejudice, however, to such Purchaser's right at all times to sell or otherwise dispose of all or any part of such Notes in compliance with applicable federal and state securities laws.

(b) Such Purchaser can bear the economic risk and complete loss of its investment in the Notes and has such knowledge and experience in financial or business matters that it is capable of evaluating the merits and risks of the investment contemplated hereby.

(c) Such Purchaser has had an opportunity to receive, review and understand all information related to Issuer requested by it and to ask questions of and receive answers from Issuer regarding Issuer, its Subsidiaries, its business and the terms and conditions of the offering of the Notes, and has conducted and completed its own independent due diligence.

(d) Based on the information such Purchaser has deemed appropriate, it has independently made its own analysis and decision to enter into the Note Documents.

(e) Such Purchaser understands that the Notes are characterized as "restricted securities" under the U.S. federal securities laws inasmuch as they are being acquired from Issuer in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Securities Act only in certain limited circumstances. Such Purchaser understands that no United States federal or state agency, or similar agency of any other country, has reviewed, approved, passed upon, or made any recommendation or endorsement of Issuer or the purchase of the Notes.

(f) Such Purchaser is an "accredited investor" as defined in Regulation D promulgated under the Securities Act.

(g) Such Purchaser did not learn of the investment in the Notes as a result of any general solicitation or general advertising.

Section XIII.14Agency.

(a) Each Purchaser hereby irrevocably appoints Purchaser Agent to act on its behalf as Purchaser Agent and fiduciary trustee (*Sicherheitentreuhänder*) hereunder and under the other Note Documents and authorizes Purchaser Agent to take such actions on its behalf, to exercise such powers as are delegated to Purchaser Agent by the terms hereof or thereof and to act as agent of such Purchaser for purposes of acquiring, holding, enforcing and perfecting all Liens granted by the Obligors on the Collateral to secure any of the Obligations, in each case together with such actions and powers as are reasonably incidental thereto. For the purposes of the French Collateral Documents, in accordance with the provisions of articles 2488-6 et seq. of the French civil code, the Purchasers hereby appoints the Purchaser Agent, which accepts it, as security agent, with the mandate to represent it for all the deeds, notifications and formalities concerning its relations with the concerned Obligors and to take all the steps and exercise all the rights, discretionary powers given or assigned to it in accordance with the provisions of the relevant French Collateral Documents, including those which arise therefrom. As a consequence, in accordance with the provisions of article 2488-6 of the French civil code, as from the date hereof and until complete payment and repayments of the Notes, Purchaser Agent shall act in its own name to exercise, for the benefit of the Purchasers, all the rights, powers, authorities and discretionary powers of assessment of any of Purchasers under this agreement and the relevant French Collateral Documents.

(b) The Purchaser Agent shall, in respect of German Collateral Documents and the German Parallel Debt Agreement:

(i) hold and administer for itself as well as in a fiduciary capacity (*treuhänderisch*) for the Purchasers any Collateral which is granted in the form of a non-accessory Security (*nicht-akzessorische Sicherheit*) (including the German Parallel Debt Agreement); and

(ii) administer for itself as well as for the benefit of the Purchasers any Collateral granted under the German Collateral Documents which is granted in the form of an accessory

Security (*akzessorische Sicherheit*) or which, under applicable law, cannot be held in a fiduciary capacity (*treuhänderisch*) for the benefit of another person.

(c) Each of the Purchasers hereby releases the Purchaser Agent from the restrictions of section 181 BGB and similar restrictions applicable to it pursuant to any other applicable law, in each case to the extent legally possible to such Purchaser; the Purchaser Agent is authorized to delegate its powers of attorney, including the exemption from the restriction in section 181 BGB and similar restrictions applicable to it pursuant to any other applicable law, in each case to the extent legally possible to such Purchaser. A Purchaser which is barred by its constitutional documents or otherwise granting such exemption shall notify the Purchaser Agent accordingly. Irrespective of the granting of an exemption, at the request of the Purchaser Agent, the Purchasers shall grant special powers of attorney to the Purchaser Agent to enter into any Note Document, or any amendments thereof, on their behalf.

(d) Each Purchaser agrees to indemnify Purchaser Agent in its capacity as such (to the extent not reimbursed by the Obligors and without limiting the obligation of the Obligors to do so), according to its respective Pro Rata Share (in effect on the date on which indemnification is sought under this Section 13.14), from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind whatsoever that may at any time be imposed on, incurred by or asserted against Purchaser Agent in any way relating to or arising out of, the Notes, this Agreement, any of the other Note Documents or any documents contemplated by or referred to herein or therein or the transactions contemplated hereby or thereby or any action taken or omitted by Purchaser Agent under or in connection with any of the foregoing. The agreements in this Section 13.14 shall survive the payment of the Final Payment Amount and all other amounts payable hereunder.

(e) The Person serving as Purchaser Agent hereunder shall have the same rights and powers in its capacity as Purchaser as any other Purchaser and may exercise the same as though it were not Purchaser Agent and the term "Purchaser" shall, unless otherwise expressly indicated or unless the context otherwise requires, include each such Person serving as Purchaser Agent hereunder in its individual capacity.

(f) Purchaser Agent shall have no duties or obligations except those expressly set forth herein and in the other Note Documents. Without limiting the generality of the foregoing, Purchaser Agent shall not:

(i) be subject to any fiduciary or other implied duties, regardless of whether any Default or any Event of Default has occurred and is continuing;

(ii) have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Note Documents that Purchaser Agent is required to exercise as directed in writing by any Purchaser; provided that Purchaser Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose Purchaser Agent to liability or that is contrary to any Note Document or applicable law; and

(iii) except as expressly set forth herein and in the other Note Documents, have any duty to disclose, and Purchaser Agent shall not be liable for the failure to disclose, any information relating to Issuer or any of its Affiliates that is communicated to or obtained by any Person serving as Purchaser Agent or any of its Affiliates in any capacity.

(g) Purchaser Agent shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Purchasers or as Purchaser Agent shall believe in good faith shall be necessary, under the circumstances or (ii) in the absence of its own gross negligence or willful misconduct.

(h) Purchaser Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with this Agreement or any other Note Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Note Document or any other agreement, instrument or document or (v) the satisfaction of any condition set forth in Article III or elsewhere herein, other than to confirm receipt of items expressly required to be delivered to Purchaser Agent.

(i) Purchaser Agent may rely, and shall be fully protected in acting, or refraining to act, upon, any resolution, statement, certificate, instrument, opinion, report, notice, request, consent, order, bond or other paper or document that it has no reason to believe to be other than genuine and to have been signed or presented by the proper party or parties or, in the case of cables, telecopies and telexes, to have been sent by the proper party or parties. In the absence of its gross negligence or willful misconduct, Purchaser Agent may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificates or opinions furnished to Purchaser Agent and conforming to the requirements of this Agreement or any of the other Note Documents. Purchaser Agent may consult with counsel, and any opinion or legal advice of such counsel shall be full and complete authorization and protection in respect of any action taken, not taken or suffered by Purchaser Agent hereunder or under any Note Documents in accordance therewith. Purchaser Agent shall have the right at any time to seek instructions concerning the administration of the Collateral from any court of competent jurisdiction. Purchaser Agent shall not be under any obligation to exercise any of the rights or powers granted to Purchaser Agent by this Agreement and the other Note Documents at the request or direction of the Required Purchasers unless Purchaser Agent shall have been provided by the Purchasers with adequate security and indemnity against the costs, expenses and liabilities that may be incurred by it in compliance with such request or direction.

(j) Purchaser Agent may resign at any time by delivering notice of such resignation to the Purchasers and Issuer, effective on the date set forth in such notice or, if no such date is set forth therein, upon the date such notice shall be effective. If Purchaser Agent delivers any such notice, the Required Purchasers shall have the right to appoint a successor Purchaser Agent. If, within 30 days after the retiring Purchaser Agent having given notice of resignation, no successor Purchaser Agent has been appointed by the Required Purchasers that has accepted such appointment, then the retiring Purchaser Agent may, on behalf of the Purchasers, appoint a successor Purchaser Agent from among the Purchasers. Each appointment under this Section 13.14(h) shall be subject to the prior consent of Issuer, which may not be unreasonably withheld, delayed or conditioned but shall not be required during the continuance of an Event of Default. Effective immediately upon its resignation, (i) the retiring Purchaser Agent shall be discharged from its duties and obligations under the Note Documents, (ii) the Purchasers shall assume and perform all of the duties of Purchaser Agent until a successor Purchaser Agent shall have accepted a valid appointment hereunder, (iii) the retiring Purchaser Agent shall no longer have the benefit of any provision of any Note Document other than with respect to any actions taken or omitted to be taken while such retiring Purchaser Agent was, or because such Purchaser Agent had been, validly acting as Purchaser Agent under the Note Documents and (iv) subject to its rights under Section 13.14, the retiring Purchaser Agent shall take such action as may be reasonably necessary to assign to the successor Purchaser Agent its rights as Purchaser Agent under the Note Documents. Effective immediately upon its acceptance of a

valid appointment as Purchaser Agent, a successor Purchaser Agent shall succeed to, and become vested with, all the rights, powers, privileges and duties of the retiring Purchaser Agent under the Note Documents.

Section XIII.15Original Issue Discount

(a) Issuer does not intend to file United States federal or state tax returns, information statements, or similar tax filings ("U.S. Tax Returns"). If Issuer expects to file U.S. Tax Returns it will contact Purchasers at least 45 days in advance and Issuer and Purchasers shall use commercially reasonable efforts to agree on the reporting of the Notes for United States federal and state tax purposes provided that Issuer shall not take a reporting position on any U.S. Tax Returns inconsistent with the Purchasers' (or its direct and indirect owners') tax position unless required by law and supported by a written "more likely than not" tax opinion from a qualified U.S. tax advisor.

(b) Issuer shall cooperate with the Purchasers and provide such information as is reasonably requested by the Purchasers to allow Purchasers (and their direct or indirect owners) to properly file their U.S. Tax Returns.

Article XIV
TAX

Section XIV.1 Definitions. As used in this Article XIV**:**

1 "**Cancelled Certificate**" means any QPP Certificate in respect of which HM Revenue & Customs has given a notification under regulation 7(4)(b) of the QPP Regulations so that such QPP Certificate is a cancelled certificate for the purposes of the QPP Regulations.

2 "**CTA**" means the Corporation Tax Act 2009.

3 "**FATCA**" means:

(a) sections 1471 to 1474 of the Code or any associated regulations;

(b) any treaty, law or regulation of any other jurisdiction, or relating to an intergovernmental agreement between the US and any other jurisdiction, which (in either case) facilitates the implementation of any law or regulation referred to in clause (a) above; or

(c) any agreement pursuant to the implementation of any treaty, law or regulation referred to in clause (a) or (b) above with the US Internal Revenue Service, the US government or any governmental or taxation authority in any other jurisdiction.

4 "**FATCA Application Date**" means:

(a) in relation to a "withholdable payment" described in section 1473(1)(A)(i) of the Code (which relates to payments of interest and certain other payments from sources within the US), 1 July 2014; or

(b) in relation to a "passthru payment" described in section 1471(d)(7) of the Code not falling within clause (a) above, the first date from which such payment may become subject to a deduction or withholding required by FATCA.

5 "**FATCA Deduction**" means a deduction or withholding from a payment under a Note Document required by FATCA.

6 "**FATCA Exempt Party**" means a party that is entitled to receive payments free from any FATCA Deduction.

7 "**Finance Party**" means a Purchaser or the Purchaser Agent.

8 "**Issuer DTTP Filing**" means an HM Revenue & Customs' Form DTTP2 duly completed and filed by the relevant Issuer, which:

(a) where it relates to a Treaty Purchaser that is an Purchaser listed on Schedule 1.1 hereof (an "Original Purchaser"), contains the scheme reference number and jurisdiction of tax residence stated opposite that Purchaser's name in Schedule 1.1 and

(i) where Issuer is Issuer on the date of this Agreement, is filed with HM Revenue & Customs within 30 days of the date of this Agreement; or

(ii) where Issuer becomes an Issuer after the date of this Agreement, is filed with HM Revenue & Customs within 30 days of the date on which that Issuer becomes an Issuer; or

(b) where it relates to a Treaty Purchaser that is not an Original Purchaser, contains the scheme reference number and jurisdiction of tax residence stated in respect of that Purchaser in the documentation which it executes on becoming a party as a Purchaser; and

(i) where Issuer is an Issuer as at the date on which that Treaty Purchaser becomes a Party as a Purchaser, is filed with HM Revenue & Customs within 30 days of that date; or

(ii) where Issuer is not an Issuer as at the date on which that Treaty Purchaser becomes a Party as a Purchaser, is filed with HM Revenue & Customs within 30 days of the date on which that Issuer becomes an Issuer.

9 "**ITA**" means the Income Tax Act 2007.

10 "**Protected Party**" means a Finance Party which is or will be subject to any liability, or required to make any payment, for or on account of Tax in relation to a sum received or receivable (or any sum deemed for the purposes of Tax to be received or receivable) under a Note Document.

11 "**QPP Certificate**" means a creditor certificate for the purposes of the QPP Regulations, given in the form set out in Exhibit I.

12 "**QPP Purchaser**" means a Purchaser which has delivered a QPP Certificate to Issuer, provided that such QPP Certificate is not a Withdrawn Certificate or a Cancelled Certificate.

13 "**QPP Regulations**" means the Qualifying Private Placement Regulations 2015 (2015 No. 2002) of the United Kingdom.

14 "**Qualifying Purchaser**" means:

(a) a Purchaser which is beneficially entitled to interest payable to that Purchaser in respect of an advance under a Note Document and is:

(i) a Purchaser:

(1) which is a bank (as defined for the purpose of section 879 of the ITA) making an advance under a Note Document and is within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance or would be within such charge as respects such payments apart from section 18A of the CTA; or

(2) in respect of an advance made under a Note Document by a person that was a bank (as defined for the purpose of section 879 of the ITA) at the time that that advance was made and within the charge to United Kingdom corporation tax as respects any payments of interest made in respect of that advance;

(ii) a Purchaser which is:

(1) a company resident in the United Kingdom for United Kingdom tax purposes; or

(2) a partnership each member of which is:

a. a company so resident in the United Kingdom;

b. a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or

c. a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company;

(iii) a Treaty Purchaser; or

(iv) a QPP Purchaser; or

(b) a Purchaser which is a building society (as defined for the purpose of section 880 of the ITA) making an advance under a Note Document.

15 "**Tax Confirmation**" means a confirmation by a Purchaser that the person beneficially entitled to interest payable to that Purchaser in respect of an advance under a Note Document is either:

(a) a company resident in the United Kingdom for United Kingdom tax purposes;

(b) a partnership each member of which is:

(i) a company so resident in the United Kingdom; or

(ii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account in

computing its chargeable profits (within the meaning of section 19 of the CTA) the whole of any share of interest payable in respect of that advance that falls to it by reason of Part 17 of the CTA; or

(iii) a company not so resident in the United Kingdom which carries on a trade in the United Kingdom through a permanent establishment and which brings into account interest payable in respect of that advance in computing the chargeable profits (within the meaning of section 19 of the CTA) of that company.

16 "**Tax Credit**" means a credit against, relief or remission for, or repayment of any Tax.

17 "**Tax Deduction**" means a deduction or withholding for or on account of Tax from a payment under a Note Document, other than a FATCA Deduction.

18 "**Tax Payment**" means either the increase in a payment made by an Obligor to a Finance Party under Section 14.2 or a payment under Section 14.3.

19 "**Treaty Purchaser**" means a Purchaser which:

(a) is treated as a resident of a Treaty State for the purposes of the Treaty;

(b) does not carry on a business in the United Kingdom through a permanent establishment with which that Purchaser's participation in the purchase of the Notes is effectively connected; and

(c) meets all other conditions in the Treaty for a recipient of interest to be able to benefit from full exemption from Tax imposed by the United Kingdom on interest, except that for this purpose it shall be assumed that the following are satisfied:

(i) any condition which relates (expressly or by implication) to there not being a special relationship between Issuer and a Purchaser or between both of them and another person, or to the terms of the Note Documents or to any other matter outside the control of that Purchaser; and

(ii) any necessary procedural requirements.

20 "**Treaty State**" means a jurisdiction having a double taxation agreement (a "**Treaty**") with the United Kingdom which makes provision for full exemption from tax imposed by the United Kingdom on interest.

21 "**UK Non-Bank Purchaser**" a Purchaser which is not an Original Purchaser and which gives a Tax Confirmation in the documentation which it executes on becoming a Party as a Purchaser.

22 "**US Tax Obligor**" means:

(a) an Issuer which is resident for tax purposes in the US; or

(b) an Obligor some or all of whose payments under the Note Documents are from sources within the US for US federal income tax purposes.

23 "**VAT**" means:

(a) any value added tax imposed by the Value Added Tax Act 1994;

(b) any tax imposed in compliance with the Council Directive of 28 November 2006 on the common system of value added tax (EC Directive 2006/112); and

(c) any other tax of a similar nature, whether imposed in the United Kingdom or a member state of the European Union in substitution for, or levied in addition to, such tax referred to in clause (a) above, or imposed elsewhere.

Unless a contrary indication appears, in this Article XIV a reference to "**determines**" or "**determined**" means a determination made in the absolute discretion of the person making the determination acting reasonably.

"**Withdrawn Certificate**" means a withdrawn certificate for the purposes of the QPP Regulations.

Section XIV.2 Tax Gross-Up.

(a) Each Obligor shall make all payments to be made by it without any Tax Deduction, unless a Tax Deduction is required by law.

(b) Issuer shall promptly upon becoming aware that an Obligor must make a Tax Deduction (or that there is any change in the rate or the basis of a Tax Deduction) notify Purchaser Agent accordingly. Similarly, a Purchaser shall notify Purchaser Agent on becoming so aware in respect of a payment payable to that Purchaser (provided that, in the event that Purchaser divests of any interest in the Notes by way of participation (and only in such case), Purchaser shall (with no further liability to any other Person on the part of Purchaser) use commercially reasonable efforts to make reasonable enquiries in respect of such matter). If Purchaser Agent receives such notification from a Purchaser it shall notify Issuer and that Obligor as soon as reasonably practicable.

(c) If a Tax Deduction is required by law to be made by an Obligor, the amount of the payment due from that Obligor shall be increased to an amount which (after making any Tax Deduction) leaves an amount equal to the payment which would have been due if no Tax Deduction had been required.

(d) A payment shall not be increased under Section 14.2(c) above by reason of a Tax Deduction on account of Tax imposed by the United Kingdom, if on the date on which the payment falls due:

(i) the payment could have been made to the relevant Purchaser without a Tax Deduction if the Purchaser had been a Qualifying Purchaser, but on that date that Purchaser is not or has ceased to be a Qualifying Purchaser other than as a result of any change after the date it became a Purchaser under this Agreement in (or in the interpretation, administration, or application of) any law or Treaty or any published practice or published concession of any relevant taxing authority; or

(ii) the relevant Purchaser is a Qualifying Purchaser solely by virtue of clause (a)(ii) of the definition of Qualifying Purchaser and:

(1) an officer of H.M. Revenue & Customs has given (and not revoked) a direction (a "**Direction**") under section 931 of the ITA which relates to the payment and that Purchaser has received from the Obligor making the payment or from Issuer a certified copy of that Direction; and

(2) the payment could have been made to the Purchaser without any Tax Deduction if that Direction had not been made; or

(iii) the relevant Purchaser is a Qualifying Purchaser solely by virtue of clause (a)(ii) of the definition of Qualifying Purchaser and:

(1) the relevant Purchaser has not given a Tax Confirmation to Issuer; and

(2) the payment could have been made to the Purchaser without any Tax Deduction if the Purchaser had given a Tax Confirmation to Issuer, on the basis that the Tax Confirmation would have enabled Issuer to have formed a reasonable belief that the payment was an "excepted payment" for the purpose of section 930 of the ITA; or

(iv) the relevant Purchaser is a Treaty Purchaser and the Obligor making the payment is able to demonstrate that the payment could have been made to the Purchaser without the Tax Deduction had that Purchaser complied with its obligations under Section 14.2(g) or (i) (as applicable) below.

(e) If an Obligor is required to make a Tax Deduction, that Obligor shall make that Tax Deduction and any payment required in connection with that Tax Deduction within the time allowed and in the minimum amount required by law.

(f) Within thirty days of making either a Tax Deduction or any payment required in connection with that Tax Deduction, the Obligor making that Tax Deduction shall deliver to Purchaser Agent for the Finance Party entitled to the payment a statement under section 975 of the ITA or other evidence reasonably satisfactory to that Finance Party that the Tax Deduction has been made or (as applicable) any appropriate payment paid to the relevant taxing authority.

(g)

(i) Subject to clause (ii) immediately below, a Treaty Purchaser and each Obligor which makes a payment to which that Treaty Purchaser is entitled shall co-operate in completing any procedural formalities necessary for that Obligor to obtain authorization to make that payment without a Tax Deduction.

(ii)

(1) A Treaty Purchaser which is an Original Purchaser and that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to this Agreement, shall confirm its scheme reference number and its jurisdiction of tax residence opposite its name in Schedule 1.1 and

(2) a Treaty Purchaser which is not an Original Purchaser and that holds a passport under the HMRC DT Treaty Passport scheme, and which wishes that scheme to apply to this Agreement, shall confirm its scheme reference number and its jurisdiction of tax residence in the documentation which it executes on becoming a Party as a Purchaser,

and, having done so, that Purchaser shall be under no obligation pursuant to clause (i) immediately above.

(h) A Treaty Purchaser which obtains a passport under the HMRC DT Treaty Passport scheme after the date of this Agreement (in the case of a Treaty Purchaser which becomes a party on the day on which this Agreement is entered into) or after the date on which it becomes a Purchaser under this Agreement (in the case of a Treaty Purchaser which becomes a party after the day on which this Agreement is entered into), and in any case which wishes the scheme to apply to this Agreement in respect of payments made after the date on which the passport is obtained, shall notify its scheme reference number and its jurisdiction of tax residence in writing to Purchaser Agent and Purchaser Agent shall notify the Obligors accordingly,

(i) If a Purchaser has confirmed its scheme reference number and its jurisdiction of tax residence in accordance with Section 14.2(g)(ii) above and:

(i) an Issuer making a payment to that Purchaser has not made an Issuer DTTP Filing in respect of that Purchaser; or

(ii) an Issuer making a payment to that Purchaser has made an Issuer DTTP Filing in respect of that Purchaser but:

(1) that Issuer DTTP Filing has been rejected by HM Revenue & Customs;

(2) HM Revenue & Customs has not given Issuer authority to make payments to that Purchaser without a Tax Deduction within 60 days of the date of Issuer DTTP Filing; or

(3) HM Revenue & Customs has given Issuer authority to make payments to that Purchaser without a Tax Deduction but such authority has subsequently been revoked or expired,

and in each case, Issuer has notified that Purchaser in writing, that Purchaser and Issuer shall co-operate in completing any additional procedural formalities necessary for that Issuer to obtain authorization to make that payment without a Tax Deduction.

(j) If a Purchaser has not confirmed its scheme reference number and jurisdiction of tax residence in accordance with Section 14.2(g)(ii) or (h) above, no Obligor shall make an Issuer DTTP Filing or file any other form relating to the HMRC DT Treaty Passport scheme in respect of that Purchaser's Commitment(s) or its participation in any Note unless the Purchaser otherwise agrees.

(k) An Issuer shall, promptly on making an Issuer DTTP Filing, deliver a copy of that Issuer DTTP Filing to Purchaser Agent for delivery to the relevant Purchaser.

(l) If Issuer receives a notification from HM Revenue & Customs that a QPP Certificate given by a Purchaser has no effect, Issuer shall promptly deliver a copy of that notification to that Purchaser.

(m) A UK Non-Bank Purchaser shall promptly notify Issuer and Purchaser Agent if there is any change in the position from that set out in the Tax Confirmation.

Section XIV.3 Tax Indemnity.

(a) Issuer shall (within three Business Days of demand by Purchaser Agent) pay to a Protected Party an amount equal to the loss, liability or cost which that Protected Party determines will be

or has been (directly or indirectly) suffered for or on account of Tax by that Protected Party in respect of a Note Document.

(b) Section 14.3(a) above shall not apply:

(i) with respect to any Tax assessed on a Finance Party:

(1) under the law of the jurisdiction in which that Finance Party is incorporated or, if different, the jurisdiction (or jurisdictions) in which that Finance Party is treated as resident for tax purposes; or

(2) under the law of the jurisdiction in which that Finance Party's Facility Office is located in respect of amounts received or receivable in that jurisdiction,

(ii) if that Tax is imposed on or calculated by reference to the net income received or receivable (but not any sum deemed to be received or receivable) by that Finance Party; or

(iii) to the extent a loss, liability or cost:

(1) is compensated for by an increased payment under Section 14.2;

(2) would have been compensated for by an increased payment under Section 14.2 but was not so compensated solely because one of the exclusions in Section 14.2(d) applied; or

(3) relates to a FATCA Deduction required to be made by a Party.

(c) A Protected Party making, or intending to make, a claim under Section 14.3(a) above shall promptly notify Purchaser Agent of the event which will give, or has given, rise to the claim, following which Purchaser Agent shall notify Issuer.

(d) A Protected Party shall, on receiving a payment from an Obligor under this Section 14.3, notify Purchaser Agent.

Section XIV.4 Tax Credit.

(a) If an Obligor makes a Tax Payment and the relevant Finance Party determines that:

(i) a Tax Credit is attributable to an increased payment of which that Tax Payment forms part, to that Tax Payment or to a Tax Deduction in consequence of which that Tax Payment was required; and

(ii) that Finance Party has obtained and utilised that Tax Credit,

(b) the Finance Party shall pay an amount to the Obligor which that Finance Party determines will leave it (after that payment) in the same after-Tax position as it would have been in had the Tax Payment not been required to be made by the Obligor.

Section XIV.5 Purchaser Status Confirmation.

(a) Each Purchaser which is not an Original Purchaser shall indicate, in the documentation which it executes on becoming a party as a Purchaser, and for the benefit of Purchaser Agent and without liability to any Obligor, which of the following categories it falls in:

(i) not a Qualifying Purchaser;

(ii) a Qualifying Purchaser (other than a Treaty Purchaser or a QPP Purchaser);

(iii) a QPP Purchaser; or

(iv) a Treaty Purchaser

(b) If such a Purchaser fails to indicate its status in accordance with this Section 14.5 then that Purchaser shall be treated for the purposes of this Agreement (including by each Obligor) as if it is not a Qualifying Purchaser until such time as it notifies Purchaser Agent which category applies (and Purchaser Agent, upon receipt of such notification, shall inform Issuer). For the avoidance of doubt, the documentation which a Purchaser executes on becoming a Party as a Purchaser shall not be invalidated by any failure of a Purchaser to comply with this Section 14.5.

Section XIV.6 Stamp Taxes. Issuer shall pay and, within three Business Days of demand, indemnify each Finance Party against any cost, loss or liability that Finance Party incurs in relation to all stamp duty, registration and other similar Taxes payable in respect of any Note Document; provided that (other than when an Event of Default is continuing) this Section 14.6 shall not apply in respect of any stamp duty, registration and other similar Taxes payable in connection with any assignment or transfer of any Notes or other divestment of an interest in any Notes by a Finance Party.

Section XIV.7 VAT.

(a) All amounts expressed to be payable under a Note Document by any Party to a Finance Party which (in whole or in part) constitute the consideration for any supply for VAT purposes are deemed to be exclusive of any VAT which is chargeable on that supply, and accordingly, subject to Section 14.7(b) below, if VAT is or becomes chargeable on any supply made by any Finance Party to any Party under a Note Document and such Finance Party is required to account to the relevant tax authority for the VAT, that Party must pay to such Finance Party (in addition to and at the same time as paying any other consideration for such supply) an amount equal to the amount of the VAT (and such Finance Party must promptly provide an appropriate VAT invoice to that Party).

(b) If VAT is or becomes chargeable on any supply made by any Finance Party (the "Supplier") to any other Finance Party (the "Recipient") under a Note Document, and any Party other than the Recipient (the "Relevant Party") is required by the terms of any Note Document to pay an amount equal to the consideration for that supply to the Supplier (rather than being required to reimburse or indemnify the Recipient in respect of that consideration):

(i) (where the Supplier is the person required to account to the relevant tax authority for the VAT) the Relevant Party must also pay to the Supplier (at the same time as paying that amount) an additional amount equal to the amount of the VAT. The Recipient must (where this clause (i) applies) promptly pay to the Relevant Party an amount equal to any credit or repayment the Recipient receives from the relevant tax authority which the Recipient reasonably determines relates to the VAT chargeable on that supply; and

(ii) (where the Recipient is the person required to account to the relevant tax authority for the VAT) the Relevant Party must promptly, following demand from the Recipient, pay to the Recipient an amount equal to the VAT chargeable on that supply but only to the extent that the Recipient reasonably determines that it is not entitled to credit or repayment from the relevant tax authority in respect of that VAT.

(c) Where a Note Document requires any Party to reimburse or indemnify a Finance Party for any cost or expense, that Party shall reimburse or indemnify (as the case may be) such Finance Party for the full amount of such cost or expense, including such part thereof as represents VAT, save to the extent that such Finance Party reasonably determines that it is entitled to credit or repayment in respect of such VAT from the relevant tax authority.

(d) Any reference in this Section 14.7 to any Party shall, at any time when such Party is treated as a member of a group or unity (or fiscal unity) for VAT purposes, include (where appropriate and unless the context otherwise requires) a reference to the person who is treated at that time as making the supply, or (as appropriate) receiving the supply, under the grouping rules (provided for in Article 11 of Council Directive 2006/112/EC (or as implemented by the relevant member state of the European Union) or any other similar provision in any jurisdiction which is not a member state of the European Union) so that a reference to a party shall be construed as a reference to that party or the relevant group or unity (or fiscal unity) of which that party is a member for VAT purposes at the relevant time or the relevant representative member (or head) of that group or unity (or fiscal unity) at the relevant time (as the case may be).

(e) In relation to any supply made by a Finance Party to any Party under a Note Document, if reasonably requested by such Finance Party, that Party must promptly provide such Finance Party with details of that Party's VAT registration and such other information as is reasonably requested in connection with such Finance Party's VAT reporting requirements in relation to such supply.

Section XIV.8 FATCA Information.

(a) Subject to Section 14.8(c) below, each Party shall, within ten (10) Business Days of a reasonable request by another Party:

(i) confirm to that other Party whether it is:

(1) a FATCA Exempt Party; or

(2) not a FATCA Exempt Party;

(ii) supply to that other Party such forms, documentation and other information relating to its status under FATCA as that other Party reasonably requests for the purposes of that other Party's compliance with FATCA; and

(iii) supply to that other Party such forms, documentation and other information relating to its status as that other Party reasonably requests for the purposes of that other Party's compliance with any other law, regulation, or exchange of information regime.

(b) If a Party confirms to another Party pursuant to Section 14.8(a)(i) above that it is a FATCA Exempt Party and it subsequently becomes aware that it is not or has ceased to be a FATCA Exempt Party, that Party shall notify that other Party reasonably promptly.

(c) Section 14.8(a) above shall not oblige any Finance Party to do anything, and Section 14.8(a)(iii) above shall not oblige any other Party to do anything, which would or might in its reasonable opinion constitute a breach of:

(i) any law or regulation;

(ii) any fiduciary duty; or

(iii) any duty of confidentiality.

(d) If a Party fails to confirm whether or not it is a FATCA Exempt Party or to supply forms, documentation or other information requested in accordance with Section 14.8(a)(i) or (a)(ii) above (including, for the avoidance of doubt, where Section 14.8(c) above applies), then such Party shall be treated for the purposes of the Note Documents (and payments under them) as if it is not a FATCA Exempt Party until such time as the Party in question provides the requested confirmation, forms, documentation or other information.

(e) If an Obligor is a US Tax Obligor or Purchaser Agent reasonably believes that its obligations under FATCA or any other applicable law or regulation require it, each Purchaser shall, within ten Business Days of:

(i) where an Original Issuer is a US Tax Obligor and the relevant Purchaser is an Original Purchaser, the date of this Agreement;

(ii) where an Obligor is a US Tax Obligor on a date on which any other Purchaser becomes a Party as a Purchaser, that date;

(iii) the date a new US Tax Obligor accedes as an Issuer; or

(iv) where an Obligor is not a US Tax Obligor, the date of a request from Purchaser Agent,

(f) supply to Purchaser Agent:

(i) a withholding certificate on Form W-8, Form W-9 or any other relevant form; or

(ii) any withholding statement or other document, authorization or waiver as Purchaser Agent may require to certify or establish the status of such Purchaser under FATCA or that other law or regulation.

(g) Purchaser Agent shall provide any withholding certificate, withholding statement, document, authorization or waiver it receives from a Purchaser pursuant to Section 14.8(e) above to the relevant Issuer.

(h) If any withholding certificate, withholding statement, document, authorization or waiver provided to Purchaser Agent by a Purchaser pursuant to Section 14.8(e) above is or becomes materially inaccurate or incomplete, that Purchaser shall promptly update it and provide such updated withholding certificate, withholding statement, document, authorization or waiver to Purchaser Agent unless it is unlawful for the Purchaser to do so (in which case the Purchaser shall promptly notify the Agent). Purchaser Agent shall provide any such updated withholding certificate, withholding statement, document, authorization or waiver to the relevant Issuer.

(i) Purchaser Agent may rely on any withholding certificate, withholding statement, document, authorization or waiver it receives from a Purchaser pursuant to Section 14.8(e) or (g) above without further verification. Purchaser Agent shall not be liable for any action taken by it under or in connection with Section 14.8(e), (f) or (g) above

Section XIV.9 FATCA Deduction.

(a) Each Party may make any FATCA Deduction it is required to make by FATCA, and any payment required in connection with that FATCA Deduction, and no Party shall be required to increase any payment in respect of which it makes such a FATCA Deduction or otherwise compensate the recipient of the payment for that FATCA Deduction.

(b) Each Party shall promptly, upon becoming aware that it must make a FATCA Deduction (or that there is any change in the rate or the basis of such FATCA Deduction), notify the Party to whom it is making the payment and, in addition, shall notify Issuer and Purchaser Agent and Purchaser Agent shall notify the other Finance Parties.

Article XV
DEFINITIONS

Section XV.1 Definitions. As used in this Agreement, the following terms have the following meanings:

24 "**ADS**" means Issuer's American Depositary Shares.

25 "**Account**" means any "account" as defined in the UCC with such additions to such term as may hereafter be made, and includes, without limitation, all accounts receivable and other sums owing to Issuer.

26 "**Account Debtor**" means any "account debtor" as defined in the UCC with such additions to such term as may hereafter be made.

27 "**Acquisition**" means (a) any transaction, or any series of related transactions, by which any Person directly or indirectly, by means of a take-over bid, tender offer, amalgamation, merger, purchase of business, assets or shares or similar transaction having the same effect as any of the foregoing, (i) acquires any business or product or all or substantially all of the assets of any Person engaged in any business or any business, product, Intellectual Property, business line or product line, division or other unit operation of any Person, (ii) acquires control of securities of a Person engaged in a business representing more than 50% of the ordinary voting power for the election of directors or other governing body if the business affairs of such Person are managed by a board of directors or other governing body or (iii) acquires control of more than 50% of the ownership interest in any Person engaged in any business that is not managed by a board of directors or other governing body and (b) any Product In-License.

28 "**Acquisition Cost**" means, with respect to each Permitted Acquisition, (a) consideration paid or payable for such Permitted Acquisition, including all upfront/closing consideration, earnouts (whether earned or contingent), milestone payments, deferred purchase price and any other contractual commitment, whether fixed or contingent, and (b) all costs incurred or reasonably expected to be incurred in connection with such Permitted Acquisition, including (x) any transition support costs and (y) dedicated post-closing research and development spend for the eighteen (18) months following the closing of such Permitted Acquisition (as presented to Issuer's Board of Directors in connection with such

Permitted Acquisition), but in all cases excluding (i) royalties on sales calculated on an arm's-length basis, (ii) in the case of a Permitted Acquisition of a product that becomes an Included Product hereunder, any contingent consideration subject to milestones satisfied by Marketing Approval of such Included Product and any commercial milestones for such Included Product following such Marketing Approval and (iii) any projected post-closing research and development spend after the eighteen (18) months following the closing of such Permitted Acquisition.

29 "**Affected Interest Period**" is defined in Section 2.3(e)(i).

30 "**Affiliate**" of any Person means a Person that owns or controls directly or indirectly the Person, any Person that controls or is controlled by or is under common control with the Person, and each of that Person's senior executive officers, directors, partners and, for any Person that is a limited liability company, that Person's managers and members. For purposes of Section 7.8, Affiliate shall include any portfolio company of the Permitted Holders.

31 "**Agreed Security Principles**" means the agreed security principles set forth on Exhibit A-2.

32 "**Agreement**" is defined in the preamble hereof.

33 "**AIF**" has the meaning given to the term under AIFMD Law.

34 "**AIFM**" has the meaning given to the term under AIFMD Law.

35 "**AIFMD**" means Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010, as the same may be amended, supplemented, superseded or re-adopted from time to time (whether with or without qualifications).

36 "**AIFMD Law**" means (a) the AIFMD, and (b) any applicable law of a member state of the European Union implementing the AIFMD.

37 "**Annual Projections**" is defined in Section 6.2(a)(iv).

38 "**Anti-Corruption Laws**" means all laws of any jurisdiction applicable to Issuer or its Subsidiaries from time to time prohibiting bribery or corruption, including without limitation: (a) the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, 1997; (b) the United Kingdom Bribery Act 2010; (c) the United States Foreign Corrupt Practices Act of 1977; and (d) other similar laws, rules and regulations in other jurisdictions.

39 "**Anti-Terrorism Laws**" means any laws relating to terrorism or money laundering, including, without limitation, (i) the Money Laundering Control Act of 1986 (e.g., 18 U.S.C. §§ 1956 and 1957), (ii) the Bank Secrecy Act of 1970 (e.g., 31 U.S.C. §§ 5311 – 5330), as amended by the USA PATRIOT Act, (iii) the laws, regulations and Executive Orders administered by OFAC, (iv) the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 and implementing regulations by the United States Department of the Treasury, (v) any legislation or regulations applicable to any Party and relating to the fight against money laundering for capital arising from drug-trafficking and the activities of criminal organizations and counter-terrorist financing, in any legal system whatsoever, (vi) any law prohibiting or directed against terrorist activities or the financing of terrorist activities (e.g., 18 U.S.C. §§ 2339A and 2339B), or (vii) any similar laws enacted in the United States, United Kingdom, European Union or any other jurisdictions in which the parties to this agreement

operate, and all other present and future legal requirements of any Governmental Authority governing, addressing, relating to, or attempting to eliminate, terrorist acts and acts of war.

40 "**Applicable Margin**" means 7.75%, subject to potential adjustment pursuant to Section 2.3(e).

41 "**Applicable Rate**" means a rate per annum equal to the sum of (a) the greater of (i) LIBOR (subject to LIBOR being replaced with the Prime Rate pursuant to Section 2.3(e)), and (ii) the LIBOR Floor (subject to the LIBOR Floor being replaced with the Prime Rate Floor pursuant to Section 2.3(e)) plus (b) the Applicable Margin; provided that, for the avoidance of doubt, the Applicable Rate shall never be less than 8.00% (including following implementation of a Benchmark Replacement and any Benchmark Replacement Conforming Changes). If a Benchmark Transition Event or an Early Opt-in Election, as applicable, has occurred, this definition shall be modified (except as provided in the proviso in the immediately preceding sentence) as part of the Benchmark Replacement Conforming Changes.

42 "**Applicable Redemption Percentage**" means 75%; provided that if only the First Purchase has occurred (and no other Purchase has occurred), the Applicable Redemption Percentage on any cumulative Net Proceeds in excess of Seventy Five Million Dollars ($75,000,000) shall be 25%.

43 "**Approved Fund**" means any (i) investment company, fund, trust, securitization vehicle or conduit that is (or will be) engaged in making, purchasing, holding or otherwise investing in commercial loans and similar extensions of credit in the ordinary course of its business or (ii) any Person (other than a natural person) which temporarily warehouses loans for any Purchaser or any entity described in the preceding clause (i) and that, with respect to each of the preceding clauses (i) and (ii), is administered or managed by (a) a Purchaser, (b) an Affiliate of a Purchaser or (c) a Person (other than a natural person) or an Affiliate of a Person (other than a natural person) that administers or manages a Purchaser. Notwithstanding anything contrary herein, Approved Fund shall not include any Distressed Debt Investor.

44 "**Approved Purchaser**" is defined in Section 13.1(a).

45 "**Asset Sale Repurchase Event**" means any Transfer by any Obligor or any Subsidiary of all or any part of its business or property or any issuance of Equity Interests by any Subsidiary to any Person that is not an Obligor for consideration consisting at least 75% of Cash and not expressly permitted pursuant to Section 7.1(a) through (e).

"**Assigned Patents**" is defined in Section 5.11(g).

46 "**Base LIBOR**" means, with respect to any Interest Period for any Note, the rate for deposits in Dollars for three month LIBOR appearing on the applicable Bloomberg page (or on any successor or substitute page or service providing quotations of interest rates applicable to Dollar deposits in the London interbank market comparable to those currently provided on such page, as determined by Purchaser Agent from time to time) at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

47 "**Benchmark Replacement**" means the sum of: (a) the alternate benchmark rate (which may include Term SOFR) that has been selected by Purchaser Agent and Issuer giving due consideration to (i) any selection or recommendation of a replacement rate or the mechanism for determining such a rate by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a rate of interest as a replacement to LIBOR for U.S. dollar-denominated syndicated credit facilities and (b) the Benchmark Replacement Adjustment; provided that, if the Benchmark Replacement

as so determined would be less than zero, the Benchmark Replacement will be deemed to be zero for the purposes of this Agreement.

48 "**Benchmark Replacement Adjustment**" means, with respect to any replacement of LIBOR with an Unadjusted Benchmark Replacement for each applicable Interest Period, the spread adjustment, or method for calculating or determining such spread adjustment, (which may be a positive or negative value or zero) that has been selected by Purchaser Agent and Issuer giving due consideration to (i) any selection or recommendation of a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of LIBOR with the applicable Unadjusted Benchmark Replacement by the Relevant Governmental Body or (ii) any evolving or then-prevailing market convention for determining a spread adjustment, or method for calculating or determining such spread adjustment, for the replacement of LIBOR with the applicable Unadjusted Benchmark Replacement for U.S. dollar-denominated syndicated credit facilities at such time.

49 "**Benchmark Replacement Conforming Changes**" means, with respect to any Benchmark Replacement, any technical, administrative or operational changes (including changes to the definition of "Prime Rate," the definition of "Interest Period," timing and frequency of determining rates and making payments of interest and other administrative matters) that Purchaser Agent and Issuer agree (acting reasonably) may be appropriate to reflect the adoption and implementation of such Benchmark Replacement and to permit the administration thereof by Purchaser Agent in a manner substantially consistent with market practice (or, if Purchaser Agent decides that adoption of any portion of such market practice is not administratively feasible or if Purchaser Agent determines that no market practice for the administration of the Benchmark Replacement exists, in such other manner of administration as Purchaser Agent and Issuer agree (acting reasonably) is reasonably necessary in connection with the administration of this Agreement).

50 "**Benchmark Replacement Date**" means the earlier to occur of the following events with respect to LIBOR: (a) in the case of clause (a) or (b) of the definition of "Benchmark Transition Event," the later of (i) the date of the public statement or publication of information referenced therein and (ii) the date on which the administrator of LIBOR permanently or indefinitely ceases to provide LIBOR; or (b) in the case of clause (c) of the definition of "Benchmark Transition Event," the date of the public statement or publication of information referenced therein.

51 "**Benchmark Transition Event**" means the occurrence of one or more of the following events with respect to LIBOR: (a) a public statement or publication of information by or on behalf of the administrator of LIBOR announcing that such administrator has ceased or will cease to provide LIBOR, permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide LIBOR; (b) a public statement or publication of information by the regulatory supervisor for the administrator of LIBOR, the U.S. Federal Reserve System, an insolvency official with jurisdiction over the administrator for LIBOR, a resolution authority with jurisdiction over the administrator for LIBOR or a court or an entity with similar insolvency or resolution authority over the administrator for LIBOR, which states that the administrator of LIBOR has ceased or will cease to provide LIBOR permanently or indefinitely, provided that, at the time of such statement or publication, there is no successor administrator that will continue to provide LIBOR; or (c) a public statement or publication of information by the regulatory supervisor for the administrator of LIBOR announcing that LIBOR is no longer representative.

52 "**Benchmark Transition Start Date**" means (a) in the case of a Benchmark Transition Event, the earlier of (i) the applicable Benchmark Replacement Date and (ii) if such Benchmark Transition Event is a public statement or publication of information of a prospective event, the 90th day prior to the expected date of such event as of such public statement or publication of information (or if the

expected date of such prospective event is fewer than 90 days after such statement or publication, the date of such statement or publication) and (b) in the case of an Early Opt-in Election, the date specified by Purchaser Agent or the Required Purchasers, as applicable, by written notice to Issuer, Purchaser Agent (in the case of such notice by the Required Purchasers) and the Purchasers.

53 "**Benchmark Unavailability Period**" means, if a Benchmark Transition Event and its related Benchmark Replacement Date have occurred with respect to LIBOR and solely to the extent that LIBOR has not been replaced with a Benchmark Replacement, the period (x) beginning at the time that such Benchmark Replacement Date has occurred if, at such time, no Benchmark Replacement has replaced LIBOR for all purposes hereunder in accordance with Section 2.3(e)(iii) and (y) ending at the time that a Benchmark Replacement has replaced LIBOR for all purposes hereunder pursuant to Section 2.3(e)(iii).

54 "**Blocked Account**" is defined in Section 3.7(h)(ii).

55 "**Books**" are Issuer's or any of its Subsidiaries' books and records including ledgers, federal, and state tax returns, records regarding Issuer's or its Subsidiaries' assets or liabilities, the Collateral, business operations or financial condition, and all computer programs or storage or any equipment containing such information.

56 "**Business Day**" is any day of the year on which banks are open for business in New York, New York and London, England, and in respect of any matter concerning a Foreign Obligor, the capital city of the country of domicile of such Foreign Obligor.

57 "**Cash**" means all cash and Cash Equivalents.

58 "**Capital Lease**" is any lease or similar arrangement which is of a nature that payment obligations of the lessee or obligor thereunder at the time are or should be capitalized and shown as liabilities (other than current liabilities) upon a balance sheet of such lessee or obligor prepared in accordance with GAAP.

59 **"Capital Lease Obligations"** are, with respect to any Capital Lease, the amount of the obligation of the lessee thereunder that would, in accordance with GAAP, appear on a balance sheet of such lessee with respect to such Capital Lease.

60 "**Capped Payment Amount**" means, as of any date:

(a) on or prior to the third anniversary of the First Purchase Date, an amount equal to 175.0% of the principal amount of the Notes issued pursuant to this Agreement; provided that if (x) only the First Purchase has occurred (and no other Purchase has occurred) and (y) the Required Purchasers have elected to require the repurchase of Notes and the prepayment of Obligations pursuant to Section 2.2(c), then solely in connection with the repayment in full of all Obligations on or prior to the third anniversary of the First Purchase Date, the Capped Payment Amount shall be calculated as an amount equal to 148.0% of the principal amount of the Notes issued pursuant to this Agreement;

(b) after the third anniversary of the First Purchase Date and on or prior to the sixth anniversary of the First Purchase Date, an amount equal to 185.0% of the principal amount of the Notes issued pursuant to this Agreement; and

(c) after the sixth anniversary of the First Purchase Date, an amount equal to 205.0% of the principal amount of the Notes issued pursuant to this Agreement.

61 "**Cash Equivalents**" are (i) securities issued or unconditionally guaranteed or insured by the United States of America, United Kingdom, France or Germany or any agency or instrumentality thereof, backed by the full faith and credit of the United States of America, United Kingdom, France or Germany and maturing within one year from the date of acquisition, (ii) commercial paper issued by any Person organized under the laws of the United States of America, United Kingdom, France or Germany, maturing within 360 days from the date of acquisition and, at the time of acquisition, having a rating of at least A-1 or the equivalent thereof by Standard & Poor's Ratings Services or at least P-1 or the equivalent thereof by Moody's Investors Service, Inc., or F-1 or better by Fitch Investor Services, (iii) time deposits and certificates of deposit maturing within 360 days from the date of issuance and issued by a bank or trust company organized under the laws of the United States of America (or any state thereof), United Kingdom, France or Germany (A) that has combined capital and surplus of at least $500,000,000 or (B) that has (or is a subsidiary of a bank holding company that has) a long-term unsecured debt rating of at least A or the equivalent thereof by Standard & Poor's Ratings Services or at least A2 or the equivalent thereof by Moody's Investors Service, Inc. or A or better by Fitch Investor Services, and (iv) money market funds that are SEC registered 2a-7 eligible only, have assets in excess of $1,000,000,000, offer a daily purchase/redemption feature and seek to maintain a constant share price; provided that, the Obligors will invest only in 'no-load' funds which have a constant $1.00 net asset value target.

62 "**Cash Receipts**" are, for any fiscal quarter, the actual cash receipts of Issuer and its Subsidiaries (excluding any royalty receipts or other cash payments received from Lixivaptan Transferees) during such fiscal quarter arising from the sale and distribution of the Lixivaptan Products.

63 "**Change of Control**" is:

(a) any "person" or "group" (as such terms are used in Sections 13(d) and 14(d) of the Exchange Act, but excluding any employee benefit plan of Issuer or its Subsidiaries (and any person or entity acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan) and excluding the Permitted Holders, files a Schedule 13D or 13G showing that, or any Obligor otherwise obtains Knowledge that, such "person" or "group" has become the "beneficial owner" (as defined in Rules 13d-3 and 13d-5 under the Exchange Act) of more than forty percent (40%) of the Equity Interests of Issuer entitled to vote for members of its Board of Directors on a fully diluted basis (and taking into account all such securities that such person or group has the right to acquire pursuant to any option right);

(b) a merger or consolidation of Issuer with any Person in which the stockholders of Issuer immediately prior to such merger or consolidation do not continue to hold immediately following the closing of such merger or consolidation at least fifty-one percent (51%) of the aggregate ordinary voting power entitled to vote for the election of directors of Issuer represented by the issued and outstanding Equity Interests of the entity surviving or resulting from such consolidation;

(c) (A) the Transfer in one or a series of transactions (whether or not related) of more than 49.9% of the consolidated assets of Issuer and its Subsidiaries to Persons that are not Full Guarantors or (B) the Transfer in one or more Asset Sale Repurchase Events of consolidated assets of the Obligors and their Subsidiaries for a cumulative purchase price for all such Transfers equal to more than 49.9% of the Market Capitalization (determined as of the date of each such Transfer); or

(d) the occurrence of a change of control, "fundamental change" or other similar provision, as defined in any agreement or instrument evidencing any Indebtedness in an aggregate amount in excess of Five Million Dollars ($5,000,000) triggering a default, a mandatory prepayment or other obligation to repurchase, redeem or repay such Indebtedness.

64 "**Claims**" are defined in Section 13.2.

65 "**Clinical Trial**" means any clinical or pre-clinical trial or study of the Included Products conducted by or on behalf of Issuer or any of its Subsidiaries.

66 "**Clinical Updates**" means material information and developments with respect to each Clinical Trial, including, without limitation, any serious adverse event in any Clinical Trial.

67 "**Code**" is the Internal Revenue Code of 1986, as amended, or any successor federal tax code. Any reference to any provision of the Code shall also include the income tax regulations promulgated thereunder, whether final, temporary or proposed.

68 "**Collateral**" is any and all properties, rights and assets of Obligors described on Exhibit A-1.

69 "**Collateral Account**" is any Deposit Account, Securities Account, or Commodity Account, or any other bank account maintained by Issuer or any Subsidiary at any time (other than any Excluded Account).

70 "**Commercial Updates**" means material information and developments with respect to Issuer's Commercialization plans and prospects for the Included Products.

71 "**Commercialization**" means any and all activities, other than manufacturing, directed to the preparation for sale of, or sale of any product (excluding sales prior to receipt of Marketing Approval such as so called "treatment IND sales", "named patient sales", "compassionate use sales", test marketing, sampling and promotions), including activities related to marketing, promoting, distributing, and importing such product, and interacting with Regulatory Agencies regarding any of the foregoing. When used as a verb, "to Commercialize" and "Commercializing" means to engage in Commercialization, and "Commercialized" has a corresponding meaning.

72 "**Commitment**" is, for any Purchaser, the obligation of such Purchaser to purchase Notes, up to the principal amount shown on Schedule 1.1**.** "**Commitments**" means the aggregate amount of such commitments of all Purchasers.

73 "**Commitment Percentage**" is set forth in Schedule 1.1, as amended from time to time.

74 "**Commitment Termination Date**" is the earliest of (i) (a) with respect to the First Purchase, the First Purchase Date, (b) with respect to the Second Purchase, the earlier of (1) September 30, 2023 (or such later date as specified in writing by the Required Purchasers in their sole discretion (and without obligation)) and (2) the purchase of Seventy Five Million Dollars ($75,000,000) of principal amount of Notes pursuant to the Second Purchase and (c) with respect to the Third Purchase, the earlier of (1) September 30, 2023 (or such later date as specified in writing by the Required Purchasers in their sole discretion (and without obligation)) and (2) the purchase of Fifty Million Dollars ($50,000,000) of principal amount of Notes pursuant to the Third Purchase, (ii) the occurrence of a Change of Control, (iii) the redemption or repurchase by Issuer in full of all outstanding Notes pursuant to Section 2.2(b), (iv) the termination of the Commitments by Issuer pursuant to the last sentence of Section 2.2(g), and (v) the termination of the Commitments pursuant to Section 9.1.

75 "**Commodity Account**" is any "commodity account" as defined in the UCC with such additions to such term as may hereafter be made.

76 "**Communication**" is defined in Article X.

77 "**Compliance Certificate**" is that certain certificate in the form attached hereto as Exhibit C.

78 "**Contingent Obligation**" shall mean, as to any Person, any obligation, agreement, understanding or arrangement of such person guaranteeing or intended to guarantee any Indebtedness, leases, dividends or other obligations ("**primary obligations**") of any other Person (the "**primary obligor**") in any manner, whether directly or indirectly, including any obligation of such person, whether or not contingent, (a) to purchase any such primary obligation or any property constituting direct or indirect security therefor; (b) to advance or supply funds (i) for the purchase or payment of any such primary obligation or (ii) to maintain working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; (c) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation; (d) with respect to bankers' acceptances, letters of credit and similar credit arrangements, until a reimbursement obligation arises (which reimbursement obligation shall constitute Indebtedness); or (e) otherwise to assure or hold harmless the holder of such primary obligation against loss in respect thereof; provided, however, that the term "**Contingent Obligation**" shall not include endorsements of instruments for deposit or collection in the ordinary course of business, typical contractual indemnities provided in the ordinary course of business or any product warranties. The amount of any Contingent Obligation shall be deemed to be an amount equal to the stated or determinable amount of the primary obligation in respect of which such Contingent Obligation is made (or, if less, the maximum amount of such primary obligation for which such person may be liable, whether singly or jointly, pursuant to the terms of the instrument evidencing such Contingent Obligation) or, if not stated or determinable, the maximum reasonably anticipated liability in respect thereof (assuming such person is required to perform thereunder) as determined by such person in good faith.

79 "**Control Agreement**" is any control agreement entered into among the depository institution at which Issuer or any Obligor maintains a Deposit Account or the securities intermediary or commodity intermediary at which Issuer or any of its Subsidiaries maintains a Securities Account or a Commodity Account, Issuer and such Subsidiary, and Purchaser Agent pursuant to which Purchaser Agent obtains control (within the meaning of the UCC or any other perfection regime) for the benefit of the Secured Parties over such Deposit Account, Securities Account, or Commodity Account.

80 "**Copyrights**" are any and all copyright rights, copyright applications, copyright registrations and like protections in each work or authorship and derivative work thereof, whether published or unpublished and whether or not the same also constitutes a trade secret.

81 "**Corporate Benefit Limitations**" means, with respect to any Guaranty or the grant or perfection of any security interest by any Foreign Obligor, any limitations on such Guaranty or such grant or perfection imposed pursuant to the Agreed Security Principles (other than limitations that do not impair the rights and remedies of the Secured Parties more than analogous restrictions imposed under the laws of the United States as reasonably determined by Purchaser Agent).

82 "**Default**" is any event that upon the giving of notice, the passage of time or both, would constitute an Event of Default.

83 "**Default Rate**" is defined in Section 2.3(c).

84 "**Deposit Account**" is any "deposit account" as defined in the UCC with such additions to such term as may hereafter be made.

85 "**Designated Deposit Account**" is Issuer's Deposit Account, account number [***], maintained with Barclays, and any successor Deposit Account designated by Issuer as such by written notice to Purchaser Agent; provided that the Designated Deposit Account shall be (a) located in the United States or United Kingdom, (b) held with a financial institution that meets the requirements set forth in clause (iii) of the definition of "Cash Equivalents", and (c) at all times subject to a Control Agreement (or the equivalent in the United Kingdom) and an ACH authorization in favor of Purchaser Agent.

86 "**Development**" means all activities related to discovery, research and development of a product, including creation and prosecution of Intellectual Property, pre-clinical and other non-clinical testing, test method development and stability testing, toxicology, formulation, process development, manufacturing scale-up, qualification and validation, quality assurance/quality control, Clinical Trials, including Manufacturing in support thereof, statistical analysis and report writing, the preparation and submission of applications for Regulatory Approval, regulatory affairs with respect to the foregoing and all other activities necessary or reasonably useful or otherwise requested or required by a Regulatory Authority as a condition or in support of obtaining or maintaining a Regulatory Approval for such product. When used as a verb, "**Develop**" means to engage in Development.

87 "**Disputes**" is defined in Section 5.11(d).

88 "**Disqualified Equity Interests**" shall mean any Equity Interest which, by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable), or upon the happening of any event, (a) matures (excluding any maturity as the result of an optional redemption by the issuer thereof) or is mandatorily redeemable, pursuant to a sinking fund obligation or otherwise, or is redeemable at the option of the holder thereof, in whole or in part, on or prior to 181 days after the End of Term, (b) is convertible into or exchangeable (unless at the sole option of the issuer thereof) for (i) debt securities or (ii) any Equity Interests referred to this definition, in each case at any time on or prior to 181 days after the End of Term, or (c) contains any repurchase obligation or provides for mandatory distributions which may come into effect prior to payment in full of all Obligations; provided, however, that any Equity Interests that would not constitute Disqualified Equity Interests but for provisions thereof giving holders thereof (or the holders of any security into or for which such Equity Interests is convertible, exchangeable or exercisable) the right to require the issuer thereof to redeem such Equity Interests upon the occurrence of a change in control occurring prior to the 181st day after the End of Term shall not constitute Disqualified Equity Interests if the payment upon such redemption is contractually subordinated in right of payment to the Obligations.

89 "**Distressed Debt Investor**" means, as reasonably determined by the Purchaser Agent, any investor or investment fund specializing in distressed debt and a majority of whose investment portfolio at all times consists of distressed debt; provided, that for the avoidance of doubt, any investment fund that is not itself a Distressed Debt Investor, but whose parent or operator also owns or operates one or more investment funds that are Distressed Debt Investors, shall not be deemed to be a Distressed Debt Investor.

90 "**Distressed Disposal**" means any disposal or appropriation of the shares or Equity Interests of Issuer or any Subsidiary, in each case whose shares are subject to the security granted under this Agreement or the Foreign Collateral Documents.

91 "**Dollars**," "**dollars**" and "$" each are lawful money of the United States.

92 "**Early Opt-in Election**" means the occurrence of: (a) (i) a determination by Purchaser Agent or (ii) a notification by the Required Purchasers to Purchaser Agent (with a copy to Issuer) that the

Required Purchasers have determined that U.S. dollar-denominated syndicated credit facilities being executed at such time, or that include language similar to that contained in Section 2.3(e)(iii), are being executed or amended, as applicable, to incorporate or adopt a new benchmark interest rate to replace LIBOR, and (b) (i) the election by Purchaser Agent or (ii) the election by the Required Purchasers to declare that an Early Opt-in Election has occurred and the provision, as applicable, by Purchaser Agent of written notice of such election to Issuer and the Purchasers or by the Required Purchasers of written notice of such election to Purchaser Agent.

93 "**Effective Date**" is defined in the preamble of this Agreement.

94 "**Eligible Assignee**" means (i) a Purchaser, (ii) an Affiliate of a Purchaser, (iii) an Approved Fund and (iv) any commercial bank, savings and loan association or savings bank or any other entity which is an "accredited investor" (as defined in Regulation D under the Securities Act of 1933, as amended) and which extends credit or buys loans as one of its businesses, including insurance companies, mutual funds, lease financing companies and commercial finance companies, in each case of this clause (iv), which either (A) has a rating of BBB or higher from Standard & Poor's Rating Group and a rating of Baa2 or higher from Moody's Investors Service, Inc. at the date that it becomes a Purchaser or (B) has total assets in excess of Five Billion Dollars ($5,000,000,000); provided that, notwithstanding the foregoing, "Eligible Assignee" shall not include any Person that is (a) an Affiliate or Subsidiary of Issuer or a direct competitor of Issuer, as reasonably determined by Purchaser Agent, (b) a Distressed Debt Investor or (c) listed on the Disqualified Lender List attached hereto as Schedule 13.1.

95 "**EMA**" means the European Medicines Agency or any successor agency thereto.

96 "**End of Term**" means the earlier of (i) tenth anniversary date of the First Purchase Date, and (ii) the date six months prior to the stated maturity date, or first stated repurchase date, of any Permitted Convertible Notes.

97 "**English Collateral Documents**" means each of the documents listed in Exhibit A-3.

98 "**Environmental Claims**" means any investigation, notice, notice of violation, claim, action, suit, proceeding, demand, abatement order or other order or directive (conditional or otherwise), by any Governmental Authority or any other Person, arising (i) pursuant to or in connection with any actual or alleged violation of any Environmental Law; (ii) in connection with any Hazardous Material or any actual or alleged Hazardous Materials Activity; or (iii) in connection with any actual or alleged damage, injury, threat or harm to health, safety, natural resources or the environment, arising out of a violation of Environmental Law or any Hazardous Material Activity.

99 "**Environmental Laws**" means all laws, rules, regulations, codes, ordinances, orders, decrees, judgments, injunctions, notices or binding agreements issued, promulgated or entered into by any Governmental Authority, relating in any way to (i) environmental matters, including those relating to any Hazardous Materials Activity; (ii) the generation, use, storage, transportation or disposal of Hazardous Materials; or (iii) to the extent related to Hazardous Material Activity, occupational safety and health, industrial hygiene, land use or the protection of human, plant or animal health or welfare, in any manner applicable to Issuer or any of its Subsidiaries or any Facility.

100 "**Environmental Liability**" means any liability, contingent or otherwise (including any liability for damages, costs of environmental remediation, fines, penalties or indemnities), of any Obligor or any of its Subsidiaries directly or indirectly resulting from or based upon (i) violation of any Environmental Law, (ii) the generation, use, handling, transportation, storage, treatment or disposal of any Hazardous Materials, (iii) exposure to any Hazardous Materials, (iv) the release or threatened release

of any Hazardous Materials into the environment or (v) any contract, agreement or other consensual arrangement pursuant to which liability is assumed or imposed with respect to any of the foregoing.

101 "**Equipment**" means all "equipment" as defined in the UCC with such additions to such term as may hereafter be made, and includes without limitation all machinery, Fixtures, Goods, vehicles (including motor vehicles and trailers), and any interest in any of the foregoing.

102 "**Equity Interest**" means, with respect to any Person, any and all shares (including any American Depository Shares, each representing one or more of such shares), interests, partnership interests (whether general or limited), membership interests (including such interest in a joint venture), rights to purchase, warrants, options, participations or other equivalents, including membership interests (however designated, whether voting or nonvoting), of equity of such Person, and any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of property of, such Person; provided that Equity Interest shall not include any Permitted Convertible Notes.

103 "**ERISA**" means the Employee Retirement Income Security Act of 1974, as amended, and its regulations.

104 "**ERISA Affiliate**" means any Person, trade or business (whether or not incorporated) under common control with Issuer within the meaning of Section 414(b) or (c) of the Code (and Sections 414(b), (c), (m) and (o) of the Code for purposes or Section 4001(b) of ERISA.

105 "**ERISA Event**" means (a) a Reportable Event with respect to a Pension Plan; (b) the failure by Issuer or any ERISA Affiliate to meet all applicable requirements under the Pension Funding Rules or the filing of an application for the waiver of the minimum funding standards under the Pension Funding Rules; (c) the incurrence by Issuer or any ERISA Affiliate of any liability pursuant to Section 4063 or 4064 of ERISA or a cessation of operations with respect to a Pension Plan within the meaning of Section 4062(e) of ERISA; (d) a complete or partial withdrawal by Issuer or any ERISA Affiliate from a Multiemployer Plan or notification that a Multiemployer Plan is in reorganization or insolvent (within the meaning of Title IV of ERISA); (e) the filing of a notice of intent to terminate a Pension Plan under, or the treatment of a Pension Plan amendment as a termination under, Section 4041 of ERISA; (f) the institution by the PBGC of proceedings to terminate a Pension Plan; (g) any event or condition that constitutes grounds under Section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Pension Plan; (h) the determination that any Pension Plan is in at-risk status (within the meaning of Section 430 of the Code or Section 303 of ERISA) or that a Multiemployer Plan is in endangered or critical status (within the meaning of Section 432 of the Code or Section 305 of ERISA); (i) the imposition or incurrence of any liability under Title IV of ERISA, other than for PBGC premiums due but not delinquent under Section 4007 of ERISA, upon Issuer or any ERISA Affiliate; (j) the engagement by Issuer or any ERISA Affiliate in a transaction that could be subject to Section 4069 or Section 4212(c) of ERISA; (k) the imposition of a lien upon Issuer pursuant to Section 430(k) of the Code or Section 303(k) of ERISA; or (l) the making of an amendment to a Pension Plan that could result in the posting of bond or security under Section 436(f)(1) of the Code.

106 "**Eurocurrency Reserve Requirements**" for any day, means the aggregate (without duplication) of the maximum rates (expressed as a fraction) of reserve requirements in effect on such day (including basic, supplemental, marginal and emergency reserves) under any regulations of the Board of Governors of the Federal Reserve System or other Governmental Authority having jurisdiction with respect thereto dealing with reserve requirements prescribed for eurocurrency funding (currently referred to as "Eurocurrency Liabilities" in Regulation D of the Board) maintained by a member bank of the Federal Reserve System.

107 "**Event of Default**" is defined in Article VIII.

108 "**Exchange Act**" means the Securities Exchange Act of 1934, as amended.

109 "**Excluded Accounts**" means, collectively, (a) any Deposit Account of any Obligor that is used for payroll, payroll taxes and other employee wage and benefit payments to or for the benefit of Issuer's or any of its Subsidiaries' employees and (b) any escrow accounts, Deposit Accounts and trust accounts that are pledged or otherwise encumbered pursuant to clauses (m) and (n) of Permitted Liens.

110 "**Excluded Subsidiary**" means (a) any Subsidiary that is prohibited by any Requirement of Law or by any contractual obligation existing on the Effective Date (or, if later, the date of acquisition or formation of such Subsidiary) (provided such contractual obligation was not entered into in contemplation thereof) from guaranteeing the Obligations, (b) any Subsidiary that would require any Governmental Approval in order to guarantee the Obligations unless such Governmental Approval has been received or can be obtained by the Subsidiary through the use of commercially reasonable efforts and (c) subject to compliance with Section 3.7(h), the French Subsidiary.

111 "**Facility**" means any real property (including all buildings, fixtures or other improvements located thereon) now, hereafter or heretofore owned, leased, operated or used by any Obligor or any of its Subsidiaries.

"**Facility Office**" means the office or offices through which it will perform its obligations under the Note Documents.

112 "**Fair Market Value**" means the value that would be paid by a willing buyer to an unaffiliated willing seller in a transaction not involving distress or necessity of either party, determined in good faith by the Board of Directors of Issuer.

113 "**FDA**" means the United States Food and Drug Administration and any successor agency thereto.

"**Final Payment Amount**" means, as of any date of determination, the Capped Payment Amount as of such date *minus*, in each case, the sum, without duplication, of (i) all regularly scheduled interest paid prior to such date with respect to the Notes (for the avoidance of doubt, excluding any default interest), *plus* (ii) the principal amount of Notes redeemed, repurchased or repaid prior to such date, *plus* (iii) all Revenue Participation Payments and Milestone Payments made to the Purchasers prior to such date, *plus* (iv) all Prepaid Amounts pursuant to Section 2.2(c); *provided* that the Final Payment Amount shall not be less than zero. Unless otherwise expressly specified herein, the Final Payment Amount shall be determined as of the date of the payment thereof.

114 "**First Commercial Sale**" means, with respect to an Included Product and a country, the first sale for monetary value for use or consumption by the end user of such Included Product in such country after Marketing Approval for such Included Product has been obtained in such country. Sales prior to receipt of Marketing Approval for such Included Product, such as so-called "treatment IND sales," "named patient sales," "compassionate use sales," test marketing, sampling, and promotionals shall not be construed as a First Commercial Sale.

115 "**First Purchase**" is defined in Section 2.1(a).

116 "**First Purchase Date**" means the Purchase Date in respect of the First Purchase, which shall occur no later than October 4, 2021 (or such later date as specified in writing by the Required Purchasers in their sole discretion).

117 "**Foreign Collateral Documents**" means the English Collateral Documents, the French Collateral Documents and the German Collateral Documents, the German Parallel Debt Agreement and any other document governed by the laws of a jurisdiction other than the United States or any territory thereof.

118 "**Foreign Obligor**" means a Subsidiary or Platform Company that is not an entity organized under the laws of the United States or any territory thereof.

119 "**Foreign Plan**" means any employee pension benefit plan, program, policy, arrangement or agreement maintained or contributed to by Issuer or any Subsidiary with respect to employees employed outside the United States (other than any governmental arrangement).

120 "**Foreign Purchaser**" means any Purchaser that is not a United States Person.

121 "**Fourth Purchase**" is defined in Section 2.1(d).

122 "**Fourth Purchase Date**" means any Purchase Date in respect of a Fourth Purchase.

123 "**Fourth Purchase Percentage**" means, for any Purchaser, the percentage set forth on Schedule 1.1 opposite such Purchaser's name.

124 "**French Collateral Documents**" means each of the documents listed in Exhibit A-4.

125 "**French Subsidiary**" means Pega-One SAS, a French *société par actions simplifiée* having its registered office located at 31-35, rue de la Fédération – 75015 Paris and registered to the Paris trade and companies register under single identification number 853 093 458.

126 "**Full Guarantor**" means any Guarantor that is not a Limited Guarantor.

127 "**GAAP**" means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other Person as may be approved by a significant segment of the accounting profession in the United States, which are applicable to the circumstances as of the date of determination.

128 "**General Atlantic**" means General Atlantic, its Affiliates and each fund or investment vehicle managed by General Atlantic or its Affiliates.

129 "**General Intangibles**" means all "general intangibles" as defined in the UCC in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation, all copyright rights, copyright applications, copyright registrations and like protections in each work of authorship and derivative work, whether published or unpublished, any patents, trademarks, service marks and, to the extent permitted under applicable law, any applications therefor, whether registered or not, any trade secret rights, including any rights to unpatented inventions, Payment Intangibles, royalties, contract rights, goodwill, franchise agreements, purchase orders, customer lists, route lists, telephone numbers, domain names, claims, income and other tax refunds, security and other deposits, options to purchase or sell real or personal property, rights in all litigation presently or hereafter pending (whether in contract, tort or otherwise), insurance policies (including without limitation key man, property damage, and business interruption insurance), payments of insurance and rights to payment of any kind.

130 "**German Collateral Documents**" means each of the documents listed in Exhibit A-5.

131 "**German Guarantor**" means any Guarantor incorporated in the Federal Republic of Germany as a private limited company (*Gesellschaft mit beschränkter Haftung*).

132 "**German Obligor**" means any Obligor incorporated or organized in the Federal Republic of Germany.

133 "**German Parallel Debt Agreement**" means a parallel debt agreement, between, inter alios, Issuer, PearlRiver Bio GmbH and the Purchaser Agent governed by the laws of the Federal Republic of Germany;

134 "**Governmental Approval**" means any consent, authorization, approval, order, license, franchise, permit, certificate, accreditation, registration, filing or notice, of, issued by, from or to, or other act by or in respect of, any Governmental Authority (including, without limitation, the FDA, the EMA, the MHRA and any similar state or foreign Governmental Authority).

135 "**Governmental Authority**" means any nation or government, any state or other political subdivision thereof, any agency, authority, instrumentality, regulatory body, court, central bank or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative functions of or pertaining to government, any securities exchange and any selfregulatory organization.

136 "**Guarantee Obligations**" means the obligations of any Guarantor granted or incurred under the guarantee pursuant to Article XII.

137 "**Guarantor**" means each Person that is a guarantor of the Obligations under a Guaranty, including, without limitation, a Person that becomes a guarantor pursuant to a Guarantee Assumption Agreement.

138 "**Guarantee Assumption Agreement**" means a Guarantee Assumption Agreement substantially in the form of Exhibit E by a Person that, pursuant to Section 6.12, is required to become a "Guarantor" hereunder; provided that any Guarantee Assumption Agreement by a foreign Subsidiary shall be subject to the Agreed Security Principles.

139 "**Guaranty**" means the guaranty set forth in Article XII and/or any guarantee of all or any part of the Obligations in form and substance reasonably satisfactory to Purchaser Agent, as the same may from time to time be amended, restated, modified or otherwise supplemented.

140 "**Hazardous Materials**" means any chemical, material or substance, exposure to which is prohibited, limited or regulated by any Governmental Authority or which may or would reasonably be expected to pose a hazard to the health and safety of the owners, occupants or any Persons in the vicinity of any Facility or to the indoor or outdoor environment.

141 "**Hazardous Materials Activity**" means any past, current, proposed or threatened activity, event or occurrence involving any Hazardous Materials, including the use, manufacture, possession, storage, holding, presence, existence, location, release, threatened release, discharge, placement, generation, transportation, processing, construction, treatment, abatement, removal, remediation, disposal, disposition or handling of any Hazardous Materials, and any corrective action or response action with respect to any of the foregoing.

142 "**Included Products**" means (a) any Lixivaptan Product, and (b) all other products designed, Developed, owned, licensed, Manufactured or Commercialized by Issuer or any Subsidiary from time to time. Notwithstanding the foregoing, after the Effective Date and prior to the receipt of any Marketing Approval from either the FDA or the EMA (but not any other Regulatory Authority) of an

Included Product, if any Included Product (other than any Lixivaptan Product) is Transferred in its entirety to a Third Party, then such product shall cease to be considered an Included Product after giving effect to such Transfer so long as the Obligors have complied with the requirements set forth in Section 2.2(c).

143 "**Indebtedness**" of any Person means, without duplication, (a) all obligations of such person for borrowed money or advances; (b) all obligations of such person evidenced by bonds, debentures, notes or similar instruments; (c) all obligations of such person under conditional sale or other title retention agreements relating to property purchased by such person; (d) all obligations of such person issued or assumed as the deferred purchase price of property or services (excluding trade accounts payable, accrued obligations incurred in the ordinary course of business on normal trade terms and not overdue by more than 90 days); (e) all Indebtedness of others secured by any Lien on property owned or acquired by such person, whether or not the obligations secured thereby have been assumed, but limited to the fair market value of such property; (f) all Capital Lease Obligations and synthetic lease obligations of such person; (g) all liability or obligations of such Person in respect of hedging agreements and other derivative contracts (for the net amount owed by such Person thereunder), (h) all Contingent Obligations of such Person; (i) all liability and obligations of such Person under guaranteed minimum purchase, take or pay or similar performance requirement contracts, (j) all liability and obligations under receivables factoring, receivable sales or similar transactions or arising under revenue interest agreements, royalty financing agreements or similar financings, (k) all deferred or contingent Acquisition Costs, and (l) Disqualified Equity Interests. The Indebtedness of any person shall include the Indebtedness of any other entity (including any partnership in which such person is a general partner) to the extent such person is liable therefor as a result of such person's ownership interest in or other relationship with such entity, except (other than in the case of general partner liability) to the extent that terms of such Indebtedness expressly provide that such person is not liable therefor. The amount of Indebtedness of any person for purposes of clause (e) above shall (unless such Indebtedness has been assumed by such person) be deemed to be equal to the lesser of (i) the aggregate unpaid amount of such Indebtedness and (ii) the fair market value of the property encumbered thereby as determined by such person in good faith.

144 "**Index Ventures**" means Index Ventures, its Affiliates and each fund or investment vehicle managed by Index Ventures or its Affiliates.

145 "**Insolvency Proceeding**" means:

(a) with respect to any Obligor or any of its Subsidiaries not incorporated in England and Wales, France or Federal Republic of Germany any proceeding by or against any Person under the United States Bankruptcy Code, or any other bankruptcy or insolvency law, including assignments for the benefit of creditors, compositions, extensions generally with its creditors, or proceedings seeking reorganization, arrangement, or other relief;

(b) with respect to any Obligor or any of its Subsidiaries incorporated in England and Wales or in the Federal Republic of Germany, any corporate action, legal proceedings or other formal procedure or step is taken in relation to:

(i) the suspension of payments, a moratorium of any indebtedness, winding-up, dissolution, administration or reorganization (by way of voluntary arrangement, scheme of arrangement or otherwise) of that Obligor or any of its Subsidiaries;

(ii) a composition, compromise, assignment or arrangement with any creditor of that Obligor or any of its Subsidiaries;

(iii) the appointment of a liquidator, receiver, administrative receiver, administrator, compulsory manager or other similar officer in respect of that Obligor (or any of its Subsidiaries) or any of its assets; or

(iv) enforcement of any security interest or Lien over any assets of any Obligor or any of its Subsidiaries, or any analogous procedure or step is taken in any jurisdiction, other than any winding-up petition which is frivolous or vexatious and is discharged, stayed or dismissed within 21 days of commencement; and

(c) with respect to any Obligor or any of its Subsidiaries incorporated in France:

(i) being in default of payments (*cessation des paiements*) within the meaning of article L. 631-1 of the French commercial code;

(ii) being subject, on its own initiative or that of a third party (other than the Purchasers and/or the Purchaser Agent), as of the date of the request, (1) of a moratorium on any indebtedness, an administration or reorganization (by means of an agreement or otherwise), a voluntary liquidation or a dissolution, (2) a conciliation procedure within the meaning of article L. 611-4 of the French commercial code involving any creditor other than any Purchaser and/or the Purchaser Agent, (3) a request by any Obligor to appoint an ad hoc representative referred to in article L. 611-3 of the French commercial code involving any creditor other than any Purchaser and/or the Purchaser Agent, (4) a safeguard, accelerated safeguard, accelerated financial safeguard, receivership or compulsory liquidation procedure pursuant to Book VI of the French commercial code or (5) a total or partial assignment plan pursuant to Book VI Title II of the French commercial code;

(iii) suspending doing business, whether voluntarily or not;

(iv) if, applicable, in the event of an alert procedure, not providing a satisfactory response within the regulatory time limit, within the meaning of article L. 612-3 paragraph 2 of the French commercial code; or

(v) taking any measure or being the subject of any procedure or judgment with similar effects to those arising under any of the measures, procedures or judgments referred to in clauses (c)(i) through (c)(iv) above;

in each case, except any proceedings to liquidate or wind-up the operations of a Solvent Subsidiary as part of any planned group (including any Subsidiary) restructure or for tax and other planning purposes.

146 "**Insolvent**" means not Solvent.

147 "**Intellectual Property**" means all domestic, foreign and multinational intellectual property and other proprietary rights of any kind or nature, whether registered or unregistered and whether registrable or not, protected, created or arising under any law, including any and all rights in: proprietary information; technical data; laboratory notebooks; clinical data; priority rights; trade secrets; know-how; confidential information; inventions (whether patentable or unpatentable and whether or not reduced to practice or claimed in a pending patent application); Patents; Trademarks, trade names, service marks, trade dress, logos, slogans, including all goodwill associated therewith; domain names; Copyrights and all applications thereof; and all rights in works of authorship of any type, in all forms or media, designs rights, registered designs, database rights and rights in compilations of data.

148 "**Intellectual Property Updates**" means (a) a summary of any new Patents, trademarks or copyrights issued that constitutes Product Intellectual Property and (b) a list of all patent, trademark or copyright applications filed, amended or supplemented, by Issuer or any Subsidiary (in form sufficient to allow Purchaser Agent to prepare appropriate filings in respect thereof to protect its Liens thereon).

149 "**Interest Period**" means, with respect to each Note, (a) initially, the period commencing on the Purchase Date of such Note and ending on the last day of the calendar quarter in which such Purchase Date occurs, and (b) thereafter, each period beginning on the first day following the end of the immediately preceding Interest Period and ending on the last day of the next succeeding calendar quarter.

150 "**Inventory**" means all "inventory" as defined in the UCC in effect on the date hereof with such additions to such term as may hereafter be made, and includes without limitation all merchandise, raw materials, parts, supplies, packing and shipping materials, work in process and finished products, including without limitation such inventory as is temporarily out of any Person's custody or possession or in transit and including any returned goods and any documents of title representing any of the above.

151 "**Investment**" means (a) any beneficial ownership interest in any Person (including Equity Interests or other securities), (b) any loan, advance, extension of credit, capital contribution or similar payment to any Person, (c) the incurrence of any Contingent Obligation or the assumption of any liabilities of any other Person, (d) any Acquisition, (d) the purchase or ownership of any futures contract or liability for the purchase or sale of currency or other commodities at a future date in the nature of a futures contract, and (e) any investment in any other items that are or would be classified as investments on a balance sheet of such Person prepared in accordance with GAAP. The amount of any Investment shall be the original cost of such Investment plus the cost of all additions thereto, without any adjustments for increases or decreases in value, or write-ups, write-downs or write-offs with respect to such Investment.

152 "**Issuer**" is defined in the preamble thereof.

153 "**LIBOR**" means, with respect to any Interest Period for any Note, the greater of (i) the rate per annum (rounded upward, if necessary, to the nearest whole 1/8 of 1%) and determined pursuant to the following formula: LIBOR = Base LIBOR / (1.00 – Eurocurrency Reserve Requirements); and (ii) 0.00%.

154 "**LIBOR Floor**" is 0.25%.

155 "**License Agreement**" means any existing or future license, commercialization, co-promotion, collaboration, distribution, marketing or partnering agreement entered into before or during the term of this Agreement by Issuer or any of its Affiliates that grants a license, covenants not to sue, or other similar rights with respect to any Product Intellectual Property.

156 "**Licensed Patents**" is defined in Section 5.11(g).

157 "**Licensees**" means, collectively, the licensees and any sublicensees under any License Agreement; each a "**Licensee**".

158 "**Lien**" means a claim, mortgage, deed of trust, levy, charge, pledge, security interest, or other encumbrance of any kind, whether voluntarily incurred or arising by operation of law or otherwise against any property.

159 "**Limited Guarantor**" means any Guarantor whose Guaranteed Obligations, or the grant or perfection of a perfected, continuing security interest in whose assets, are limited by Corporate Benefit Limitations or which has not taken the requisite actions to grant a perfect continuing security interest in such Guarantor's assets as required by Sections 3.7 and/or Section 6.12.

160 "**Lixivaptan**" means lixivaptan, a vasopressin 2 receptor antagonist, in any form, formulation, dose or dosage form, under any brand name or as a generic product.

161 "**Lixivaptan Transferee**" means (i) any Person (other than Issuer and its Subsidiaries) that licenses or sublicenses or otherwise acquires the Product Intellectual Property to Develop, Manufacture and/or Commercialize any Lixivaptan Product, and (ii) any Affiliate of such Person.

162 "**Lixivaptan Transferee Report**" means a report in form and substance satisfactory to Purchaser Agent, delivered no later than ninety (90) days following the end of each fiscal quarter, setting forth all requisite information needed to produce the Revenue Reports pursuant to Section 6.2(b).

163 "**Lixivaptan Product**" means any pharmaceutical product comprising or containing Lixivaptan, whether as a single agent or in combination with other agents, including any improvements or modifications thereto and any follow-on or cannibalizing products to which Issuer or any of its Subsidiaries owns or has rights.

164 "**IRS**" means the United States Internal Revenue Service.

165 "**Manufacture**" and "**Manufacturing**" means all activities related to the production, manufacture, processing, filling, finishing, packaging, labeling, shipping, and holding of any product, or any intermediate thereof, including process development, process qualification and validation, scale-up, pre-clinical, clinical and commercial manufacture and analytic development, product characterization, stability testing, quality assurance, and quality control.

166 "**Market Capitalization**" means, as at any date of determination, the product of (x) the number of issued and outstanding shares of ordinary shares of Issuer on such date multiplied by (y) the closing price per share of such ordinary shares (or if such ordinary shares are represented by ADSs, the closing price of such ADSs multiplied by the number of ordinary shares represented by each ADS).

167 "**Marketing Approval**" means, with respect to any Included Product in any country, approval from the applicable Regulatory Authority sufficient for the promotion and sale of such Included Product in such jurisdiction in accordance with applicable law, including, without limitation, the approval by the FDA of a U.S. New Drug Application for such Included Product.

168 "**Material Adverse Change**" means a material adverse effect on (a) the business, operations, assets, or condition (financial or otherwise) of Issuer and its Subsidiaries, taken as a whole, (b) the validity or enforceability of any of the Note Documents, (c) the ability of Issuer or the Obligors to perform any of its or their material obligations under the Note Documents, (d) on the rights or remedies of Purchaser Agent or any Purchaser under any of the Note Documents, or (e) the validity, perfection (except to the extent permitted under this Agreement) or first priority of Liens in favor of Purchaser Agent for the benefit of the Secured Parties (except to the extent resulting solely from any actions or inactions on the part of Purchaser Agent and the Purchasers despite timely receipt of information regarding Issuer and its Subsidiaries as required by this Agreement).

169 "**Material Agreement**" means: (a) any "material contract" (as such term is defined in Item 601(b)(10) of Regulation S-K of the Securities Act of 1933, as amended, other than those

agreements and arrangements described in Item 601(b)(10)(iii)) with respect to Issuer or its Affiliates that involves the Development, Manufacture, or Commercialization of any Included Product; (b) any material development, collaboration, marketing, co-promotion, license, option, or partnering agreement or similar agreement with respect to Issuer or its Affiliates related to the Development, Manufacture, or Commercialization of any Included Product; or (c) any other agreement (excluding any and all agreements with clinical research organizations, clinical manufacturing organization, clinical trial agreements, fee-for-service arrangements (including master services agreements) and consultancy agreements except to the extent a termination of or failure to renew any such agreement could reasonably be expected to result in a Material Adverse Change) with respect to Issuer or its Affiliates relating to any Included Product, for which breach, non-performance or failure to renew by Issuer or its Affiliates or the respective counterparty could reasonably be expected to result in a Material Adverse Change. "Material Agreement" shall include, without limitation, all License Agreements.

170 "**Maturity Date**" means the earlier of (i) the sixth anniversary of the First Purchase Date, and (ii) the date six months prior to the stated maturity date, or first stated repurchase date, of any Permitted Convertible Notes.

171 "**Medicxi**" means Medicxi Ventures, its Affiliates and each fund or investment vehicle managed by Medicxi Ventures or its Affiliates.

172 "**MHRA**" means the Medicines and Healthcare products Regulatory Agency in the United Kingdom or any successor agency thereto.

173 "**Milestone Event**" means the receipt of the first Marketing Approval from the FDA or EMA of any Included Product.

174 "**Milestone Amount**" means, as of the date of determination, an amount equal to 30% of the aggregate principal amount of Notes issued under this Agreement minus the aggregate amount of Milestone Payments received by the Purchasers.

175 "**Milestone Payments**" means the quarterly payments of the Milestone Amount pursuant to Section 2.2(e).

176 "**Milestone Period**" is defined in Section 2.2(e)(i).

177 "**Multiemployer Plan**" means any employee benefit plan of the type described in Section 4001(a)(3) of ERISA, to which Issuer or any ERISA Affiliate makes or is obligated to make contributions, during the preceding five plan years has made or been obligated to make contributions, or has any liability.

178 "**Multiple Employer Plan**" means a Plan with respect to which Issuer or any ERISA Affiliate is a contributing sponsor, and that has two or more contributing sponsors at least two of whom are not under common control, as such a plan is described in Section 4064 of ERISA.

179 "**Net Asset Determination**" is defined in Section 12.10(b).

180 "**Net Assets**" means, in relation to a German Guarantor, the amount of its assets (section 266 sub-section 2 A, B, C, D and E German Civil Code ("**HGB**")) less (i) the aggregate of its liabilities (section 266 sub-section 3 B, C (but, for the avoidance of doubt, disregarding any Guarantee Obligations), D and E HGB), (ii) its stated share capital (*Stammkapital*), and (iii) the amount of profits (*Gewinne*) not available for any distributions to its shareholder(s) in accordance with section 268 sub-section 8 HGB.

181 "**Net Proceeds**" means the amount of all Cash proceeds, plus the fair market value of any non-cash proceeds as determined by the Purchaser Agent, acting reasonably (including, in each case, deferred and/or contingent compensation) received (directly or indirectly) by or on behalf of an Obligor or any Subsidiary (if on behalf, then for the account of such Obligor or such Subsidiary), or distributable to an Obligor or any Subsidiary, from time to time, as a result of an Asset Sale Repurchase Event, after deducting therefrom, without duplication, (x) reasonable fees, commissions, expenses and other direct costs related thereto and required to be paid or payable by such Obligor in connection with such Asset Sale Repurchase Event, and (y) taxes paid, payable, or determined by such Obligor to be payable or attributable for payment in connection with such transaction to any taxing authorities by such Obligor, to the extent then paid or payable and directly attributable to such transaction in the taxable year in which such Asset Sale Repurchase Event occurs, and (z) any cash reserves required to be maintained by such Obligor in connection with such transaction in accordance with GAAP or applicable law; provided that, in each case, when any reserve for fees, commissions, expenses, costs, taxes or other amounts or any portion thereof is no longer required to be maintained, or upon any refund of any fees, commissions, expenses, costs or taxes, such amount shall be considered Net Proceeds then received, and provided further, that Issuer shall, at Purchaser Agent's request, provide such calculations or evidence of costs deducted in arriving at Net Proceeds as Purchaser Agent may reasonably require to confirm the calculation of Net Proceeds in accordance with the foregoing. Notwithstanding the above, for purpose of calculation, to the extent the Asset Sale Repurchase Event involves a collaboration or similar arrangement relating to an Included Product (including, for the avoidance of doubt, any co-development), the amount of "Net Proceeds" shall not include any proceeds (other than, for the avoidance of doubt, upfront payments, milestones and royalties) expressly and specifically required pursuant to the terms of such arrangement to be used to pay for out-of-pocket research and development expenses related to the Included Product subject to such collaboration or similar arrangement. Furthermore, any amount of Net Proceeds to be held in escrow shall not be considered as received until such amounts are released to Issuer from such escrow.

182 "**Net Sales**" means, for the relevant fiscal period, the gross amount received by Issuer or a Lixivaptan Transferee and their respective Affiliates and sublicensees in respect of sales of Lixivaptan Product to third parties, less returns and less the following amounts (a) customary quantity, trade and/or cash discounts, refunds, chargebacks, allowances, rebates (including any and all federal, state or local government rebates. e.g. Medicaid rebates) and any price adjustments allowed or given; (b) sales and other excise taxes and duties directly related to the sale of Lixivaptan Product, to the extent such items are included in the gross invoice price; (c) credits for returned goods; (d) transportation charges to the extent included in the gross invoice price; and (e) agents' commissions. Sales of Lixivaptan Product by Issuer, a Lixivaptan Transferee and their respective Affiliates and sublicensees, to any other Affiliate, transferee or sublicensee (including sales by Issuer and its Affiliates to a Lixivaptan Transferee) which is a reseller thereof shall be excluded, and only the subsequent sale of such Lixivaptan Product by Lixivaptan Transferee, Affiliates or sublicensees of Issuer to third parties shall be deemed Net Sales hereunder. Any transfer of a Lixivaptan Product by Issuer, a Lixivaptan Transferee, or their respective Affiliates or sublicensee, to any party in connection with the development, testing, marketing or promotion of any Lixivaptan Product shall also be excluded from Net Sales. Notwithstanding the foregoing, with respect to Issuer and its Affiliates, Net Sales for any relevant fiscal period shall not be less than the consolidated net product sales for Lixivaptan Products for Issuer and its Affiliates properly recognized and reported under GAAP, consistently applied, during such period.

183 "**Note Documents**" means, collectively, this Agreement, the Notes, the Foreign Collateral Documents, each Guaranty, the Perfection Certificate, each Compliance Certificate, each Purchase Notice, any subordination agreements, notes or guaranties executed by Issuer or any other Obligor and any other present or future agreement entered into by Issuer, any Guarantor or any other Person, in each case, for the benefit of the Secured Parties in connection with this Agreement; all as amended, restated, or otherwise modified.

184 "**Note Record**" means a record maintained by each Purchaser with respect to the outstanding Obligations owed by Issuer to Purchaser and credits made thereto.

185 "**Notes**" means the senior secured notes issued from time to time pursuant to this Agreement.

186 "**Obligations**" means, with respect to any Obligor, all amounts, obligations, liabilities, covenants and duties of every type and description owing by such Obligor to Purchaser Agent or any Purchaser, or any other indemnitee hereunder or any participant, arising out of, under, or in connection with, any Note Document, whether direct or indirect (regardless of whether acquired by assignment), absolute or contingent, due or to become due, whether liquidated or not, now existing or hereafter arising and however acquired, and whether or not evidenced by any instrument or for the payment of money, including, without duplication, (i) all principal, interest and other amounts owing under any Note, all Revenue Participation Payments, the Milestone Amount and the Final Payment Amount, whether or not accruing after the filing of any petition in bankruptcy or after the commencement of any insolvency, reorganization or similar proceeding, and whether or not a claim for post-filing or post-petition interest is allowed in any such proceeding and (ii) all other fees, expenses (including fees, charges and disbursement of counsel), interest, commissions, charges, costs, disbursements, indemnities and reimbursement of amounts paid and other sums chargeable to such Obligor under any Note Document.

187 "**Obligors**" means, collectively, Issuer and the Guarantors.

188 "**OFAC**" means the U.S. Department of Treasury Office of Foreign Assets Control.

189 "**Operating Documents**" means, for any Person, such Person's formation documents, and, (a) if such Person is a corporation, its constitutional documents or bylaws in current form, (b) if such Person is a limited liability company, its certificate of incorporation, memorandum and articles of association, limited liability company agreement or operating agreement (or similar agreement), and (c) if such Person is a partnership, its partnership agreement (or similar agreement), limited liability company agreement or operating agreement (or similar agreement), and, if it is incorporated in the Federal Republic of Germany, its list of shareholders, (c) if such Person is a partnership, its partnership agreement (or similar agreement), and (d) if such Person is incorporated in the Federal Republic of Germany, such documents being obtained from the relevant commercial register (*Handelsregister*) either in terms of a certified copy (*beglaubigte Abschrift*) or an official printout (*amtlicher Ausdruck*), as available, each of the foregoing with all current amendments or modifications thereto and in relation to any Person incorporated in the Federal Republic of Germany a certified copy (*beglaubigte Abschrift*) of any shareholders' resolution which requires, due to its subject matter, registration in the commercial register but has not yet been registered, including any resolution on changes to such Person's articles of association or on the change of its managing directors.

190 "**Patents**" means all patents, patent applications and like protections including without limitation improvements, divisions, continuations, renewals, reissues, revisions, extensions and continuations-in-part of the same and including all foreign equivalents.

191 "**Payment Date**" means each March 31, June 30, September 30 and December 31, commencing on the first such date to occur following the First Purchase Date.

192 "**PBGC**" means the Pension Benefit Guaranty Corporation.

193 "**Pension Act**" means the Pension Protection Act of 2006.

194 "**Pension Plan**" means any employee pension benefit plan (including a Multiple Employer Plan, but excluding a Multiemployer Plan) that is maintained or is contributed to by Issuer or any ERISA Affiliate and is either covered by Title IV of ERISA or is subject to the minimum funding standards under Section 412 of the Code.

195 "**Pension Funding Rules**" means the rules of the Code and ERISA regarding minimum funding standards and minimum required contributions (including any installment payment thereof) to Pension Plans and Multiemployer Plans and set forth in, with respect to plan years ending prior to the effective date of the Pension Act, Section 412 of the Code and Section 302 of ERISA, each as in effect prior to the Pension Act and, thereafter, Sections 412, 430, 431, 432 and 436 of the Code and Sections 302, 303, 304 and 305 of ERISA.

196 "**Perfection Certificate**" is defined in Section 5.1.

197 "**Permitted Acquisition**" means an Acquisition to the extent that each of the following conditions shall have been satisfied:

(a) immediately prior to, and after giving effect thereto, no Event of Default shall have occurred and be continuing or would result therefrom;

(b) all transactions in connection therewith shall be consummated, in all material respects, in accordance with applicable law;

(c) in the case of the purchase or other acquisition of Equity Interests, (i) all of the Equity Interests (except for any such Equity Interest in the nature of directors' qualifying shares required pursuant to applicable law) acquired or otherwise issued by such Person or any newly formed Subsidiary in connection with such acquisition shall be wholly owned by Issuer or a Subsidiary, and (ii) all Persons whose Equity Interests are being acquired shall become Obligors;

(d) Issuer shall have delivered to Purchaser Agent and Purchasers at least ten (10) Business Days (or such shorter period as may be acceptable to Purchaser Agent and Purchasers) prior to such proposed acquisition (i) a copy of the most recently available draft of the purchase agreement related to the proposed acquisition (and any related documents reasonably requested by Purchaser Agent and Purchasers), (ii) a general description of the acquired assets or acquired business line or unit or division and the competitive position of such business line or unit or division within the industry, (iii) the sources and uses of funds to finance the proposed acquisition and (iv) to the extent available, quarterly and annual audited financial statements of the Person whose Equity Interests or assets are being acquired for the twelve (12) month period immediately prior to such proposed acquisition;

(e) any assets acquired by Obligors from such Permitted Acquisition shall be subject to the security interest granted to Purchaser Agent under the Note Documents and the security interest in such assets shall be perfected in accordance with requirement set forth in this Agreement and other Note Documents;

(f) the aggregate Acquisition Costs for all such Permitted Acquisitions, together with all Investments made (or which definitive documentation has been executed) in Platform Companies pursuant to clause (g) of the definition of Permitted Investments, shall not exceed ten percent (10%) of the Market Capitalization prior to the Milestone Event and twenty percent (20%) of the Market Capitalization after the Milestone Event, in each case measured as of each date of the definitive documentation for a Permitted Acquisition;

(g) Purchaser Agent and the Purchasers have received a certificate from a Responsible Officer together with Board approved projections certifying and setting forth in reasonable detail that Issuer has enough cash on hand to pay its projected expenses and all debt service when due for a period of twelve (12) months after the consummation of such transaction (after giving effect to such transaction);

(h) No Change of Control shall result from such Permitted Acquisition;

(i) to the extent such Permitted Acquisition is a Product In-License, such Product In-License shall not constitute a Restricted License; and

(j) such Permitted Acquisition shall be consensual and shall have been approved by the target's board of directors.

Notwithstanding anything to the contrary contained herein, in order for any acquisition of Equity Interests or assets of another Person to constitute a Permitted Acquisition, Issuer must comply with all of the following: (a) within thirty (30) days of the closing of such Permitted Acquisition, Issuer (or Subsidiary making such Permitted Acquisition) and the target shall have executed such documents and taken such actions as may be required under Section 6.12; (b) Issuer shall have delivered to Purchaser Agent and Purchasers, in form and substance satisfactory to Purchaser Agent and Purchasers and sufficiently in advance (and in any case no later than five (5) Business Days prior to such Permitted Acquisition), such other financial information, financial analysis, documentation or other information relating to such Permitted Acquisition in Issuer's possession and the pro forma certifications required by clause (c) below, in each case, as Purchaser Agent and Purchasers shall reasonably request; and (c) on or prior to the date of such Permitted Acquisition, Purchaser Agent and Purchasers shall have received, in form and substance reasonably satisfactory to Purchaser Agent and Purchasers, a certificate of the chief financial officer of Issuer certifying compliance with the requirements contained in this definition of "Permitted Acquisition" and with the other terms of the Note Documents (before and after giving effect to such Permitted Acquisition).

198 "**Permitted Convertible Notes**" means unsecured Indebtedness of Issuer or an Obligor formed for the purpose of issuing such Indebtedness in the form of senior subordinated convertible or exchangeable notes; provided that such convertible or exchangeable notes shall (a) be convertible into, or exchangeable for, Equity Interests (other than Disqualified Equity Interests) of Issuer and/or cash (in an amount determined by reference to such Equity Interests); provided that Issuer or such Obligor shall have the right to elect to settle all such conversions or exchanges in such Equity Interests (together with cash in lieu of fractional Equity Interests) and Issuer or such Obligor shall not elect cash or combination settlement upon conversion or exchange, (b) not be guaranteed by any Subsidiary of Issuer, (c) not provide for any scheduled amortization or mandatory prepayment of principal prior to the stated maturity thereof (other than customary payments upon a "change of control" or "fundamental change" (it being understood that conversion or exchange of any such Indebtedness shall not be considered a prepayment for purposes this clause (c)), (d) contain usual and customary subordination terms for underwritten or Rule 144A offerings of senior subordinated convertible notes, (e) specifically designate this Agreement and all Obligations as "designated senior indebtedness" or similar term so that the subordination terms referred to in clause (d) of this definition specifically refer to such notes as being subordinated to the Secured Obligations pursuant to such subordination terms, and (f) as of the date of issuance thereof contains terms, conditions, covenants, conversion or exchange rights, redemption rights and offer to repurchase rights, in each case, as are typical and customary for notes of such type. For purposes of clause (d), language in substantially the same form and substance as set forth on Exhibit F shall be deemed "usual and customary".

199 "**Permitted Distributions**" means:

(a) repurchases pursuant to the terms of employee stock purchase plans, employee restricted stock agreements, stockholder rights plans, director or consultant stock option plans, or similar plans, provided such repurchases do not exceed (x) One Million Dollars ($1,000,000) in the aggregate during any fiscal year or (y) Five Million Dollars ($5,000,000) during the life of this Agreement,

(b) repurchases of Equity Interests deemed to occur upon the cash-less or net exercise of stock options, warrants or other convertible or exchangeable securities;

(c) repurchases of Equity Interests deemed to occur upon the withholding of a portion of the Equity Interests granted or awarded to a current or former officer, director, employee or consultant to pay for the taxes payable by such person upon such grant or award (or upon vesting or exercise thereof;

(d) dividends or distributions by any Subsidiary of an Obligor to an Obligor; and

(e) dividends solely in common stock.

200 "**Permitted Holders**" means General Atlantic, Index Ventures and Medicxi.

201 "**Permitted Indebtedness**" means:

(a) the Obligors' Indebtedness to the Purchasers and Purchaser Agent under this Agreement and the other Note Documents;

(b) Indebtedness existing on the Effective Date and disclosed on the Perfection Certificate and any renewals or refinancing of such Indebtedness in amounts not exceeding the principal amounts thereof (plus unpaid accrued interest and premium thereon and underwriting discounts, fees, commissions and expenses but less any required amortization according to the terms thereof);

(c) Permitted Convertible Notes;

(d) unsecured Indebtedness to trade creditors incurred in the ordinary course of business;

(e) Indebtedness consisting of Capitalized Lease Obligations and purchase money Indebtedness, in each case incurred by Issuer or any of its Subsidiaries to finance the acquisition, repair, improvement or construction of fixed or capital assets of such person, provided that the aggregate outstanding principal amount of all such Indebtedness does not exceed Two Million Dollars ($2,000,000) at any time;

(f) Indebtedness incurred as a result of endorsing negotiable instruments received in the ordinary course of Issuer's business;

(g) Contingent Obligations of Issuer and its Subsidiaries in respect of Indebtedness otherwise permitted hereunder of Issuer and any Subsidiary;

(h) Indebtedness incurred by Issuer or its Subsidiaries to finance the payment of insurance premiums;

(i) Indebtedness owed to any Person providing worker's compensation, health, disability or other employee benefits or property, casualty or liability insurance to Issuer or any Subsidiary incurred in connection with such Person providing such benefits or insurance pursuant to customary reimbursement or indemnification obligations to such Person;

(j) Contingent Obligations (or liabilities as a surety, endorser, accommodation endorser or otherwise) in respect of performance, surety, statutory, appeal or similar obligations incurred in the ordinary course of business but excluding guaranties with respect to any obligations for borrowed money;

(k) Indebtedness comprising Investments permitted by clause (f) of Permitted Investments; provided that any obligations of an Obligor owing pursuant to this clause (k) shall be subordinated to the Obligations;

(l) Indebtedness incurred in respect of credit card processing services, credit or debit cards, stored value cards (including so-called "procurement cards" or "P cards"), or any cash management or related services including treasury, depository, return items, overdraft, controlled disbursement, merchant store value cards, e-payables services, electronic funds transfer, interstate depository network, automatic clearing house transfer (including the Automated Clearing House processing of electronic funds transfers through the direct Federal Reserve Fedline system) and other cash management arrangements, in each case, incurred in the ordinary course of business; provided that the aggregate amount of all such Indebtedness shall not exceed Two Million Five Hundred Thousand Dollars ($2,500,000) at any time outstanding;

(m) Indebtedness consisting of obligations in respect (i) of purchase price adjustments in connection with the disposition of assets or acquisition of assets permitted hereunder or (ii) any earn-out, milestone or other contingent consideration in connection with a Permitted Acquisition, so long as (x) no Event of Default has occurred and is continuing and (y) such Indebtedness constitutes Acquisition Costs; and

(n) reimbursement obligations in connection with letters of credit that are secured by Cash and issued on behalf of Issuer or a Subsidiary (x) for real estate purposes in the ordinary course of business in a face amount at any time outstanding not to exceed One Million Dollars ($1,000,000) prior to the Milestone Event and Two Million Five Hundred Thousand Dollars ($2,500,000) after the Milestone Event, less the amount of Cash subject to Liens pursuant to clause (n) of the definition of "Permitted Liens"), and (y) otherwise in a face amount at any time outstanding not to exceed One Million Dollars ($1,000,000) prior to the Milestone Event or Two Million Five Hundred Thousand Dollars ($2,500,000) after the Milestone Event.

202 "**Permitted Investments**" means:

(a) Investments disclosed on the Perfection Certificate and existing on the Effective Date;

(b) (i) Investments consisting of cash and Cash Equivalents, and (ii) any other Investments permitted by Issuer's investment policy provided to the Purchaser Agent prior to the Effective Date, as amended from time to time, provided that any such amendment thereto has been approved in writing by Purchaser Agent;

(c) Investments consisting of the endorsement of negotiable instruments for deposit or collection or similar transactions in the ordinary course of Issuer;

(d) Investments consisting of Deposit Accounts in which Purchaser Agent has a perfected security interest;

(e) Investments in connection with Transfers permitted by Section 7.1 (other than Asset Sale Repurchase Events);

(f) Investments by Obligors in other Obligors and the French Subsidiary; provided that Investments (i) by Issuer or Full Guarantors in Limited Guarantors and (ii) in the French Subsidiary shall not, in the aggregate, exceed Ten Million Dollars ($10,000,000) at any time outstanding;

(g) Investments by Issuer or any Full Guarantor consisting of (i) the ownership of Equity Interests of Platform Companies (to the extent not Obligors), provided that (A) any such Equity Interests held by an Obligor shall constitute pledged Shares, subject to the Agreed Security Principles, (B) all representations and warranties set forth in Section 5.10 shall be true and correct with respect to such pledged Shares, (C)(I) Issuer has taken all steps necessary to permit Purchaser Agent to become a transferee under the relevant organizational documents and any other relevant governing documents if Purchaser Agent exercises its remedies with respect to such Equity Interests, (II) no other consent, approval, authorization or other order of any Person and no consent or authorization of any governmental authority or regulatory body is required to be made or obtained by such Obligor either (x) for the pledge by such Obligor of such pledged Shares pursuant to this Agreement or (y) for the exercise by Purchaser Agent or Purchasers of the voting or other rights provided for in this Agreement, except for those which have been obtained and (III) the pledge, grant of security interest in and delivery of such pledged Shares to Purchaser Agent pursuant to this Agreement will create a valid first priority Lien on and in such Shares (subject to Permitted Liens pursuant to clauses (b) and (h) of Permitted Liens) upon the filing of any applicable financing statement by Purchase Agent and (ii) loans to a Platform Company, provided that (A) aggregate amount of Investments pursuant to this clause (g), together with the aggregate Acquisition Costs in respect of Permitted Acquisitions that have been consummated or for which definitive documentation has been executed, shall not exceed ten percent (10%) of Market Capitalization prior to the Milestone Event and twenty percent (20%) of Market Capitalization after the Milestone Event, in each case determined at the time of each applicable Investment), and (B) each such Platform Company shall have granted to Purchaser Agent, for the benefit of the Secured Parties, a first priority security interest upon the filing of any applicable financing statement by Purchase Agent (subject to Permitted Liens) in all cash and Cash Equivalents of such Platform Company and in all Collateral Transferred to such Platform Company, which security interest shall not be subject to any Corporate Benefit Limitations, and shall have taken such action as reasonably requested by Purchaser Agent in respect thereof;

(h) Investments consisting of (i) travel advances and employee relocation loans and other employee loans and advances in the ordinary course of business, and (ii) loans to employees, officers or directors relating to the purchase of equity securities of Issuer or its Subsidiaries pursuant to employee stock purchase plans or agreements approved by Issuer's Board of Directors; not to exceed Two Hundred Fifty Thousand Dollars ($250,000) in the aggregate for (i) and (ii) in any fiscal year;

(i) Investments (including debt obligations) received in connection with the bankruptcy or reorganization of customers or suppliers and in settlement of delinquent obligations of, and other disputes with, customers or suppliers arising in the ordinary course of business; and

(j) Investments consisting of notes receivable of, or prepaid royalties and other credit extensions in the ordinary course of business in an aggregate amount at any time not to exceed Two Million Five Hundred Thousand Dollars ($2,500,000);

(k) Permitted Acquisitions;

(l) Investments consisting of trade credit extended in the ordinary course of business; and

(m) other Investments in an aggregate amount at any time not to exceed Two Million Five Hundred Thousand Dollars ($2,500,000).

203 "**Permitted Licenses**" means (a) any License Agreement for the Development and/or Commercialization of the Included Products exclusively outside of the United States and Europe; provided that (i) the License Agreement is not a Restricted License and constitutes an arms-length transaction, the terms of which, on their face, do not provide for a sale or assignment of any Intellectual Property; and (ii) all upfront payments, royalties, milestone payments or other proceeds arising from the License Agreement that are payable to Issuer or any Subsidiary are paid to a Collateral Account; (b) any License Agreement relating to any Included Products acquired in an acquisition permitted under this Agreement; provided that such License Agreement existed at the time of such Permitted Acquisition and was not entered into in connection with or anticipation of such acquisition; (c) any license granted to any Third Party for the Manufacture of any product or otherwise granted to a contract to a vendor or service provider in order to provide services for the benefit of Issuer or its Affiliates but granting no rights to sell, offer to sell, have sold or otherwise Commercialize any Included Product; (d) any sponsored research or similar agreement providing for the Development of any product that does not grant the counterparty any right to sell, offer to sell, have sold or otherwise Commercialize any Included Product; and (e) any non-exclusive license of Intellectual Property granted to Third Parties in the ordinary course of business that is terminable at Issuer's option without penalty or premium on not more than ninety (90) days' notice.

204 "**Permitted Liens**" means:

(a) Liens existing on the Effective Date and disclosed on the Perfection Certificate or arising under this Agreement and the other Note Documents and Liens incurred in the extension, renewal or refinancing of the Indebtedness secured by Liens described in this clause (a); provided that any extension, renewal or replacement Lien must be limited to the property encumbered by the existing Lien and the principal amount of the indebtedness may not be increased;

(b) Liens for taxes, fees, assessments or other government charges or levies, either (i) not due and payable or (ii) being contested in good faith and for which Issuer maintains adequate reserves on its Books, provided that no notice of any such Lien has been filed or recorded under the Code;

(c) Liens securing Indebtedness permitted under clause (e) of the definition of "Permitted Indebtedness," provided that (i) such Liens exist prior to the acquisition of, or attach substantially simultaneous with, or within twenty (20) days after the, acquisition, lease, repair, improvement or construction of, such property financed or leased by such Indebtedness and (ii) such Liens do not extend to any property of Issuer other than the property (and Proceeds thereof) acquired, leased or built, or the improvements or repairs, financed by such Indebtedness;

(d) Liens of carriers, warehousemen, suppliers, or other Persons that are possessory in nature arising in the ordinary course of business so long as such Liens attach only to Inventory, securing liabilities in the aggregate amount not to exceed One Million Dollars ($1,000,000), and which are not delinquent or remain payable without penalty or which are being contested in good faith and by appropriate proceedings which proceedings have the effect of preventing the forfeiture or sale of the property subject thereto;

(e) Liens to secure payment of workers' compensation, employment insurance, oldage pensions, social security and other like obligations incurred in the ordinary course of business (other than Liens imposed by ERISA);

(f) leases or subleases of real property granted in the ordinary course of Issuer's business (or, if referring to another Person, in the ordinary course of such Person's business), and leases, subleases, nonexclusive licenses or sublicenses of personal property (other than Product Intellectual Property) granted in the ordinary course of Issuer's business (or, if referring to another Person, in the ordinary course of such Person's business), if the leases, subleases, licenses and sublicenses do not prohibit granting Purchaser Agent or any Purchaser a security interest therein;

(g) banker's liens, rights of setoff and Liens in favor of financial institutions incurred in the ordinary course of business arising (i) in connection with Issuer's deposit accounts or securities accounts held at such institutions; and (ii) under the respective financial institution's standard terms and conditions (*Allgemeine Geschäftsbedingungen*) with respect to any other Collateral Account securing fees and costs of such financial institution, in each case provided such accounts are maintained in compliance with Section 6.6(b) hereof;

(h) Liens arising from judgments, decrees or attachments in circumstances not constituting an Event of Default under Section 8.4 or 8.7;

(i) (a) Permitted Licenses, and (b) License Agreements so long as such License Agreements are not Restricted Licenses and Issuer shall have complied with Section 2.2(c) in respect of such License Agreements;

(j) easements, rights-of-way, zoning restrictions, minor defects or irregularities in title and other similar encumbrances not interfering in any material respect with the value or use of the property to which such Lien is attached;

(k) Liens on insurance policies and the proceeds thereof securing the financing of premiums with respect thereto to the extent permitted under this Agreement;

(l) Liens that secure Indebtedness existing on any property prior to a Permitted Acquisition or existing on any property of any Person that becomes an Obligor, provided that such lien is not created in contemplation of or in connection with such Permitted Acquisition or such Person becoming an Obligor and such Lien shall secure only those obligations which it secured on the date of such Permitted Acquisition or that such Person becomes an Obligor;

(m) Liens on Cash deposits securing Indebtedness permitted pursuant to (i) clause (l) of the definition of "Permitted Indebtedness"; provided that the aggregate amount of such Cash deposits does not exceed $2,500,000, and (ii) clause (n) of the definition of the definition of "Permitted Indebtedness"; provided that the amount of such Cash deposits in respect of any letter of credit does not exceed 105% of the face amount thereof;

(n) security deposits in connection with real property leases;

(o) Liens arising from the filing of any precautionary financing statement on operating leases covering the leased property, to the extent such operating leases are permitted under this Agreement; and

(p) other Liens which do not secure Indebtedness for borrowed money or letters of credit and as to which the aggregate amount of the obligations secured thereby does not exceed Five Hundred Thousand Dollars ($500,000).

205 "**Person**" means any individual, sole proprietorship, partnership, limited liability company, joint venture, company, trust, unincorporated organization, association, corporation, institution, public benefit corporation, firm, joint stock company, estate, entity or government agency.

206 "**Plan**" means any employee benefit plan within the meaning of Section 3(3) of ERISA, maintained for employees of Issuer or any of its Subsidiaries, or any such plan to which Issuer or any of its Subsidiaries required to contribute on behalf of any of its employees or with respect to which Issuer or such Subsidiary has any liability

207 "**Platform Company**" means any Person in the life science sector and focused on the development and commercialization of products, and in which Issuer, any other Obligor or any Subsidiary has made an Investment (whether by capital contribution, the acquisition of the Equity Interests thereof or in connection with a joint venture, corporate collaboration or similar corporate structure) in accordance with the terms of this Agreement, including each Person in which Issuer maintains an Investment as of the Closing Date.

208 "**Prepaid Amount**" is defined in Section 2.2(c).

209 "**Prime Rate**" means, for any day, the per annum rate of interest in effect for such day quoted by the Wall Street Journal as the "prime rate".

210 "**Prime Rate Floor**" means, a rate equal to (a) if LIBOR prior to the time of LIBOR's replacement by the Prime Rate (pursuant to Section 2.3(e)) was less than or equal to the LIBOR Floor at such time, the sum of (i) the Prime Rate in effect at such time of replacement plus (ii) the LIBOR Floor minus LIBOR and (b) if LIBOR prior to the time of LIBOR's replacement by the Prime Rate (pursuant to Section 2.3(e)) was greater than the LIBOR Floor, the Prime Rate in effect at such time of conversion minus (ii) the difference between LIBOR and the LIBOR Floor.

211 "**Process Agent**" is defined in Article X.

212 "**Product In-License**" means any in-license of Intellectual Property rights by Issuer or any of its Subsidiaries to Develop, Manufacture or Commercialize a drug or pharmaceutical product (including combination products), companion diagnostics or medical device, other than a non-exclusive license under which neither Issuer nor any of its Subsidiaries is granted any right to Develop or Commercialize a pharmaceutical product, therapeutic, medical device or diagnostic.

213 "**Product Intellectual Property**" means all Intellectual Property that is necessary for, or otherwise material to, the Development, Commercialization, and/or Manufacture, or other exploitation, of any Included Product that is owned, licensed or otherwise controlled by Issuer or any of its Subsidiaries as of the Effective Date or acquired, licensed or controlled by an Obligor thereafter, which shall initially include, without limitation, the Patents identified in Schedule 5.11(a).

214 "**Pro Rata Share**" means, as of any date of determination, with respect to each Purchaser, a percentage (expressed as a decimal, rounded to the ninth decimal place) determined by dividing the outstanding principal amount of Notes held by such Purchaser by the aggregate outstanding principal amount of all Notes; provided that after repayment of the Notes, each Purchaser's Pro Rata Share shall be calculated based on the outstanding Notes immediately prior to the repayment hereof.

"**Purchase Date**" is any date on which a purchase of Notes is made by the Purchasers, which date shall be a Business Day.

215 "**Purchase**" is defined in Section 2.1(d).

216 "**Purchase Date**" means each date on which a Purchase occurs pursuant to Section 2.1.

217 "**Purchase Notice**" means that certain form attached hereto as Exhibit B.

218 "**Purchaser**" means any one of the Purchasers.

219 "**Purchaser Transfer**" is defined in Section 13.1(a).

220 "**Purchaser Agent**" means Cocoon SA LLC, a Delaware limited liability company, not in its individual capacity, but solely in its capacity as agent on behalf of and for the benefit of the Purchasers.

221 "**Purchasers**" are the Persons identified on Schedule 1.1 hereto and each assignee that becomes a party to this Agreement or that acquires a Note pursuant to Section 13.1.

222 "**QPP Certificate**" is defined in Article XIV.

223 "**QPP Purchaser**" is defined in Article XIV.

224 "**Register**" is defined in Section 13.1(b).

225 "**Registered Organization**" means any "registered organization" as defined in the UCC with such additions to such term as may hereafter be made.

226 "**Regulatory Approval**" means any Governmental Approval, whether U.S. or non-U.S., relating to any Included Product or the Commercialization, Development or Manufacture of such Included Product.

227 "**Regulatory Authority**" means a Governmental Authority (including the FDA, the EMA and the MHRA) with responsibility for the approval of the marketing and sale of pharmaceutical products.

228 "**Regulatory Filings**" means all applications, filings, dossiers and the like submitted to a Regulatory Authority for the purpose of obtaining Regulatory Approval from that Regulatory Authority. Regulatory Filings shall include, but not be limited to, all Drug Approval Applications.

229 "**Regulatory Updates**" means material information and developments with respect to any Regulatory Filing.

230 "**Reimbursable Expenses**" means all audit fees and expenses, documented out-of-pocket costs and expenses (including reasonable and documented out-of-pocket attorneys' fees and expenses (provided Reimbursable Expenses shall include all documented out-of-pocket attorneys' fees and expenses incurred during the continuance of an Event of Default or otherwise in connection with the enforcement of the Note Documents), as well as appraisal fees, consulting fees, advisory fees, fees incurred on account of lien searches, inspection fees and filing fees) for preparing, amending, negotiating, administering, defending and enforcing the Note Documents (including, without limitation, those incurred in connection with appeals or Insolvency Proceedings) or otherwise incurred by Purchaser Agent and/or

the Purchasers in connection with the Note Documents; provided that Reimbursable Expenses incurred prior to the Effective Date in connection with the preparation and negotiation of the Note Documents (other than the fees and expenses of German counsel to the Purchaser Agent) shall not exceed Four Hundred Twenty Five Thousand Dollars ($425,000).

231 "**Relevant Governmental Body**" means the Federal Reserve Board and/or the Federal Reserve Bank of New York, or a committee officially endorsed or convened by the Federal Reserve Board and/or the Federal Reserve Bank of New York or any successor thereto.

232 "**Required Purchasers**" means, at any time, (i) prior to the expiration of the Commitments, the Purchasers holding at least 50% of the aggregate principal amount of Notes and unused or unexpired Commitments, and (ii) thereafter, the Purchasers holding at least fifty percent (50%) of the Pro Rata Shares. For purposes of Section 2.2(c), the Required Purchasers means the Purchasers holding at least fifty percent (50%) of the aggregate outstanding principal amount of the Notes.

233 "**Requirement of Law**" means as to any Person, the organizational or governing documents of such Person, and any law (statutory or common), treaty, rule or regulation or determination of an arbitrator or a court or other Governmental Authority, in each case applicable to or binding upon such Person or any of its property or to which such Person or any of its property is subject.

234 "**Responsible Officer**" means any of the Chief Executive Officer, Chief Financial Officer, Chief Medical Officer or Chief Technology Officer of Issuer acting alone.

235 "**Restricted License**" means any Material Agreement (i) under which a default or of which a termination could interfere with Purchaser Agent's or any Purchaser's right to sell any Collateral, (ii) that cannot be collaterally assigned to secure the Obligations or otherwise contains provisions that restrict or penalize the granting of a security interest in or Lien on such Material Agreement, (iii) that contains provisions that restrict or penalize the granting of a security interest in or Lien on, or the assignment or other Transfer of, any Product Intellectual Property, (iv) or that restricts the assignment of such Material Agreement upon the sale or other disposition of all or substantially all of the assets to which such Material Agreement relates (other than customary provisions requiring the assumption by the applicable purchaser of all obligations under such Material Agreement), or (v) that does not permit the disclosure of information to be provided thereunder to Purchaser Agent and the Purchasers, to any purchaser or prospective purchaser in a foreclosure or other Transfer of all or any portion of the Collateral (subject to customary confidentiality obligations).

236 "**Revenue Participation Period**" means the period beginning on the date of the First Commercial Sale of any Lixivaptan Product and ending on the End of Term.

237 "**Revenue Participation Payments**" means, for any fiscal quarter, (i) if only the First Purchase has been made, 1.00% of Net Sales for such fiscal quarter, (ii) if both the First Purchase and the Second Purchase have been made, 2.00% of Net Sales for such fiscal quarter, (iii) if the First Purchase, the Second Purchase and the Third Purchase have been made, 2.67% of Net Sales for such fiscal quarter, in each case, up to Two Hundred Million Dollars ($200,000,000) of Net Sales for the applicable fiscal year. For the avoidance of doubt, Net Sales in excess of Two Hundred Million Dollars ($200,000,000) for any fiscal year shall not be subject to the Revenue Participation Payment.

238 "**Revenue Participation True-Up Amount**" is defined in Section 6.2(b).

239 **"Revenue Report"** is defined in Section 6.2(b).

240 "**Sanctioned Country**" means, at any time, a country, region or territory which is itself the subject or target of any comprehensive territorial Sanctions.

241 "**Sanctioned Person**" means, at any time, (i) any Person listed in any Sanctions-related list of designated Persons maintained by any Sanctions Authority, (ii) any Person operating, organized or resident in a Sanctioned Country or (iii) any Person owned or controlled by any such Person or Persons described in the foregoing clauses (i) or (ii).

242 "**Sanctions**" means all economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by any Sanctions Authority.

243 "**Sanctions Authority**" means the U.S. government (including OFAC and the U.S. Department of State), the United Nations Security Council, Her Majesty's Treasury, the European Union, any European Union member state or any other relevant sanctions authority.

244 "**Secured Parties**" means Purchaser Agent and the Purchasers.

245 "**Second Purchase**" is defined in Section 2.1(b).

246 "**Second Purchase Date**" means the Purchase Date in respect of the Second Purchase.

247 "**Securities Account**" means any "securities account" as defined in the UCC with such additions to such term as may hereafter be made.

248 "**Securities Act**" means the Securities Act of 1933, as amended.

249 "**Shares**" means one hundred percent (100%) of the issued and outstanding Equity Interests or other securities owned or held of record by any Obligor.

250 "**Solvent**" means, with respect to any Person: that as of the date of determination, such Person is "solvent" or not "unable to pay its debts" within the meaning given to such terms and similar terms under applicable laws relating to fraudulent transfers and conveyances or general insolvency law, including that (i) the present fair saleable value of the assets of such Person and its Subsidiaries on a consolidated basis (*i.e.*, the amount that may be realized within a reasonable time, considered to be six months to one year, either through collection or sale at regular market value, conceiving regular market value as the amount that could be obtained for the property in question with such period by a capable and diligent businessperson from an interested buyer who is willing to purchase under ordinary selling conditions) is not less than the amount that will be required to pay the probable liability of such Person and its Subsidiaries on their debts (including contingent, unmatured and unliquidated liabilities) as they become absolute and matured, (ii) such Person and its Subsidiaries will not, on a consolidated basis, have an unreasonably small capital in relation to their business or with respect to any transaction then contemplated, (iii) such Person and its Subsidiaries, on a consolidated basis, will have sufficient cash flow to enable them to pay their debts as they mature, and (iv) the value of such Person's assets is less than the amount of its liabilities, taking into account its contingent and prospective liabilities.

In addition, with respect to any Person incorporated in England and Wales, "**Solvent**" shall also mean that (a) such Person (i) is not or has not been deemed to, or declared to, be unable to pay its debts under applicable law; (ii) has not suspended or threatened to suspend making payments on any of its debts; (iii) or by reason of actual or anticipated financial difficulties, has not commenced negotiations with one or more of its creditors (generally excluding any Purchaser and Purchaser Agent in its capacity as such) with a view to rescheduling any of its indebtedness, and (b) a moratorium has not been declared in respect of any indebtedness of such Person.

In addition, with respect to any Person incorporated in France, "Solvent" shall also mean that (a) such Person (i) is not or has not been deemed to, or declared to, be unable to pay its debts under applicable law; (ii) has not suspended or threatened to suspend making payments on any of its debts; (iii) or by reason of actual or anticipated financial difficulties, has not commenced negotiations with one or more of its creditors (generally excluding any Purchaser and Purchaser Agent in its capacity as such) with a view to rescheduling any of its indebtedness, and (b) a moratorium has not been declared in respect of any indebtedness of such Person and/or (c) is not subject to any voluntary or mandatory insolvency proceedings applicable in France pursuant to French law.

In addition, with respect to any Person incorporated in the Federal Republic of Germany, "**Solvent**" shall also mean that such Person:

(a) is not over-indebted (*überschuldet*) within the meaning of section 19 German Insolvency Act (*Insolvenzordnung*) ("**InsO**") (as applicable from time to time) or is not unable to pay its debts as they fall due (*zahlungsunfähig*) within the meaning of section 17 InsO, has not suspended making payments on all or a material part of its debts and has not announced an intention to do so;

(b) has not commenced negotiations with any one or more of its creditors (other than a Purchaser) with a view to the general readjustment or rescheduling of its indebtedness or, for any of the reasons set out in sections 17 to 19 InsO;

(c) any such Person has not filed for insolvency (*Antrag auf Eröffnung eines Insolvenzverfahrens*) and the board of directors or management (*Vorstand oder Geschäftsführung*) of any such Person is not required by law to file for insolvency; or

(d) the competent court has not taken any of the actions set out in section 21 InsO and the competent court has not instituted or rejected (for reason of insufficiency of its funds to implement such proceedings) insolvency proceedings against any such Person (*Eröffnung des Insolvenzverfahrens*).

251 "**Specified Repurchase Trigger Date**" is defined in Section 3.7(h)(iii).

252 "**Subsidiary**" means, with respect to any Person, any Person of which more than fifty percent (50%) of the voting stock or other Equity Interests (in the case of Persons other than corporations) is owned or controlled, directly or indirectly, by such Person or through one or more intermediaries. Unless the context otherwise requires, all references herein to a "Subsidiary" or to "Subsidiaries" shall refer to a Subsidiary or Subsidiaries of Issuer.

253 "**Term SOFR**" means the forward-looking term rate based on SOFR that has been selected or recommended by the Relevant Governmental Body.

254 "**Third Party**" means any Person other than an Obligor, any Affiliate of an Obligor and for purposes of Section 7.1 and the definition of Included Products, any Permitted Holder and any Person that is an Affiliate of a Permitted Holder (including any portfolio company of a Permitted Holder).

255 "**Third Purchase**" is defined in Section 2.1(c).

256 "**Third Purchase Date**" means the Purchase Date in respect of the Third Purchase.

257 "**Trademarks**" means all trade names, trademarks and service marks, logos, trademark and service mark registrations, and applications for trademark and service mark registrations, including

all renewals of trademark and service mark registrations, together, in each case, with the goodwill of the business connected with the use thereof.

258 "**Transfer**" is defined in Section 7.1.

259 "**UCC**" means the Uniform Commercial Code, as the same may, from time to time, be enacted and in effect in the State of New York; provided that, to the extent that the UCC is used to define any term herein or in any Note Document and such term is defined differently in different Articles or Divisions of the UCC, the definition of such term contained in Article or Division 9 shall govern; provided further, that in the event that, by reason of mandatory provisions of law, any or all of the attachment, perfection, or priority of, or remedies with respect to, Purchaser Agent's Lien on any Collateral is governed by the Uniform Commercial Code in effect in a jurisdiction other than the State of New York, the term "UCC" shall mean the Uniform Commercial Code as enacted and in effect in such other jurisdiction solely for purposes of the provisions thereof relating to such attachment, perfection, priority, or remedies and for purposes of definitions relating to such provisions.

260 "**UK GDPR**" is defined in Section 6.2(a)(vii).

261 "**United States Person**" means any Person that is a "United States person" as defined in Section 7701(a)(30) of the Code.

262 "**U.S. Collateral Accounts**" means any Collateral Accounts maintained in the United States and its territories.

Section XV.2 Divisions. For all purposes under the Note Documents, in connection with any division or plan of division under Delaware law (or any comparable event under a different jurisdiction's laws): (a) if any asset, right, obligation or liability of any Person becomes the asset, right, obligation or liability of a different Person, then it shall be deemed to have been transferred from the original Person to the subsequent Person, and (b) if any new Person comes into existence, such new Person shall be deemed to have been organized on the first date of its existence by the holders of its Equity Interests at such time.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the Effective Date.

ISSUER:

CENTESSA PHARMACEUTICALS PLC

By: /s/ Gregory Weinhoff
Name: Gregory Weinhoff
Title: Authorized Signatory

GUARANTORS:

Palladio Biosciences, Inc.

By: /s/Alex Martin

Name: Alex Martin

Title: Chief Executive Officer
Centessa Pharmaceuticals, Inc.

By: /s/Gregory Weinhoff

Name: Gregory Weinhoff

Title: Chief Financial Officer
Cardiokine, Inc.

By: /s/Alex Martin

Name: Alex Martin

Title: Chief Executive Officer

Cardiokine Biopharma LLC

By: /s/Alex Martin

Name: Alex Martin

Title: Chief Executive Officer

Centessa Limited

By: /s/Iqbal Hussain

Name: Iqbal Hussain

Title: Director

[Signatures continue on following page]

GUARANTORS (CONT'D)

ApcinteX Limited

By: /s/ Saurabh Saha

Name: Saurabh Saha

Title: Director

CAPELLA BIOSCIENCE LTD

By: /s/ Saurabh Saha
Name: Saurabh Saha
Title: Director

Inexia Limited

By: /s/ Saurabh Saha

Name: Saurabh Saha

Title: Director

Janpix Limited

By: /s/ Saurabh Saha

Name: Saurabh Saha

Title: Director

Lockbody Therapeutics LTD

By: /s/ Saurabh Saha

Name: Saurabh Saha

Title: Director

Morphogen-IX Limited

By: /s/ Saurabh Saha

Name: Saurabh Saha

Title: Director

[Signatures continue on following page]

GUARANTORS (CONT’D)

Z Factor Limited

By: /s/ Saurabh Saha

Name: Saurabh Saha

Title: Director

Orexia Therapeutics Limited

By: /s/ Saurabh Saha

Name: Saurabh Saha

Title: Director

Ultrahuman Two Limited

By: /s/ Saurabh Saha

Name: Saurabh Saha

Title: Director

Ultrahuman Four Limited

By: /s/ Saurabh Saha

Name: Saurabh Saha

Title: Director

PearlRiver Bio GmbH

By: /s/Johannes Heuckmann

Name: /s/Johannes Heuckmann

Title: Managing Director

[Signatures continue on following page]

PURCHASER AGENT:

COCOON SA LLC

By: /s/David Dubinsky
Name: David Dubinsky
Title: Authorized Signatory

PURCHASER:

THREE PEAKS CAPITAL SOLUTIONS AGGREGATOR FUND

By: /s/David Dubinsky
Name: David Dubinsky
Title: Authorized Signatory

Address for notices:
c/o Oberland Capital Management LLC
1700 Broadway, 37th Floor
New York, NY 10019
Facsimile: [***]
Telephone: [***]
E-mail: [***]

ACTIVE/113218772.5

SCHEDULE 1.1

Purchasers and Commitments

Purchaser	Commitments				
	First Purchase	Second Purchase	Third Purchase	Total	Fourth Purchase Percentage
Three Peaks Capital Solutions Aggregator Fund	$75,000,000	$75,000,000	$50,000,000	$200,000,000	100%
TOTAL	$75,000,000	$75,000,000	$50,000,000	$200,000,000	100%

The treaty passport scheme reference number and jurisdiction of tax residence for the Purchaser is as follows:

Purchaser	Treaty Passport Scheme Reference Number	Jurisdiction of Tax Residence
Three Peaks Capital Solutions Aggregator Fund	N/A	Ireland

SCHEDULE 3.7

Restricted Licenses

1. Exclusive Patent and Non-Exclusive Know-How License Agreement, dated as of December 7, 2016, between Cambridge Enterprises Limited and Apcintex Limited
2. Agreement dated January 30, 2017, between Lonza Sales AG and Apcintex Limited
3. License Agreement, dated February 4, 2015, between Cambridge Enterprises Limited and Z Factor Limited
4. Research Collaboration and License Agreement, effective as of September 4, 2019, between X-Chem, Inc. and Orexia Limited
5. License Agreement and Research Services Agreement, dated January 2, 2019 between Heptares Therapeutics Limited and Orexia Limited
6. License Agreement and Research Services Agreement, dated January 31, 2019 between Heptares Therapeutics Limited and Orexia Limited, as successor to Inexia Limited
7. Patent and Know How License Agreement, dated October 30, 2015, between Cambridge Enterprises Limited and Morphogen-IX Limited
8. Research Collaboration Agreement, dated October 30, 2015, between The Chancellor, Masters and Scholars of the University of Cambridge and Morphogen-IX Limited
9. Agreement, dated October 16, 2017, between Lonza Sales AG, and Capella Bioscience Limited
10. Patent and Know How License Agreement, dated July 31, 2017, between the Governing Council of the University of Toronto and Janpix Limited
11. License Agreement, dated as of the effective date specified therein, between F. Hoffmann-La Roche Ltd., Hoffmann-La Roche Inc. and PEGA-ONE SAS

In each case as amended, modified or otherwise supplemented.

SCHEDULE 5.11(a)

Product Intellectual Property

Trademarks and Trademark Applications:

Owner	Mark	Application No.	Registration No.	Country	Registration or Filing Date
LockBody	"LockBody"	1484406	1484406	WIPO	30-Apr-2019
LockBody	"LockBody"	1484406	1484406	Australia	20-Feb-2020
LockBody	"LockBody"	917278852	Pending	Brazil	08-May-2019
LockBody	"LockBody"	1966451	Pending	Canada	03-June-2019
LockBody	"LockBody"	1484406	1484406	China	14-Nov-2019
LockBody	"LockBody"	018013857	018013857	European Union	28-May-2019
LockBody	"LockBody"	1484406	1484406	India	30-Apr-2020
LockBody	"LockBody"	1484406	1484406	Japan	15-Oct-2020
LockBody	"LockBody"	1484406	1484406	South Korea	08-Apr-2021
LockBody	"LockBody"	3361778	3361778	United Kingdom	08-Mar-2019
LockBody	LockBody	UK00918013857	UK00918013857	United Kingdom	28-May-2019
LockBody	"LockBody"	79266075	6,274,665	United States	23-Feb-2021
Palladio Biosciences Inc.	"Palladio Biosciences"	87128308	6034029	United States	14-Apr-2020
Centessa Pharmaceuticals plc	CENTESSA	018398798	018398798	European Union	June 26, 2021

Centessa Pharmaceuticals plc	CENTESSA	UK00003595514	UK00003595514	United Kingdom	June 25, 2021
Centessa Pharmaceuticals plc	CENTESSA	90/872,691		United States	August 9, 2021
Centessa Pharmaceuticals plc	CENTESSA	TBD		WIPO	July 30, 2021
Centessa Pharmaceuticals plc	CENTESSA	TBD		Brazil (IR Extension)	July 30, 2021
Centessa Pharmaceuticals plc	CENTESSA	TBD		Canada (IR Extension)	July 30, 2021
Centessa Pharmaceuticals plc	CENTESSA	TBD		China (IR Extension)	July 30, 2021
Centessa Pharmaceuticals plc	CENTESSA	TBD		India (IR Extension)	July 30, 2021
Centessa Pharmaceuticals plc	CENTESSA	TBD		Japan (IR Extension)	July 30, 2021
Centessa Pharmaceuticals plc	CENTRESSA	018398799	018398799	European Union	June 22, 2021
Centessa Pharmaceuticals plc	CENTRESSA	UK00003595490	UK00003595490	United Kingdom	June 25, 2021

Patents and Patent Applications:

Subsidiary	Owner (Co-) / Licensor(ee)	Patent	Application No.	Filing Date	Registration No.	Registration or Filing Date	Country

ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	US15/103,420	12/15/2014	US9,982,035	5/29/2018	USA
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	US15/971,692	5/4/2018	US10,351,619	7/16/2019	USA
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		7984	10/3/2018	Albania
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	2014363359		2014363359	4/18/2019	Australia
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		E1047906	10/3/2018	Austria
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		3080157	10/3/2018	Belgium
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	BR1120160135911				Brazil
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		3080157	10/3/2018	Bulgaria

ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	2933508		2933508	4/6/2021	Canada
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	201480075522.60		ZL201480075522.6/CN105992771 (Patent #)	8/23/2019	China
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	201910704484.00		CN110330563A (App Pub #)		China (DIV)
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		P20182138	10/3/2018	Croatia
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		CY1121267	10/3/2018	Cyprus (S)
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		3080157	10/3/2018	Czech Republic
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		3080157	10/3/2018	Denmark
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		3080157	10/3/2018	Estonia

ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	201691235		34050	12/23/2019	Eurasian Patent
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		3080157		European Patent
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		3080157	10/3/2018	Finland
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		3080157	10/3/2018	France
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		6.02014E+11	10/3/2018	Germany
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		3098239	10/3/2018	Greece
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	17102796.3		HK1229344	7/26/2019	Hong Kong
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	19119704.5				Hong Kong (DIV)

ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		E042763	10/3/2018	Hungary
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		3080157	10/3/2018	Iceland
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	201627023712.00				India
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	PCT/EP2014/077783	12/15/2014	WO2015/086854	6/18/2015	International
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		3080157	10/3/2018	Ireland
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	246180		246180	3/1/2019	Israel
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	262879				Israel (DIV)
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		5.02019E+14	10/3/2018	Italy

ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	2016-538525		6431541	11/9/2018	Japan
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	2018-204779		6723319	6/25/2020	Japan (DIV)
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		3080157	10/3/2018	Latvia
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		3080157	10/3/2018	Lithuania
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		3080157	10/3/2018	Luxembourg
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		3080157	10/3/2018	Malta
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	MX/A/2016/007711		357941	7/31/2018	Mexico
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	MX/A/2018/009281				Mexico (DIV)

ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		3080157	10/3/2018	Monaco
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		3080157	10/3/2018	Netherlands
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	721918		721918	3/24/2020	New Zealand
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		R-909042	10/3/2018	North Macedonia
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		3080157	10/3/2018	Norway
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		3080157	10/3/2018	Poland
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		3080157	10/3/2018	Portugal
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		3080157	10/3/2018	Romania

ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		3080157	10/3/2018	San Marino
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		58191	10/3/2018	Serbia
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		E 29606	10/3/2018	Slovak Republic
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		3080157	10/3/2018	Slovenia
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	10-2016-7018756		10-1954945	2/27/2019	South Korea
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	10-2019-7006015		10/2186924	11/30/2020	South Korea (DIV)
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		2704058	10/3/2018	Spain
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		3080157	10/3/2018	Sweden

ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1	12/14/2015	3080157	10/3/2018	Switzerland
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		TR 2018 19781 T4	10/3/2018	Turkey
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	14827185.1		3080157	10/3/2018	United Kingdom
ApcinteX	Cambridge Enterprise Limited (Licensor of worldwide, exclusive rights to ApcinteX for SerpinPC)	MODIFIED SERPINS FOR THE TREATMENT OF BLEEDING DISORDERS	1322091.8	12/13/2013			United Kingdom
Janpix		STAT INHIBITORS AND THEIR USE IN THE TREATMENT AND/OR PREVENTION OF CANCER	US61/651,757	5/25/2012			USA
Janpix	UTI LP, University of Toronto, Indiana University Research and Technology Corp.	NEW SALICYLIC ACID DERIVATIVES, PHARMACEUTICALLY ACCEPTABLE SALT THEREOF, COMPOSITION THEREOF AND METHOD OF USE THEREOF	PCT/US2013/042689	5/24/2013	WO2013/177534	11/28/2013	WO
Janpix	UTI LP, University of Toronto, Indiana University Research and Technology Corp.	NEW SALICYLIC ACID DERIVATIVES, PHARMACEUTICALLY ACCEPTABLE SALT THEREOF AND METHOD OF USE THEREOF	US14/550,293	5/24/2013	US9,650,399	5/16/2017	USA

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Janpix	UTI LP, University of Toronto, Indiana University Research and Technology Corp.	NEW SALICYLIC ACID DERIVATIVES, PHARMACEUTICALLY ACCEPTABLE SALT THEREOF AND METHOD OF USE THEREOF	US15/475,108	3/30/2017	US10,377,780	8/13/2019	USA
Janpix	UTI LP, University of Toronto, Indiana University Research and Technology Corp.	SALICYLIC ACID DERIVATIVES, PHARMACEUTICALLY ACCEPTABLE SALT THEREOF, COMPOSITION THEREOF AND METHOD OF USE THEREOF	US16/451,883	6/25/2019	US 2019-0382422	12/19/2019	USA
Janpix	Licensed from U. Toronto -- Exclusive, worldwide licence to practice technology for all use in humans and animals	SULFONAMIDE COMPOUNDS AND THEIR USE AS STAT5 INHIBITORS	US15/315,324	11/30/2016	US10,519,107	12/31/2019	USA
Janpix		ALPHA SUBSTITUTED STAT INHIBITORS AND COMPOSITIONS THEREOF	US62/985,685	3/5/2020			USA
Janpix		STAT INHIBITOR COMPOUNDS AND COMPOSITION	US62/985,678	3/5/2020			USA
Janpix		SQUARYL AND HETEROCYCLE CONTAINING STAT INHIBITORS AND COMPOSITIONS	US62/985,679	3/5/2020			USA
Janpix		STAT INHIBITORY COMPOUNDS AND COMPOSITIONS	US63/074,905	9/4/2020			USA

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Janpix	University of Toronto	New Salicylic Acid Derivatives, Pharmaceutically Acceptable Salt Thereof and Method of Use Therof	112014029439-9	5/24/2013			Brazil
Janpix	University of Toronto	New Salicylic Acid Derivatives, Pharmaceutically Acceptable Salt Thereof and Method of Use Therof	2013800384861	5/24/2013	ZL2013800384861	4/9/2019	China
Janpix	University of Toronto	New Salicylic Acid Derivatives, Pharmaceutically Acceptable Salt Thereof and Method of Use Therof		5/24/2013			China
Janpix	University of Toronto	New Salicylic Acid Derivatives, Pharmaceutically Acceptable Salt Thereof and Method of Use Therof		5/24/2013			Hong Kong
Janpix	University of Toronto	New Salicylic Acid Derivatives, Pharmaceutically Acceptable Salt Thereof and Method of Use Therof	2014152697	5/24/2013	2641903	1/23/2018	Russia
Janpix	University of Toronto	New Salicylic Acid Derivatives, Pharmaceutically Acceptable Salt Thereof and Method of Use Therof	2,874,057	5/24/2013			Canada
Janpix	University of Toronto	New Salicylic Acid Derivatives, Pharmaceutically Acceptable Salt Thereof and Method of Use Therof	2015-514226	5/24/2013	6290871	2/16/2018	Japan

Janpix	University of Toronto	New Salicylic Acid Derivatives, Pharmaceutically Acceptable Salt Thereof and Method of Use Therof		5/24/2013	6543366	6/21/2019	Japan
Janpix	University of Toronto	New Salicylic Acid Derivatives, Pharmaceutically Acceptable Salt Thereof and Method of Use Therof	13794722.2	5/24/2013	2854819	1/15/2020	Europe
Janpix	University of Toronto	New Salicylic Acid Derivatives, Pharmaceutically Acceptable Salt Thereof and Method of Use Therof			2854819		Finland
Janpix	University of Toronto	New Salicylic Acid Derivatives, Pharmaceutically Acceptable Salt Thereof and Method of Use Therof			2854819		France
Janpix	University of Toronto	New Salicylic Acid Derivatives, Pharmaceutically Acceptable Salt Thereof and Method of Use Therof			2854819		Germany
Janpix	University of Toronto	New Salicylic Acid Derivatives, Pharmaceutically Acceptable Salt Thereof and Method of Use Therof			2854819		Italy
Janpix	University of Toronto	New Salicylic Acid Derivatives, Pharmaceutically Acceptable Salt Thereof and Method of Use Therof			2854819		Netherlands

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Janpix	University of Toronto	New Salicylic Acid Derivatives, Pharmaceutically Acceptable Salt Thereof and Method of Use Therof			2854819		Norway
Janpix	University of Toronto	New Salicylic Acid Derivatives, Pharmaceutically Acceptable Salt Thereof and Method of Use Therof			2854819		Spain
Janpix	University of Toronto	New Salicylic Acid Derivatives, Pharmaceutically Acceptable Salt Thereof and Method of Use Therof			2854819		Sweden
Janpix	University of Toronto	New Salicylic Acid Derivatives, Pharmaceutically Acceptable Salt Thereof and Method of Use Therof			2854819		Switzerland
Janpix	University of Toronto	New Salicylic Acid Derivatives, Pharmaceutically Acceptable Salt Thereof and Method of Use Therof			2854819		United Kingdom
Janpix	University of Toronto	New Salicylic Acid Derivatives, Pharmaceutically Acceptable Salt Thereof and Method of Use Therof	9201/CHENP/2014	5/24/2013	(Patent #) 333212	2/7/2020	India
Janpix	University of Toronto	A NANOMOLAR-POTENCY SMALL MOLECULE INHIBITOR OF THE STAT5 PROTEIN	US62/005,308	5/30/2014			USA
Janpix	University of Toronto	A Nanomolar-Potency Small Molecule Inhibitor of the STAT5 Protein	PCT/CA2015/000348	5/29/2015			WO

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Janpix	University of Toronto	A Nanomolar-Potency Small Molecule Inhibitor of the STAT5 Protein	112016028022-9	5/29/2015			Brazil
Janpix	University of Toronto	A Nanomolar-Potency Small Molecule Inhibitor of the STAT5 Protein	2,950,612	5/29/2015			Canada
Janpix	University of Toronto	A Nanomolar-Potency Small Molecule Inhibitor of the STAT5 Protein	2015800328184.00	5/29/2015			China
Janpix	University of Toronto	A Nanomolar-Potency Small Molecule Inhibitor of the STAT5 Protein	17107768.6	5/29/2015			Hong Kong
Janpix	University of Toronto	A Nanomolar-Potency Small Molecule Inhibitor of the STAT5 Protein	15800248.5	5/29/2015	3148967	9/4/2019	Europe
Janpix	University of Toronto	A Nanomolar-Potency Small Molecule Inhibitor of the STAT5 Protein		5/29/2015	3148967	9/4/2019	Finland
Janpix	University of Toronto	A Nanomolar-Potency Small Molecule Inhibitor of the STAT5 Protein		5/29/2015	3148967	9/4/2019	France
Janpix	University of Toronto	A Nanomolar-Potency Small Molecule Inhibitor of the STAT5 Protein		5/29/2015	3148967	9/4/2019	Germany
Janpix	University of Toronto	A Nanomolar-Potency Small Molecule Inhibitor of the STAT5 Protein		5/29/2015	3148967	9/4/2019	Italy

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Janpix	University of Toronto	A Nanomolar-Potency Small Molecule Inhibitor of the STAT5 Protein		5/29/2015	3148967	9/4/2019	Netherlands
Janpix	University of Toronto	A Nanomolar-Potency Small Molecule Inhibitor of the STAT5 Protein		5/29/2015	3148967	9/4/2019	Norway
Janpix	University of Toronto	A Nanomolar-Potency Small Molecule Inhibitor of the STAT5 Protein		5/29/2015	3148967	9/4/2019	Spain
Janpix	University of Toronto	A Nanomolar-Potency Small Molecule Inhibitor of the STAT5 Protein		5/29/2015	3148967	9/4/2019	Sweden
Janpix	University of Toronto	A Nanomolar-Potency Small Molecule Inhibitor of the STAT5 Protein		5/29/2015	3148967	9/4/2019	Switzerland
Janpix	University of Toronto	A Nanomolar-Potency Small Molecule Inhibitor of the STAT5 Protein		5/29/2015	3148967	9/4/2019	United Kingdom
Janpix	University of Toronto	A Nanomolar-Potency Small Molecule Inhibitor of the STAT5 Protein	201627044666	5/29/2015			India
Janpix	University of Toronto	A Nanomolar-Potency Small Molecule Inhibitor of the STAT5 Protein	2016-569874	5/29/2015	6594908	10/4/2019	Japan
Janpix	University of Toronto	A Nanomolar-Potency Small Molecule Inhibitor of the STAT5 Protein	2016150077	5/29/2015	2707094	11/22/2019	Russia

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Janpix	University of Toronto	NEW SALICYLIC ACID DERIVATIVES, PHARMACEUTICALLY ACCEPTABLE SALT THEREOF, COMPOSITION THEREOF AND METHOD OF USE THEREOF	US62/783,741	12/21/2018			USA
Janpix	University of Toronto	NEW SALICYLIC ACID DERIVATIVES, PHARMACEUTICALLY ACCEPTABLE SALT THEREOF, COMPOSITION THEREOF AND METHOD OF USE THEREOF	PCT/CA2019/051884	12/20/2019	WO 2020/124262	6/25/2020	WO
Capella	Capella Bioscience	ANTIGEN BINDING MOLECULES THAT BIND LIGHT	US62/621,346	1/24/2018			USA
Capella	Capella Bioscience	ANTIGEN BINDING MOLECULES THAT BIND LIGHT	US16/256,688	1/24/2019	US 2019-0315876	10/17/2019	USA
Capella	Capella Bioscience	ANTIGEN BINDING MOLECULES THAT BIND LIGHT	US16/480,367	7/24/2019			USA
Capella	Capella Bioscience	Antigen Binding Molecules That Bind Light	2018800195877	1/24/2018	CN110461875A	11/15/2019	China
Capella	Capella Bioscience	Antigen Binding Molecules That Bind Light	18702792.5	1/24/2018	3574014	12/4/2019	European Patent Convention
Capella	Capella Bioscience	Antigen Binding Molecules That Bind Light	1701194.1	1/24/2017			United Kingdom
Capella	Capella Bioscience	Antigen binding molecules that bind light	1820446.1	1/24/2018	2566389	3/13/2019	United Kingdom
Capella	Capella Bioscience	Antigen Binding Molecules That Bind Light	62020007782.9	1/24/2018	40017324	9/18/2020	Hong Kong

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Capella	Capella Bioscience	Antigen Binding Molecules That Bind Light	2019-560493	1/24/2018	2020-505465	2/20/2020	Japan
Capella	Capella Bioscience	Antigen Binding Molecules That Bind Light	10-2019-7024448	1/24/2018			Republic of Korea
Capella	Capella Bioscience	Antigen Binding Molecules That Bind Light	PCT/GB2018/050203	1/24/2018	WO 2018/138496	8/2/2018	Patent Cooperation Treaty
Capella	Capella Bioscience	Antigen binding molecules that bind BDCA-2	1911188.9	8/5/2019			United Kingdom
Capella	Capella Bioscience	Antigen binding molecules that bind BDCA-2	PCT/EP2020/072051	8/5/2020	WO 2021/023793	2/11/2021	Patent Cooperation Treaty
Capella	Capella Bioscience	Anti-PD-L1 antibodies	1910138.5	7/15/2019			United Kingdom
Capella	Capella Bioscience	Anti-PD-L1 antibodies	PCT/EP2020/070065	7/15/2020	WO 2021/009267	1/21/2021	Patent Cooperation Treaty
Capella	Capella Bioscience	Antigen binding molecules that bind BDCA-2	2000814	1/20/2020			United Kingdom
LockBody	LockBody Therapeutics LTD	ANTI C-MET ANTIBODIES	US16/980,015	9/11/2020	US 2021-0009694	1/14/2021	USA
LockBody	LockBody Therapeutics LTD	C-MET BINDING AGENTS	1803892.7	3/12/2018			United Kingdom
LockBody	LockBody Therapeutics LTD	C-MET BINDING AGENTS	1812487.5	7/31/2018			United Kingdom
LockBody	LockBody Therapeutics LTD	C-MET BINDING AGENTS	1816841.9	10/16/2018			United Kingdom
LockBody	LockBody Therapeutics LTD	ANTI C-MET ANTIBODIES	PCT/EP2019/056178	3/12/2019	WO 2019/175186	9/19/2019	Patent Cooperation Treaty
LockBody	LockBody Therapeutics LTD	ANTI C-MET ANTIBODIES	2019233511	3/12/2019			Australia
LockBody	LockBody Therapeutics LTD	ANTI C-MET ANTIBODIES	3092526	3/12/2019			Canada
LockBody	LockBody Therapeutics LTD	ANTI C-MET ANTIBODIES	201980017468.2	3/12/2019			China
LockBody	LockBody Therapeutics LTD	ANTI C-MET ANTIBODIES	19711070.3	3/12/2019			European Patent Office
LockBody	LockBody Therapeutics LTD	ANTI C-MET ANTIBODIES	2020-543219	3/12/2019			Japan

LockBody	LockBody Therapeutics LTD	ACTIVATABLE PROTEIN CONSTRUCTS AND USES THEREOF	1906685.1	5/13/2019			United Kingdom
LockBody	LockBody Therapeutics LTD	ACTIVATABLE PROTEIN CONSTRUCTS AND USES THEREOF	1910254	7/17/2019			United Kingdom
LockBody	LockBody Therapeutics LTD	ACTIVATABLE PROTEIN CONSTRUCTS AND USES THEREOF	1917678.3	12/4/2019			United Kingdom
LockBody	LockBody Therapeutics LTD	ACTIVATABLE PROTEIN CONSTRUCTS AND USES THEREOF	2001196.1	1/28/2020			United Kingdom
LockBody	LockBody Therapeutics LTD	ACTIVATABLE BISPECIFIC ANTIBODIES COMPRISING A LINKER BETWEEN THE TWO BINDING DOMAINS WHICH IS A HUMAN IMMUNOGLOBULIN HINGE REGION, OR A VARIANT THEREOF, AND USES THEROF	PCT/EP2020/063362	5/13/2020	WO 2020/229553	11/19/2020	Patent Cooperation Treaty
LockBody	LockBody Therapeutics LTD subsidary UltraHuman Two LTD	CD47 BINDING AGENTS	1804860.3	3/27/2018			United Kingdom
LockBody	LockBody Therapeutics LTD subsidary UltraHuman Two LTD	CD47 BINDING AGENTS	1813693.7	8/22/2018			United Kingdom
LockBody	LockBody Therapeutics LTD subsidary UltraHuman Two LTD	CD47 BINDING AGENTS	PCT/EP2019/057723	3/27/2019	WO2019/185717	10/3/2019	Patent Cooperation Treaty
LockBody	LockBody Therapeutics LTD subsidary UltraHuman Two LTD	CD47 BINDING AGENTS	2019246401	3/27/2019			Australia
LockBody	LockBody Therapeutics LTD subsidary UltraHuman Two LTD	CD47 BINDING AGENTS	3093777	3/27/2019			Canada
LockBody	LockBody Therapeutics LTD subsidary UltraHuman Two LTD	CD47 BINDING AGENTS	201980021901.X	3/27/2019			China

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LockBody	LockBody Therapeutics LTD subsidary UltraHuman Two LTD	CD47 BINDING AGENTS	19715427.1	3/27/2019			European Patent Office
LockBody	LockBody Therapeutics LTD subsidary UltraHuman Two LTD	CD47 BINDING AGENTS	277343	3/27/2019	n/a	10/29/2020	Israel
LockBody	LockBody Therapeutics LTD subsidary UltraHuman Two LTD	CD47 BINDING AGENTS	2020-552716	3/27/2019			Japan
LockBody	LockBody Therapeutics LTD subsidary UltraHuman Two LTD	CD47 BINDING AGENTS	10-2020-7029435	3/27/2019			Republic of Korea
LockBody	LockBody Therapeutics LTD subsidary UltraHuman Two LTD	CD47 BINDING AGENTS	11202008965S	3/27/2019			Singapore
LockBody	LockBody Therapeutics LTD subsidary UltraHuman Two LTD	CD47 BINDING AGENTS	17/041,100	3/27/2019			United States of America
LockBody	LockBody Therapeutics LTD subsidary UltraHuman Four LTD	Binding Agents	2018316742	8/17/2018			Australia
LockBody	LockBody Therapeutics LTD subsidary UltraHuman Four LTD	Binding Agents	1120200033065	8/17/2018			Brazil
LockBody	LockBody Therapeutics LTD subsidary UltraHuman Four LTD	Binding Agents	3072998	8/17/2018			Canada
LockBody	LockBody Therapeutics LTD subsidary UltraHuman Four LTD	Binding Agents	201880066662.5	8/17/2018	CN111212852A		People's Republic of China
LockBody	LockBody Therapeutics LTD subsidary UltraHuman Four LTD	Binding Agents	18759711.7	8/17/2018	3668897		European Patent Office
LockBody	LockBody Therapeutics LTD subsidary UltraHuman Four LTD	Binding Agents	1713298.6	8/18/2017			United Kingdom
LockBody	LockBody Therapeutics LTD subsidary UltraHuman Four LTD	Binding Agents	1802595.7	2/16/2018			United Kingdom
LockBody	LockBody Therapeutics LTD subsidary UltraHuman Four LTD	Binding Agents	1808570.4	5/24/2018			United Kingdom

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LockBody	LockBody Therapeutics LTD subsidary UltraHuman Four LTD	Binding Agents	62020017802.3	8/17/2018			Hong Kong
LockBody	LockBody Therapeutics LTD subsidary UltraHuman Four LTD	Binding Agents	272643	8/17/2018			Israel
LockBody	LockBody Therapeutics LTD subsidary UltraHuman Four LTD	Binding Agents	2020/17009526	8/17/2018			India
LockBody	LockBody Therapeutics LTD subsidary UltraHuman Four LTD	Binding Agents	2020-530735	8/17/2018			Japan
LockBody	LockBody Therapeutics LTD subsidary UltraHuman Four LTD	Binding Agents	2020-7007972	8/17/2018			Republic of Korea
LockBody	LockBody Therapeutics LTD subsidary UltraHuman Four LTD	Binding Agents	MX/A/20/00187	8/17/2018			Mexico
LockBody	LockBody Therapeutics LTD subsidary UltraHuman Four LTD	Binding Agents	2020109544	8/17/2018			Russian Federation
LockBody	LockBody Therapeutics LTD subsidary UltraHuman Four LTD	Binding Agents	11202001425T	8/17/2018			Singapore
LockBody	LockBody Therapeutics LTD subsidary UltraHuman Four LTD	Binding Agents	16/543884	8/17/2018	10683350	6/16/2020	USA
LockBody	LockBody Therapeutics LTD subsidary UltraHuman Four LTD	Binding Agents	16/877938	8/17/2018	US-2020-0277375-A1		USA
LockBody	LockBody Therapeutics LTD subsidary UltraHuman Four LTD	Binding Agents	PCT/GB2018/052347	8/17/2018	WO2019/034895		Patent Cooperation Treaty
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	US15/324,864	1/9/2017	US10,336,800	7/2/2019	USA
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	US16/415,006	5/17/2019	US 2019-0359668	11/28/2019	USA

Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	AL/P/20/000098	1/1/2020	Albania
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	3166628	1/1/2020	Austria
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	2015287397	7/9/2015	2015287397	12/3/2020	Australia
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	3166628	1/1/2020	Belgium
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	3166628	1/1/2020	Bulgaria
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	1120170001136	7/9/2015	1.12017E+12		Brazil
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	2954221	7/9/2015	2954221		Canada
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	3166628	1/1/2020	Switzerland
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	201580036984.1	7/9/2015	ZL201580036984.1		People's Republic of China

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Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	3166628	1/1/2020	Cyprus
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	3166628	1/1/2020	Czech Republic
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	3166628	1/1/2020	Germany
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	3166628	1/1/2020	Denmark
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	3166628	1/1/2020	Estonia
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	3166628	1/1/2020	European Patent Office
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	07/09/15	3669886	2/24/2021	European Patent Office
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	21158441.2	2/23/2021			European Patent Office
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	3166628	1/1/2020	Spain

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Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	3166628	1/1/2020	Finland
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	3166628	1/1/2020	France
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	3166628	1/1/2020	United Kingdom
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	3103278	1/1/2020	Greece
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	17106250.3	7/9/2015	1232462	4/7/2020	Hong Kong
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	42020010016.2		40020167		Hong Kong
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	P20200418	1/1/2020	Croatia
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	3166628	1/1/2020	Hungary
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	3166628	1/1/2020	Ireland

Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	201717003498	7/9/2015	2.01717E+11		India
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	3166628	1/1/2020	Iceland
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	5.0202E+14	1/1/2020	Italy
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	2017-500932	7/9/2015	6737770		Japan
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	2017-7003531	7/9/2015	2017-7003531		Republic of Korea
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	3166628	1/1/2020	Lithuania
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	3166628	1/1/2020	Luxembourg
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	3166628	1/1/2020	Latvia
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	3166628	1/1/2020	Monaco

Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	MK/P/2020/118	1/1/2020	Macedonia (F.Y.R.O.M)
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	3166628	1/1/2020	Malta
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	MX/A/17/000448	7/9/2015	378431		Mexico
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	MX/A/20/011333		MX/A/20/011333		Mexico
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	3166628	1/1/2020	Netherlands
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	3166628	1/1/2020	Norway
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	3166628	1/1/2020	Poland
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	3166628	1/1/2020	Portugal
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	3166628	1/1/2020	Romania

Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	60181	1/1/2020	Serbia
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	2017102381	7/9/2015	2017102381		Russian Federation
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	3166628	1/1/2020	Sweden
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	P-201531119	1/1/2020	Slovenia
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	3166628	1/1/2020	Slovakia
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	SM-T-202000171	1/1/2020	San Marino
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	15739658.1	7/9/2015	TR202001022T4	1/1/2020	Turkey
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Albania
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Austria

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Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Belgium
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Bulgaria
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Switzerland
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Cyprus
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Czech Republic
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Germany
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Denmark
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Estonia
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Spain

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Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Finland
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	France
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	United Kingdom
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Greece
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Croatia
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Hungary
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Ireland
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Iceland
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Italy

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Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Lithuania
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Luxembourg
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Latvia
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Monaco
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Macedonia (F.Y.R.O.M)
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Malta
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Netherlands
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Norway
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Poland

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Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Portugal
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Romania
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Serbia
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Sweden
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Slovenia
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	Slovakia
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	3669886	6/24/2020	San Marino
Morphogen-IX	Cambridge Enterprise Limited (License for worldwide, exclusive rights to Morphogen-IX)	THERAPEUTIC USE OF BONE MORPHOGENETIC PROTEINS	19220066.5	7/9/2015	TR2021007538	6/24/2020	Turkey
Orexia	Orexia Therapeutics	MEDIUM- OR MACRO-CYCLIC BENZYL-SUBSTITUTED HETEROCYCLE DERIVATIVES AND RELATED USES	US63/074,220	9/3/2020			USA

Orexia	Orexia Therapeutics	BICYCLIC-HETEROCYCLE DERIVATIVES AND RELATED USES	US63/074,216	9/3/2020			USA
Orexia	Orexia Therapeutics	2-(3-ETHYNYLBENZYL)-SUBSTITUTED HETEROCYCLE DERIVATIVES AND RELATED USES	63/170,099	4/2/2021			USA
Palladio	Palladio Biosciences	FORMULATIONS OF LIXIVAPTAN FOR THE TREATMENT OF POLYCYSTIC DISEASE	US16/620,144	12/6/2019	US 2020-0147102	5/14/2020	USA
Palladio	Cardiokine Biopharma LLC -- expired cases	TRICYCLIC DIAZEPINE VASOPRESSIN ANTAGONISTS AND OXYTOCIN ANTAGONISTS	US08/254,822	6/13/1994	US5,516,774	5/14/1996	USA
Palladio	Cardiokine Biopharma LLC -- expired cases	TRICYCLIC DIAZEPINE VASOPRESSIN ANTAGONISTS AND OXYTOCIN ANTAGONISTS	US08/468,737	6/6/1995	US5,624,923	4/29/1997	USA
Palladio	Cardiokine Biopharma LLC -- expired cases	VASOPRESSIN ANTAGONIST AND DIURETIC COMBINATION	US09/669,461	9/25/2000	US6,420,358	7/16/2002	USA
Palladio	Cardiokine Biopharma LLC -- expired cases	VASOPRESSIN ANTAGONIST AND DIURETIC COMBINATION	US10/162,451	6/4/2002	US6,656,931	12/2/2003	USA
Palladio	Cardiokine Biopharma LLC -- expired cases	VASOPRESSIN ANTAGONIST FORMULATION AND PROCESS	US09/668,883	9/25/2000	US6,352,718	3/5/2002	USA
Palladio	Palladio Biosciences	FORMULATIONS OF LIXIVAPTAN FOR THE TREATMENT OF POLYCYSTIC DISEASE	PCT/US2018/36719	6/8/2018	WO 2018/227128	12/13/2018	WO

Palladio	Palladio Biosciences	FORMULATIONS OF LIXIVAPTAN FOR THE TREATMENT OF POLYCYSTIC DISEASE	18814459.6	6/8/2018	EP3634395	4/15/2020	EP
Palladio	Cardiokine Biopharma LLC	COMPOSITIONS FOR DELIVERY OF INSOLUBLE AGENTS	10812546.9	24-Aug-10			EP
Palladio	Cardiokine Biopharma LLC	COMPOSITIONS FOR DELIVERY OF INSOLUBLE AGENTS	2012-526904	24-Aug-10			Japan
Palladio	Cardiokine Biopharma LLC	COMPOSITIONS FOR DELIVERY OF INSOLUBLE AGENTS	PCT/US10/46452	24-Aug-10			WO
Palladio	Cardiokine Biopharma LLC	COMPOSITIONS FOR DELIVERY OF INSOLUBLE AGENTS	13/391,440	21-Sep-12	8,877,746	4-Nov-14	USA
Palladio	Cardiokine Biopharma LLC -- expired cases	PHARMACEUTICAL CARRIER FORMULATION	09/668,970	25-Sep-00	6,437,006	20-Aug-02	USA
Palladio	Wyeth Holdings LLC -- expired cases	TRICYLIC BENZAZEPINE VASOPRESSIN ANTAGONISTS	2,128,955	27-Jul-94	2,128,955	14-Nov-06	Canada
Palladio	Wyeth Holdings LLC -- expired cases	N-ACYLATED TRICYCLIC AZAHETERORINGS USEFUL AS VASOPRESSIN ANTAGONISTS	94111040.5	15-Jul-94	EP0640592	30-Dec-98	EP
Palladio	Wyeth Holdings LLC -- expired cases	N-ACYLATED TRICYCLIC AZAHETERORINGS USEFUL AS VASOPRESSIN ANTAGONISTS	94111040.5	15-Jul-94	EP0640592	11-Feb-99	France
Palladio	Wyeth Holdings LLC -- expired cases	N-ACYLATED TRICYCLIC AZAHETERORINGS USEFUL AS VASOPRESSIN ANTAGONISTS	69415614.0	15-Jul-94	EP0640592	11-Feb-99	Germany
Palladio	Wyeth Holdings LLC -- expired cases	TRICYLIC BENZAZEPINE VASOPRESSIN ANTAGONISTS	94111040.5	15-Jul-94	EP0640592	11-Feb-99	Italy

Palladio	Wyeth Holdings LLC -- expired cases	TRICYLIC BENZAZEPINE VASOPRESSIN ANTAGONISTS	195886/94	28-Jul-94	3630449	24-Dec-04	Japan
Palladio	Wyeth Holdings LLC -- expired cases	TRICYLIC BENZAZEPINE VASOPRESSIN ANTAGONISTS	945747	28-Jul-94	203306	27-Jul-01	Mexico
Palladio	Wyeth Holdings LLC -- expired cases	TRICYLIC BENZAZEPINE VASOPRESSIN ANTAGONISTS	94111040.5	15-Jul-94	EP0640592	11-Feb-99	Spain
Palladio	Wyeth Holdings LLC -- expired cases	TRICYLIC BENZAZEPINE VASOPRESSIN ANTAGONISTS	94111040.5	15-Jul-94	EP0640592	11-Feb-99	United Kingdom
Palladio	Palladio Biosciences	FORMULATIONS OF LIXIVAPTAN FOR THE TREATMENT POLYCYSTIC DISEASE	2018279843	8-Jun-18			Australia
Palladio	Palladio Biosciences	FORMULATIONS OF LIXIVAPTAN FOR THE TREATMENT POLYCYSTIC DISEASE	3,065,910	8-Jun-18			Canada
Palladio	Palladio Biosciences	FORMULATIONS OF LIXIVAPTAN FOR THE TREATMENT POLYCYSTIC DISEASE	2019-566936	8-Jun-18			Japan
Palladio	Palladio Biosciences	FORMULATIONS OF LIXIVAPTAN FOR THE TREATMENT POLYCYSTIC DISEASE	10-2019-7037227	8-Jun-18			Korea, Republic of
Palladio	Palladio Biosciences	FORMULATIONS OF LIXIVAPTAN FOR THE TREATMENT POLYCYSTIC DISEASE	MX/a/2019/014475	8-Jun-18			Mexico
Palladio	Palladio Biosciences	FORMULATIONS OF LIXIVAPTAN FOR THE TREATMENT POLYCYSTIC KIDNEY DISEASE	62/517,793				USA

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Palladio	Palladio Biosciences	FORMULATIONS OF LIXIVAPTAN FOR THE TREATMENT POLYCYSTIC DISEASE	62/580,167				USA
PearlRiver	PearlRiver Bio	2,3,5-Substituted pyrrolo[2,3-b]pyridines as ErbB modulators useful for treating cancer	20158617.9	2/20/2020			EP
PearlRiver	PearlRiver Bio	2,3,5-Substituted pyrrolo[2,3-b]pyridines as ErbB modulators useful for treating cancer	20158619.5	2/20/2020			EP
PearlRiver	PearlRiver Bio	2,3,5-Substituted pyrrolo[2,3-b]pyridines as ErbB modulators useful for treating cancer	PCT / EP2021 / 054211	2/19/2021		ca. 8/20/2021	PCT
PearlRiver	PearlRiver Bio	2,3,5-Substituted pyrrolo[2,3-b]pyridines as ErbB modulators useful for treating cancer	PCT / EP2021 / 054153	2/19/2021		ca. 8/20/2021	PCT
PearlRiver	Lead Discovery Center GmbH	4-substituted pyrrolo[2,3-b]pyridine as erbb modulators useful for treating cancer	PCT/EP2019/072564	8/23/2019			PCT
Pega-One	Roche Glycart AG	GLYCOSYLATION ENGINEERING OF ANTIBODIES FOR IMPROVING ANTIBODY-DEPENDENT CELLULAR CYTOTOXICITY	US09/294,584	4/20/1999	US6,602,684	8/5/2003	USA
Pega-One	Roche Glycart AG	ANTIBODY GLYCOSYLATION VARIANTS HAVING INCREASED ANTIBODY-DEPENDENT CELLULAR CYTOTOXICITY	2004106559	8/5/2002	2321630		Russia

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Pega-One	Roche Glycart AG	ANTIBODY GLYCOSYLATION VARIANTS HAVING INCREASED ANTIBODY-DEPENDENT CELLULAR CYTOTOXICITY	US11/199,232	8/9/2005	US8,021,856	9/20/2011	USA
Pega-One	Roche Glycart AG	ANTIBODY GLYCOSYLATION VARIANTS HAVING INCREASED ANTIBODY-DEPENDENT CELLULAR CYTOTOXICITY	US13/196,724	8/2/2011	US8,999,324	4/7/2015	USA
Pega-One	Roche Glycart AG	ANTIBODY GLYCOSYLATION VARIANTS HAVING INCREASED ANTIBODY-DEPENDENT CELLULAR CYTOTOXICITY	US60/309,516	8/3/2001			USA
Pega-One	Roche Glycart AG	ANTIBODY GLYCOSYLATION VARIANTS HAVING INCREASED ANTIBODY-DEPENDENT CELLULAR CYTOTOXICITY	PCT/US2002/24739	8/5/2002	WO 2003/011878	2/13/2003	WO
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	2004205802	1/22/2004	2004205802	2/18/2010	Australia
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	2010200408	2/4/2010	2010200408	10/25/2012	Australia
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	2012213963	8/15/2012	2012213963	3/12/2015	Australia

Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	2513797	1/22/2004	2513797	5/3/2016	Canada
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	200480007564.2	1/22/2004	CN176174B		China
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	201310218123.8	1/22/2004	CN103540600B		China
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	PV2005-490	1/22/2004			Czech Rep.
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	4704310.4	1/22/2004	1587921	7/28/2010	EP

Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	4704310.4	**1/22/2004**	1587921	7/28/2010	Austria
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	4704310.4	**1/22/2004**	1587921	7/28/2010	Belgium
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	4704310.4	**1/22/2004**	1587921	7/28/2010	Switzerland
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	4704310.4	1/22/2004	602004028337.10	7/28/2010	Germany
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	4704310.4	1/22/2004	1587921	7/28/2010	Spain

Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	4704310.4	1/22/2004	1587921	7/28/2010	Finland
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	4704310.4	1/22/2004	1587921	7/28/2010	France
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	4704310.4	1/22/2004	1587921	7/28/2010	Great Britain
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	4704310.4	1/22/2004	1587921	7/28/2010	Hungary
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	4704310.4	1/22/2004	1587921	7/28/2010	Ireland

Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	4704310.4	1/22/2004	1587921	7/28/2010	Italy
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	4704310.4	1/22/2004	1587921	7/28/2010	Netherlands
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	4704310.4	1/22/2004	1587921	7/28/2010	Sweden
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	10075273.2	6/25/2010	2248892	4/22/2015	EP
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	10075273.2	6/25/2010	602004047075.90	4/22/2015	Switzerland

Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	10075273.2	6/25/2010	2248892	4/22/2015	Germany
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	10075273.2	6/25/2010	2248892	4/22/2015	Spain
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	10075273.2	6/25/2010	2248892	4/22/2015	France
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	10075273.2	6/25/2010	2248892	4/22/2015	Great Britain
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	10075273.2	6/25/2010	2248892	4/22/2015	Italy

Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	10075273.2	6/25/2010	2248892	4/22/2015	Netherlands
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	10075273.2	6/25/2010	2248892	4/22/2015	Sweden
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	10075272.4	6/25/2010	2264152	5/20/2015	EP
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	10075272.4	6/25/2010	2264152	5/20/2015	Switzerland
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	10075272.4	6/25/2010	6020040407238.70	5/20/2015	Germany
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	10075272.4	6/25/2010	2264152	5/20/2015	Spain

Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	10075272.4	6/25/2010	2264152	5/20/2015	France
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	10075272.4	6/25/2010	2264152	5/20/2015	Great Britain
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	10075272.4	6/25/2010	2264152	5/20/2015	Italy
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	10075272.4	6/25/2010	2264152	5/20/2015	Netherlands
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	10075272.4	6/25/2010	2264152	5/20/2015	Sweden
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	10075271.6	6/25/2010	2264151	4/20/2016	EP

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Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	10075271.6	6/25/2010	2264151	4/20/2016	Switzerland
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	10075271.6	6/25/2010	602004049129.20	4/20/2016	Germany
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	10075271.6	6/25/2010	2264151	4/20/2016	Spain
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	10075271.6	6/25/2010	2264151	4/20/2016	France
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	10075271.6	6/25/2010	2264151	4/20/2016	Great Britain
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	10075271.6	6/25/2010	2264151	4/20/2016	Italy

Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	10075271.6	6/25/2010	2016-G-280723		Turkey
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	6109471.3	8/25/2006	1089205	6/16/2017	Hong Kong
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	169805	1/22/2004	169805		Israel
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	203402	1/22/2004	203402		Israel
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	1628/KOLNP/2005	1/22/2004	235912		India

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Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	2006-500338	1/22/2004	5425365	12/6/2013	Japan
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	2013-146287	7/12/2013	5953271	6/17/2016	Japan
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	10-2005-7013639	1/22/2004	101292000	7/26/2013	Republic of Korea
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	10-2013-7008302	4/1/2013	101498588	2/26/2015	Republic of Korea
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	PA/A/2005/007781	1/22/2004	279191		Mexico

Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	MX/A/2010/010315	9/21/2010			Mexico
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	20053872	1/22/2004			Norway
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	541503	1/22/2004	541503		New Zealand
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	567320	4/10/2008	567320		New Zealand
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	582315	12/23/2009	582315		New Zealand

Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	591970	3/29/2011	591970		New Zealand
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	603037	10/16/2012	603037		New Zealand
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	PL377967	1/22/2004	PL224786		Poland
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	PL393644	1/22/2004	PL222220		Poland
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	PL393645	1/22/2004	PL222206		Poland
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	PL393641	1/22/2004	PL222219		Poland

Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	PL393646	1/22/2004	PL222222		Poland
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	PL393647	1/22/2004	PL222221		Poland
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	PL415463	1/22/2004	PL224787		Poland
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	2005123986	1/22/2004	2407796		Russia
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	2010135975	8/26/2010	2623167		Russia

Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	200504568-7	1/22/2004	113373		Singapore
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	200804942-1	1/22/2004	167680		Singapore
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	201300559-0	1/22/2004	201300559-0		Singapore
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	US10/761,435	1/22/2004	US8,367,374	2/5/2013	USA
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	US13/759,925	2/5/2013	US8,859,234	10/14/2014	USA

Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	US60/441,307	1/22/2003			USA
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	US60/491,254	7/31/2003			USA
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	US60/495,142	8/15/2003			USA
Pega-One	Roche Glycart AG	FUSION CONSTRUCTS AND USE OF SAME TO PRODUCE ANTIBODIES WITH INCREASED FC RECEPTOR BINDING AFFINITY AND EFFECTOR FUNCTION	PCT/IB2004/000844	1/22/2004	WO 2004/065540	8/5/2004	WO
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	PI0607315-8	2/7/2006			Brazil
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	2596835	2/7/2006	2596835	8/20/2019	Canada

Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	200680004310.4	2/7/2006	ZL200680004310.4		China
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	6710336.6	2/7/2006	1871805	9/25/2019	EP
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	6710336.6	2/7/2006	1871805	9/25/2019	Greece
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	6710336.6	2/7/2006	1871805	9/25/2019	Italy
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	6710336.6	2/7/2006	1871805	9/25/2019	Austria
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	6710336.6	2/7/2006	1871805	9/25/2019	Belgium
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	6710336.6	2/7/2006	1871805	9/25/2019	Bulgaria

Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	6710336.6	2/7/2006	1871805	9/25/2019	Switzerland
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	6710336.6	2/7/2006	1871805	9/25/2019	Czech Republic
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	6710336.6	2/7/2006	1871805	9/25/2019	Germany
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	6710336.6	2/7/2006	1871805	9/25/2019	Finland
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	6710336.6	2/7/2006	1871805	9/25/2019	France
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	6710336.6	2/7/2006	1871805	9/25/2019	United Kingdom
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	6710336.6	2/7/2006	1871805	9/25/2019	Ireland

Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	6710336.6	2/7/2006	1871805	9/25/2019	Lithuania
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	6710336.6	2/7/2006	1871805	9/25/2019	Netherlands
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	6710336.6	2/7/2006	1871805	9/25/2019	Portugal
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	6710336.6	2/7/2006	1871805	9/25/2019	Romania
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	6710336.6	2/7/2006	1871805	9/25/2019	Sweden
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	6710336.6	2/7/2006	1871805	9/25/2019	Slovakia
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	6710336.6	2/7/2006	1871805	9/25/2019	Croatia

Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	6710336.6	2/7/2006	1871805	9/25/2019	Serbia
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	6710336.6	2/7/2006	1871805	9/25/2019	Slovenia
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	6710336.6	2/7/2006	1871805	9/25/2019	Turkey
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	6710336.6	2/7/2006	1871805	9/25/2019	Spain
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	6710336.6	2/7/2006	1871805	9/25/2019	Denmark
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	19198853.4	9/23/2019	3660049A1	6/3/2020	EP

Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	8105244.5	5/13/2008	1110873	5/13/2016	Hong Kong
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	184498	2/7/2006	184498		Israel
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	IN2007CN03878	2/7/2005	IN259199		India
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	2007-553735	2/7/2006	5336089	8/9/2013	Japan
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	2013-038450	2/28/2013	5763695	6/19/2015	Japan
Pega-One		ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	PT20060710336T	2/7/2005	PT1871805		Portugal
Pega-One		ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	UA20070010028	2/7/2005	UA95068		Ukraine

Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	2007-7020499	2/7/2006	10-1467566	11/25/2014	Korea
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	2014-7002356	1/27/2014	10-1569300	11/9/2015	Korea
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	MX/A/2007/008619	2/7/2006	312487		Mexico
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	2007133439	2/7/2006	2488597		Russia
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	2013119417	4/26/2013	2610688		Russia
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	US11/348,526	2/7/2007	US7,722,867	5/25/2010	USA
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	US11/889,981	8/17/2007	US7,846,432	12/7/2010	USA

Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	US12/938,180	11/2/2010	US8,097,436	1/17/2012	USA
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	US13/315,989	12/9/2011	US8,614,065	12/24/2013	USA
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	US14/084,303	11/19/2013	US9,309,317	4/12/2016	USA
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	US15/050,821	2/23/2016	US9,957,326	5/1/2018	USA
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	US15/965,143	4/27/2018	US 2019-0106497	4/11/2019	USA
Pega-One	Roche Glycart AG	CHIMERIC EGFR ANTIBODY, VECTORS ENCODING SAME, AND USES THEREOF	US60/650,115	2/7/2005			USA
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	PCT/IB2006/000238	2/7/2006	WO 2006/082515	8/10/2006	WO

Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	PI0716639-7	8/9/2007			Brazil
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	2660584	8/9/2007	2660584	11/28/2017	Canada
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	200780037124.5	8/9/2007	ZL200780037124.5		China
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	7825698.9	8/9/2007	2057192	5/29/2013	EP
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	7825698.9	8/9/2007	2057192	5/29/2013	Switzerland
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	7825698.9	8/9/2007	602007030786.40	5/29/2013	Germany
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	7825698.9	8/9/2007	ES2424388	5/29/2013	Spain

Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	7825698.9	8/9/2007	2057192	5/29/2013	France
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	7825698.9	8/9/2007	2057192	5/29/2013	Great Britain
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	7825698.9	8/9/2007	2057192	5/29/2013	Italy
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	7825698.9	8/9/2007	2013-G-273394	5/29/2013	Turkey
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	11193812.2	12/15/2011	2444422	4/20/2016	EP
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	11193812.2	12/15/2011	2444422	4/20/2016	Switzerland
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	11193812.2	12/15/2011	602007045985	4/20/2016	Germany
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	11193812.2	12/15/2011	ES2576137	4/20/2016	Spain

Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	11193812.2	12/15/2011	2444422	4/20/2016	France
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	11193812.2	12/15/2011	2444422	4/20/2016	Great Britain
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	11193812.2	12/15/2011	2444422	4/20/2016	Italy
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	11193812.2	12/15/2011	2016-G-274517	4/20/2016	Turkey
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	9110543.2	11/12/2009	1131163	9/27/2013	Hong Kong
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	2009-523372	8/9/2007	5421105	11/29/2013	Japan

Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	10-2009-7004840	8/9/2007	10-1452530	10/13/2014	Korea
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	MX/A/2009/001382	8/9/2007	296943		Mexico
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	2009107895	8/9/2007	2457219		Russia
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	US11/889,215	8/9/2007	US7,662,377	2/16/2010	USA
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	US11/892,010	8/17/2007	US7,727,741	6/1/2010	USA
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	US12/724,386	9/15/2010	US8,088,380	1/3/2012	USA
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	US13/308,334	11/30/2011	US8,273,328	9/25/2012	USA

Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	US13/588,269	8/17/2012	US9,074,008	7/7/2015	USA
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	US60/836,371	8/9/2006			USA
Pega-One	Roche Glycart AG	ANTIGEN BINDING MOLECULES THAT BIND EGFR, VECTORS ENCODING SAME, AND USES THEREOF	PCT/IB2007/003542	8/9/2007	WO 2008/017963	2/14/2008	WO
Z Factor	Z Factor Ltd	Compound and its Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874)	1820450.3				United Kingdom
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	PCT/GB2019/053552	12/13/2019	WO2020/120992	6/18/2020	Patent Cooperation Treaty
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	1820451.1				United Kingdom
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF887 Family)	1820452.9				United Kingdom
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF887 Family)	1820455.2				United Kingdom

Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF887 Family)	1918410	12/13/2019			United Kingdom
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF887 Family)	PCT/GB2020/053187	12/11/2020	WO2021/116703	6/17/2021	Patent Cooperation Treaty
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF1005 Family)	1918404.3	12/13/2019			United Kingdom
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF1005 Family)	PCT/GB2020/053191	12/11/2020	WO2021/116706	6/17/2021	Patent Cooperation Treaty
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF942 Family)	1918413.4	12/13/2019			United Kingdom
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF942 Family)	PCT/GB2020/053192	12/11/2020	WO2021/116707	6/17/2021	Patent Cooperation Treaty
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF994 Family)	1918414.2	12/13/2019			United Kingdom
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF994 Family)	PCT/GB2020/053194	12/11/2020	WO2021/116709	6/17/2021	Patent Cooperation Treaty

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Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF935 Family)	1918416.7	12/13/2019			United Kingdom
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF935 Family)	PCT/GB2020/053196	12/11/2020	WO2021/116710	6/17/2021	Patent Cooperation Treaty
Z Factor	Z Factor Ltd	Process	2009069.2	6/15/2020			United Kingdom
Z Factor	Z Factor Ltd	Process	PCT/GB2021/051488				Patent Cooperation Treaty
Z Factor	Z Factor Ltd	Compounds	2009073.4	6/15/2020			United Kingdom
Z Factor	Z Factor Ltd	Compounds	2009070	6/15/2020			United Kingdom
Z Factor	Z Factor Ltd	Compounds	2009068.4	6/15/2020			United Kingdom
Z Factor	Z Factor Ltd	Compounds	2009065	6/15/2020			United Kingdom
Z Factor	Z Factor Ltd	Compound	2009074.2	6/15/2020			United Kingdom
Z Factor	Z Factor Ltd	Compound	PCT/GB2021/051496				Patent Cooperation Treaty
Z Factor	Z Factor Ltd	Compounds	2108497.5				United Kingdom
Z Factor	Z Factor Ltd	Compounds	2108498.3				United Kingdom
Z Factor	Z Factor Ltd	Compounds	2108499.1				United Kingdom
Z Factor	Z Factor Ltd	Compounds	2108501.4				United Kingdom
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF887 dosage)	2108523.8				United Kingdom

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Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF887 analogues 1 (acids/saturated ring))	2108542.8				United Kingdom
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF887 analogues 2 (amines/saturated ring))	2108543.6				United Kingdom
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF887 analogues 1 (acids+ amines/modified rings))	2108544.4				United Kingdom
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	17/345928	6/11/2021			US
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency	63/211319	6/16/2021			US
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	WO2020/120992	6/11/2021			African Regional IP Organization
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	2019398520.00	6/11/2021			Australia

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Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	1120210114777.00	6/11/2021			Brazil
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	3122658.00	6/11/2021			Canada
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	202101522.00	6/11/2021			Chile
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	20198008707.20	6/11/2021			China
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	NC2021/0009083	6/11/2021			Columbia
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	2021-0376	6/11/2021			Costa Rica
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	20219239.00	6/11/2021			Eurasian Patent

Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	SENADI-2021-51825	6/11/2021			Ecuador
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	857-2021	6/11/2021			Egypt
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	19835312.00	6/11/2021			European Patent Office
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	A2021-000107	6/11/2021			Guatemala
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	WO2020/120992	6/11/2021			Hong Kong
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	HN/P/2021/001518	6/11/2021			Honduras
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	PID202105194	6/11/2021			Indonesia

Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	283938.00	6/11/2021			Israel
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	2021/17025673	6/11/2021			India
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	140050140003002	6/11/2021			Iran
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	WO2020/120992	6/11/2021			Japan
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	2021-7021705	6/11/2021			Korea, Republic of
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	MX/A/21/006884	6/11/2021			Mexico
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	WO2020/120992	6/11/2021			Nigeria

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Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	2021-000047	6/11/2021			Nicaragua
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	776915.00	6/11/2021			New Zealand
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	93529-01	6/11/2021			Panama
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	872-2021	6/11/2021			Peru
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	1-2021-551302	6/11/2021			Philippines
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	521422252.00	6/11/2021			Saudi Arabia
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	11202105878.00	6/11/2021			Singapore

Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	2021006268.00	6/11/2021			El Salvador
Z Factor	Z Factor Ltd	Compounds and their Use for the Treatment of Alpha1-Antitrypsin Deficiency (ZF874 Family)	2101003403.00	6/11/2021			Thailand

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SCHEDULE 13.1

Disqualified Lender List

1. Ableco Finance LLC
2. Appaloosa Management L.P.
3. Aurora Capital Group
4. Baupost Group
5. BlackDiamond Capital Management, L.L.C
6. Cerberus Capital Management
7. Elliott Management Corporation
8. Fir Tree Capital Management
9. Golden Gate Capital
10. GoldenTree Asset Management
11. Highland Capital Management, L.P.
12. Man GLG
13. Oaktree Capital Management (OCM)
14. Silver Point Capital
15. Wayzata Investment Partnership LLC

Exhibit A-1

Description of Collateral

The Collateral consists of all of each Obligor's right, title and interest in and to the following personal property:

(a) all of each Obligor's Goods, Accounts (including healthcare receivables, including Health-Care-Insurance Receivables), Equipment, Inventory, contract rights or rights to payment of money, leases, license agreements, franchise agreements, General Intangibles (including Intellectual Property), Commercial Tort Claims, Documents, Instruments (including any Promissory Notes), Chattel Paper (whether tangible or electronic), cash, Deposit Accounts and other Collateral Accounts, all certificates of deposit, Fixtures, Letters of Credit Rights (whether or not the Letter of Credit is evidenced by a writing), Shares, securities and all other Investment Property, Supporting Obligations, and Financial Assets, whether now owned or hereafter acquired, wherever located; and

(b) all of each Obligor's books relating to the foregoing, and any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, Proceeds and insurance proceeds of any or all of the foregoing.

Notwithstanding the foregoing, the Collateral does not include (i) any Excluded Account, (ii) any rights or interest in any contract, lease, permit, license, or license agreement covering real or personal property if under the terms of such contract, lease, permit, license, or license agreement, or applicable law with respect thereto, the grant of a security interest or lien therein would result in the abandonment, invalidation, unlawfulness or unenforceability of any right or interest of any Obligor therein or is prohibited as a matter of law or under the terms of such contract, lease, permit, license, or license agreement and such prohibition or restriction has not been waived or the consent of the other party to such contract, lease, permit, license, or license agreement has not been obtained (provided that the foregoing exclusions of this clause (ii) shall in no way be construed to apply to the extent that any described prohibition or restriction is ineffective under Section 9-406, 9-407, 9-408, or 9-409 of the UCC or other applicable law, to apply to the extent that any consent or waiver has been obtained that would permit Purchaser Agent's security interest or lien to attach notwithstanding the prohibition or restriction on the pledge of such contract, lease, permit, license, or license agreement, or to apply to any Proceeds or receivables thereof); and (iii) any United States intent-to-use trademark applications to the extent that, and solely during the period in which, the grant of a security interest therein would impair the validity or enforceability of such intent-to-use trademark applications under applicable federal law, provided that upon submission and acceptance by the United States Patent and Trademark Office of an amendment to allege use pursuant to 15 U.S.C. Section 1060(a) (or any successor provision), such intent-to-use trademark application shall be considered Collateral.

Exhibit A-2

Agreed Security Principles

1. CONSIDERATIONS

1.1 The guarantees and security required to be provided under this Agreement will be given in accordance with the security principles set out in this Exhibit A-2 (the Agreed Security Principles). These Agreed Security Principles shall apply only to (a) any security or guarantee to be provided by any Obligor which is not a U.S. Person and (b) any security documents subject to a governing law other that of the United States, any state or commonwealth thereof, or the District of Columbia.

1.2 In determining what security will be provided in support of the Obligations the following matters will be taken into account. Security shall not be created or perfected to the extent that it would:

(a) result in any breach of corporate benefit, financial assistance, fraudulent preference or thin capitalization laws or regulations (or analogous restrictions) of any applicable jurisdiction; or

(b) result in a significant risk to the officers of the relevant grantor of security of contravention of their fiduciary duties and/or of civil or criminal liability;

In addition, in requesting security, Purchaser Agent will consider whether the creation or perfection would result in costs that, in the opinion of Purchaser Agent (acting reasonably), are disproportionate to the benefit obtained by the beneficiaries of that security.

1.3 For the avoidance of doubt, in these Agreed Security Principles, "cost" includes, but is not limited to, income tax cost, registration taxes payable on the creation or enforcement or for the continuance of any security, stamp duties, out-of-pocket expenses, and other fees and expenses directly incurred by the relevant grantor of security or any of its direct or indirect owners, subsidiaries or Affiliates.

2. OBLIGATIONS TO BE SECURED

2.1 Subject to Clause 1 (Considerations) above and to paragraph 2.2 below, the obligations to be secured are the Secured Obligations (as defined below). The security is to be granted in favor of Purchaser Agent on behalf of each Secured Party from time to time or, in respect of any Swedish Security, in favor of the Secured Parties from time to time as represented by Purchaser Agent.

For ease of reference, the following definitions should, to the extent legally possible, be incorporated into each Security Document:

> "**Secured Obligations**" means all the Obligations and all other present and future liabilities and obligations at any time due, owing or incurred by any Obligor to any Secured Party under or in connection with the Note Documents, both actual and contingent and whether incurred solely or jointly and as principal or surety or in any other capacity, and includes any obligation arising out of unjust enrichment (*ungerechtfertigte Bereicherung*) or tort (*unerlaubte Handlung*). This applies notwithstanding any increase of any of the Notes, any extension (*Verlängerung*) of the

Maturity Date or the End of Term or any change of the Final Payment Amount, the Revenue Participation Amount, the Milestone Amount or the interest rate charged by the Purchasers.

2.2 The secured obligations will be limited:

(a) to the extent creating security for the relevant obligations would be in any breach of corporate benefit, financial assistance, fraudulent preference, thin capitalization rules or the laws or regulations (or analogous restrictions) of any applicable jurisdiction; and

(b) to the extent creating security for the relevant Secured Obligations results in the officers of the applicable Obligor that is granting the security interest being in contravention of their fiduciary duties and/or civil or criminal or personal liability; and

3. GENERAL

3.1 Where appropriate, defined terms in the Foreign Collateral Documents should mirror those in this Agreement.

3.2 The parties to this Agreement agree to negotiate the form of each Foreign Collateral Document in good faith and will ensure that all documentation required to be entered into as a condition precedent to first drawdown under this Agreement (or immediately thereafter) is in a finally agreed form as soon as reasonably practicable after the date of this Agreement. The form of guarantee is set out in Article XII of this Agreement and, with respect to any future Guarantor, is subject to any limitations set out in the relevant Guarantee Assumption Agreement.

3.3 The security interests and other collateral shall, to the extent possible under local law, only be enforceable following the Agent exercising any of its rights or serving any notices under Article IX (an "**Enforcement Event**"), save that steps which are preparatory to the exercise of a right or remedy in connection with an Enforcement Event may be taken while an Event of Default is continuing.

3.4 Collateral governed by the laws of the Federal Republic of Germany will (to the extent possible) be given in favor of the Purchasers and Purchaser Agent individually. Parallel debt provisions will be included in an individual document (the German Parallel Debt Agreement) in order to support any Collateral created under the German Collateral Documents but not as the sole method of creating a secured obligation or Collateral.

4. UNDERTAKINGS/REPRESENTATIONS AND WARRANTIES

4.1 Any representations, warranties or undertakings which are required to be included in any Foreign Collateral Document shall reflect (to the extent to which the subject matter of such representation, warranty and undertaking is the same as the corresponding representation, warranty and undertaking in this Agreement) the commercial deal set out in this Agreement (save to the extent that Secured Parties' local counsel deem it necessary to include any further provisions (or deviate from those contained in this Agreement) in order to protect, perfect or preserve the security granted to the Secured Parties).

5. GOVERNING LAW

5.1 Unless granted under a global security document governed by the law of the jurisdiction of an Obligor or under New York law, all security (other than as set out in paragraph 5.2

below) shall be governed by the law of the jurisdiction of incorporation of that Obligor or the laws of the jurisdiction where that asset is located.

5.2 Other than as security granted pursuant to the Security Agreement, security over shares shall be governed by the laws of the country in which the entity whose Shares are being secured is incorporated and not by the laws of the country in which the Obligor granting the security is incorporated.

6. SPECIFIC SECURITY DOCUMENTS

6.1 **Bank accounts**

(a) An Obligor shall grant security over all of its bank accounts in existence at the date of this Agreement but shall be free to deal with those accounts in the course of its business until an Event of Default has occurred which is continuing, save in respect of cash collateral and mandatory prepayment holding accounts.

(b) If required by local law to perfect the security or otherwise customary in the relevant jurisdiction, notice of the security will be served on the account bank within five business days of the security being granted and the Obligor shall use its reasonable endeavors to obtain the account bank's acknowledgement of that notice.

(c) Any security over bank accounts shall be subject to any prior security interests in favor of the account bank which are created either by law or in the standard terms and conditions of the account bank provided that such prior security interests must only secure fees and costs of such account bank. The notice of security must request these are waived by the account bank but the Obligor shall not be required to change its banking arrangements if these security interests are not waived or only partially waived.

(d) If required under local law security over bank accounts will be registered.

6.2 **Insurance policies**

(a) All insurance policies shall be charged in favor of the Secured Parties except for third party liability insurance (unless the respective insurance policy is governed by the laws of the Federal republic of Germany) and (y) insurance in favor of employees (to the extent permissible by applicable law).

(b) Notice of the security will be served on the insurance provider within five business days of the security being granted and the Obligor shall use its reasonable endeavors to obtain the insurance provider's agreement in principle to acknowledge that notice and, subsequently, an acknowledgement of that notice.

6.3 **Intellectual Property**

If required under local law to perfect the security as well as if an Event of Default has occurred, at the Obligor's expenses, security over Intellectual Property will be registered in respect of registered Intellectual Property in the United States, United Kingdom, Germany, France, such other jurisdictions within the European Union as Purchaser Agent shall determine in its sole discretion, and each jurisdiction in which an Obligor or Platform Company is organized, however, in respect of community trademarks and community designs (including, in each case, corresponding applications) a registration may be effected at any time after the signing of the relevant German Collateral Documents.

6.4 **Trade receivables**

(a) Unless necessary to ensure the creation of a valid and/or perfected security interest, if an Obligor grants security over its trade receivables, subject to clause (b) below it shall be free to deal with, those receivables in the course of its business until an Event of Default has occurred which is continuing and Purchaser Agent notifies the Obligors that its consent is required for any further dealing.

(b) No notice of security may be served until an Event of Default has occurred which is continuing or to preserve the Purchaser Agent's or the Purchasers' legitimate interests.

(c) If required under local law Security over trade receivables will be registered.

6.5 **Intercompany receivables**

(a) If an Obligor grants security over its intercompany receivables (including receivables resulting from shareholder loans) it shall be free to deal with, those receivables in the course of its business until an Event of Default has occurred which is continuing.

(b) Notice of the security will be served on the relevant Subsidiary in the respective German Collateral Documents to which the respective Subsidiary has to become a party in order to acknowledge this notice.

6.6 **Acquisition, Sales and other receivables**

(a) If an Obligor grants security over its acquisition, sales and other receivables it shall be free to deal with, those receivables in the course of its business until an Event of Default has occurred which is continuing.

(b) Notice of the security will be served upon the occurrence of an Event of Default and request by the Purchaser Agent

6.7 **Shares**

(a) Each Obligor shall grant a charge or pledge over all Shares owned by it.

(b) Notification of pledges governed by the laws of the Federal Republic of Germany over Shares and, in each case, any receivables pertaining thereto will be given to the companies and partnerships the shares or interest in which are pledged in the respective German Collateral Documents to which the respective company has to become a party in order to acknowledge this notice.

(c) Until an Event of Default has occurred which is continuing, the Obligor executing a share charge will be permitted to retain and to exercise voting rights to any shares charged by it in a manner which does not adversely affect the validity, perfection, or enforceability of the security or cause an Event of Default to occur and the company whose shares have been charged will be permitted to pay dividends to the Obligor in those circumstances.

(d) Where customary or required by law, at the time of execution of the share charge, the share certificate and (if applicable) a stock transfer form duly endorsed and executed (if applicable) in blank will be provided to Purchaser Agent and where required by law the share certificate

or shareholders register will be endorsed or written up and the endorsed share certificate and/or a copy of the written up register provided to Purchaser Agent.

(e) Unless the restriction is required by law, the constitutional documents of the company whose shares have been charged will be amended to remove any restriction on the transfer or the registration of the transfer of the shares on enforcement of the security granted over them.

6.8 **Real estate**

(a) Subject to paragraph 6.6(b) below, an Obligor will use commercially reasonable efforts to obtain any landlord's consent required to grant security over its real estate. The amount secured by each security over real estate may be restricted to an agreed level in accordance with reasonable local market practice.

(b) An Obligor shall not be required to grant security over its real estate comprising leasehold property where the lease is for a term of less than 7 years from the relevant term commencement date.

Exhibit A-3

English Collateral Documents

1. English law Security Agreement among Purchaser Agent, as Security Agent, and Centessa Pharmaceuticals plc, Centessa Limited, Zfactor Limited, Orexia Therapeutics Limited, Apcintex Limited, Morphogen-IX Limited, Capella Bioscience Ltd, Janpix Limited, Lockbody Therapeutics Ltd, Inexia Limited, Ultrahuman Two Limited and Ultrahuman Four Limited, as Chargors.

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EXHIBIT A-4

French Collateral Documents

1. French law pledge of the financial securities account (*nantissement de compte de titres financiers*) of the French Subsidiary entered into between (i) Issuer as pledgor, (ii) the French Subsidiary as financial securities account holder and (iii) the Purchaser Agent as security agent.

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EXHIBIT A-5

German Collateral Documents

1. Security assignment of receivables (global assignment, including sale of goods; providing services; shareholder loans; insurance claims; all other claims), between, inter alios, Issuer and PearlRiver Bio GmbH as assignors and the Purchaser Agent as assignee.

2. Account pledge agreement, between, inter alios, PearlRiver Bio GmbH as pledgor and the Purchaser and the Purchaser Agent as pledgees.

3. IP pledge agreement, between, inter alios, PearlRiver Bio GmbH as pledgor and the Purchaser as well as the Purchaser Agent as pledgees.

4. Security transfer agreement of moveable assets, between, inter alios, PearlRiver Bio GmbH as transferor and the Purchaser Agent as transferee.

5. Share pledge agreement over shares in PearlRiver Bio GmbH, between, inter alios, Issuer as pledgor, the Purchaser and the Purchaser Agent as pledgees, and, as the case may be, PearlRiver Bio GmbH as company.

Exhibit B

Form of Purchase Notice

[see attached]

ACTIVE/113218772.5

PURCHASE NOTICE

[__], 202[_]

The undersigned, being the duly elected and acting _____ of Centessa Pharmaceuticals plc, a public limited company organized under the laws of England and Wales ("**Issuer**"), does hereby certify to Cocoon SA LLC, a Delaware limited liability company, as agent for the Purchasers (the "**Purchaser Agent**") in connection with that certain Note Purchase Agreement dated as of October 1, 2021, by and among Issuer, the other Obligors party thereto Purchaser Agent and the Purchasers from time to time party thereto (the "**Purchase Agreement**"; with other capitalized terms used below having the meanings ascribed thereto in the Purchase Agreement) that:

1. The representations and warranties made by Issuer in Article V of the Purchase Agreement and in the other Note Documents are true and correct in all material respects as of the date hereof; provided that such materiality qualifier are not applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided further that those representations and warranties expressly referring to a specific date are true, accurate and complete in all material respects as of such date, and no Event of Default shall have occurred and be continuing or result from the purchase of Notes hereunder.

2. Issuer has provided all financial statements, reports or notices required under the Note Documents prior to the Purchase Date, including, without limitation, those required under Section 6.2.

3. No Default or Event of Default has occurred and is continuing.

4. Issuer is in compliance with the covenants and requirements contained in Articles III, V, VI and VII of the Purchase Agreement.

5. All conditions referred to in Article III of the Purchase Agreement to the purchase of Notes to be made on or about the date hereof have been satisfied or waived by Purchaser Agent.

6. No Material Adverse Change has occurred.

7. The undersigned is a Responsible Officer.

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7. The proceeds of the Notes issued on the [First][Second][Third][Fourth] Purchase Date shall be disbursed as follows:

From Purchasers:	
Purchase Amount	$[__]
Plus:	
[__]	$[__]
Less:	
[Interim Interest	($_____)]
Purchasers' Fees and Expenses	($_____)[1]
TOTAL NET PROCEEDS FROM PURCHASERS	**$_____**

8. [The aggregate net proceeds of the Notes shall be transferred to the Designated Deposit Account as follows:][Issuer requests pursuant to Section 3.9 of the Purchase Agreement that the net proceeds of the Notes be transferred to the Deposit Account of Issuer set forth as follows:]

[Issuer Wire Instructions]

[Balance of Page Intentionally Left Blank]

[*] Legal fees and costs are through the Effective Date. Postclosing legal fees and costs, payable after the Effective Date, to be invoiced and paid postclosing.

Dated as of the date first set forth above.

ISSUER:

CENTESSA PHARMACEUTICALS PLC

By:
Name:
Title:

PURCHASER AGENT:

COCOON SA LLC

By:
Name:
Title:

Exhibit C

Compliance Certificate

TO: Cocoon SA LLC, as Purchaser Agent
FROM: CENTESSA PHARMACEUTICALS PLC

The undersigned authorized officer ("**Officer**") of CENTESSA PHARMACEUTICALS PLC ("**Issuer**"), hereby certifies that in accordance with the terms and conditions of the Note Purchase Agreement, dated as of October 1, 2021, by and among Issuer, Purchaser Agent, and the Purchasers from time to time party thereto (the "**Purchase Agreement**;" capitalized terms used but not otherwise defined herein shall have the meanings given them in the Purchase Agreement),

(a) Issuer is in complete compliance for the period ending _____ with all required covenants except as noted below;

(b) There are no Events of Default, except as noted below;

(c) Except as noted below, all representations and warranties of Issuer stated in the Note Documents are true and correct in all material respects on this date and for the period described in (a), above; provided that, such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date.

Attached are the required documents, if any, supporting our certification(s). The Officer, on behalf of Issuer, further certifies that the attached financial statements are prepared in accordance with Generally Accepted Accounting Principles (GAAP) and are consistently applied from one period to the next except as explained in an accompanying letter or footnotes and except, in the case of unaudited financial statements, for the absence of footnotes and subject to yearend audit adjustments as to the interim financial statements.

Please indicate compliance status since the last Compliance Certificate by circling Yes, No, or N/A under "Complies" column.

	Reporting Covenant	Requirement	Actual	Complies		
1)	Quarterly financial statements	Quarterly within 45 days		Yes	No	N/A
2)	Annual (audited) financial statements	Within 90 days after FYE or within 5 days of filing with SEC		Yes	No	N/A
3)	Clinical Updates	Quarterly within 45 days		Yes	No	N/A
4)	Regulatory Updates	Quarterly within 45 days		Yes	No	N/A
5)	Commercial Updates	Quarterly within 45 days		Yes	No	N/A
6)	Intellectual Property Updates	Quarterly within 45 days		Yes	No	N/A
7)	Updates to Perfection Certificate	Quarterly within 45 days		Yes	No	N/A
8)	Cash flow projections	Quarterly within 45 days		Yes	No	N/A
9)	"DashBoard" report	Quarterly within 45 days		Yes	No	N/A
10)	Annual Projections (quarter-by-quarter format)	Annually (within 30 days of FYE), and when revised (within 5 Business Days)		Yes	No	N/A
11)	Compliance Certificate	Quarterly within 45 days		Yes	No	N/A
12)	Board kit	Within 5 Business Days of each meeting		Yes	No	N/A
13)	Audit committee materials	Promptly while any material weakness identified prior to the Effective Date is outstanding		Yes	No	N/A
14)	Revenue Report	Quarterly within 45 days after quarter end or 90 days after FYE		Yes	No	N/A
15)	Regulatory Notice/Report	When required		Yes	No	N/A

Other Matters

1)	Have there been any changes in management since the last Compliance Certificate?	Yes	No
2)	Have there been any transfers/sales/disposals/retirement of Collateral or IP prohibited by the Purchase Agreement?	Yes	No
3)	Have there been any new or pending actions, audits, suits, investigations or proceedings initiated or threatened in writing against Issuer or other Obligors that involve more than One Million Dollars ($1,000,000)?	Yes	No
4)	Have there been any amendments of or other changes to the Operating Documents of Issuer or any of its Subsidiaries? If yes, provide copies of any such amendments or changes with this Compliance Certificate.	Yes	No
5)	Have there been any terminations of Material Agreements, material notices under any Material Agreements, entries into new Material Agreements or material amendments to Material Agreements?	Yes	No
6)	Have there been any significant development with respect to any prior (i) Clinical Update, (ii) the Regulatory Update, (iii) Commercial Update, or (iv) Intellectual Property Update?	Yes	No

Exceptions

Please explain any exceptions with respect to the certification above: (If no exceptions exist, state “No exceptions.” Attach separate sheet if additional space needed.)

CENTESSA PHARMACEUTICALS PLC

By _____
Name: _____
Title: _____

Date:

PURCHASER AGENT USE ONLY

Received by:_____ Date: ____

Verified by: _____ Date: ____

Compliance Status: Yes No

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Exhibit D

Form of Note

[see attached]

ACTIVE/113218772.5

[THIS NOTE MAY BE ISSUED WITH ORIGINAL ISSUE DISCOUNT ("OID") FOR U.S. FEDERAL INCOME TAX PURPOSES. THE ISSUE PRICE, AMOUNT OF OID, ISSUE DATE AND YIELD TO MATURITY WITH RESPECT TO THIS NOTE MAY BE OBTAINED BY WRITING TO ISSUER AT THE FOLLOWING ADDRESS: [__], ATTENTION: [__], FAX NUMBER: [__].]

NOTE

$[__] Dated: [__], 202[]

FOR VALUE RECEIVED, CENTESSA PHARMACEUTICALS PLC, a public limited company organized under the laws of England and Wales ("**Issuer**"), hereby promises to pay to Three Peaks Capital Solutions Aggregator Fund (the "**Purchaser**"), at its offices located at c/o Oberland Capital Management LLC, 1700 Broadway, 37th Floor, New York, NY 10019 (or at such other place or places as the Purchaser may designate), at the times and in the manner provided in the Note Purchase Agreement, dated as of October 1, 2021 (as amended, modified, restated or supplemented from time to time, the "**Note Purchase Agreement**"), among Issuer, the other Obligors from time to time parties thereto, the Purchasers from time to time parties thereto, and Cocoon SA LLC, a Delaware limited liability company, as Purchaser Agent and a Purchaser, the principal sum of [__] ($[__]), under the terms and conditions of this senior secured note (this "**Note**") and the Note Purchase Agreement. If not sooner paid, the entire principal amount under this Note shall be due and payable on September 30, 2027 as set forth in the Note Purchase Agreement. The defined terms in the Note Purchase Agreement are used herein with the same meaning. Issuer also promises to pay interest on the aggregate unpaid principal amount of this Note at the rates applicable thereto from time to time and any applicable Revenue Participation Payments and Milestone Payments as provided in the Note Purchase Agreement.

This Note is one of the Notes referred to in the Note Purchase Agreement and is issued to evidence the purchase thereof by the Purchaser pursuant to the Note Purchase Agreement. All of the terms, conditions and covenants of the Note Purchase Agreement are expressly made a part of this Note by reference in the same manner and with the same effect as if set forth herein at length, and any holder of this Note is entitled to the benefits of and remedies provided in the Note Purchase Agreement and the other Note Documents. Reference is made to the Note Purchase Agreement for provisions relating to the interest rate, maturity, payment, prepayment, redemption and acceleration of this Note.

In the event of an acceleration of the maturity of this Note pursuant to the Note Purchase Agreement, this Note shall become immediately due and payable, without presentation, demand, protest or notice of any kind, all of which are hereby waived by Issuer. In the event this Note is not paid when due at any stated or accelerated maturity, Issuer agrees to pay, in addition to the principal and interest, all costs of collection, including documented out-of-pocket attorneys' fees and expenses.

This Note and any claims, controversy, dispute or cause of action (whether in contract or tort or otherwise) based upon, arising out of or relating to this Note shall be governed by, and construed in accordance with, the law of the State of New York. Issuer hereby submits to the nonexclusive jurisdiction and venue of the courts of the State of New York sitting in the City and County of New York and of the United States District Court of the Southern District of New York, and any appellate court from any thereof, although the Purchaser shall not be limited to bringing an action in such courts.

The ownership of an interest in this Note shall be registered on a record of ownership maintained by Purchaser or its agent. Notwithstanding anything else in this Note to the contrary, the right to the principal of, and stated interest on, this Note may be transferred only if the transfer is registered on such

record of ownership and the transferee is identified as the owner of an interest in the obligation. Issuer shall be entitled to treat the registered holder of this Note (as recorded on such record of ownership) as the owner in fact thereof for all purposes and shall not be bound to recognize any equitable or other claim to or interest in this Note on the part of any other person or entity.

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IN WITNESS WHEREOF, Issuer has caused this Note to be duly executed by one of its officers thereunto duly authorized on the date hereof.

ISSUER:

CENTESSA PHARMACEUTICALS PLC

By
Name:
Title:

ACTIVE/113218772.5

Exhibit E

Form of Guarantee Assumption Agreement

[see attached]

ACTIVE/113218772.5

FORM OF GUARANTEE ASSUMPTION AGREEMENT

GUARANTEE ASSUMPTION AGREEMENT dated as of [DATE] (this "**Agreement**") by [NAME OF ADDITIONAL SUBSIDIARY GUARANTOR], a _____ [corporation][limited liability company] (the "**Additional Subsidiary Guarantor**"), in favor of Cocoon SA LLC, a Delaware limited liability company, as Purchaser Agent for the benefit of the Secured Parties under that certain Note Purchase Agreement, dated as of October 1, 2021 (as amended, restated, supplemented or otherwise modified from time to time, the "**Note Purchase Agreement**"), among CENTESSA PHARMACEUTICALS PLC, a public limited company organized under the laws of England and Wales ("**Issuer**"), the other Obligors from time to time parties thereto, Purchaser Agent, and the Purchasers from time to time party thereto. Capitalized terms used but not defined herein shall have the meanings assigned to such terms in the Note Purchase Agreement.

Pursuant to Section 6.12 of the Note Purchase Agreement, the Additional Subsidiary Guarantor hereby agrees to become a "Guarantor" for all purposes of the Note Purchase Agreement[, and a "Grantor" for all purposes of the [applicable Foreign Collateral Document(s)]][2]. Without limiting the foregoing, the Additional Subsidiary Guarantor hereby, (i) jointly and severally with the other Guarantors, guarantees to Purchaser Agent and the Purchasers and their successors and assigns the prompt payment in full when due (whether at stated maturity, by acceleration or otherwise) of all Guaranteed Obligations (as defined in Section 12.1 of the Note Purchase Agreement) in the same manner and to the same extent as is provided in Article XII of the Note Purchase Agreement and (ii) grants a security interest in the Collateral owned by such Additional Subsidiary Guarantor pursuant to, and on the terms and conditions set forth in, the Note Purchase Agreement. In addition, as of the date hereof, the Additional Subsidiary Guarantor hereby makes the representations and warranties set forth in Article V of the Note Purchase Agreement (other than Sections 5.4 and 5.9)[, and in Section [●] of the applicable Foreign Collateral Document(s)][3], with respect to itself and its obligations under this Agreement and the other Note Documents, as if each reference in such Sections to the Note Documents included reference to this Agreement, such representations and warranties to be made as of the date hereof.

The Additional Subsidiary Guarantor hereby instructs its counsel to deliver the opinions referred to in Section 6.12 of the Note Purchase Agreement to Purchaser Agent.

IN WITNESS WHEREOF, the Additional Subsidiary Guarantor has caused this Guarantee Assumption Agreement to be duly executed and delivered as of the day and year first above written.

[ADDITIONAL SUBSIDIARY GUARANTOR]

By _____
Name:
Title:

[2] Include the applicable Foreign Collateral Document(s) for non-US guarantors.
[3] Include the section reference(s) to applicable reps and warranties in Foreign Collateral Document(s) for non-US guarantors.

Exhibit F

Customary Subordination Terms

Capitalized terms used but not defined in this Exhibit F shall have the meaning provided in the Agreement.[4]

The payment in cash of the principal of and accrued and unpaid interest, if any, on, [the redemption price or][5] [fundamental change repurchase price][6] of, or any cash portion of the conversion obligation [(if the Company has elected cash settlement or combination settlement)] (excluding cash payable in lieu of delivering fractional shares of common stock) due upon conversion of, the notes is subordinated to the prior payment in full, in cash or other payment satisfactory to the holders of senior indebtedness, of all then-existing senior indebtedness.

If Issuer dissolves, winds-up, liquidates or reorganizes, or if Issuer is the subject of any bankruptcy, insolvency or similar proceeding, Issuer will pay the holders of senior indebtedness in full in cash or other payment satisfactory to the holders of senior indebtedness before Issuer pays the holders of the notes.

If the notes are accelerated because of an event of default under the indenture or subject to repurchase by Issuer at the option of the holders following a [fundamental change][7], Issuer must pay the holders of senior indebtedness in full all amounts due and owing thereunder before Issuer pays holders of the notes.

Issuer may not make any payment on or distribution to the trustee or any holder in respect of its obligations under the notes or repurchase[, redeem] or otherwise acquire the notes if:

- a default in the payment of any senior indebtedness occurs and is continuing beyond any applicable period of grace; or
- any other default (a "nonpayment default") of designated senior indebtedness occurs and is continuing that permits any holder of designated senior indebtedness to accelerate its maturity and the trustee receives a notice of such default (a "payment blockage notice") from Issuer or any other person permitted to give such notice under the indenture.

Issuer may resume payments on, repurchase[, redeem] or otherwise acquire, the notes:

- in case of a payment default of senior indebtedness, upon the date on which such default is cured or waived or ceases to exist; and
- in case of a nonpayment default of designated senior indebtedness, the earlier of the date on which such nonpayment default is cured, waived or ceases to exist or 179 days after the date on which the payment blockage notice is received by the trustee unless the maturity of any

[4] If the Permitted Convertible Notes are issued by a Subsidiary, the terms will be revised accordingly to apply same subordination terms to such Subsidiary (and any guarantee by Issuer).
[5] To be included if the convertible notes include a redemption feature.
[6] To be conformed to the applicable definition relating to change of control, fundamental change or similar provision.
[7] To be conformed to the applicable definition relating to change of control, fundamental change or similar provision.

designated senior indebtedness has been accelerated and all scheduled payments on the notes that have come due have been paid in full in cash.

No new period of payment blockage may be commenced for a default unless at least 365 days have elapsed since the trustee's receipt of the prior payment blockage notice.

No nonpayment default that existed or was continuing on the date of the receipt by the trustee of any payment blockage notice shall be the basis for a subsequent payment blockage notice.

If either the trustee or any holder of notes receives any payment of any obligations with respect to the notes when:

- the payment is prohibited by these subordination provisions; and
- the trustee or the holder of notes has actual knowledge that the payment is prohibited,

the trustee or the holder of notes, as the case may be, will hold the payment in trust for the benefit of the holders of senior indebtedness. Upon the proper written request of the holders of senior indebtedness, the trustee or the holder of notes, as the case may be, will deliver the amounts held in trust to the holders of senior indebtedness or their proper representative.

Any claims of the trustee for compensation or indemnification shall not be subordinate to Issuer's senior indebtedness and shall be senior to claims of holders of notes in respect of all funds collected or held by the trustee.

The trustee will not be deemed to owe any fiduciary duty to the holders of senior indebtedness and shall not be liable to any such holders of senior indebtedness if the trustee in good faith mistakenly pays over or distributes to holders or to Issuer or to any other person, cash, property or securities to which any holders of senior indebtedness are entitled by virtue of these subordination terms or otherwise. The trustee in its individual capacity will be entitled to all of the rights set forth in the indenture with respect to any senior indebtedness which may at any time be held by the trustee, to the same extent as any other holder of senior indebtedness.

Notwithstanding anything to the contrary above, the issuance and delivery of Issuer's common stock (and cash in lieu of fractional shares of common stock) upon conversion of any note in accordance with the indenture and the notes or otherwise in exchange for any note will be deemed not to constitute a payment on or distribution in respect of Issuer's obligations under any note or any repurchase, redemption or other acquisition of any note.

The following terms will be defined as follows in the indenture:

"Designated senior indebtedness" means (i) Issuer's obligations under any particular senior indebtedness in which the instrument creating or evidencing the same or the assumption or guarantee thereof (or any related agreements or documents to which Issuer is a party) that has an aggregate principal amount outstanding of at least $[10.0][8] million (as of the date of determination) and expressly provides that such indebtedness is "designated senior indebtedness" for purposes of the indenture (provided that such instrument, agreement or other document may place limitations and conditions on the right of such senior indebtedness to exercise the rights of designated senior indebtedness), and (ii) Issuer's obligations under the Note Purchase Agreement and the notes issued thereunder (regardless of whether the aggregate principal amount of outstanding obligations thereunder is at least $10.0 million).

[8] A higher threshold will not affect the analysis of whether or not the subordination terms are "usual and customary."

"Exchange rate contract" means, with respect to any person, any currency swap agreement, forward exchange rate agreement, foreign currency future or option, exchange rate collar agreement, exchange rate insurance or other agreement or arrangement, or combination thereof, the principal purpose of which is to provide protection against fluctuations in currency exchange rates. An exchange rate contract may also include an interest rate agreement (as defined below).

"Interest rate agreement" means, with respect to any person, any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement or other similar agreement the principal purpose of which is to protect the party indicated therein against fluctuations in interest rates.

"Indebtedness" means, without duplication:

(a) all of Issuer's indebtedness, obligations and other liabilities (contingent or otherwise) for borrowed money (including any loans or advances from banks, whether or not evidenced by notes or similar instruments) or evidenced by credit or loan agreements, bonds, debentures, notes or similar instruments (whether or not the recourse of the lender is to the whole of our assets or to only a portion thereof), other than any trade accounts payable or other accrued current expense incurred in the ordinary course of business in connection with the obtaining of materials or services;

(b) all of Issuer's indebtedness, obligations and other liabilities (contingent or otherwise) under the Note Purchase Agreement and the notes issued thereunder;

(c) all of Issuer's reimbursement obligations and other liabilities (contingent or otherwise) with respect to letters of credit, bank guarantees or bankers' acceptances;

(d) all of Issuer's obligations (contingent or otherwise) with respect to an interest rate agreement, exchange rate contract, treasury services agreement, cash management agreement or similar agreements or arrangements;

(e) all of Issuer's direct or indirect guarantees, agreements to be jointly liable or similar agreements in respect of, and obligations or liabilities (contingent or otherwise) to purchase or otherwise acquire or otherwise assure a creditor against loss in respect of, indebtedness, obligations or liabilities of another person of the kind described in clauses (1) through (4) above;

(f) any indebtedness or other obligations described in clauses (1) through (5) above secured by any mortgage, pledge, lien or other encumbrance existing on property which is owned or held by Issuer, regardless of whether the indebtedness or other obligation secured thereby shall be assumed by Issuer; and

(g) any and all deferrals, renewals, extensions and refundings of, or amendments, modifications or supplements to, any indebtedness, obligation or liability of the kind described in clauses (a) through (f) above.

Notwithstanding the foregoing, the amount of indebtedness of any person at any date shall be the outstanding balance at such date of all unconditional obligations as described above, plus (without duplication) the maximum liability of such person for any such contingent obligations at such date.

"Note Purchase Agreement" means that certain Note Purchase Agreement, dated as of [●], 2021, by and among Issuer, the guarantors party thereto, and Cocoon SA LLC, a Delaware limited liability company, as the Purchaser Agent, and the purchasers party thereto, as amended, supplemented or otherwise modified from time to time.

"Senior indebtedness" means the principal of, premium, if any, interest, final payment amounts, revenue participation payment, milestone payments and all fees, costs, expenses and other amounts accrued or due on or in connection with Issuer's indebtedness, whether secured or unsecured, absolute or contingent, due or to become due, outstanding on the date of the indenture or thereafter created (including all interest and other amounts accruing subsequent to the commencement of any bankruptcy, insolvency or similar proceeding, whether or not a claim for post-petition interest or such other amounts is allowable as a claim in any such proceeding), incurred, assumed, guaranteed or in effect guaranteed by Issuer, including all deferrals, renewals, extensions or refundings of, or amendments, modifications or supplements to, the foregoing, unless in the case of any particular indebtedness the instrument creating or evidencing the same expressly provides that such indebtedness shall not be senior in right of payment to the notes or expressly provides that such indebtedness is on the same basis as, or junior to, the notes. Senior indebtedness does not include:

(a) indebtedness that expressly provides that such indebtedness shall not be senior in right of payment to the notes or expressly provides that such indebtedness is on the same basis as, or junior in right of payment to, the notes;

(b) indebtedness that is expressly subordinated to any senior indebtedness;

(c) indebtedness subordinated by operation of law;

(d) our trade payables and accrued expenses (including, without limitation, accrued compensation and accrued restructuring charges) or deferred purchase price for goods, services or materials purchased or provided in the ordinary course of business;

(e) any indebtedness of Issuer to or among any of its subsidiaries, or to a joint venture in which Issuer or any of its subsidiaries has an interest;

(f) any indebtedness of Issuer that, when incurred, was without recourse to Issuer;

(g) any indebtedness to any employee of Issuer; and

(h) any repurchase, redemption or other obligation in respect of Issuer's equity interests.

Exhibit G

Form of Press Release

[see attached]

Exhibit H

Form of Revenue Report

[see attached]

Exhibit I

Form of QPP Certificate

To: [ ] as Issuer

From: [*Name of Purchaser*]

Dated:

[Issuer] – [ ] Note Purchase Agreement
dated [ ] (the "Agreement")

1. We refer to the Agreement. This is a QPP Certificate. Terms defined in the Agreement have the same meaning in this QPP Certificate unless given a different meaning in this QPP Certificate.

2. We confirm that:

   (a) we are beneficially entitled to all interest payable to us as a Purchaser under the Agreement;

   (b) we are a resident of a qualifying territory; and

   (c) we are beneficially entitled to the interest which is payable to us under the Agreement for genuine commercial reasons, and not as part of a tax advantage scheme.

   These confirmations together form a creditor certificate.

3. In this QPP Certificate the terms "resident", "qualifying territory", "scheme", "tax advantage scheme" and "creditor certificate" have the meaning given to them in the Qualifying Private Placement Regulations 2015 (2015 No. 2002).

[*Name of Purchaser*]

By:

Exhibit J

Form of Authorizing Resolutions

[see attached]

ACTIVE/113218772.5

Exhibit 31.1

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Saurabh Saha, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Centessa Pharmaceuticals plc;

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(s) 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)) 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) (Paragraph omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 33-8392/34-49313);

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented inthis 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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 15, 2021

By: /s/ Saurabh Saha
Saurabh Saha
Principal Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Gregory Weinhoff, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Centessa Pharmaceuticals plc;

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(s) 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)) 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) (Paragraph omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 33-8392/34-49313);

(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(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 15, 2021

By: /s/ Gregory Weinhoff

Gregory Weinhoff

Principal Executive Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Centessa Pharmaceuticals plc (the "Company") on Form 10-Q for the period ended September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 15, 2021

By: /s/ Saurabh Saha

Saurabh Saha

Principal Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Centessa Pharmaceuticals plc (the "Company") on Form 10-Q for the period ended September 30, 2021 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: November 15, 2021

By: /s/ Gregory Weinhoff

Gregory Weinhoff
Principal Financial Officer