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Confidential draft submitted to the Securities and Exchange Commission on January 30, 2019. This draft registration statement has not been publicly filed with the Securities and Exchange Commission and all information herein remains confidential.

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-1

REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

NextCure, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**2834**	**47-5231247**
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

9000 Virginia Manor Road, Suite 200
Beltsville, Maryland 20705
(240) 399-4900
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Michael Richman
Chief Executive Officer
NextCure, Inc.
9000 Virginia Manor Road, Suite 200
Beltsville, Maryland 20705
(240) 399-4900
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Asher M. Rubin
William I. Intner
Hogan Lovells US LLP
100 International Drive, Suite 2000
Baltimore, Maryland 21202
(410) 659-2700

Divakar Gupta
Brent B. Siler
Joshua A. Kaufman
Madison A. Jones
Cooley LLP
1114 Avenue of the Americas
New York, New York 10036
(212) 479-6000

Approximate date of commencement of proposed sale to public:
As soon as practicable after the effective date of this registration statement.

If any of the securities being registered on this form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933 check the following box. o

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. o

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

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

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act. ☒

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Proposed maximum aggregate offering price[(1)]	Amount of registration fee
Common stock, $0.001 par value per share	$	$

(1) Estimated solely for the purpose of calculating the registration fee pursuant to Rule 457(o) under the Securities Act and includes the aggregate offering price of shares that the underwriters have an option to purchase to cover over-allotments.

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

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SUBJECT TO COMPLETION
DATE ,2019

Shares

NextCure, Inc.

Common Stock

NextCure, Inc. is offering shares of common stock. This is our initial public offering and no public market exists for our common stock. We anticipate that the initial public offering price will be between $ and $ per share.

We intend to apply to list our common stock on the Nasdaq Global Market under the symbol "NXTC".

We are an "emerging growth company" as defined under U.S. federal securities laws and will be subject to reduced public company reporting requirements. Investing in our common stock involves risks. See "Risk Factors" beginning on page 12.

	Per Share	***Total***
Initial Public Offering Price	*$*	*$*
Underwriting Discounts and Commissions[1]	*$*	*$*
Proceeds, before expenses, to us	*$*	*$*

(1) We refer you to "Underwriters" for additional information regarding total underwriter compensation.

We have granted the underwriters an option for a period of 30 days to purchase up to an additional shares of our common stock.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The underwriters expect to deliver the shares to purchasers on or about , 2019.

Joint Booking-Running Managers

MORGAN STANLEY *BofA MERRILL LYNCH* *PIPER JAFFRAY*

The date of this prospectus is , 2019

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Neither we nor any of the underwriters has authorized anyone to provide you any information that is different than that contained in this prospectus or any free writing prospectus prepared by or on behalf of us or to which we may have referred you in connection with this offering. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We and the underwriters are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. The information in this prospectus is accurate only as of its date, regardless of the time of delivery of this prospectus or of any sale of shares of our common stock.

No action is being taken in any jurisdiction outside the United States to permit a public offering of our common stock or possession or distribution of this prospectus in that jurisdiction. Persons who come into possession of this prospectus in jurisdictions outside the United States must inform themselves about, and observe any restrictions as to, this offering and the distribution of this prospectus applicable to that jurisdiction.

PRESENTATION OF FINANCIAL INFORMATION

Pursuant to the applicable provisions of the Fixing America's Surface Transportation Act, we are not required to include our financial information for the historical 2016 annual period or for any interim period for 2017 or 2018 because we plan to file our financial information for the year ended December 31, 2018 in the first public filing of our registration statement. While the 2016 annual financial information and 2017 and 2018 interim financial information is otherwise required by Regulation S-X, we believe that it will not be required to be included in our registration statement at the time of the first public filing.

PROSPECTUS SUMMARY

This summary highlights information contained elsewhere in this prospectus and does not contain all of the information that you should consider in making your investment decision. Before investing in our common stock, you should read this entire prospectus carefully, including the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and related notes contained elsewhere in this prospectus. Unless the context otherwise requires, references in this prospectus to the "company," "NextCure," "we," "us" and "our" refer to NextCure, Inc.

Overview

We are a clinical-stage biopharmaceutical company committed to discovering and developing novel, first-in-class immunomedicines to treat cancer and other immune-related diseases by restoring normal immune function. We view the immune system holistically and, rather than target one specific immune cell type, we focus on understanding biological pathways, the interactions of cells and the role each interaction plays in an immune response. Through our proprietary Functional, Integrated, NextCure Discovery in Immuno-Oncology, or FIND-IO, platform, we study various immune cells to discover and understand targets and structural components of immune cells and their functional impact in order to develop immunomedicines. We are focused on patients who do not respond to current therapies, patients whose cancer progresses despite treatment and patients with cancer types not adequately addressed by available therapies.

Our lead product candidate, NC318, is a first-in-class immunomedicine against a novel immunomodulatory receptor called Siglec-15, or S15. In October 2018, we initiated a Phase 1/2 clinical trial of NC318 in patients with advanced or metastatic solid tumors. We expect proof-of-mechanism data from the Phase 1 portion of this trial in and proof-of-concept data from the Phase 2 portion in . Our second product candidate, NC410, is a novel immunomedicine designed to block immune suppression mediated by an immune modulator called Leukocyte-Associated Immunoglobulin-like Receptor 1, or LAIR-1. We expect to submit an investigational new drug application, or IND, to the U.S. Food and Drug Administration, or FDA, for NC410 in .

Our approach to identifying targets for new immunomedicines is based on our FIND-IO platform. FIND-IO embodies a rational approach to the discovery of novel cell surface and secretory molecules that drive functional immune responses. We use our immunology knowledge, experience, capabilities and tools we have developed, including our FIND-IO platform, to support our discovery efforts. We are working to discover novel targets that play a key role in mediating immune dysfunction that allows tumors to evade the immune system. We are seeking to identify and develop immunomedicines that counteract these outcomes and to further validate and advance our product candidates.

The advancement of cancer to late stages indicates a failure of the immune system to mount an effective anti-tumor immune response. Immuno-oncology, which focuses on stimulating the immune system to respond to cancer and includes checkpoint inhibitors targeting PD-L1, PD-1 and CTLA-4, is one of the most significant advances in the history of cancer treatment. In 2011, the first checkpoint inhibitor was approved, and today, despite only a modest breadth of efficacy, this class of therapies is estimated to have had global sales of more than $17 billion in 2018 and is predicted to reach more than $33 billion in global sales by 2022. However, despite the recent success of checkpoint inhibitors, efficacy has been limited. It is estimated that up to 60% to 70% of cancer patients, including those with melanoma, renal cell cancer, colorectal cancer, non-small cell lung cancer, urothelial cancer and head and neck squamous cell carcinoma, do not respond to single-agent therapy with checkpoint inhibitors. In addition, some patients develop resistance after initial treatment with these therapies. As a result, the standard of care in cancer today leaves many patients underserved. We believe broader efficacy and more meaningful clinical responses in oncology may be obtained by focusing on the tumor microenvironment, or TME.

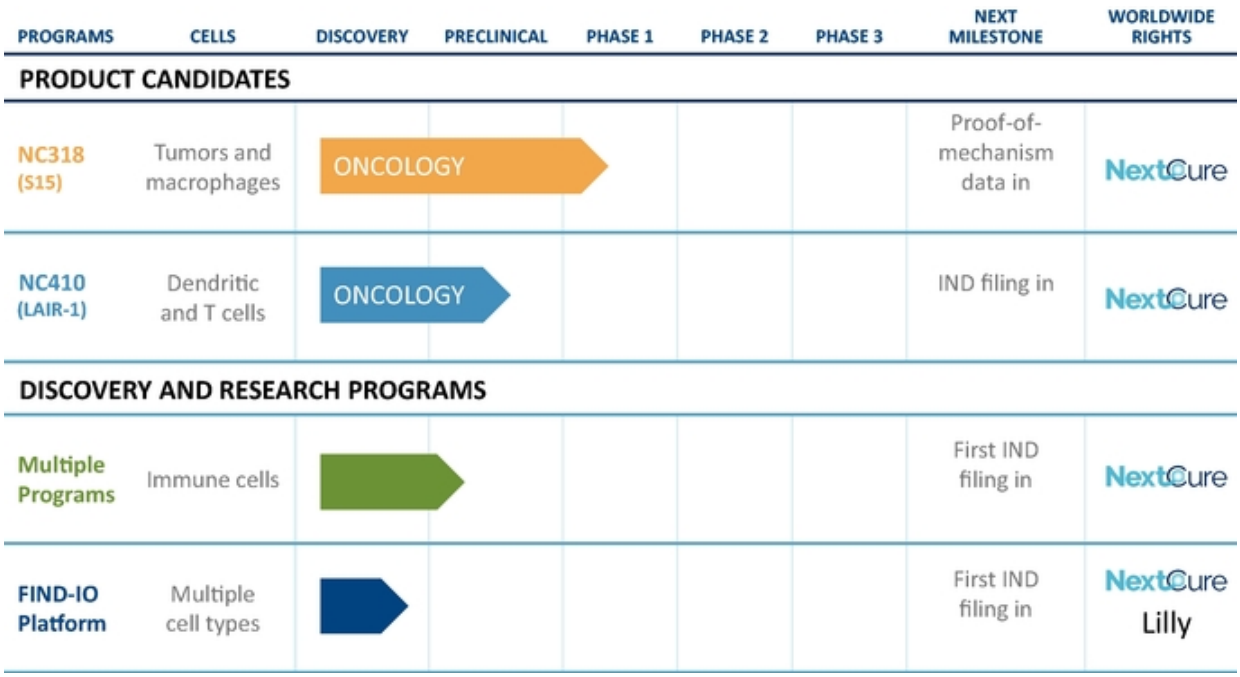
We are using our FIND-IO platform as our discovery engine to identify targets and develop immunomedicines that restore normal immune function in the TME through novel mechanisms of action.

Since our founding in 2015, we have developed, industrialized and optimized our FIND-IO platform based on the immunological expertise of our management team and the scientific leadership of our scientific founder, Dr. Lieping Chen. Our approach in creating the FIND-IO platform, and how we apply it, reflects our belief in the importance of understanding biological pathways of all cells in the immune system and restoring normal immune function. The platform uses our proprietary approaches to assess the suppressive or stimulatory function of immune pathways in T cells and other immune cells, as measured by effects on proliferation or induction of molecules known to impact immune responses, such as cytokines, which are signaling molecules secreted by cells in the immune system that mediate and regulate immunity and inflammation. We study primary immune cells from healthy donors and from patients with various diseases, as well as established cell lines from immune and non-immune cell lineages, including T cell subsets, monocytes, macrophage subpopulations and cancer cell lines. In oncology, we are using the FIND-IO platform to discover immunomedicines with the potential to intervene or modulate interactions of immune cells within the TME to restore anti-tumor activity. We are also expanding the functional screening approach of our FIND-IO platform for the identification of novel targets in other serious illnesses outside of oncology, including autoimmune, inflammatory and neuro-inflammatory diseases.

In November 2018, we entered into a multi-year collaboration agreement with Eli Lilly and Company, or Lilly, focused on the discovery and development of immunomedicines for oncology using our FIND-IO platform. The collaboration seeks to discover novel cancer targets utilizing our platform and provides that we and Lilly will each receive options to exclusively develop antibodies resulting from the collaboration. In connection with the agreement, we received an upfront payment of $25.0 million in cash and an equity investment of $15.0 million and are eligible to receive development and commercial milestones in an aggregate of up to $1.3 billion, as well as royalty payments.

Our Pipeline

We are leveraging our understanding of biological pathways and our FIND-IO platform to discover, validate and build a proprietary pipeline of immunomedicine candidates. The figure below details our pipeline of product candidates and principal discovery and research programs.



Our Programs

NC318, our lead immunomedicine program, is a monoclonal antibody targeting S15, which is expressed on highly immunosuppressive cells called M2 macrophages and on tumor cells. The immunosuppressive properties of S15 were discovered in 2015 at Yale University by Dr. Chen. Dr. Chen was also the first to discover a molecule he called B7-H1, which is now more widely known as PD-L1, or programmed cell death protein ligand 1, which is the ligand for PD-1, or programmed cell death 1. In preclinical research, we and others observed that S15 promotes suppression of T cell proliferation and negatively regulates T cell function. NC318 is designed to block this S15-mediated immune suppression and restore T cell function and anti-tumor immunity in the TME, which we believe will reduce and kill tumors. We believe NC318 has the potential to treat multiple cancer indications because S15 is expressed in multiple tumor types and has a unique ability to modulate immune responses in the TME. In addition, because S15 and PD-L1 expression in tumors generally appear to be non-overlapping, we believe NC318 may be well suited to treat patients who are not responding to PD-1/PD-L1 directed cancer therapies.

In preclinical studies, we evaluated the safety and efficacy of 5G12, the murine parent antibody of NC318, which has similar overall functional properties to NC318, and observed that blocking the effects of S15 with 5G12 restored immune function and anti-tumor immunity, reduced tumor growth and increased survival. Our ongoing first-in-human trial is an open-label, Phase 1/2 clinical trial designed to assess the safety and tolerability of NC318, to define the maximal tolerable dose or pharmacologically active dose and to assess preliminary efficacy. Patients receive NC318 on day one of each cycle over 26 cycles of treatment. We have initiated the trial with 14-day cycles; however, we may explore alternate dose administration schedules depending on pharmacokinetics, pharmacodynamics, biomarker data, safety results and feedback from investigators. We designed this clinical trial with a robust biomarker strategy to help evaluate clinical activity throughout the trial by focusing on markers of pharmacodynamics. We are initially evaluating NC318 for the treatment of advanced or metastatic solid tumors, which could include ovarian cancer, non-small cell lung cancer, or NSCLC, and head and neck squamous cell carcinoma. We expect proof-of-mechanism data from the Phase 1 portion of the trial in and proof-of-concept data from the Phase 2 portion in .

NC410, our second immunomedicine program, is a fusion protein designed to block immune suppression mediated by LAIR-1. LAIR-1 is expressed on T cells and antigen-presenting cells, known as dendritic cells, that present tumor antigens to immune cells in order to generate immune responses. The binding of LAIR-1 to collagen or C1q results in loss of immune function in the TME and a reduction in T cell function and dendritic cell activity. By blocking the binding of LAIR-1, NC410 can promote T cell function and dendritic cell activity, which could result in anti-tumor immune responses that eliminate cancer cells.

We have conducted multiple preclinical studies to assess the activity of NC410 across a variety of preclinical models. These studies support our understanding that eliminating or blocking the binding of LAIR-1 to collagen or C1q can restore normal immune function in multiple immune cells, including T cells and myeloid cells, resulting in activation of T cells and anti-tumor immunity. We and others have analyzed genomic and protein databases and observed that LAIR-1 expression levels negatively correlate with survival rates for several cancers, including brain, renal, colorectal, glioma, lung, urothelial and ovarian cancers. These analyses support possible targeting of these tumor types as primary indications for therapeutic treatment with NC410. We are currently conducting IND-enabling studies for NC410 and expect to submit an IND and initiate a Phase 1/2 clinical trial in patients with advanced or metastatic solid tumors in . We are currently focused on opportunities for NC410 in ovarian cancer, NSCLC and renal cancer.

In addition to NC318 and NC410, we are also pursuing discovery and preclinical evaluation of other potential novel immunomodulatory molecules. Among these is an antibody that targets a novel member of the B7-family of immunomodulatory proteins. We also have an antibody in preclinical development

targeting an immune modulator that is highly expressed in inflamed tissue and the TME in multiple tumor types. In addition, based on our understanding of the LAIR pathway, including through our development of NC410, we are also pursuing monoclonal antibodies that target LAIR-1 and directly block LAIR-1 signaling to prevent tumor growth or to eliminate the tumor. These novel LAIR-1 antibodies have unique functional properties that may provide additional opportunities in both cancer and autoimmune disorders.

Our FIND-IO Discovery Engine

Our FIND-IO platform is the result of our industrialization, expansion and optimization of a predecessor platform that Dr. Chen used to discover the immunosuppressive properties of S15. Our FIND-IO platform applies a function-based screening approach to identify human proteins and to determine whether those proteins alter or stop an immune response resulting in immune evasion. The platform is designed to identify novel cell surface molecular interactions that drive functional immune responses. Our FIND-IO platform broadly and quantitatively evaluates interactions between relevant protein components and different cellular types over time in order to identify novel targets that either increase or decrease immune-related functional responses associated with desired immune responses against tumors. By identifying novel immune modulators, proteins or other molecules through the FIND-IO platform, we aim to develop next-generation immunomedicines that restore normal immune function in the TME.

Our Strategy

Our strategy is to use our fully integrated discovery and product development infrastructure to build a sustainable pipeline of product candidates to treat cancer patients who are not adequately served by currently available therapies. The key elements of our strategy include:

- Advancing the clinical development of our lead product candidates, NC318 and NC410.
- Building an oncology pipeline of novel targets for new immunomedicines focused on non-responders.
- Leveraging our fully integrated development, quality systems and cGMP manufacturing capabilities.
- Expanding our current focus and creating new opportunities outside of the oncology field, including through strategic partnerships.

Our Team

We have assembled an experienced management team to execute on our mission to create novel immunomedicines. Our scientific founder and members of our management team collectively have extensive experience in drug discovery and product development and are leaders in the immuno-oncology field. Members of our management team have experience discovering, developing, manufacturing and commercializing biologics, including some of the earliest approved monoclonal antibodies, such as Synagis, as well as some of the first immune checkpoint inhibitor monoclonal antibodies and fusion proteins targeting the PD-1/PD-L1 pathway and CTLA-4. Within three years, we advanced our company from formation to antibody generation to the clinic, and constructed a manufacturing facility that complies with current good manufacturing practice, or cGMP, and that we have used to manufacture our preclinical and clinical drug supply. We have received financial support from leading healthcare investors, including OrbiMed Advisors, Canaan Partners, Sofinnova Investments, Pfizer Ventures, Lilly Asia Ventures, Quan Capital, Bay City Capital–GF Xinde, Surveyor Capital (a Citadel Company), Ping An Ventures, Taiho Ventures, NS Investment and Alexandria Venture Investments.

Members of our management team have a longstanding relationship with our scientific founder Dr. Chen, who is the United Technologies Corporation Professor in Cancer Research and Professor of Immunobiology, of Dermatology and of Medicine (Medical Oncology) at Yale, and the Co-Director of the

Cancer Immunology Program at Yale Cancer Center. Dr. Chen was the first to discover PD-L1 and to show that it is expressed by multiple tumor types and its activity can cause the death of T cells, preventing those T cells from eliminating cancer cells. He also showed that blocking the interaction between PD-1 and PD-L1 with monoclonal antibodies improved the immune system's ability to eliminate tumors. Dr. Chen's work provided an important foundation for the subsequent development of immunotherapies that enable more effective immune treatments against cancer. Since then, his laboratory has identified and characterized various molecules in two of the major families of immune modulating proteins, the B7-CD28 and the tumor necrosis factor receptor/ligand superfamilies, and elucidated their interactions and functions in controlling immune responses. The immunosuppressive properties of S15, the target of our lead product candidate, NC318, were discovered in Dr. Chen's lab using a predecessor of our FIND-IO platform. In December 2015, we entered into a license agreement with Yale, pursuant to which we obtained an exclusive, royalty-bearing, sublicensable worldwide license to products that either incorporate certain licensed patents used in the discovery of targets or arise out of research and development of Dr. Chen's laboratory at Yale, including S15. We continue to collaborate with Dr. Chen on discovering novel immunomedicines through an exclusive sponsored research agreement with Yale.

We believe the combination of our team's capabilities and focus on understanding the biological pathways of the immune system, our product development expertise and manufacturing infrastructure, our partnership with Lilly and our relationship with Dr. Chen and Yale positions us to build a sustainable portfolio of first-in-class immunomedicines.

Risks Associated with Our Business

Our ability to implement our business strategy is subject to numerous risks and uncertainties. You should carefully consider all of the information set forth in this prospectus and, in particular, the information in the section entitled "Risk Factors" beginning on page 12 before making an investment decision. Risks include, among others, the following:

- We have a limited operating history and no products approved for commercial sale. We have a history of significant losses, expect to continue to incur significant losses for the foreseeable future and may never achieve or maintain profitability.
- Even if this offering is successful, we will require substantial additional financing to pursue our business objectives, which may not be available on acceptable terms, or at all. A failure to obtain this necessary capital when needed could force us to delay, limit, reduce or terminate our product development, commercial efforts or other operations.
- Our business is dependent on our ability to advance our current and future product candidates through clinical trials, obtain marketing approval and ultimately commercialize them.
- Our approach to the discovery and development of product candidates based on our FIND-IO platform is unproven and may not result in marketable products.
- Clinical development involves a lengthy and expensive process with uncertain outcomes. We may incur additional costs and experience delays or an inability in developing and commercializing our current and future product candidates.
- The regulatory approval processes of the FDA and comparable foreign authorities are lengthy, time-consuming and inherently unpredictable, and we may ultimately be unable to obtain regulatory approval for our product candidates.
- The results of preclinical studies and early-stage clinical trials may not be predictive of future results. We have only recently initiated our first-in-human clinical trial of NC318 and do not expect data from that trial until . Initial success in our ongoing clinical trial may not be indicative of results obtained when these trials are completed or in later stage trials.

- We are highly dependent on our key personnel, and if we are not successful in attracting, motivating and retaining highly qualified personnel, we may not be able to successfully implement our business strategy.
- Given our limited operating history, our manufacturing experience as an organization and with our manufacturing facility is limited.
- We have filed patent applications for our lead product candidates, but no patent has yet issued from these applications. If we are unable to obtain and maintain patent protection for our product candidates, or if the scope of the patent protection obtained is not sufficiently broad or robust, our competitors could develop and commercialize products similar or identical to ours, and our ability to successfully commercialize our product candidates may be adversely affected.
- We may depend on Lilly, Yale or other third-party collaborators for the discovery, development and commercialization of our current and future product candidates. If our collaborations are not successful, we may not be able to capitalize on the market potential of these product candidates.
- We face significant competition from other biotechnology and pharmaceutical companies, and our operating results will suffer if we fail to compete effectively.

For additional information about the risks we face, see the section entitled "Risk Factors."

Corporate Information

We were incorporated in Delaware in September 2015. Our primary executive offices are located at 9000 Virginia Manor Road, Suite 200, Beltsville, Maryland 20705 and our telephone number is (240) 399-4900. Our website address is *www.nextcure.com*. The information contained on, or that can be accessed through, our website is not part of this prospectus and should not be considered as part of this prospectus or in deciding whether to purchase our common stock.

NextCure, FIND-IO and our logo are some of our trademarks used in this prospectus. This prospectus also includes trademarks, tradenames and service marks that are the property of other organizations. Solely for convenience, our trademarks and tradenames referred to in this prospectus may appear without the ® and ™ symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the right of the applicable licensor to these trademarks and tradenames.

Implications of Being an Emerging Growth Company

We are an emerging growth company as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act, and, as such, we have elected to comply with certain reduced public company reporting requirements for this prospectus and future filings.

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

We will remain an emerging growth company until the earliest of (i) December 31, 2024, (ii) the last day of the first fiscal year in which we have total annual gross revenues of at least $1.07 billion, (iii) the last

day of the first fiscal year in which the market value of our common stock that is held by non-affiliates exceeds $700.0 million on June 30th and (iv) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period.

In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This provision allows an emerging growth company to delay the adoption of some accounting standards until those standards would otherwise apply to private companies. We have irrevocably elected not to avail ourselves of delayed adoption of new or revised accounting standards and, therefore, we will be subject to the same requirements to adopt new or revised accounting standards as other public companies that are not emerging growth companies.

Even after we no longer qualify as an emerging growth company, we may still qualify as a "smaller reporting company," which would allow us to take advantage of many of the same exemptions from disclosure requirements, including reduced disclosure obligations regarding executive compensation in this prospectus and our periodic reports and proxy statements.

THE OFFERING

Common stock offered by us	shares
Common stock to be outstanding immediately after this offering	shares (or shares if the underwriters exercise their option to purchase additional shares in full)
Option to purchase additional shares offered by us	shares
Use of proceeds	We estimate that the net proceeds from the sale of shares of our common stock in this offering will be approximately $ million, or approximately $ million if the underwriters exercise their option to purchase additional shares in full, assuming an initial offering price of $ per share (the midpoint of the estimated price range set forth on the cover of this prospectus), after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We intend to use the net proceeds from this offering to advance NC318 through completion of our ongoing Phase 1/2 clinical trial and into a Phase 3 clinical trial, to advance NC410 through completion of a Phase 1/2 clinical trial and for research and development activities related to our FIND-IO platform and discovery programs, including advancement of two discovery programs through submission of INDs, personnel expenses, working capital and other general corporate purposes. See the section entitled "Use of Proceeds" on page 65 for a more complete description of the intended use of proceeds from this offering.
Risk factors	You should carefully read the section entitled "Risk Factors" on page 12 for a discussion of factors that you should consider before deciding to invest in shares of our common stock.
Proposed Nasdaq Global Market symbol	"NXTC"

The number of shares of common stock to be outstanding after this offering is based on 136,055,670 shares of common stock outstanding as of December 31, 2018, which includes 2,191,666 shares of restricted common stock that were unvested or subject to repurchase at December 31, 2018 and gives effect to the conversion of all outstanding shares of our preferred stock into 125,010,670 shares of our common stock upon the closing of this offering, and excludes:

- 16,525,125 shares of our common stock issuable upon the exercise of stock options outstanding under our 2015 Omnibus Incentive Plan, or the 2015 Plan, as of December 31, 2018, with a weighted average exercise price of $0.59 per share;
- 6,119,875 shares of our common stock reserved for issuance pursuant to future awards under our 2015 Plan as of December 31, 2018, which shares will cease to be available for issuance at the time our 2019 Omnibus Incentive Plan, or the 2019 Plan, becomes effective;

- shares of our common stock that will become available for future issuance under our 2019 Plan upon the effectiveness of the registration statement of which this prospectus forms a part; and

- shares of our common stock that will become available for future issuance under our 2019 Employee Stock Purchase Plan, or the ESPP, upon the effectiveness of the registration statement of which this prospectus forms a part.

In addition, unless we specifically state otherwise, all information in this prospectus assumes:

- a -for- reverse stock split that will occur prior to the closing of this offering;

- the conversion of all outstanding shares of our preferred stock into 125,010,670 shares of our common stock upon the closing of this offering;

- no exercise of outstanding stock options subsequent to December 31, 2018;

- no exercise by the underwriters of their option to purchase up to an additional shares of our common stock in this offering; and

- the filing and effectiveness of our amended and restated certificate of incorporation in Delaware and the adoption of our amended and restated bylaws, which will occur upon the closing of this offering.

Unless otherwise specified and unless the context requires, we refer to our Series A-1, Series A-2, Series A-3, Series B-1, Series B-2 and Series B-3 Preferred Stock collectively as "preferred stock" in this prospectus.

SUMMARY FINANCIAL DATA

The following tables present summary financial data for our business. We derived the statement of operations and comprehensive loss data for the years ended December 31, 2017 and 2018 and the balance sheet data as of December 31, 2018 from our audited financial statements appearing elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be expected in the future. You should read this data together with our financial statements and related notes, as well as the information included in the sections entitled "Selected Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," which appear elsewhere in this prospectus.

	Year Ended December 31,	
	2017	2018
	(in thousands, except share and per share amounts)	
Statement of Operations and Comprehensive Loss Data:		
Operating expenses:		
Research and development	$ 12,954	$
General and administrative	2,595	
Total operating expenses	15,549	
Loss from operations	(15,549)	
Other income, net	80	
Net loss	$ (15,469)	$
Net loss per share attributable to common stockholders, basic and diluted[(1)]	$ (1.41)	$
Weighted average common shares outstanding, basic and diluted[(1)]	11,000,000	
Pro forma net loss per share, basic and diluted (unaudited)[(1)]		$
Pro forma weighted average common shares outstanding, basic and diluted (unaudited)[(1)]		

(1) See Note 11 to our financial statements included elsewhere in this prospectus for further details on the calculations of our basic and diluted net loss per share, basic and diluted pro forma net loss per share and the weighted average number of shares used in the computation of the per share amounts.

The table below presents our balance sheet data as of December 31, 2018:

- on an actual basis;
- on a pro forma basis to give effect to the automatic conversion of all outstanding shares of our preferred stock into an aggregate of 125,010,670 shares of common stock upon the closing of this offering; and
- on a pro forma as adjusted basis to give further effect to the sale of shares of common stock in this offering, assuming an initial offering price of $ per share (the midpoint of the estimated

price range set forth on the cover of this prospectus), and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

	As of December 31, 2018		
	Actual	Pro Forma	Pro Forma As Adjusted[1]
	(in thousands)		
Balance Sheet Data:			
Cash and cash equivalents	$	$	$
Working capital[2]			
Total assets			
Total liabilities			
Preferred stock			
Accumulated deficit			
Total stockholders' (deficit) equity			

(1) The pro forma as adjusted information is illustrative only and will depend on the actual initial public offering price and the other terms of this offering determined at pricing. Each $1.00 increase or decrease in the assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover of this prospectus) would increase or decrease, respectively, the cash and cash equivalents, working capital, total assets and total stockholders' equity by $ million, assuming that the number of shares offered by us, as set forth on the cover of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. An increase or decrease of 1,000,000 in the number of shares we are offering in this offering would increase or decrease, respectively, the cash and cash equivalents, working capital, total assets and total stockholders' equity by $ million, assuming the assumed initial public offering price remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

(2) We define working capital as current assets less current liabilities. See our audited financial statements and related notes included elsewhere in this prospectus for details regarding our current assets and current liabilities.

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks described below together with all of the other information in this prospectus, including our financial statements and the related notes and the information described in the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations," before deciding whether to invest in our common stock. If any of the events described below actually occurs, our business, results of operations, financial conditions, cash flows or prospects could be harmed. If that were to happen, the trading price of our common stock could decline, and you could 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.

Risks Related to Our Financial Position and Need for Additional Capital

We have a limited operating history and no products approved for commercial sale. We have a history of significant losses, expect to continue to incur significant losses for the foreseeable future and may never achieve or maintain profitability.

We are a clinical-stage biopharmaceutical company with a limited operating history. Since our inception in 2015, we have incurred significant net losses. Our net losses were $15.5 million and $ million for the years ended December 31, 2017 and December 31, 2018, respectively. As of December 31, 2018, we had an accumulated deficit of $ million. We have funded our operations to date primarily with proceeds from the sale of preferred stock and upfront fees received in connection with our collaboration with Lilly. Since commencing operations in 2015, we have devoted substantially all of our efforts and financial resources to organizing and staffing our company, identifying business development opportunities, raising capital, securing intellectual property rights related to our product candidates, building and optimizing our manufacturing capabilities and conducting discovery, research and development activities for our product candidates, our discovery programs and our FIND-IO platform.

We expect that it will be several years, if ever, before we have a commercialized product. We expect to continue to incur significant expenses and operating losses for the foreseeable future. The net losses we incur may fluctuate significantly from quarter to quarter. We anticipate that our expenses will increase substantially if, and as, we:

- continue to advance the preclinical and clinical development of our existing product candidates and our research programs;
- leverage our FIND-IO platform to advance additional product candidates into preclinical and clinical development;
- seek regulatory approvals for any product candidates that successfully complete clinical trials;
- hire additional clinical, quality control, regulatory, scientific and administrative personnel;
- expand our operational, financial and management systems and increase personnel, including to support our clinical development, manufacturing and commercialization efforts and our operations as a public company;
- maintain, expand and protect our intellectual property portfolio;
- establish a marketing, sales, distribution and medical affairs infrastructure to commercialize any products for which we may obtain marketing approval and commercialize, whether on our own or jointly with a partner;
- acquire or in-license other technologies or engage in strategic partnerships; and
- incur additional legal, accounting or other expenses in operating our business, including the additional costs associated with operating as a public company.

To become and remain profitable, we, whether on our own or jointly with Lilly or any potential future collaborator, must develop and eventually commercialize products with significant market potential. This will require us to be successful in a range of challenging activities, including completing preclinical studies and clinical trials, obtaining marketing approval for product candidates, manufacturing, marketing and selling products 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 revenue that is 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, expand our business or continue our operations. A decline in the value of our company could also cause you to lose all or part of your investment.

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

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

- completing preclinical studies and clinical trials of our product candidates, including our ongoing Phase 1/2 clinical trial for NC318 and other planned clinical trials for NC318 and NC410;
- seeking and obtaining marketing approvals for any product candidates that we or our collaborators develop;
- receiving acceptance of the INDs for NC410 and future product candidates;
- identifying and developing new product candidates;
- launching and commercializing product candidates for which we obtain marketing approval by establishing a marketing, sales, distribution and medical affairs infrastructure or, alternatively, collaborating with a commercialization partner;
- achieving coverage and adequate reimbursement by hospitals and third-party payors, including governmental authorities, such as Medicare and Medicaid, private insurers and managed care organizations, for product candidates, if approved. that we or our collaborators develop;
- manufacturing cGMP supply of our product candidates for clinical trials and, if approved, commercial sales;
- obtaining market acceptance of product candidates, if approved, that we develop as viable treatment options;
- addressing any competing technological and market developments;
- negotiating favorable terms in any collaboration, licensing or other arrangements into which we may enter and performing our obligations under such arrangements;
- maintaining, protecting and expanding our portfolio of intellectual property rights, including patents, trade secrets and know-how;
- defending against third-party interference or infringement claims, if any; and
- attracting, hiring and retaining qualified personnel.

We anticipate incurring significant costs associated with commercializing any product candidate that is approved for commercial sale. Our expenses could increase beyond expectations if we are required by the

FDA or other regulatory agencies to perform clinical trials or studies in addition to those that we currently anticipate. Even if we are able to generate revenue from the sale of any approved products, we may not become profitable and may need to obtain additional funding to continue operations.

Even if this offering is successful, we will require substantial additional financing to pursue our business objectives, which may not be available on acceptable terms, or at all. A failure to obtain this necessary capital when needed could force us to delay, limit, reduce or terminate our product development, commercialization efforts or other operations.

Our operations have consumed substantial amounts of cash since inception. We expect to continue to spend substantial amounts to continue the preclinical and clinical development of our current and future programs. If we receive marketing approval for any product candidates, including NC318 and NC410, we will require significant additional amounts of cash in order to launch and commercialize such product candidates. In addition, other unanticipated costs may arise. Because the designs and outcomes of our planned and anticipated clinical trials are highly uncertain, we cannot reasonably estimate the actual amounts necessary to successfully complete the development of and commercialize any product candidate we develop.

Our future capital requirements depend on many factors, including:

- the scope, progress, timing, results and costs of researching and developing NC318, NC410 and our other product candidates, including targets identified through our FIND-IO platform, and of conducting preclinical studies and clinical trials;
- the timing of, and the costs involved in, obtaining marketing approval for NC318, NC410 and any future product candidates we develop, if clinical trials are successful;
- the success of our collaboration with Lilly, including whether Lilly exercises its licensing options under its collaboration agreement with us, each of which would trigger additional payments to us;
- the costs of manufacturing NC318, NC410 and any future product candidates for preclinical studies and clinical trials and in preparation for marketing approval and commercialization;
- the costs of commercialization activities, including marketing, sales and distribution costs, for NC318, NC410 and any future product candidates we develop, whether alone or with a collaborator, if any of these product candidates are approved for sale;
- the success of our corporate sponsored research agreement, or SRA, with Yale University;
- our ability to establish and maintain additional strategic collaborations, licensing or other arrangements on favorable terms, if at all;
- the costs involved in preparing, filing, prosecuting, maintaining, expanding, defending and enforcing patent claims, including litigation costs and the outcome of any such litigation;
- our current collaboration and license agreements remaining in effect and our achievement of milestones and the timing and amount of milestone payments we are required to make, or that we may be eligible to receive, under those agreements;
- the timing, receipt and amount of sales of, or royalties on, our future products, if any; and
- the emergence of competing therapies and other adverse developments in the oncology market.

Until we can generate sufficient product and royalty revenue to finance our cash requirements, which we may never do, we expect to finance our future cash needs through a combination of public or private equity offerings, debt financings, marketing and distribution arrangements, other collaborations, strategic alliances and licensing arrangements. As of December 31, 2018, we had $ million in cash and cash equivalents. Based on our research and development plans, we expect that the net proceeds from this

offering, together with our existing cash and cash equivalents, will enable us to fund our operating expenses and capital expenditure requirements until at least . This estimate is based on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we expect. Changes may occur beyond our control that would cause us to consume our available capital before that time, including changes in and progress of our development activities, acquisitions of additional product candidates and changes in regulation.

If we raise additional capital through marketing, sales and distribution arrangements or other collaborations, strategic alliances or licensing arrangements with third parties, we may have to relinquish certain valuable rights to our product candidates, future revenue streams or research programs, technologies or grant licenses on terms that may not be favorable to us. If we raise additional capital through public or private equity offerings, the terms of these securities may include liquidation or other preferences that adversely affect our stockholders' rights. Further, to the extent that we raise additional capital through the sale of common stock or securities convertible or exchangeable into common stock, your ownership interest will be diluted. If we raise additional capital through debt financing, we would be subject to fixed payment obligations and may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends.

Adequate additional financing may not be available to us on acceptable terms, or at all. If we are unable to obtain additional financing on favorable terms when needed, we may be required to delay, limit, reduce or terminate preclinical studies, clinical trials, or other research and development activities or one or more of our development programs.

Risks Related to the Discovery and Development of Our Product Candidates

Our business is dependent on our ability to advance our current and future product candidates through clinical trials, obtain marketing approval and ultimately commercialize them.

We are early in our development efforts. We have only recently initiated our first clinical trial for NC318, our lead product candidate, and our second product candidate, NC410, is in preclinical development. Our ability to generate product revenues, which we do not expect will occur for several years, if ever, will depend heavily on the successful development and eventual commercialization of NC318, NC410 and any future product candidates we develop, which may never occur. Our current product candidates, including NC318 and NC410, and any future product candidates we develop will require additional preclinical or clinical development, management of clinical, preclinical and manufacturing activities, marketing approval in the United States and other jurisdictions, demonstration of effectiveness to pricing and reimbursement authorities, sufficient cGMP manufacturing supply for both preclinical and clinical development and commercial production, building of a commercial organization and substantial investment and significant marketing efforts before we generate any revenues from product sales.

The clinical and commercial success of our current and future product candidates will depend on several factors, including the following:

- timely and successful completion of preclinical studies and our clinical trials;
- sufficiency of our financial and other resources to complete the necessary preclinical studies and clinical trials;
- acceptance of the INDs for NC410 and future product candidates;
- successful enrollment in and completion of clinical trials;
- successful data from our clinical program that supports an acceptable risk-benefit profile of our product candidates in the intended patient populations;

- our ability to consistently manufacture our product candidates on a timely basis or to establish agreements with third-party manufacturers, if needed;
- whether we are required by the FDA or comparable foreign regulatory authorities to conduct additional clinical trials or other studies beyond those planned or anticipated to support approval of our product candidates;
- acceptance of our proposed indications and the primary endpoint assessments evaluated in the clinical trials of our product candidates by the FDA and comparable foreign regulatory authorities;
- receipt and maintenance of timely marketing approvals from applicable regulatory authorities;
- successfully launching commercial sales of our product candidates, if approved;
- the prevalence, duration and severity of potential side effects or other safety issues experienced with our product candidates, if approved;
- entry into collaborations to further the development of our product candidates;
- obtaining and maintaining patent and trade secret protection or regulatory exclusivity for our product candidates;
- acceptance of the benefits and uses of our product candidates, if approved, by patients, the medical community and third-party payors;
- maintaining a continued acceptable safety, tolerability and efficacy profile of the product candidates following approval;
- competing effectively with other therapies;
- obtaining and maintaining healthcare coverage and adequate reimbursement from third-party payors;
- our ability to identify targets and immunomedicines, whether through our FIND-IO platform, through our relationships with Yale or otherwise; and
- enforcing and defending intellectual property rights and claims.

These factors, many of which are beyond our control, could cause us to experience significant delays or an inability to obtain regulatory approvals or commercialize our current or future product candidates, and could otherwise materially harm our business. Successful completion of clinical trials does not mean that NC318, NC410 or any future product candidates we develop will receive regulatory approval. Even if regulatory approvals are obtained, we could experience significant delays or an inability to successfully commercialize our current and any future product candidates we develop, which would materially harm our business. If we are not able to generate sufficient revenue through the sale of any current or future product candidate, we may not be able to continue our business operations or achieve profitability.

The regulatory approval processes of the FDA and comparable foreign authorities are lengthy, time-consuming and inherently unpredictable, and if we are ultimately unable to obtain regulatory approval for our product candidates, our business will be materially harmed.

The time required to obtain approval by the FDA and comparable foreign authorities is unpredictable but typically takes many years following the commencement of clinical trials and depends upon numerous factors, including the substantial discretion of the regulatory authorities. In addition, approval policies, regulations or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions. We have not obtained regulatory approval for any product candidate. Neither we nor any future collaborator is permitted to market any product candidates in the United States until we receive regulatory approval of a

biologics license application, or BLA, from the FDA. It is possible that none of our current or future product candidates will ever obtain regulatory approval in the United States or elsewhere.

Our current and future product candidates could fail to receive regulatory approval for many reasons, including the following:

- the FDA or comparable foreign regulatory authorities may disagree with the design or implementation of our clinical trials;
- we may be unable to demonstrate to the satisfaction of the FDA or comparable foreign regulatory authorities that a product candidate is safe, pure and potent or effective for its proposed indication;
- the results of clinical trials may not meet the level of statistical significance required by the FDA or comparable foreign regulatory authorities for approval;
- we may be unable to demonstrate that a product candidate's clinical and other benefits outweigh its safety risks;
- the FDA or comparable foreign regulatory authorities may disagree with our interpretation of data from clinical trials or preclinical studies;
- the data collected from clinical trials of our product candidates may not be sufficient to support the submission of a BLA to the FDA or regulatory submissions to comparable regulatory authorities to obtain regulatory approval in such jurisdiction;
- the FDA or comparable foreign regulatory authorities may find deficiencies with or fail to approve our manufacturing processes or facility or the manufacturing processes or facilities of third-party manufacturers with which we contract for clinical and commercial supplies; and
- the approval policies or regulations of the FDA or comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval.

This lengthy approval process as well as the unpredictability of clinical trial results may result in our failing to obtain regulatory approval to market any product candidate we develop, which would significantly harm our business, results of operations and prospects. The FDA and other comparable foreign authorities have substantial discretion in the approval process and in determining when or whether regulatory approval will be granted for any product candidate that we develop. Even if we believe the data collected from future clinical trials of our product candidates are promising, such data may not be sufficient to support approval by the FDA or any other regulatory authority.

In addition, even if we were to obtain approval, FDA may approve any of our product candidates for fewer or more limited indications, or a more limited patient population, than we request, may grant approval contingent on the performance of costly post-marketing clinical trials, or may approve a product candidate with a label that does not include the labeling claims we believe are necessary or desirable for the successful commercialization of such product candidates. Any of the foregoing scenarios could materially harm the commercial prospects for our product candidates.

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

Clinical development involves a lengthy and expensive process with uncertain outcomes. We may incur additional costs and experience delays or an inability in developing and commercializing our current and future product candidates.

To obtain the requisite regulatory approvals to commercialize any of our product candidates, we must demonstrate through extensive preclinical studies and clinical trials that our product candidates are safe, pure, potent and effective in humans. Clinical testing is expensive and can take many years to complete, and its outcome is highly uncertain. Failure can occur at any time during the clinical trial process and our future clinical trial results may not be successful. We may experience delays in completing our clinical trials or preclinical studies and initiating or completing additional clinical trials. Although we initiated a Phase 1/2 clinical trial of NC318 in October 2018, we may experience delays in initiating or completing our planned clinical trials and development efforts. Additionally, we cannot be certain the ongoing and planned preclinical studies or clinical trials for NC318, NC410 or any future product candidates will begin on time, not require redesign, enroll an adequate number of subjects on time or be completed on schedule, if at all. We may also experience numerous unforeseen events during our clinical trials that could delay or prevent our ability to receive marketing approval or commercialize the product candidates we develop, including:

- the FDA or other regulatory authorities, Institutional Review Boards, or IRBs, or independent ethics committees may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;
- the FDA or other regulatory authorities may require us to submit additional data such as long-term toxicology studies, or impose other requirements on us, before permitting us to initiate a clinical trial;
- we may experience delays in reaching, or fail to reach, agreement on acceptable terms with prospective trial sites and prospective contract research organizations, or CROs, as the terms of these agreements can be subject to extensive negotiation and vary significantly among different CROs and trial sites;
- clinical trials of any product candidates may fail to show safety, purity or potency, or may produce negative or inconclusive results, which may cause us to decide, or regulators to require us, to conduct additional nonclinical studies or clinical trials or which may cause us to decide to abandon product candidate development programs;
- the number of patients required for clinical trials may be larger than we anticipate, or we may have difficulty adding a sufficient number of clinical trial sites;
- it may be difficult to enroll a sufficient number of patients, enrollment in these clinical trials may be slower than we anticipate or participants may drop out of these clinical trials or may fail to return for post-treatment follow-up at a higher rate than we anticipate;
- our CROs and other third-party contractors may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all, or may deviate from the clinical trial protocol or drop out of the trial, which may require that we add new clinical trial sites or investigators;
- we may elect to, or regulators, IRBs or ethics committees may require that we or our investigators, suspend or terminate clinical research or trials for various reasons, including noncompliance with regulatory requirements or a finding that participants are being exposed to unacceptable health risks;
- the cost of preclinical or nonclinical testing and studies and clinical trials of any product candidates may be greater than we anticipate;

- we may face hurdles in addressing subject safety concerns that arise during the course of a trial, causing us or our investigators, regulators, IRBs or ethics committees to suspend or terminate trials, or reports may arise from nonclinical or clinical testing of other cancer therapies that raise safety or efficacy concerns about our product candidates; and

- the supply or quality of materials for product candidates we develop or other materials necessary to conduct clinical trials may be insufficient or inadequate.

We could encounter delays if a clinical trial is suspended or terminated by us, or by the IRBs of the institutions in which such trials are being conducted, ethics committees or the Data Safety Monitoring Board, or DSMB, for such trial or by the FDA or other regulatory authorities. Such authorities may impose such a suspension or termination due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA or other regulatory authorities resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a product candidate, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. Many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of marketing approval of our product candidates. Further, the FDA or other regulatory authorities may disagree with our clinical trial design and our interpretation of data from clinical trials, or may change the requirements for approval even after they have reviewed and commented on the design for our clinical trials.

Principal investigators for our clinical trials may serve as scientific advisors or consultants to us from time to time and may receive cash or equity compensation in connection with such services. If these relationships and any related compensation result in perceived or actual conflicts of interest, or a regulatory authority concludes that the financial relationship may have affected the interpretation of the trial, the integrity of the data generated at the applicable clinical trial site may be questioned and the utility of the clinical trial itself may be jeopardized, which could result in the delay or rejection of the marketing application we submit. Any such delay or rejection could prevent or delay us from commercializing our current or future product candidates.

If we experience delays in the completion, or termination, of any clinical trial of our product candidates, the commercial prospects of our product candidates will be harmed, and our ability to generate product revenues from any of these product candidates will be delayed. In addition, any delays in completing our clinical trials will increase our costs, slow down the development and approval process for our product candidates and jeopardize our ability to commence product sales and generate revenues. Significant clinical trial delays could also allow our competitors to bring products to market before we do or shorten any periods during which we have the exclusive right to commercialize our product candidates. Any such events would impair our ability to successfully commercialize our product candidates and may harm our business and results of operations.

Any of these occurrences may significantly harm our business, financial condition and prospects. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory approval of our product candidates or result in the development of our product candidates stopping early.

Preclinical development is uncertain. Our preclinical programs may experience delays or may never advance to clinical trials, which would adversely affect our ability to obtain regulatory approvals or commercialize these programs on a timely basis or at all.

With the exception of NC318, all of our product candidates are still in the preclinical discovery stage, and the risk of failure for such product candidates is high. In order to obtain FDA approval to market a new biologic we must demonstrate proof of safety, purity and potency, including efficacy, in humans. To meet these requirements we will have to conduct adequate and well-controlled clinical trials. Before we can commence clinical trials for a product candidate, we must complete extensive preclinical testing and studies that support our planned INDs in the United States. We cannot be certain of the timely completion or outcome of our preclinical testing and studies and cannot predict if the FDA will accept our proposed clinical programs or if the outcome of our preclinical testing and studies will ultimately support the further development of our current or future product candidates. As a result, we cannot be sure that we will be able to submit INDs or similar applications for our preclinical programs on the timelines we expect, if at all, and we cannot be sure that submission of INDs or similar applications will result in the FDA or other regulatory authorities allowing clinical trials to begin.

Conducting preclinical testing is a lengthy, time-consuming and expensive process. The length of time of such testing may vary substantially according to the type, complexity and novelty of the program, and often can be several years or more per program. Delays associated with programs for which we are conducting preclinical testing and studies may cause us to incur additional operating expenses. Moreover, we may be affected by delays associated with the preclinical testing and studies of certain programs that are the responsibility of Lilly or our potential future collaborators over which we have no control. The commencement and rate of completion of preclinical studies and clinical trials for a product candidate may be delayed by many factors, including but not limited to:

- an inability to generate sufficient preclinical or other *in vivo* or *in vitro* data to support the initiation of clinical studies;
- delays in reaching a consensus with regulatory agencies on study design; and
- the FDA not permitting the reliance on preclinical or other data from published scientific literature.

The results of preclinical studies and early-stage clinical trials may not be predictive of future results. We have only recently initiated our first-in-human clinical trial of NC318 and do not expect data from that trial until . Initial success in our ongoing clinical trial may not be indicative of results obtained when these trials are completed or in later stage trials.

The results of preclinical studies may not be predictive of the results of clinical trials. Preclinical studies and early-stage clinical trials are primarily designed to test safety, to study pharmacokinetics and pharmacodynamics and to understand the side effects of product candidates at various doses and schedules, and the results of any early-stage clinical trials may not be predictive of the results of later-stage, large-scale efficacy clinical trials. In addition, initial success in clinical trials may not be indicative of results obtained when such trials are completed. There can be no assurance that any of our current or future clinical trials will ultimately be successful or support further clinical development of any of our product candidates. There is a high failure rate for drugs and biologics proceeding through clinical trials. A number of companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in clinical development even after achieving promising results in earlier studies, and any such setbacks in our clinical development could have a material adverse effect on our business and operating results.

Even if our clinical trials are completed, the results may not be sufficient to obtain regulatory approval for our product candidates. Data obtained from preclinical and clinical activities are subject to varying interpretations, which may delay, limit or prevent regulatory approval. In addition, the results of our preclinical studies may not be predictive of the results of outcomes in human clinical trials. For example,

our current or future product candidates may demonstrate different chemical, biological and pharmacological properties in patients than they do in laboratory studies or may interact with human biological systems in unforeseen or harmful ways. Product candidates in later stages of clinical trials may fail to show desired pharmacological properties or produce the necessary safety and efficacy results despite having progressed through preclinical studies and initial clinical trials. Even if we are able to initiate and complete clinical trials, the results may not be sufficient to obtain regulatory approval for our product candidates. In addition, we may experience regulatory delays or rejections as a result of many factors, including changes in regulatory policy during the period of our product candidate development. Any such delays could negatively impact our business, financial condition, results of operations and prospects.

Interim "top-line" and preliminary results from our clinical trials that we announce or publish from time to time may change as more patient data become available and are subject to audit, validation 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 results from our clinical trials. Interim results 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 results also remain subject to audit, validation 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. Differences between preliminary or interim data and final data could significantly harm our business prospects and may cause the trading price of our common stock to fluctuate significantly.

Our approach to the discovery and development of product candidates using our FIND-IO platform is unproven and may not result in marketable products.

The success of our business depends in part upon our ability to identify targets based on our proprietary FIND-IO platform and to develop and commercialize immunomedicines. Our approach to the discovery of targets using the FIND-IO platform is novel. We have not yet initiated or completed a clinical trial of any product candidate developed by us for a target identified from the FIND-IO platform. The platform may fail to accurately identify targets that modulate the immune system and are appropriate for immunomedicines. Even if we are able to identify targets from the FIND-IO platform and to develop corresponding product candidates, we cannot assure that such product candidates will achieve marketing approval to safely and effectively treat cancer or other disease states.

If we uncover any previously unknown risks related to our FIND-IO platform, or if we experience unanticipated problems or delays in developing our FIND-IO product candidates, we may be unable to achieve our strategy of building an oncology pipeline of novel targets for new immunomedicines focused on non-responders, or meet our obligations under the Lilly Agreement.

Our current or future product candidates may cause undesirable side effects or have other properties when used alone or in combination with other approved products or investigational new drugs that could halt their clinical development, prevent their marketing approval, limit their commercial potential or result in significant negative consequences.

Before obtaining regulatory approvals for the commercial sale of our product candidates, we must demonstrate through lengthy, complex and expensive preclinical testing and clinical trials that our product candidates are safe, pure, potent and effective for use in each target indication, and failures can occur at any stage of testing. As with most biologics, use of our current or future product candidates could be associated with side effects or adverse events which can vary in severity from minor reactions to death and in frequency from infrequent to prevalent. There have been serious adverse side effects reported in response to immunotherapies in oncology. Immune-related adverse events that represent immune effects

on normal tissue that can result from misdirected stimulation of the immune system are the most likely class of toxicity, and additional adverse side effects could develop.

We have only recently initiated a Phase 1/2 clinical trial of NC318, and it is likely that there will be side effects associated with its use. NC318 is an immunomedicine, and although no specific toxicities were identified during preclinical testing, it is possible that immune-related adverse events associated with other immunotherapies may occur in patients treated with NC318. Possible adverse side effects that could occur with treatment with immunotherapeutic products include an immunologic reaction early after administration which, while not necessarily adverse to the patient's health, could substantially limit the effectiveness of the treatment. In addition to any potential side effects caused by the product or product candidate, the administration process or related procedures also can cause adverse side effects. If any such adverse events occur, our clinical trials or any future marketing authorization could be suspended or terminated.

If unacceptable side effects arise in the development of our product candidates, we, the FDA, the IRBs at the institutions in which our studies are conducted or the DSMB could suspend or terminate our clinical trials or the FDA or comparable foreign regulatory authorities could order us to cease clinical trials or deny approval of our product candidates for any or all targeted indications. Treatment-related side effects could also affect patient recruitment or the ability of enrolled patients to complete any of our clinical trials or result in potential product liability claims. In addition, these side effects may not be appropriately recognized or managed by the treating medical staff. We expect to have to train medical personnel using our product candidates to understand the side effect profiles for our clinical trials and upon any commercialization of any of our product candidates. Inadequate training in recognizing or managing the potential side effects of our product candidates could result in patient injury or death. Any of these occurrences may harm our business, financial condition and prospects significantly.

Although our current and future product candidates have undergone and will undergo safety testing to the extent possible and, where applicable, under such conditions discussed with regulatory authorities, not all adverse effects of drugs can be predicted or anticipated. Immunomedicines and their method of action of harnessing the body's immune system are powerful and could lead to serious side effects that we only discover in clinical trials or during commercial marketing. Unforeseen side effects could arise either during clinical development or after our product candidates have been approved by regulatory authorities and the approved product has been marketed, resulting in the exposure of additional patients. So far, we have not demonstrated that NC318, NC410 or any other product candidate is safe in humans, and we cannot predict if ongoing or future clinical trials will do so. If any of our current or future product candidates fail to demonstrate safety and efficacy in clinical trials or do not gain marketing approval, we will not be able to generate revenue and our business will be harmed.

In addition, even if we successfully advance one of our product candidates into and through clinical trials, such trials will likely only include a limited number of subjects and limited duration of exposure to our product candidates. As a result, we cannot be assured that adverse effects of our product candidates will not be uncovered when a significantly larger number of patients are exposed to the product candidate. Further, any clinical trial may not be sufficient to determine the effect and safety consequences of taking our product candidates over a multi-year period.

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

- regulatory authorities may withdraw their approval of the product;
- we may be required to recall a product or change the way such product is administered to patients;
- additional restrictions may be imposed on the marketing of the particular product or the manufacturing processes for the product or any component thereof;

- regulatory authorities may require the addition of labeling statements, such as a "black box" warning or a contraindication;
- we may be required to implement a Risk Evaluation and Mitigation Strategy, or REMS, or create a Medication Guide outlining the risks of such side effects for distribution to patients;
- we could be sued and held liable for harm caused to patients;
- the product may become less competitive; and
- our reputation may suffer.

Any of the foregoing events could prevent us from achieving or maintaining market acceptance of the particular product candidate, if approved, and result in the loss of significant revenues, which would materially harm our business. In addition, if one or more of our product candidates or our immunotherapeutic development approach generally prove to be unsafe, our entire technology platform and pipeline could be affected, which would also materially harm our business.

As an organization, we have limited experience designing and implementing clinical trials and we have never conducted pivotal clinical trials. Failure to adequately design a trial, or incorrect assumptions about the design of the trial, could adversely affect the ability to initiate the trial, enroll patients, complete the trial, or obtain regulatory approval on the basis of the trial results, as well as lead to increased or unexpected costs and in delayed timelines.

The design and implementation of clinical trials is a complex process. We have limited experience designing and implementing clinical trials, and we may not successfully or cost-effectively design and implement clinical trials that achieve our desired clinical endpoints efficiently, or at all. A clinical trial that is not well designed may delay or even prevent initiation of the trial, can lead to increased difficulty in enrolling patients, may make it more difficult to obtain regulatory approval for the product candidate on the basis of the study results, or, even if a product candidate is approved, could make it more difficult to commercialize the product successfully or obtain reimbursement from third-party payors. Additionally, a trial that is not well-designed could be inefficient or more expensive than it otherwise would have been, or we may incorrectly estimate the costs to implement the clinical trial, which could lead to a shortfall in funding. We also expect to continue to rely on third parties to conduct our pivotal clinical trials. See "—Risks Related to Reliance on Third Parties—We rely or will rely on third parties to help conduct our ongoing and planned preclinical studies and clinical trials for NC318, NC410 and any future product candidates we develop. If these third parties do not successfully carry out their contractual duties, comply with regulatory requirements or meet expected deadlines, we may not be able to obtain marketing approval for or commercialize NC318, NC410 and any future product candidates we develop, and our business could be materially harmed." Consequently, we may be unable to successfully and efficiently execute and complete necessary clinical trials in a way that leads to BLA submission and approval of NC318, NC410 or future product candidates. We may require more time and incur greater costs than our competitors and may not succeed in obtaining regulatory approvals of product candidates that we develop.

If we or our collaborators encounter difficulties enrolling patients in our clinical trials, our clinical development activities could be delayed or otherwise be adversely affected.

The successful and timely completion of clinical trials in accordance with their protocols depends on, among other things, our ability to enroll a sufficient number of patients who remain in the trial until the trial's conclusion, including any follow-up period. We may experience difficulties in patient enrollment in our clinical trials for a variety of reasons. The enrollment of patients depends on many factors, including:

- the patient eligibility criteria defined in the protocol;
- the nature and size of the patient population required for analysis of the trial's primary endpoints and the process for identifying patients;

- the number and location of participating clinical sites or patients;
- the design of the trial;
- our ability to recruit clinical trial investigators with the appropriate competencies and experience;
- clinicians' and patients' perceptions as to the potential advantages and risks of the product candidate being studied in relation to other available therapies, including any new products that may be approved for the indications we are investigating;
- the availability of competing commercially available therapies and other competing drug candidates' clinical trials;
- our ability to obtain and maintain patient informed consents for participation in our clinical trials; and
- the risk that patients enrolled in clinical trials will drop out of the trials before completion or, because they may be late-stage cancer patients, will not survive the full terms of the clinical trials.

In addition, our clinical trials will compete with other clinical trials for product candidates that are in the same therapeutic areas as our current and potential future product candidates. This competition will reduce the number and types of patients available to us, because some patients who might have opted to enroll in our trials may instead opt to enroll in a trial conducted by one of our competitors. Since the number of qualified clinical investigators is limited, we expect to conduct some of our clinical trials at the same clinical trial sites that some of our competitors use, which will reduce the number of patients who are available for our clinical trials at such sites. Moreover, because our current and potential future product candidates may represent a departure from more commonly used methods for cancer treatment, potential patients and their doctors may be inclined to use conventional therapies, such as chemotherapy, rather than enroll patients in our ongoing or any future clinical trial.

Delays of difficulties in patient enrollment may result in increased costs or may affect the timing, outcome or completion of clinical trials, which would adversely affect our ability to advance the development of the product candidates we develop.

Because the number of subjects in our Phase 1/2 clinical trial of NC318 is small, the results from this trial, once completed, may be less reliable than results achieved in larger clinical trials.

A study design that is considered appropriate includes a sufficiently large sample size with appropriate statistical power, as well as proper control of bias, to allow a meaningful interpretation of the results. The preliminary results of studies with smaller sample sizes, such as our ongoing Phase 1/2 clinical trial of NC318, can be disproportionately influenced by the impact the treatment had on a few individuals, which limits the ability to generalize the results across a broader community, thus making the study results less reliable than studies with a larger number of subjects. As a result, there may be less certainty that NC318 would achieve a statistically significant effect in any future clinical trials. If we conduct any future clinical trials of NC318, we may not achieve a statistically significant result or the same level of statistical significance seen, if any, in our Phase 1/2 clinical trial. Similarly, if we conduct a clinical trial of any other product candidate we develop, including NC410, with a smaller sample size, the results of any such trial may be less reliable than results achieved in larger clinical trials and may provide less certainty of achieving statistically significant effects in any future clinical trials.

We may be required to suspend, repeat or terminate our clinical trials if they are not conducted in accordance with regulatory requirements, the results are negative or inconclusive or the trials are not well designed.

Clinical trials must be conducted in accordance with the FDA's current good clinical practices requirements, or cGCP, or analogous requirements of applicable foreign regulatory authorities. Clinical trials are subject to oversight by the FDA, other foreign governmental agencies and IRBs or ethical

committees at the study sites where the clinical trials are conducted. In addition, clinical trials must be conducted with product candidates produced in accordance with applicable cGMP. Clinical trials may be suspended by the FDA, other foreign regulatory authorities, us, or by an IRB or ethics committee with respect to a particular clinical trial site, for various reasons, including:

- deficiencies in the conduct of the clinical trials, including failure to conduct the clinical trial in accordance with regulatory requirements or study protocols;
- deficiencies in the clinical trial operations or trial sites;
- unforeseen adverse side effects or the emergence of undue risks to study subjects;
- deficiencies in the trial design necessary to demonstrate efficacy;
- the product candidate may not appear to offer benefits over current therapies; or
- the quality or stability of the product candidate may fall below acceptable standards.

We have chosen to prioritize development of NC318 and NC410. We may expend our limited resources on product candidates or indications that do not yield a successful product and fail to capitalize on other candidates or indications for which there may be a greater likelihood of success or may be more profitable.

Because we have limited resources, we have strategically determined to prioritize development of NC318 and NC410 rather than other product candidates based, in part, on the significant resources required for developing and manufacturing immunomedicines. To date, no regulatory authority has granted approval for an immunomedicine targeting S15 or the LAIR pathway. As a result, we may be foregoing other potentially more profitable immunomedicines or therapies or those with a greater likelihood of success. Our decisions concerning the allocation of research, development, collaboration, management and financial resources toward particular product candidates or therapeutic areas may not lead to the development of any viable commercial product and may divert resources away from better opportunities. Similarly, our potential decisions to delay, terminate or collaborate with third parties with respect to, certain programs may subsequently also prove to be suboptimal and could cause us to miss valuable opportunities. If we make incorrect determinations regarding the viability or market potential of any of our current or future product candidates or misread trends in the oncology or biopharmaceutical industry, our business, financial condition and results of operations could be materially adversely affected. As a result, we may fail to capitalize on viable commercial products or profitable market opportunities, be required to forego or delay pursuit of opportunities with other product candidates or other diseases and disease pathways that may later prove to have greater commercial potential than those we choose to pursue, or relinquish valuable rights to such product candidates through collaboration, licensing or other royalty arrangements in cases in which it would have been advantageous for us to invest additional resources to retain development and commercialization rights.

We may need to develop, or enter into a collaboration or partnership to develop, complementary or companion diagnostics for our current or future product candidates. If we, or our future collaborators, are unable to successfully develop such complementary or companion diagnostics, or experience significant delays in doing so, we may not realize the full commercial potential of our current or future product candidates.

One of the key elements of our product development strategy is to identify cancer patient populations who may derive meaningful benefit from our current or future product candidates. Because predictive biomarkers may be used to identify the right patients for current or future product candidates, we believe that our success may depend, in part, on our ability to develop complementary or companion diagnostics in collaboration with partners.

We have limited experience in the development of diagnostics and, as such, we expect to rely on future collaborators in developing appropriate diagnostics to pair with our current or future product candidates. We have not yet begun substantial discussions with any potential partners with respect to the development of complementary or companion diagnostics and may be unsuccessful in entering into collaborations for the development of any such diagnostics for our current or future product candidates.

Complementary or companion diagnostics are subject to regulation by the FDA and similar comparable foreign regulatory authorities as medical devices and require separate regulatory approval or clearance prior to commercialization. If we, our collaborators, or any third parties that we engage to assist us, are unable to successfully develop complementary or companion diagnostics for our current or future product candidates or experience delays in doing so:

- development of our current or future product candidates may be adversely affected if we are unable to appropriately select patients for enrollment in our clinical trials; and
- we may not realize the commercial potential of our current or future product candidates if, among other reasons, we are unable to appropriately identify, or it takes us longer to identify, patients who are likely to benefit from therapy with our products, if approved.

If any of these events were to occur, our business could be materially harmed.

Risks Related to the Regulatory Approval and Commercialization of Product Candidates and Other Legal Compliance Matters

We may be unable to obtain FDA approval of our product candidates under applicable regulatory requirements. The denial or delay of any such approval would prevent or delay commercialization of our product candidates and adversely impact our potential to generate revenue, our business and our results of operations.

To gain approval to market our product candidates in the United States, we must provide the FDA with clinical data that adequately demonstrate the safety, purity and potency, including efficacy, of the product candidate for the intended indication applied for in the applicable regulatory filing. Product development is a long, expensive and uncertain process, and delay or failure can occur at any stage of any of our clinical development programs. A number of companies in the biotechnology and pharmaceutical industries have suffered significant setbacks in clinical trials, even after promising results in earlier preclinical studies or clinical trials. These setbacks have been caused by, among other things, preclinical findings made while clinical trials were underway and safety or efficacy observations made in clinical trials, including previously unreported adverse events. Success in preclinical testing and early clinical trials does not ensure that later clinical trials will be successful, and the results of clinical trials by other parties may not be indicative of the results in trials we may conduct.

We have not previously submitted a BLA or any other marketing application to the FDA or similar filings to comparable foreign regulatory authorities. A BLA or other similar regulatory filing requesting approval to market a product candidate must include extensive preclinical and clinical data and supporting information to establish that the product candidate is safe, pure and potent for each desired indication. The BLA or other similar regulatory filing must also include significant information regarding the chemistry, manufacturing and controls for the product.

The research, testing, manufacturing, labeling, approval, marketing, sale and distribution of biologic products are subject to extensive regulation by the FDA and other regulatory authorities in the United States and other countries, and such regulations differ from country to country. We are not permitted to market our product candidates in the United States or in any foreign countries until they receive the requisite approval from the applicable regulatory authorities of such jurisdictions.

The FDA or comparable foreign regulatory authorities can delay, limit or deny approval of our product candidates for many reasons, including:

- our inability to demonstrate to the satisfaction of the FDA or a comparable foreign regulatory authority that our product candidates are safe and effective for the requested indication;
- the FDA or a comparable foreign regulatory authority's disagreement with our trial protocol or the interpretation of data from preclinical studies or clinical trials;

- our inability to demonstrate that the clinical and other benefits of our product candidates outweigh any safety or other perceived risks;
- the FDA or a comparable foreign regulatory authority's requirement for additional preclinical studies or clinical trials;
- the FDA or a comparable foreign regulatory authority's non-approval of the formulation, labeling, or specifications of our product candidates;
- the FDA or a comparable regulatory authority's failure to approve our manufacturing processes and facilities or the manufacturing processes and facilities of third-party manufacturers upon which we rely; or
- potential for approval policies or regulations of the FDA or a comparable foreign regulatory authority to significantly change in a manner rendering our clinical data insufficient for approval.

Even if we eventually complete clinical testing and receive approval from the FDA or comparable foreign regulatory authorities for any of our product candidates, the FDA or comparable foreign regulatory authorities may grant approval contingent on the performance of costly additional clinical trials which may be required after approval. The FDA or comparable foreign regulatory authorities also may approve any of our product candidates for a more limited indication or a narrower patient population than we originally requested, and the FDA or comparable foreign regulatory authorities may not approve any of our product candidates with the labeling that we believe is necessary or desirable for the successful commercialization of any such product candidates.

Of the large number of biopharmaceutical products in development, only a small percentage successfully complete the FDA or other regulatory bodies' approval processes and are commercialized. Any delay in obtaining, or inability to obtain, applicable regulatory approval would delay or prevent commercialization of our product candidates and would materially harm our business.

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

If any current or future product candidate we develop receives marketing approval, whether as a single agent or in combination with other therapies, it may nonetheless fail to gain sufficient market acceptance by physicians, patients, third-party payors, and others in the medical community. For example, current approved immunotherapies, and other cancer treatments like chemotherapy and radiation therapy, are well established in the medical community, and doctors may continue to rely on these therapies. Our approach to targeting different components of the tumor microenvironment is novel and unproven. In addition, adverse events in clinical trials testing our product candidates or in clinical trials of others developing similar product candidates and the resulting publicity, as well as any other adverse events in the field of immuno-oncology that may occur in the future, could result in a decrease in demand for our current or future product candidates. If public perception is influenced by claims that the use of cancer immunotherapies is unsafe, whether related to our immunomedicines or our competitors' products, our products may not be accepted by the general public or the medical community. Future adverse events in immuno-oncology or the biopharmaceutical industry could also result in greater governmental regulation, stricter labeling requirements and potential regulatory delays in the testing or approvals of our products.

If our current and any future product candidates we develop do not achieve an adequate level of acceptance, we may not generate significant product revenues and we may not become profitable. The

degree of market acceptance of our current and any future product candidates, if approved for commercial sale, will depend on a number of factors, including:

- efficacy and potential advantages compared to alternative treatments, including those that are not yet approved;
- the ability to offer our products, if approved, for sale at competitive prices;
- convenience and ease of administration compared to alternative treatments;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- the strength of marketing, sales and distribution support;
- the ability to obtain sufficient third-party coverage and adequate reimbursement, including with respect to the use of the approved product as a combination therapy;
- the regulatory approval and adoption of a companion or complementary diagnostic, if needed; and
- the prevalence and severity of any side effects.

The market opportunities for any current or future product candidate we develop, if approved, may be limited to those patients who are ineligible for established therapies or for whom prior therapies have failed, and may be small.

Any revenue we are able to generate in the future from product sales will be dependent, in part, upon the size of the market in the United States and any other jurisdiction for which we gain regulatory approval and have commercial rights. If the markets or patient subsets that we are targeting are not as significant as we estimate, we may not generate significant revenues from sales of such products, even if approved.

Cancer therapies are sometimes characterized as first-line, second-line or third-line, and the FDA often approves new therapies initially only for third-line use. When cancer is detected early enough, first-line therapy, usually chemotherapy, hormone therapy, surgery, radiation therapy or a combination of these, is sometimes adequate to cure the cancer or prolong life without a cure. Second- and third-line therapies are administered to patients when prior therapy is not effective. We may initially seek approval for NC318, NC410 and any other product candidates we develop as a therapy for patients who have received one or more prior treatments. If we do so, for those products that prove to be sufficiently beneficial, if any, we would expect to seek approval potentially as a first-line therapy, but there is no guarantee that any product candidate we develop, even if approved, would be approved for first-line therapy, and, prior to any such approvals, we may have to conduct additional clinical trials.

The number of patients who have the types of cancer we are targeting may turn out to be lower than expected. Additionally, the potentially addressable patient population for our current or future product candidates may be limited, if and when approved. Even if we obtain significant market share for any product candidate, if and when approved, if the potential target populations are small, we may never achieve profitability without obtaining marketing approval for additional indications, including to be used as first- or second-line therapy.

We may develop NC318, NC410 and future product candidates in combination with other therapies, which exposes us to additional regulatory risks.

We may develop NC318, NC410 and future product candidates in combination with one or more currently approved cancer therapies. Even if any product candidate we develop were to receive marketing approval or be commercialized for use in combination with other existing therapies, we would continue to be subject to the risk that the FDA or comparable foreign regulatory authorities could revoke approval of the therapy used in combination with our product candidate or that safety, efficacy, manufacturing or supply issues could arise with these existing therapies. This could result in our own products being removed

from the market or being less successful commercially. Combination therapies are commonly used for the treatment of cancer, and we would be subject to similar risks if we develop any of our product candidates for use in combination with other drugs or for indications other than cancer.

We may also evaluate NC318, NC410, or any future product candidate in combination with one or more other cancer therapies that have not yet been approved for marketing by the FDA or comparable foreign regulatory authorities. We will not be able to market and sell NC318, NC410 or any product candidate we develop in combination with any such unapproved cancer therapies that do not ultimately obtain marketing approval.

If the FDA or comparable foreign regulatory authorities do not approve these other biological products or revoke their approval of, or if safety, efficacy, manufacturing or supply issues arise with, the biologics we choose to evaluate in combination with NC318, NC410 or any product candidate we develop, we may be unable to obtain approval of or market any such product candidate.

Even if we receive marketing approval of a product candidate, we will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense. We may be subject to penalties if we fail to comply with regulatory requirements or experience unanticipated problems with our products, if approved.

Any marketing approvals that we receive for any current or future product candidate may be subject to limitations on the approved indicated uses for which the product may be marketed or the conditions of approval, or contain requirements for potentially costly post-market testing and surveillance to monitor the safety and efficacy of the product candidate. The FDA may also require implementation of a REMS as a condition of approval of any product candidate, which could include requirements for a medication guide, physician communication plans or additional elements to ensure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. In addition, if the FDA or a comparable foreign regulatory authority approves a product candidate, the manufacturing processes, labeling, packaging, distribution, adverse event and deviation reporting, storage, advertising, promotion, import and export and record keeping for the product candidate 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 cGMP and cGCP, for any clinical trials that we may conduct post-approval. Later discovery of previously unknown problems with any approved candidate, including adverse events of unanticipated severity or frequency, or with our or our third-party manufacturers' manufacturing processes or facilities, or failure to comply with regulatory requirements, may result in, among other things:

- restrictions on the marketing or manufacturing of the product, withdrawal of the product from the market, or product recalls;
- Warning Letters or Untitled Letters, or holds on clinical trials;
- refusal by the FDA to approve pending applications or supplements to approved applications we file or suspension or revocation of approved biologics licenses;
- product seizure or detention, monetary penalties, refusal to permit the import or export of the product, or placement on Import Alert; and
- permanent injunctions and consent decrees including the imposition of civil or criminal penalties.

Moreover, the FDA strictly regulates the promotional claims that may be made about drug and biologic products. In particular, an approved product may not be promoted for uses that are not approved by the FDA as reflected in the product's approved labeling, or off-label uses. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses. The FDA has issued guidance on the factors that it will consider in determining whether a firm's product communication is

consistent with the FDA-required labeling for that product, and those factors contain complexity and potential for overlap and misinterpretation. A company that is found to have improperly promoted off-label uses of their products may be subject to significant civil, criminal and administrative penalties.

The FDA and other regulatory authorities' policies may change and additional government regulations may be enacted that could prevent, limit or delay marketing approval of a product. 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.

Any government investigation of alleged violations of law could require us to expend significant time and resources in response, and could generate negative publicity. Any failure to comply with ongoing regulatory requirements may significantly and adversely affect our ability to commercialize and generate revenue from our products. If regulatory sanctions are applied or if regulatory approval is withdrawn, the value of our company and our operating results will be adversely affected.

Certain policies of the Trump Administration may impact our business and industry. President Trump has taken several executive actions, including the issuance of a number of Executive Orders, that could impose significant burdens on, or otherwise materially delay, the FDA's ability to engage in routine oversight activities such as implementing statutes through rulemaking, issuance of guidance, and review and approval of marketing applications. It is difficult to predict how these orders will be implemented, and the extent to which they will impact the FDA's ability to exercise its regulatory authority. If these executive actions impose restrictions on the FDA's ability to engage in oversight and implementation activities in the normal course, our business may be negatively impacted.

In addition, 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.

Obtaining and maintaining marketing approval of our current and future product candidates in one jurisdiction does not mean that we will be successful in obtaining and maintaining marketing approval of our current and future product candidates in other jurisdictions.

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

We may also submit marketing applications in other countries. Regulatory authorities in jurisdictions outside of the United States have requirements for approval of product candidates with which we must comply prior to marketing in those jurisdictions. Obtaining foreign marketing approvals and compliance with foreign regulatory requirements could result in significant delays, difficulties and costs for us and could delay or prevent the introduction of our products in certain countries. If we fail to comply with the regulatory requirements in international markets or fail to receive applicable marketing approvals, our

target market will be reduced and our ability to realize the full market potential of our product candidates will be harmed.

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

We collect and maintain information in digital form that is necessary to conduct our business, and we are dependent on our information technology systems and those of third parties to operate our business. In the ordinary course of our business, we collect, store and transmit large amounts of confidential information, including intellectual property, proprietary business information and personal information, and data to comply with cGMP and data integrity requirements. It is critical that we do so in a secure manner to maintain data security and data integrity of such information. We have established physical, electronic and organizational measures to safeguard and secure our systems to prevent a data compromise. We have also outsourced elements of our information technology infrastructure, and as a result a number of third-party vendors may or could have access to our confidential information. Our internal information technology systems and infrastructure, and those of our current and any future collaborators, contractors and consultants and other third parties on which we rely, are vulnerable to damage from computer viruses, malware, natural disasters, terrorism, war, telecommunication and electrical failures, cyber-attacks or cyber-intrusions, phishing, persons inside our organization or persons with access to systems inside our organization.

The risk of a security breach or disruption or data loss, including by computer hackers, foreign governments and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. In addition, the prevalent use of mobile devices that access confidential information increases the risk of data security breaches, which could lead to the loss of confidential information or other intellectual property. The costs to us to mitigate network security problems, bugs, viruses, worms, malicious software programs and security vulnerabilities could be significant, and while we have implemented security measures to protect our data security and information technology systems, our efforts to address these problems may not be successful, and these problems could result in unexpected interruptions, delays, cessation of service and other harm to our business and our competitive position. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our product development programs. For example, the loss of clinical trial data from completed or ongoing or planned clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. Likewise, we rely on third parties to conduct clinical trials, and similar events relating to their computer systems could also have a material adverse effect on our business. Moreover, if a computer security breach affects our systems or results in the unauthorized release of personally identifiable information, our reputation could be materially damaged. In addition, such a breach may require notification to governmental agencies, the media or individuals pursuant to various federal and state privacy and security laws, if applicable, including the Health Insurance Portability and Accountability Act of 1996, or HIPAA, as amended, and its implementing rules and regulations, as well as regulations promulgated by the Federal Trade Commission and state breach notification laws. We would also be exposed to a risk of loss or litigation and potential liability, which could materially adversely affect our business, results of operations and financial condition.

The successful commercialization of our product candidates will depend in part on the extent to which third-party payors including governmental authorities and private health insurers, provide coverage and adequate reimbursement levels, as well as implement pricing policies favorable for our product candidates. Failure to obtain or maintain coverage and adequate reimbursement for our product candidates, if approved, could limit our ability to market those products and decrease our ability to generate revenue.

The availability of coverage and adequacy of reimbursement by third-party payors, including managed care plans, governmental healthcare programs, such as Medicare and Medicaid and private health insurers is essential for most patients to be able to afford medical services and pharmaceutical products such as our product candidates that receive FDA approval. Our ability to achieve acceptable levels of coverage and reimbursement for our products or procedures using our products by third-party payors will have an effect on our ability to successfully commercialize our product candidates. Obtaining coverage and adequate reimbursement for our products may be particularly difficult because of the higher prices often associated with drugs administered under the supervision of a physician. Separate reimbursement for the product itself or the treatment or procedure in which our product is used may not be available. A decision by a third-party payor not to cover or not to separately reimburse for our products or procedures using our products, could reduce physician utilization of our products once approved. Assuming there is coverage for our product candidates, or procedures using our product candidates by a third-party payor, the resulting reimbursement payment rates may not be adequate or may require co-payments that patients find unacceptably high. We cannot be sure that coverage and reimbursement in the United States, the European Union or elsewhere will be available for our current or future product candidates, or for any procedures using such product candidates, and any reimbursement that may become available may not be adequate or may be decreased or eliminated in the future.

Our ability to successfully commercialize any product candidate, whether as a single agent or combination therapy, will also depend in part on the extent to which coverage and reimbursement for these product candidates and related treatments will be available from third-party payors. Third-party payors decide which medications they will pay for and establish reimbursement levels. It is difficult to predict at this time what government authorities and third-party payors will decide with respect to coverage and reimbursement for our current and future product candidates.

In addition, third-party payors are increasingly challenging prices charged for pharmaceutical and biological products and services, and many third-party payors may refuse to provide coverage and reimbursement for particular drugs or biologics when an equivalent generic drug, biosimilar or a less expensive therapy is available. It is possible that a third-party payor may consider our product candidates as substitutable and only offer to reimburse patients for the less expensive product. Even if we show improved efficacy or improved convenience of administration with our product candidates, pricing of existing third-party therapeutics may limit the amount we will be able to charge for our product candidates. These third-party payors may deny or revoke the reimbursement status of our product candidates, if approved, or establish prices for our product candidates at levels that are too low to enable us to realize an appropriate return on our investment. If reimbursement is not available or is available only at limited levels, we may not be able to successfully commercialize our product candidates, and may not be able to obtain a satisfactory financial return on our product candidates.

There is significant uncertainty related to the insurance coverage and reimbursement of newly-approved products, especially novel products like our immunomedicines. To date, no regulatory authority has granted approval for an immunomedicine targeting S15 or the LAIR pathway. The Medicare and Medicaid programs are increasingly used as models in the United States for how private third-party payors and other governmental payors develop their coverage and reimbursement policies for drugs and biologics. Some third-party payors may require pre-approval of coverage for new or innovative devices or drug therapies before they will reimburse healthcare providers who use such therapies. We cannot predict at this time what third-party payors will decide with respect to the coverage and reimbursement for our product candidates.

No uniform policy for coverage and reimbursement for products exist among third-party payors in the United States. Therefore, coverage and reimbursement for products can differ significantly from payor to payor. As a result, the coverage determination process is often a time-consuming and costly process that may require us to provide scientific and clinical support for the use of our product candidates to each payor separately, with no assurance that coverage and adequate reimbursement will be applied consistently or obtained in the first instance. Furthermore, rules and regulations regarding reimbursement change frequently, in some cases on short notice, and we believe that changes in these rules and regulations are likely.

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

Moreover, increasing efforts by 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 newly approved products and, as a result, they may not cover or provide adequate payment for our product candidates. We expect to experience pricing pressures in connection with the sale of our product candidates due to the trend toward managed health care, the increasing influence of health maintenance organizations and additional legislative changes. The downward pressure on healthcare costs in general, particularly prescription drugs and biologics and surgical procedures and other treatments, has become intense. As a result, increasingly high barriers are being erected to the entry of new products.

Enacted healthcare legislation, changes in healthcare law and implementation of regulations, as well as changes in healthcare policy, may increase the difficulty and cost for us to commercialize our product candidates, may impact our business in ways that we cannot currently predict, could affect the prices we may set, and could have a material adverse effect on our business and financial condition.

In the United States, there have been and continue to be a number of legislative initiatives to contain healthcare costs. In particular, there have been and continue to be a number of initiatives at the U.S. federal and state levels that seek to reduce healthcare costs and improve the quality of healthcare. For example, in March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, or collectively, the ACA, was passed, which substantially changes the way healthcare is financed by both governmental and private insurers, and significantly impacts the U.S. pharmaceutical industry. The ACA, among other things, subjects biological products to potential competition by lower-cost biosimilars, 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, 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, establishes annual fees and taxes on manufacturers of certain branded prescription drugs and creates a new Medicare Part D coverage gap discount program in which, as a condition of coverage of its products under Medicare Part D, manufacturers must now agree to offer 70% point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period.

Some of the provisions of the ACA have yet to be fully implemented, while certain provisions have been subject to judicial and Congressional challenges, as well as efforts by President Trump's administration to repeal or replace certain aspects of the ACA, and to alter the implementation of the ACA and related laws. For example, Congress has considered legislation that would repeal or repeal and replace all or part of the ACA. While Congress has not passed comprehensive repeal legislation, bills affecting the implementation of certain taxes under the ACA have been signed into law. The Tax Cuts and

Jobs Act of 2017, or the Tax Act, includes a provision repealing, effective January 1, 2019, the tax-based shared responsibility payment imposed by the ACA on certain individuals who fail to maintain qualifying health coverage for all or part of a year that is commonly referred to as the "individual mandate." On January 22, 2018, the President signed a continuing resolution on appropriations for fiscal year 2018 that delayed the implementation of certain ACA-mandated fees, including the so-called "Cadillac" tax on certain high cost employer-sponsored insurance plans, the annual fee imposed on certain high cost employer-sponsored insurance plans, the annual fee imposed on certain health insurance providers based on market share and the medical device excise tax on non-exempt medical devices. The Bipartisan Budget Act of 2018, or the BBA, among other things, amends the ACA, effective January 1, 2019, to reduce the coverage gap in most Medicare drug plans, commonly referred to as the "donut hole." Also, in July 2018, the Centers for Medicare and Medicaid Services, or CMS, issued a final rule permitting further collections and payments to and from certain ACA qualified health plans and health insurance issuers under the ACA risk adjustment program in response to the outcome of federal district court litigation regarding the method CMS uses to determine this risk adjustment. In December 2018, a United States District Court Judge for the Northern District of Texas ruled that the entire ACA is unconstitutional because the tax penalty associated with the "individual mandate" was repealed by Congress as part of the Tax Act. This ruling is under appeal and stayed pending appeal. While the United States District Court Judge for the Northern District of Texas, as well as the Trump Administration and CMS, have stated that the ruling will have no effect while this appeal is pending, it is unclear how this decision, subsequent appeals and other efforts to invalidate the ACA, regulations promulgated under the ACA and related laws, or portions thereof will impact the ACA, its implementation and our business.

Other legislative changes have been proposed and adopted in the United States since the ACA was enacted. On August 2, 2011, the Budget Control Act of 2011, among other things, created measures for spending reductions by Congress. A Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least $1.2 trillion for the years 2013 through 2021, was unable to reach required goals, thereby triggering the legislation's automatic reduction to several government programs. This includes aggregate reductions of Medicare payments to providers of 2% per fiscal year. These reductions went into effect on April 1, 2013 and, due to subsequent legislative amendments to the statute, will remain in effect through 2027 unless additional congressional action is taken. On January 2, 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, further reduced Medicare payments to several types of providers.

Moreover, payment methodologies may be subject to changes in healthcare legislation and regulatory initiatives. For example, effective January 1, 2014, CMS began bundling into the hospital outpatient prospective payment rate the Medicare payments for most laboratory tests ordered while a patient received services in a hospital outpatient setting. 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 any product candidate we develop or complementary or companion diagnostics or additional pricing pressures.

CMS may develop new payment and delivery models, such as bundled payment models. In addition, recently there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their marketed products, which has resulted in several U.S. Congressional inquiries and proposed and enacted federal and state legislation that legislators intend to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under government payor programs, and review the relationship between pricing and manufacturer patient programs. For example, the Trump Administration released a "Blueprint" to lower drug prices and reduce out of pocket costs of drugs that contains additional proposals to increase manufacturer competition, increase the negotiating power of certain federal healthcare programs, incentivize manufacturers to lower the list price of their products and reduce the out of pocket costs of drug products paid by consumers. Although a number of these and other proposed measures will require authorization through additional legislation to become

effective, Congress and the Trump Administration have each indicated that they will continue to seek new legislative and/or administrative measures to control drug costs. We expect that additional U.S. federal healthcare reform measures will be adopted in the future, any of which could limit the extent to which the U.S. federal government covers particular healthcare products and services and could limit the amounts that the U.S. federal government will pay for healthcare products and services. This could result in reduced demand for our product candidates or additional pricing pressures.

Individual states in the United States have also increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement limitations, 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. Legally mandated price controls on payment amounts by third-party payors or other restrictions on coverage or access could harm our business, results of operations, financial condition and prospects. In addition, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other healthcare programs. This could reduce the ultimate demand for our product candidates that we successfully commercialize or put pressure on our product pricing.

Additionally, on May 30, 2018, the Trickett Wendler, Frank Mongiello, Jordan McLinn and Matthew Bellina Right to Try Act of 2017, or 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.

We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action in the United States. If we or any third parties we may engage are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we or such third parties are not able to maintain regulatory compliance, our product candidates may lose any regulatory approval that may have been obtained and we may not achieve or sustain profitability.

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

Healthcare providers, physicians and third-party payors in the United States and elsewhere will play a primary role in the recommendation and prescription of any product candidates for which we obtain marketing approval. Our current and future arrangements with healthcare providers, third-party payors, customers, and others may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations, which may constrain the business or financial arrangements and relationships through which we research, as well as, sell, market and distribute any products for which we obtain marketing approval. The applicable federal and state healthcare laws and regulations that may affect our ability to operate include, but are not limited to:

- The federal Anti-Kickback Statute, which prohibits, among other things, knowingly and willfully soliciting, receiving, offering or paying any remuneration (including any kickback, bribe, or rebate), directly or indirectly, overtly or covertly, in cash or in kind, to induce, or in return for, either the referral of an individual, or the purchase, lease, order or recommendation of any good, facility, item or service for which payment may be made, in whole or in part, under the Medicare and Medicaid programs or other federal healthcare programs. A person or entity can be found guilty of violating

the statute without actual knowledge of the statute or specific intent to violate it. The federal Anti-Kickback Statute has been interpreted to apply to arrangements between pharmaceutical manufacturers on the one hand and prescribers, purchasers and formulary managers on the other. Although there are a number of statutory exceptions and regulatory safe harbors to the federal Anti-Kickback Statute protecting certain common business arrangements and activities from prosecution or regulatory sanctions, the exceptions and safe harbors are drawn narrowly, and practices that involve remuneration to those who prescribe, purchase, or recommend pharmaceutical and biological products, including certain discounts, or engaging such individuals as speakers or consultants, may be subject to scrutiny if they do not fit squarely within an exception or safe harbor. Our practices may not in all cases meet all of the criteria for safe harbor protection from anti-kickback liability. Moreover, there are no safe harbors for many common practices, such as educational and research grants or patient or product assistance programs.

- The federal civil and criminal false claims laws and civil monetary penalty laws, including the civil False Claims Act, or FCA, which prohibits, among other things, knowingly presenting, or causing to be presented, claims for payment of government funds that are false or fraudulent, or knowingly making, or using or causing to be made or used, a false record or statement material to a false or fraudulent claim to avoid, decrease, or conceal an obligation to pay money to the federal government. Private individuals, commonly known as "whistleblowers," can bring FCA qui tam actions, on behalf of the government and such individuals and may share in amounts paid by the entity to the government in recovery or settlement. In addition, a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the FCA. FCA liability is potentially significant in the healthcare industry because the statute provides for treble damages and significant mandatory penalties per false claim or statement for violations. Criminal penalties, including imprisonment and criminal fines, are also possible for making or presenting a false, fictitious or fraudulent claim to the federal government.

- The HIPAA fraud provisions, which prohibit knowingly and willfully executing a scheme to defraud any healthcare benefit program, including private third-party payors, and prohibit knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement or representation, or making or using any false writing or document knowing the same to contain any materially false fictitious or fraudulent statement or entry in connection with the delivery of or payment for healthcare benefits, items or services. Similar to the federal Anti-Kickback Statute, a person or entity can be found guilty of violating the HIPAA fraud provisions without actual knowledge of the statutes or specific intent to violate them.

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, and their respective implementing regulations, also impose specified requirements relating to the privacy, security and transmission of individually identifiable health information held by covered entities, which include health plans, healthcare clearinghouses and certain healthcare providers, and their business associates, individuals or entities that perform certain services on behalf of a covered entity that involve the use or disclosure of individually identifiable health information. HITECH also created new tiers of civil monetary penalties, amended HIPAA to make civil and criminal penalties directly applicable to business associates and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce HIPAA and seek attorneys' fees and costs associated with pursuing federal civil actions;

- The federal Physician Payments Sunshine Act, being implemented as the Open Payments Program, which requires manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) to report annually to CMS information related to direct or indirect payments and other transfers of value to physicians and teaching hospitals, as well as ownership and investment interests held in a company by physicians and their immediate family members. Beginning in 2022, applicable manufacturers will also be required to report information regarding payments and transfers of value provided to physician assistants, nurse practitioners, clinical nurse specialists, certified nurse anesthetists and certified nurse-midwives; and

- Analogous U.S. state and local laws and regulations, such as state anti-kickback and false claims laws, which may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers; state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government or otherwise restrict payments that may be made to healthcare providers; state laws that restrict the ability of manufacturers to offer co-pay support to patients for certain prescription drugs; state laws that require drug manufacturers to report information related to clinical trials, or information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures; state laws that require drug manufacturers to report information on the pricing of certain drugs; state laws and local ordinances that require identification or licensing of sales representatives; and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

Because of the breadth of these laws and the narrowness of the statutory exceptions and regulatory safe harbors available under such laws, it is possible that some of our business activities could be subject to challenge under one or more of such laws. The scope and enforcement of each of these laws is uncertain and subject to rapid change in the current environment of healthcare reform, especially in light of the lack of applicable precedent and regulations. Federal and state enforcement bodies have recently increased their scrutiny of interactions between healthcare companies and healthcare providers, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry. Ensuring that our business arrangements with third parties comply with applicable healthcare laws, as well as responding to investigations by government authorities, can be time and resource consuming and can divert management's attention from the business.

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, criminal and administrative penalties, damages, fines, disgorgement, individual imprisonment, possible exclusion from participation in federal and state funded healthcare programs, contractual damages and the curtailment or restricting of our operations, as well as additional reporting obligations and oversight if we become subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with these laws. Further, if the physicians or other providers or entities with whom we expect to do business are found not to be in compliance with applicable laws, they may be subject to criminal, civil and administrative sanctions, including exclusion from government funded healthcare programs. In addition, the approval and commercialization of any product candidate we develop outside the United States will also likely subject us to foreign equivalents of the healthcare laws mentioned above, among other foreign laws. All of these could harm our ability to operate our business and our financial results.

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

Among other matters, U.S. and foreign anti-corruption, anti-money laundering, export control, sanctions and other trade laws and regulations, which are collectively referred to as Trade Laws, prohibit companies and their employees, agents, clinical research organizations, legal counsel, accountants, consultants, contractors and other partners from authorizing, promising, offering, providing, soliciting, or receiving directly or indirectly, corrupt or improper payments or anything else of value to or from recipients in the public or private sector. Violations of Trade Laws can result in substantial criminal fines and civil penalties, imprisonment, the loss of trade privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm and other consequences.

Our business is heavily regulated and therefore involves significant interaction with public officials. We have direct or indirect interactions with officials and employees of government agencies or

government-affiliated hospitals, universities and other organizations. We also expect our non-U.S. activities to increase in time. Additionally, in many other countries, the health care providers who prescribe pharmaceuticals are employed by their government, and the purchasers of pharmaceuticals are government entities; therefore, our dealings with these prescribers and purchasers are subject to regulation under the FCPA. We plan to engage third parties for clinical trials and/or to obtain necessary permits, licenses, patent registrations, and other regulatory approvals and we can be held liable for the corrupt or other illegal activities of our personnel, agents, or partners, even if we do not explicitly authorize or have prior knowledge of such activities. In particular, our operations will be subject to the U.S. Foreign Corrupt Practices Act of 1977, as amended, which prohibits, among other things, U.S. companies and their employees and agents from authorizing, promising, offering, or providing, directly or indirectly, corrupt or improper payments or anything else of value to foreign government officials, employees of public international organizations and foreign government-owned or affiliated entities, candidates for foreign political office, and foreign political parties or officials thereof. Recently the SEC and Department of Justice have increased their FCPA enforcement activities with respect to biotechnology and pharmaceutical companies. There is no certainty that all of our employees, agents, suppliers, manufacturers, contractors, or collaborators, or those of our affiliates, will comply with all applicable laws and regulations, particularly given the high level of complexity of these laws. Violations of these laws and regulations could result in fines, criminal sanctions against us, our officers, or our employees, the closing down of facilities, including those of our suppliers and manufacturers, requirements to obtain export licenses, cessation of business activities in sanctioned countries, implementation of compliance programs and prohibitions on the conduct of our business. Any such violations could include prohibitions on our ability to offer our products in one or more countries as well as difficulties in manufacturing or continuing to develop our products, and could materially damage our reputation, our brand, our international expansion efforts, our ability to attract and retain employees, and our business, prospects, operating results and financial condition.

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.

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

Risks Related to Manufacturing

Given our limited operating history, our manufacturing experience as an organization and with our manufacturing facility is limited.

Manufacturing is a critical component of our approach to developing immunomedicines and we have invested significantly in our manufacturing facility. We currently manufacture our product candidates for preclinical and clinical trials.

The manufacture of drugs for clinical trials and for commercial sale is subject to oversight by the FDA to ensure compliance with cGMP and by other regulatory authorities under other laws, regulations and standards. We cannot assure you that we can successfully manufacture our products in compliance with cGMP and with any other applicable laws, regulations and standards in sufficient quantities for clinical trials or for commercial sale, or in a timely or economical manner.

Our manufacturing facility requires specialized personnel and is expensive to operate and maintain. Validation is an ongoing process that must be maintained to allow us to manufacture under cGMP guidelines. We cannot guarantee that our facility will remain in compliance with cGMP.

The manufacture of pharmaceutical products is a highly complex process in which a variety of difficulties may arise from time to time. We are currently the sole manufacturer of NC318 and NC410 and if anything were to interfere with our continuing manufacturing operations in our facility, it could materially adversely affect our business and financial condition.

If we fail to develop manufacturing capacity and experience, whether internally or with a third party, or fail to manufacture our product candidates economically or on reasonable scale or volumes, or in accordance with cGMP, our development programs and commercialization of any approved products will be materially adversely affected. This may result in delays in commencing or continuing our clinical trials for NC318 or filing our IND for NC410. Any such delays could materially adversely affect our business and financial condition.

The loss of our third-party manufacturing partners or our, or our partners', failure to comply with applicable regulatory requirements or to supply sufficient quantities at acceptable quality levels or prices, or at all, would materially and adversely affect our business.

Although we currently manufacture our product candidates for preclinical and clinical trials, certain elements of manufacturing, including Master Cell Bank manufacturing and fill-finish services, take place at qualified third-party contract manufacturing organizations, or CMOs. If approved, commercial supply of NC318, NC410 and any future product candidates may be manufactured at a CMO or CMOs.

The facilities used by our CMOs to manufacture our product candidates are subject to various regulatory requirements and may be subject to the inspection of the FDA or other regulatory authorities. We do not control the manufacturing process at our CMOs, and are completely dependent on them for compliance with current regulatory requirements. If we or our CMOs cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or comparable regulatory authorities in foreign jurisdictions, we may not be able to rely on their manufacturing facilities for the manufacture of elements of our product candidates. In addition, we have limited control over the ability of our CMOs to maintain adequate quality control, quality assurance and qualified personnel. If the FDA or a comparable foreign regulatory authority finds our facilities or those of our CMOs inadequate for the manufacture of our product candidates or if such facilities are subject to enforcement action in the future or are otherwise inadequate, we may need to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain regulatory approval for or market our product candidates.

Additionally, our CMOs may experience manufacturing difficulties due to resource constraints or as a result of labor disputes or unstable political environments. If our CMOs were to encounter any of these difficulties, our ability to provide our product candidate to patients in clinical trials, or to provide product for the treatment of patients once approved, would be jeopardized.

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

As product candidates proceed through preclinical studies to late-stage clinical trials towards potential approval and commercialization, it is common that various aspects of the development program, such as

manufacturing methods and formulation, are altered along the way in an effort to optimize processes and results. Such changes carry the risk that they will not achieve these intended objectives. Any of these changes could cause our product candidates to perform differently and affect the results of planned clinical trials or other future clinical trials conducted with the materials manufactured using altered processes. Such changes may also require additional testing, FDA notification or FDA approval. This could delay completion of clinical trials, require the conduct of bridging clinical trials or the repetition of one or more clinical trials, increase clinical trial costs, delay approval of our product candidates and jeopardize our ability to commence sales and generate revenue.

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

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

- product loss during the manufacturing process, including loss caused by contamination, equipment failure or improper installation or operation of equipment, or operator error. Even minor deviations from normal manufacturing processes could result in reduced production yields, product defects and other supply disruptions. If microbial, viral or other contaminations are discovered in our products or in the manufacturing facilities in which our products are made, such manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination;

- the manufacturing facilities in which our products are made could be adversely affected by equipment failures, labor and raw material shortages, natural disasters, power failures and numerous other factors; and

- any adverse developments affecting manufacturing operations for our products may result in shipment delays, inventory shortages, lot failures, product withdrawals or recalls, or other interruptions in the supply of our products. We may also have to take inventory write-offs and incur other charges and expenses for products that fail to meet specifications, undertake costly remediation efforts or seek more costly manufacturing alternatives.

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

We depend on third-party suppliers for key materials used in our manufacturing processes, and the loss of these third-party suppliers or their inability to supply us with adequate materials could harm our business.

We rely on third-party suppliers for certain materials and components required for the production of our product candidates. Our dependence on these third-party suppliers and the challenges we may face in obtaining adequate supplies of materials involve several risks, including limited control over pricing, availability, and quality and delivery schedules. As a small company, our negotiation leverage is limited and we are likely to get lower priority than our competitors that are larger than we are. We cannot be certain that our suppliers will continue to provide us with the quantities of these raw materials that we require or satisfy our anticipated specifications and quality requirements. Any supply interruption in limited or sole

sourced raw materials could materially harm our ability to manufacture our product candidates until a new source of supply, if any, could be identified and qualified. We may be unable to find a sufficient alternative supply channel in a reasonable time or on commercially reasonable terms. Any performance failure on the part of our suppliers could delay the development and potential commercialization of our product candidates, including limiting supplies necessary for clinical trials and regulatory approvals, which would have a material adverse effect on our business.

We may be unable to successfully scale-up manufacturing of our product candidates in sufficient quality and quantity, which would delay or prevent us from developing and, if approved, commercializing our product candidates.

In order to conduct clinical trials of our product candidates, we will need to manufacture them in large quantities. If one or more of our product candidates progress to late-stage development, we may incur significant expenses in the expansion and/or construction of manufacturing facilities and increases in personnel in order to manufacture product candidates. Currently, our product candidates are manufactured in small quantities for use in various preclinical studies and our ongoing Phase 1/2 clinical trial of NC318. We cannot assure you that we will be able to successfully manufacture additional product candidates at a larger scale in a timely or economical manner, or at all. If we are unable to successfully increase our manufacturing scale or capacity, the development, testing, and clinical trials of our current or future product candidates may be delayed or infeasible, and regulatory approval or commercial launch of any resulting product may be delayed or not obtained, which could significantly harm our business.

Risks Related to Intellectual Property

We have filed patent applications for our lead product candidates, but no patent has yet issued from these applications. If we are unable to obtain and maintain patent protection for our product candidates, or if the scope of the patent protection obtained is not sufficiently broad or robust, our competitors could develop and commercialize products similar or identical to ours, and our ability to successfully commercialize our product candidates may be adversely affected.

Our success depends, in large part, on our ability to obtain and maintain patent protection in the United States and other countries with respect to our product candidates. We and our licensors have sought, and intend to seek, to protect our proprietary position by filing patent applications in the United States and abroad related to our product candidates and technology that are important to our business. No patent has yet issued from our patent applications.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions and has, in recent years, been the subject of much litigation. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Our pending and future patent applications may not result in patents being issued that protect our technology or product candidates or that effectively prevent others from commercializing competitive technologies and product candidates. Because patent applications in the United States and most other countries are confidential for a period of time after filing, and some remain so until issued, we cannot be certain that we or our licensors were the first to file a patent application relating to any particular aspect of a product candidate. Furthermore, if third parties have filed such patent applications, we may challenge their ownership, for example in a derivation proceeding before the U.S. Patent and Trademark Office, or USPTO, to determine who has the right to the claimed subject matter in the applications. Similarly, if our patent applications are challenged in a derivation proceeding, the USPTO may hold that a third-party is entitled to certain patent ownership rights instead of us. We may then be forced to seek a license from the third party that may not be available on commercially favorable terms, or at all.

The patent prosecution process is expensive, time-consuming and complex, and we may not be able to file, prosecute, maintain, enforce or license all necessary or desirable patent applications at a reasonable

cost or in a timely manner. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection.

Even if the patent applications we license or own do 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 competitors or other third parties may be able to circumvent our patents by developing similar or alternative technologies or products that do not infringe our patents.

We are party to a license agreement with Yale University under which we acquired rights to intellectual property related to certain of our product candidates. If we breach our obligations under this agreement, the agreement could be terminated, which would adversely affect our business and prospects.

We are a party to a license agreement with Yale pursuant to which we in-license patents and technology for certain of our product candidates. This license imposes various diligence, milestone payment, royalty, insurance and other obligations on us. If we fail to comply with these and other obligations or otherwise materially breach this license agreement, Yale may have the right to terminate the license. If this agreement is terminated, we may not be able to develop, manufacture, market or sell the product candidates or products covered by the agreement, or we would have to negotiate a new or reinstated agreement, which may not be available to us on equally favorable terms, or at all.

Our intellectual property agreements with third parties may be subject to disagreements over contract interpretation, which could narrow the scope of our rights to the relevant intellectual property or technology or increase our financial or other obligations to our licensors.

Certain provisions in our intellectual property agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could affect the scope of our rights to the relevant intellectual property or technology, or affect financial or other obligations under the relevant agreement, either of which could have a material adverse effect on our business, financial condition, results of operations and prospects. Moreover, if disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on commercially acceptable terms, we may be unable to successfully develop and commercialize the affected product candidates.

Obtaining and maintaining our patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by government 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 government fees on patents and/or applications will be due to be paid to the USPTO and various government patent agencies outside of the United States over the lifetime of our licensed patents and/or applications and any patent rights we own or may own in the future. We rely, in part, on our outside counsel or our licensing partners to pay these fees due to the USPTO and to non-U.S. patent agencies. The USPTO and various non-U.S. government patent agencies require compliance with several procedural, documentary, fee payment and other similar provisions during the patent application process. 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. There are situations, however, 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, potential competitors might be able to enter the market and this circumstance could have a material adverse effect on our business.

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

Filing, prosecuting and enforcing patents on product candidates in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States are and could remain 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 be less likely to be able to prevent third parties from infringing our patents in all countries outside the United States, or from selling or importing products that infringe our patents 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 products and, further, may export otherwise infringing products to territories where we have patent protection, but enforcement is not as strong as that in the United States. These products may compete with our products and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

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

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

Changes in either the patent laws or interpretation of the patent laws in the United States could increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of 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, or the America Invents 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 America Invents Act also includes a number of significant changes that affect the way patent applications are prosecuted and also may 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 or ownership of a patent by USPTO administered post-grant proceedings, including post-grant review, *inter partes* review and derivation proceedings. The America Invents Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects.

In addition, the patent positions of companies in the development and commercialization of biologics and pharmaceuticals are particularly uncertain. Recent rulings from the U.S. Court of Appeals for the Federal Circuit and the U.S. Supreme Court have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. This combination of events has created uncertainty with respect to the validity and enforceability of patents. Depending on future actions by the U.S. Congress, the federal courts and the USPTO, the laws and regulations governing patents could change in unpredictable ways that could have a material adverse effect on our existing patent portfolio and our ability to protect and enforce our intellectual property in the future.

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

Competitors may infringe our patents or the patents of our licensors, or we may be required to defend against claims of infringement. Countering infringement or unauthorized use claims or defending against claims of infringement can be expensive and time-consuming. 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 common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future marketing, sales or distribution activities. We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace.

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

Issued patents covering our product candidates could be found invalid or unenforceable if challenged in court. We may not be able to protect our trade secrets in court.

If we or one of our licensing partners initiate legal proceedings against a third party to enforce any patent that is issued covering one of our product candidates, the defendant could counterclaim that the patent covering our product candidate is invalid or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness, written description or non-enablement. In addition, patent validity challenges may, under certain circumstances, be based upon non-statutory obviousness-type double patenting, which, if successful, could result in a finding that the claims are invalid for obviousness-type double patenting or the loss of patent term, including a patent term adjustment granted by the USPTO, if a terminal disclaimer is filed to obviate a finding of obviousness-type double patenting. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld information material to patentability from the USPTO, or made a misleading statement, during prosecution. Third parties also may raise similar claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include re-examination, post grant review, *inter partes* review and equivalent proceedings in foreign jurisdictions. Such proceedings could result in the revocation or cancellation of or amendment to our patents in such a way that they no longer cover our product candidates. The outcome following legal assertions of invalidity and unenforceability is unpredictable. We

cannot be certain that there is no invalidating prior art of which the patent examiner and we or our licensing partners were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity or unenforceability, we could lose part, and perhaps all, of the patent protection on one or more of our product candidates. Such a loss of patent protection could have a material adverse impact on our business.

In addition to the protection afforded by patents, we rely on trade secret protection and confidentiality agreements to protect proprietary know-how that is not patentable or that we elect not to patent, processes for which patents are difficult to enforce and any other elements of our product candidate discovery and development processes that involve proprietary know-how, information or technology that is not covered by patents, including portions of our FIND-IO platform. However, trade secrets can be difficult to protect, and some courts inside and outside the United States are less willing or unwilling to protect trade secrets.

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

Our commercial success depends upon our ability and the ability of any collaborators to develop, manufacture, market and sell our product candidates and use our proprietary technologies without infringing the proprietary rights and intellectual property of third parties. We cannot provide any assurances that third-party patents do not exist which might be enforced against our current manufacturing methods, product candidates or future methods or products, resulting in either an injunction prohibiting our manufacture or sales, or, with respect to our sales, an obligation on our part to pay royalties and/or other forms of compensation to third parties.

The biotechnology and pharmaceutical industries are characterized by extensive and complex litigation regarding patents and other intellectual property rights. We may in the future become party to, or be threatened with, adversarial proceedings or litigation regarding intellectual property rights with respect to our product candidates and technology, including post grant review and *inter partes* review before the USPTO. The risks of being involved in such litigation and proceedings may also increase as our product candidates approach commercialization and as we gain greater visibility as a public company. Third parties may assert infringement claims against us based on existing patents or patents that may be granted in the future, regardless of their merit. There is a risk that third parties may choose to engage in litigation with us to enforce or to otherwise assert their patent rights against us. Even if we believe such claims are without merit, a court of competent jurisdiction could hold that these third-party patents are valid, enforceable and infringed, which could materially and adversely affect our ability to commercialize any of our product candidates or technologies covered by the asserted third-party patents.

If we are found to infringe a third party's valid and enforceable intellectual property rights, we could be required to obtain a license from such third party to continue developing, manufacturing and marketing our product candidates and technology. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be non-exclusive, thereby giving our competitors and other third parties access to the same technologies licensed to us, and it could require us to make substantial licensing and royalty payments. We could be forced, including by court order, to cease developing, manufacturing and commercializing the infringing technology or product candidates. In addition, we could be found liable for monetary damages, including treble damages and attorneys' fees, if we are found to have willfully infringed a patent or other intellectual property right. A finding of infringement could prevent us from manufacturing and commercializing our product candidates or force us to cease some of our business operations, which could materially harm our business. Claims that we have misappropriated the confidential information or trade secrets of third parties could have a similar negative impact on our business, financial condition, results of operations and prospects.

Others may claim an ownership interest in our intellectual property and our product candidates, which could expose us to litigation and have a significant adverse effect on our prospects.

While we are presently unaware of any claims or assertions by third parties with respect to our patents or other intellectual property, we cannot guarantee that a third party will not assert a claim or an interest in any of such patents or intellectual property. For example, a third party may claim an ownership interest in one or more of our, or our licensors', patents or other proprietary or intellectual property rights. A third party could bring legal actions against us to seek monetary damages or enjoin clinical testing, manufacturing or marketing of the affected product candidate or product. If we become involved in any litigation, it could consume a substantial portion of our resources and cause a significant diversion of effort by our technical and management personnel. If any such action is successful, in addition to any potential liability for damages, we could be required to obtain a license to continue to manufacture or market the affected product candidate or product, in which case we could be required to pay substantial royalties or grant cross-licenses to patents. We cannot, however, assure you that any such license would be available on acceptable terms, if at all. Ultimately, we could be prevented from commercializing a product, or forced to cease some aspect of our business operations as a result of claims of patent infringement or violation of other intellectual property rights. Further, the outcome of intellectual property litigation is subject to uncertainties that cannot be adequately quantified in advance, including the demeanor and credibility of witnesses and the identity of any adverse party. This is especially true in intellectual property cases, which may turn on the testimony of experts as to technical facts upon which experts may reasonably disagree. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations or prospects.

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

Trade secrets and know-how can be difficult to protect. To maintain the confidentiality of trade secrets and proprietary information, we enter into confidentiality agreements with our employees, consultants, collaborators and others upon the commencement of their relationships with us. These agreements require that all confidential information developed by the individual or made known to the individual by us during the course of the individual's relationship with us be kept confidential and not disclosed to third parties. Our agreements with employees and our personnel policies also provide that any inventions conceived by the individual in the course of rendering services to us shall be our exclusive property. However, we cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or proprietary technology and processes, and individuals with whom we have these agreements may not comply with their terms. Thus, despite such agreement, there can be no assurance that such inventions will not be assigned to third parties. In the event of unauthorized use or disclosure of our trade secrets or proprietary information, these agreements, even if obtained, may not provide meaningful protection, particularly for our trade secrets or other confidential information. To the extent that our employees, consultants or contractors use technology or know-how owned by third parties in their work for us, disputes may arise between us and those third parties as to the rights in related inventions. To the extent that an individual who is not obligated to assign rights in intellectual property to us is rightfully an inventor of intellectual property, we may need to obtain an assignment or a license to that intellectual property from that individual, or a third party or from that individual's assignee. Such assignment or license may not be available on commercially reasonable terms or at all. We also seek to preserve the integrity and confidentiality of our trade secrets by other means, including maintaining physical security of our premises and physical and electronic security of our information technology systems. However, these security measures may be breached, and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property.

Adequate remedies may not exist in the event of unauthorized use or disclosure of our proprietary information. The disclosure of our trade secrets would impair our competitive position and may materially harm our business, financial condition and results of operations. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and failure to maintain trade secret protection could adversely affect our competitive business position. In addition, others may independently discover or develop our trade secrets and proprietary information, and the existence of our own trade secrets affords no protection against such independent discovery. For example, a public presentation in the scientific or popular press on the properties of our product candidates could motivate a third party, despite any perceived difficulty, to assemble a team of scientists having backgrounds similar to those of our employees to attempt to independently reverse engineer or otherwise duplicate our antibody technologies to replicate our success.

We may be subject to claims asserting that our employees, consultants or advisors have wrongfully used or disclosed alleged trade secrets of their current or former employers.

Many of our employees, consultants or advisors are currently, or were previously, employed at universities or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. 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 these individuals, or we, have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual's current or former employer, or that patents and applications we have filed to protect inventions of these employees, even those related to one or more of our product candidates, are rightfully owned by their former or current employer. Litigation may be necessary to defend against these claims. If we fail in 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 defending against such claims, litigation could result in substantial costs and be a distraction to management.

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

Any registered trademarks or trade names may be challenged, circumvented or declared generic or determined to be infringing on other marks. We may not be able to protect our rights to these trademarks and trade names, which we need to build name recognition among potential partners or customers in our markets of interest. At times, competitors may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively and our business may be adversely affected. Our efforts to enforce or protect our proprietary rights related to trademarks, trade secrets, domain names, copyrights or other intellectual property may be ineffective and could result in substantial costs and diversion of resources and could adversely impact our financial condition or results of operations.

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 our product candidates but that are not covered by the claims of the patents that we own or license or may own in the future;

- we, or any partners or collaborators, 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 any partners or collaborators, 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 licensed patent applications or those that we may own 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 have an adverse effect on our business; and
- we may choose not to file a patent for 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 significantly harm our business, financial condition, results of operations and prospects.

Risks Related to Reliance on Third Parties

We rely or will rely on third parties to help conduct our ongoing and planned preclinical studies and clinical trials for NC318, NC410 and any future product candidates we develop. If these third parties do not successfully carry out their contractual duties, comply with regulatory requirements or meet expected deadlines, we may not be able to obtain marketing approval for or commercialize NC318, NC410 and any future product candidates we develop, and our business could be materially harmed.

We currently do not have the ability to independently conduct preclinical studies that comply with the regulatory requirements known as current good laboratory practice, or GLP, requirements. We also do not currently have the ability to independently conduct any clinical trials. The FDA and regulatory authorities in other jurisdictions require us to comply with regulations and standards, including cGCP, or requirements for conducting, monitoring, recording and reporting the results of clinical trials, in order to ensure that the data and results are scientifically credible and accurate and that the trial subjects are adequately informed of the potential risks of participating in clinical trials. We rely on medical institutions, clinical investigators, contract laboratories and other third parties, such as CROs, to conduct GLP-compliant preclinical studies and cGCP-compliant clinical trials on our product candidates properly and on time. While we have agreements governing their activities, we control only certain aspects of their activities and have limited influence over their actual performance. The third parties with whom we contract for execution of our GLP-compliant preclinical studies and our cGCP-compliant clinical trials play a significant role in the conduct of these studies and trials and the subsequent collection and analysis of data. These third parties are not our employees and, except for restrictions imposed by our contracts with such third parties, we have limited ability to control the amount or timing of resources that they devote to our current or future product candidates. Although we rely on these third parties to conduct our GLP-compliant preclinical studies and cGCP-compliant clinical trials, 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.

Many of the third parties with whom we contract 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 that could harm our competitive position. Further, under certain circumstances, these third parties may terminate their agreements with us upon as little as 10 days' prior written notice. Some of these agreements may also be terminated by such third parties under certain other circumstances. If the third parties conducting our preclinical studies or our clinical trials do not adequately perform their contractual duties or obligations, experience significant business challenges, disruptions or failures, do not meet expected deadlines, terminate their agreements with us or need to be replaced, or if the quality or accuracy of the data they obtain is compromised due to their failure to adhere to our protocols or to GLP and cGCP, or for any other reason, we may need to enter into new arrangements with alternative third parties. This could be difficult, costly or impossible, and our preclinical studies or clinical trials may need to be extended, delayed, terminated or repeated. As a result, we may not be able to obtain regulatory approval in a timely fashion, or at all, for the applicable product candidate, our financial results and the commercial prospects for our product candidates would be harmed, our costs could increase and our ability to generate revenues could be delayed.

We may depend on Lilly, Yale or other third-party collaborators for the discovery, development and commercialization of our current and future product candidates. If our collaborations are not successful, we may not be able to capitalize on the market potential of these product candidates.

In November 2018, we entered into the Lilly Agreement, which is focused on using our FIND-IO platform to identify novel oncology targets for additional research and drug discovery by ourselves and Lilly. Pursuant to the Lilly Agreement, we granted Lilly the exclusive right to obtain worldwide exclusive licenses to research, develop, manufacture and commercialize compounds and products directed to oncology targets identified through our research collaboration. Lilly will have the exclusive ability to control the development and commercialization of any targets it chooses to license on a global basis. Our lack of control over the clinical development of certain programs under the Lilly Agreement could result in delays or other difficulties in the development and commercialization of product candidates. Our right to receive certain milestone and royalty payments may be subsequently delayed, if we receive any at all. In the event Lilly terminates the Lilly Agreement, we would be prevented from receiving any milestone payments, royalty payments and other benefits under that agreement, which would have a materially adverse effect on our results of operations. Furthermore, in the event Lilly does not purchase and exercise any of its options, we will not be eligible to receive any future milestone payments under the Lilly Agreement, which could require us to seek additional funding in order to avoid delaying, reducing the scope of, or suspending, one or more of our research and development programs or clinical trials.

We have also entered into the SRA with Yale in which we agreed to provide funding for a research program aimed at discovering new targets for immunomedicines. We have and would expect to have limited control over the amount and timing of resources that are employed in the research program. The research program may not be successful, and as a result, we may not be able to identify, develop and commercialize products from this collaboration.

In the future, we may form or seek other strategic alliances, joint ventures or collaborations, or enter into additional licensing arrangements with third parties that we believe will complement or augment our development and commercialization efforts with respect to product candidates we develop.

Our collaborations pose, and potential future collaborations involving our product candidates may pose, the following risks to us:

- collaborators may have significant discretion in determining the efforts and resources that they will apply to these collaborations;

- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our products or product candidates;

- collaborators may not properly enforce, maintain or defend our intellectual property rights or may use our proprietary information in a way that gives rise to actual or threatened litigation or that could jeopardize or invalidate our intellectual property or proprietary information, exposing us to potential litigation or other intellectual property proceedings;

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

- disputes may arise between a collaborator and us that cause the delay or termination of the research, development or commercialization of the product candidate, or that result in costly litigation or arbitration that diverts management attention and resources;

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

- if a present or future collaborator of ours were to be involved in a business combination, the continued pursuit and emphasis on our product development or commercialization program under such collaboration could be delayed, diminished or terminated; and

- collaboration agreements may restrict our right to independently pursue new product candidates.

If we enter into additional collaboration agreements and strategic partnerships or license our intellectual property, products or businesses, we may not be able to realize the benefit of such transactions if we are unable to successfully integrate them with our existing operations, which could delay our timelines or otherwise adversely affect our business. We also cannot be certain that, following a strategic transaction or license, we will achieve the revenue or net income that justifies such transaction. Any of the factors set forth above and any delays in entering into new collaborations or strategic partnership agreements related to any product candidate we develop could delay the development and commercialization of our product candidates, which would harm our business prospects, financial condition and results of operations.

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

The advancement of our product candidates and development programs and the potential commercialization of our current and future product candidates will require substantial additional cash to fund expenses. For some of our current or future product candidates, we may decide to collaborate with additional pharmaceutical and biotechnology companies with respect to development and potential commercialization. Any of these relationships may require us to incur non-recurring and other charges, increase our near and long term expenditures, issue securities that dilute our existing stockholders, or disrupt our management and business.

We face significant competition in seeking appropriate strategic partners and the negotiation process is time-consuming and complex. Whether we reach a definitive agreement for other collaborations will depend, among other things, upon our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the collaborator's evaluation of a number of factors. Those factors may include the design or results of clinical trials, the progress of our clinical trials, the likelihood of approval by the FDA or similar regulatory authorities outside the United States, the potential market for the subject product candidate, the costs and complexities of manufacturing and delivering such product candidate to patients, the potential of competing products, the existence of uncertainty with respect to our ownership of technology, which can exist if there is a challenge to such ownership without

regard to the merits of the challenge and industry and market conditions generally. The collaborator may also consider alternative product candidates or technologies for similar indications that may be available to collaborate on and whether such a collaboration could be more attractive than the one with us for our product candidate.

Further, we may not be successful in our efforts to establish a strategic partnership or other alternative arrangements for future product candidates because they may be deemed to be at too early of a stage of development for collaborative effort and third parties may not view them as having the requisite potential to demonstrate safety and efficacy.

We may also be restricted under existing collaboration agreements from entering into future agreements on certain terms with potential collaborators. Such exclusivity could limit our ability to enter into strategic collaborations with future collaborators. In addition, there have been a significant number of recent business combinations among large pharmaceutical companies that have resulted in a reduced number of potential future collaborators.

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

Risks Related to Our Business

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

We are highly dependent on members of our executive team. The loss of the services of any of them may adversely impact the achievement of our objectives. Any of our executive officers could leave our employment at any time, as all of our employees are "at-will" employees. We currently only have "key person" insurance on Michael Richman, our President and Chief Executive Officer, and on Dr. Lieping Chen, our scientific founder, in his role as consultant to us. The loss of the services of Mr. Richman, Dr. Chen or one or more of our other executive officers could impede the achievement of our research, development and commercialization objectives.

We continue to work with Dr. Chen on discovering novel immunomedicines through his consulting agreement and our SRA with Yale. If we are no longer able to leverage our relationships with Dr. Chen and Yale, our ability to discover additional targets for immunomedicines may be impeded, which may adversely impact the achievement of our objectives.

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

We face significant competition from other biotechnology and pharmaceutical companies, and our operating results will suffer if we fail to compete effectively

The biotechnology industry is intensely competitive and subject to rapid and significant technological change. Our current or future product candidates may face competition from major pharmaceutical companies, specialty pharmaceutical companies, universities and other research institutions and from products and therapies that currently exist or are being developed, some of which products and therapies we may not currently know about. Many of our competitors have significantly greater financial, manufacturing, marketing, product development, technical and human resources than we do. Large pharmaceutical companies, in particular, have extensive experience in clinical testing, obtaining marketing approvals, recruiting patients and manufacturing pharmaceutical products, and they may also have products that have been approved or are in late stages of development, and collaborative arrangements in our target markets with leading companies and research institutions. Established pharmaceutical companies may also invest heavily to accelerate discovery and development of novel compounds or to in-license novel compounds that could make the product candidates that we develop obsolete. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. As a result of all of these factors, our competitors may succeed in obtaining patent protection and/or FDA or other regulatory approval or discovering, developing and commercializing products in our field before we do, which could result in our competitors establishing a strong market position before we are able to enter the market.

Our competitors may obtain FDA or other regulatory approval of their product candidates more rapidly than we may or may obtain patent protection or other intellectual property rights that limit our ability to develop or commercialize our product candidates or platform technologies. Our competitors may also develop drugs or discovery platforms that are more effective, more convenient, more widely used or less costly than our product candidates or our FIND-IO platform or, in the case of drugs, have a better safety profile than our product candidates. These competitors may also be more successful than us in manufacturing and marketing their products, and have significantly greater financial resources and expertise in research and development.

There are a large number of companies developing or marketing treatments for cancer, including many major pharmaceutical and biotechnology companies. Currently marketed oncology drugs and therapeutics range from traditional cancer therapies, including chemotherapy, to antibody-drug conjugates, such as Genentech's Kadcyla, to immune checkpoint inhibitors targeting CTLA-4, such as BMS' Yervoy, and PD-1/PD-L1, such as BMS' Opdivo, Merck & Co.'s Keytruda and Genentech's Tecentriq, to T cell-engager immunotherapies, such as Amgen's Blincyto. In addition, numerous compounds are in clinical development for cancer treatment. In addition, numerous compounds are in clinical development for cancer treatment. Many of these companies are well-capitalized and have significant clinical experience. See "Business—Competition."

Smaller and other early stage companies may also prove to be significant competitors. These third parties compete with us in recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our current and future product candidates. In addition, the biopharmaceutical industry is characterized by rapid technological change. If we fail to stay at the forefront of technological change, we may be unable to compete effectively. Technological advances or products developed by our competitors may render our product candidates obsolete, less competitive or not economical.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient, have a broader label, are marketed more effectively, are reimbursed or are less expensive than any products that we may develop. Our competitors may also obtain patent protection or other intellectual property rights that limit our ability to develop or commercialize our product candidates or platform technologies. Even if our product candidates achieve marketing approval, they may be priced at a significant premium over competitive products if any have been approved by then, resulting in reduced competitiveness. If we do not compete successfully, we may not generate or derive sufficient revenue from any product candidate for which we obtain marketing approval and may not become or remain profitable.

We will need to grow the size of our organization, and we may experience difficulties in managing this growth.

As of December 31, 2018, we had 40 full-time employees, including 30 employees engaged in research and development. As our development plans and strategies develop, and as we transition into operating as a public company, we expect to need additional managerial, operational, marketing, sales, 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 NC318, NC410 and any future product candidates we develop, while complying with our contractual obligations to contractors and other third parties; and
- improving our operational, financial and management controls, reporting systems and procedures.

Our future financial performance and our ability to advance development of and, if approved, commercialize NC318, NC410 and any future product candidates we develop will depend, in part, on our ability to effectively manage any future growth, and our management may 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. We cannot assure you that the services of independent organizations, advisors and consultants will continue to be available to us on a timely basis when needed, or that we can find qualified replacements. In addition, if we are unable to effectively manage our outsourced activities or if the quality or accuracy of the services provided by consultants is compromised for any reason, our clinical trials may be extended, delayed or terminated, and we may not be able to obtain marketing approval of any current or future product candidates or otherwise advance our business. We cannot assure you that we will be able to manage our existing consultants or find other competent outside contractors and consultants on economically reasonable terms, or at all.

If we are not able to effectively expand our organization by hiring new employees and expanding our groups of consultants and contractors, we may not be able to successfully implement the tasks necessary to further develop and commercialize NC318, NC410 and any future product candidates we develop and, accordingly, may not achieve our research, development and commercialization goals.

If we are unable to establish marketing, sales and distribution capabilities for NC318, NC410 or any other product candidate that may receive regulatory approval, we may not be successful in commercializing those product candidates if and when they are approved.

We do not have sales or marketing infrastructure. To achieve commercial success for NC318, NC410 and any other product candidate for which we may obtain marketing approval, we will need to establish a sales and marketing organization. In the future, we expect to build a focused sales and marketing infrastructure to market some of our product candidates in the United States, if and when they are

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

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

- our inability to recruit, train and retain adequate numbers of effective sales and marketing personnel;
- the inability of sales personnel to obtain access to physicians in order to educate physicians about our product candidates, once approved;
- the lack of complementary products to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines; and
- unforeseen costs and expenses associated with creating an independent sales and marketing organization.

If we are unable to establish our own marketing, sales and distribution capabilities and are forced to enter into arrangements with, and rely on, third parties to perform these services, our revenue and our profitability, if any, are likely to be lower than if we had developed such capabilities ourselves. In addition, we may not be successful in entering into arrangements with third parties to sell, market and distribute our product candidates or may be unable to do so on terms that are favorable to us. We likely will have little control over such third parties, and any of them may fail to devote the necessary resources and attention to sell and market our products effectively. If we do not establish marketing, sales and distribution capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing our product candidates.

Product liability lawsuits against us could cause us to incur substantial liabilities and to limit commercialization of our product candidates.

We face an inherent risk of product liability exposure related to the testing of our product candidates in human trials and may face greater risk if we commercialize any products that we develop. Product liability claims may be brought against us by subjects enrolled in our trials, patients, healthcare providers or others using, administering or selling our products. If we cannot successfully defend ourselves against such claims, we could incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for any product candidate we may develop;
- withdrawal of trial participants;
- termination of clinical trial sites or entire trial programs;
- injury to our reputation and significant negative media attention;
- initiation of investigations by regulators;
- significant time and costs to defend the related litigation;
- substantial monetary awards to trial subjects or patients;
- diversion of management and scientific resources from our business operations; and
- the inability to commercialize any product candidates that we may develop.

While we currently hold trial liability insurance coverage consistent with industry standards, the amount of coverage may not adequately cover all liabilities that we may incur. 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. We intend to expand our insurance coverage for products to include the sale of commercial products if we obtain marketing approval for our product candidates, but we may be unable to obtain commercially reasonable product liability insurance. A successful product liability claim or series of claims brought against us, particularly if judgments exceed our insurance coverage, could decrease our cash and adversely affect our business and financial condition.

New or future changes to tax laws could materially adversely affect our company.

On December 22, 2017, President Trump signed into law the Tax Act, which significantly revises the U.S. Internal Revenue Code of 1986, as amended. The Tax Act, among other things, contains significant changes to corporate taxation, including reduction of the corporate tax rate from a top marginal rate of 35% to a flat rate of 21%, limitation of the tax deduction for interest expense to 30% of adjusted taxable income (except for certain small businesses), effective for net operating losses incurred in taxable years beginning after December 31, 2017, limitation of the deduction for net operating losses to 80% of current year taxable income and elimination of net operating loss carrybacks, immediate deductions for certain new investments instead of deductions for depreciation expense over time, and modifying or repealing many business deductions and credits. Notwithstanding the reduction in the corporate income tax rate, the overall impact of the new federal tax law is uncertain and our business and financial condition could be adversely affected. In addition, it is uncertain how various states will respond to the newly enacted federal tax law. The impact of this tax reform on holders of our common stock is also uncertain and could be adverse. You should consult with your legal and tax advisors with respect to this legislation and the potential tax consequences of investing in or holding our common stock.

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

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

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

Our ability to use our net operating loss carryforwards to offset future taxable income may be subject to certain limitations.

We have incurred substantial losses during our history and do not expect to become profitable in the near future, and we may never achieve profitability. To the extent that we continue to generate taxable losses, unused losses will carry forward to offset future taxable income, if any, until such unused losses expire. As of December 31, 2018, we had federal and state net operating loss carryforwards of $ million. The federal and state net operating loss carryforwards will begin to expire, if not utilized, by 2036. Limitations imposed by the applicable jurisdictions on our ability to utilize net operating loss carryforwards could cause income taxes to be paid earlier than would be paid if such limitations were not in effect and could cause such net operating loss carryforwards to expire unused, in each case reducing or

eliminating the benefit of such net operating loss carryforwards. Furthermore, we may not be able to generate sufficient taxable income to utilize our net operating loss carryforwards before they expire. If any of these events occur, we may not derive some or all of the expected benefits from our net operating loss carryforwards. In addition, we may experience ownership changes in the future as a result of subsequent shifts in our stock ownership, including this offering, some of which may be outside of our control. As a result, even if we earn net taxable income, our ability to use our net operating loss and tax credit carryforwards may be materially limited, which could harm our future operating results by effectively increasing our future tax obligations.

Risks Related to Our Common Stock and this Offering

An active trading market for our common stock may not develop, and you may not be able to sell your shares at or above the initial public offering price, or at all.

Prior to this offering, there has been no public market for shares of our common stock. The initial public offering price of our common stock was determined through negotiations between us and the underwriters and may not be indicative of the price at which our common stock will trade after the closing of this offering. Although we intend to apply to list our common stock on the Nasdaq Global Market, or Nasdaq, an active trading market for our shares may never develop or be sustained following this offering. In the absence of an active trading market for our common stock, you may not be able to sell your common stock at or above the initial public offering price or at the time that you would like to sell.

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

Our stock price is likely to be volatile. The stock market in general and the market for biopharmaceutical companies in particular have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, you may not be able to sell your common stock at or above the initial public offering price, or at all. The market price for our common stock may be influenced by many factors, including:

- the commencement, enrollment or results of our ongoing or future clinical trials, or changes in the development status of our product candidates;
- any delay in our regulatory filings for our product candidates and any adverse development or perceived adverse development with respect to the applicable regulatory authority's review of such filings, including without limitation the FDA's issuance of a "refusal to file" letter or a request for additional information;
- adverse results or delays in clinical trials;
- our decision to initiate a clinical trial, not to initiate a clinical trial or to terminate an existing clinical trial;
- adverse regulatory decisions, including failure to receive regulatory approval of our product candidates;
- our failure to commercialize our product candidates;
- unanticipated serious safety concerns related to the use of our product candidates;
- the size and growth of our target markets;
- the success of competitive products or technologies;
- regulatory actions with respect to our product candidates or our competitors' products or product candidates;

- announcements by us or our competitors of significant acquisitions, strategic collaborations, joint ventures, collaborations or capital commitments;
- regulatory or legal developments in the United States and other countries applicable to our product candidates, including but not limited to clinical trial requirements for approvals;
- our inability to obtain adequate product supply for any approved product or inability to do so at acceptable prices;
- developments or disputes concerning patent applications, issued patents or other proprietary rights;
- the recruitment or departure of key personnel;
- the level of expenses related to our product candidates or clinical development programs;
- the results of our efforts to discover, develop, acquire or in-license product candidates;
- actual or anticipated changes in estimates as to financial results, development timelines or recommendations by securities analysts or publications of research reports about us or our industry;
- variations in our annual or quarterly financial results or those of companies that are perceived by investors to be similar to us;
- our cash position;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- share price and volume fluctuations attributable to inconsistent trading volume levels of our shares;
- announcement or expectation of additional financing efforts;
- sales of our common stock by us, our directors, officers or their affiliated funds or our other stockholders;
- changes in the structure of healthcare payment systems;
- significant lawsuits, including patent or stockholder litigation;
- market conditions in the pharmaceutical and biotechnology sectors;
- general economic, industry and market conditions; and
- other events or factors, many of which are beyond our control.

In addition, the stock market in general, and Nasdaq and biotechnology 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 common stock, regardless of our actual operating performance. The realization of any of the above risks or any of a broad range of other risks, including those described in this "Risk Factors" section, could have a dramatic and material adverse impact on the market price of our common stock.

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

The trading market for our common stock will rely, in part, on the research and reports that industry or financial analysts publish about us or our business. We may never obtain research coverage by industry or financial analysts. If no or few analysts commence coverage of us, the trading price of our stock would likely decrease. Even if we do obtain analyst coverage, if one or more of the analysts covering our business downgrade their evaluations of our stock, the price of our stock could decline. If one or more of these

analysts cease to cover our stock, we could lose visibility in the market for our stock, which, in turn, could cause our stock price to decline.

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

The initial public offering price of our common stock will be substantially higher than the pro forma as adjusted net tangible book value per share of our common stock. Therefore, if you purchase our common stock in this offering, you will pay a price per share that substantially exceeds the pro forma as adjusted net tangible book value per share after the closing of this offering. To the extent outstanding options are exercised, you will incur further dilution. Assuming an initial public offering price of $ per share, which is the midpoint of the estimated price range set forth on the cover of this prospectus, you will experience immediate dilution of $ per share, representing the difference between our pro forma net tangible book value per share after giving effect to this offering at the assumed initial public offering price. In addition, purchasers of common stock in this offering will have contributed approximately % of the aggregate price paid by all purchasers of our stock but will own only approximately % of our common stock outstanding after this offering. See the section entitled "Dilution" for a more detailed description of the dilution to new investors in the offering.

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

If our existing stockholders sell, or indicate an intention to sell, substantial amounts of our common stock in the public market after the lock-up and other legal restrictions on resale discussed in this prospectus lapse, the market price of our common stock could decline. Based upon the number of shares of common stock, on an as-converted basis, outstanding as of December 31, 2018, upon the closing of this offering, we will have outstanding a total of shares of common stock, assuming no exercise of the underwriters' option to purchase an additional shares. Of these shares, only the shares of common stock sold in this offering by us, plus any shares sold upon exercise of the underwriters' option to purchase additional shares, will be freely tradable without restriction in the public market immediately following this offering.

The lock-up agreements pertaining to this offering will expire 180 days from the date of this prospectus, subject to earlier release of all or a portion of the shares subject to such agreements by Morgan Stanley & Co. LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Piper Jaffray & Co. in their joint discretion, on behalf of the underwriters. After the lock-up agreements expire, substantially all of the shares of common stock outstanding prior to this offering will be eligible for sale in the public market, subject to the applicable volume, manner of sale and other limitations imposed under the federal securities laws.

In addition, 22,690,000 shares of common stock that are either subject to outstanding options or reserved for future issuance under our existing equity incentive plans as of December 31, 2018 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. If these additional shares of common stock are sold, or if it is perceived that they will be sold, in the public market, the market price of our common stock could decline.

After this offering, the holders of 125,010,670 shares, or approximately 91.9%, of our common stock outstanding as of December 31, 2018 will be entitled to rights with respect to the registration of their shares under the Securities Act, subject to the lock-up agreements described above. See "Description of Capital Stock—Registration Rights." Registration of these shares under the Securities Act would result in the shares becoming freely tradable without restriction under the Securities Act, except for shares purchased by affiliates. Any sales of securities by these stockholders could have a material adverse effect on the market price of our common stock.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of us, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws, as they will be in effect upon the closing of this offering, may delay or prevent an acquisition of us or a change in our management. For example, our board of directors will have the authority to issue up to 10,000,000 shares of preferred stock. The board of directors can fix the price, rights, preferences, privileges and restrictions of the preferred stock without any further vote or action by our stockholders. The issuance of shares of preferred stock may delay or prevent a change of control transaction. As a result, the market price of our common stock and the voting and other rights of our stockholders may be adversely affected. An issuance of shares of preferred stock may result in the loss of voting control to other stockholders.

These provisions also include a classified board of directors, a prohibition on actions by written consent of our stockholders and the ability of our board of directors to issue preferred stock without stockholder approval. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which limits the ability of stockholders owning in excess of 15% of our outstanding voting stock to merge or combine with us. Although we believe these provisions collectively provide for an opportunity to obtain greater value for stockholders by requiring potential acquirers to negotiate with our board of directors, they would apply even if an offer rejected by our board were considered beneficial by some stockholders. In addition, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management.

Our executive officers, directors and their affiliates will continue to exercise significant influence over our company after this offering, which will limit your ability to influence corporate matters and could delay or prevent a change in corporate control.

Immediately following the closing of this offering, our executive officers, directors and current beneficial owners of 5% or more of our common stock and their respective affiliates will beneficially own, in the aggregate, approximately % of our outstanding common stock. As a result, these stockholders, if they act together, will be able to influence our management and affairs and the outcome of matters submitted to our stockholders for approval, including the election of directors and any sale, merger, consolidation or sale of all or substantially all of our assets. These stockholders acquired their shares of common stock for substantially less than the price of the shares of common stock being acquired in this offering, and these stockholders may have interests, with respect to their common stock, that are different from those of investors in this offering, and the concentration of voting power among these stockholders may have an adverse effect on the price of our common stock. In addition, this concentration of ownership might adversely affect the market price of our common stock by:

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

See the section entitled "Principal Stockholders" for more information regarding the ownership of our outstanding common stock by our executive officers, directors and their affiliates.

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

We are an emerging growth company, as defined in the JOBS Act. 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, reduced disclosure obligations regarding executive compensation in this prospectus and our periodic reports and proxy statements and exemptions from the requirements of holding nonbinding advisory votes on executive compensation and stockholder approval of any golden parachute payments not previously approved. We could be an emerging growth company for up to five years following the year in which we complete this offering, although circumstances could cause us to lose that status earlier. We will remain an emerging growth company until the earliest of (i) December 31, 2024, (ii) the last day of the first fiscal year in which we have total annual gross revenues of at least $1.07 billion, (iii) the last day of the first fiscal year in which the market value of our common stock that is held by non-affiliates exceeds $700.0 million on June 30th and (iv) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

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 irrevocably elected not to avail ourselves of this exemption from new or revised accounting standards and, therefore, will be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies. As a result, changes in rules of U.S. generally accepted accounting principles or their interpretation, the adoption of new guidance or the application of existing guidance to changes in our business could significantly affect our financial position and results of operations.

If we fail to maintain proper and effective internal control over financial reporting, our ability to produce accurate and timely financial statements could be impaired, investors may lose confidence in our financial reporting and the trading price of our common stock may decline.

Pursuant to Section 404 of the Sarbanes-Oxley Act, our management will be required to report upon the effectiveness of our internal control over financial reporting beginning with the annual report for our fiscal year ending December 31, 2020. When we lose our status as an "emerging growth company," our independent registered public accounting firm will be required to attest to the effectiveness of our internal control over financial reporting. The rules governing the standards that must be met for management to assess our internal control over financial reporting are complex and require significant documentation, testing and possible remediation. To comply with the requirements of being a reporting company under the Exchange Act, we will need to implement additional financial and management controls, reporting systems and procedures and hire additional accounting and finance staff.

We cannot assure you that there will not be material weaknesses or significant deficiencies in our internal control over financial reporting in the future. Our independent registered public accounting firm will not be required to provide an attestation report on the effectiveness of our internal control over financial reporting so long as we qualify as an "emerging growth company," which may increase the risk that material weaknesses or significant deficiencies in our internal control over financial reporting go undetected. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition, results of operations or cash flows. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness or significant deficiency in our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our

financial reports, the market price of our common stock could decline, and we could be subject to sanctions or investigations by Nasdaq, the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

We have broad discretion in how we use the net proceeds from this offering and may not use these proceeds effectively, which could affect our results of operations and cause our stock price to decline.

Our management will have broad discretion in the application of the net proceeds from this offering, including for any of the purposes described in the section entitled "Use of Proceeds," and you will be relying on the judgment of our management regarding the application of these proceeds. You will not have the opportunity, as part of your investment decision, to assess whether we are using the proceeds appropriately. Our management might not use the net proceeds from this offering in ways that ultimately increase the value of your investment. If we do not use these proceeds in ways that enhance stockholder value, we may fail to achieve expected financial results or cause delays to our clinical development timelines, which could cause our stock price to decline.

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

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

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

As a public company, and particularly after we are no longer an emerging growth company, we expect to incur significant legal, accounting, investor relations and other expenses that we did not incur as a private company, which we anticipate could be between $2.0 million and $3.0 million annually. The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of Nasdaq and other applicable securities rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, we expect these rules and regulations to substantially increase our legal and financial compliance costs and to make some activities more time consuming and costly. For example, we expect that these rules and regulations may make it more difficult and more expensive for us to obtain director and officer liability insurance and we may be required to incur substantial costs to maintain sufficient coverage. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers. Moreover, these rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

We may be subject to securities litigation, which is expensive and could divert management attention.

The market price of our common stock 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. We may be the target of this type of litigation in the future. Securities litigation against us could

result in substantial costs and divert our management's attention from other business concerns, which could seriously harm our business.

Our amended and restated certificate of incorporation designates the Court of Chancery of the State of Delaware or the United States District Court for the District of Delaware as the exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation, to be in effect upon the closing of this offering, provides that, unless we consent in writing to an alternative forum, the Court of Chancery of the State of Delaware or the United States District Court for the District of Delaware will be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers and employees, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or our bylaws, (iv) any action or proceeding to interpret, apply, enforce or determine the validity of our certificate of incorporation or the bylaws or (v) any action asserting a claim that is governed by the internal affairs doctrine, in each case subject to the Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein. In addition, any person holding, owning or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and to have consented to this provision of our certificate of incorporation. These choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or employees, which may discourage such lawsuits against us and our directors, officers and employees even though an action, if successful, might benefit our stockholders. Stockholders who do bring a claim in the Court of Chancery or the United States District Court for the District of Delaware could face additional litigation costs in pursuing any such claim, particularly if they do not reside in or near the jurisdiction. The Court of Chancery or the United States District Court for the District of Delaware may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments or results may be more favorable to us than to our stockholders. Alternatively, if a court were to find this provision of our amended and restated certificate of incorporation inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs, which could have a material adverse effect on our business, financial condition or results of operations.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements, including with respect to our plans, objectives and expectations for our business, operations and financial performance and condition. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements. The forward-looking statements are contained principally in the sections entitled "Prospectus Summary," "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business," but are also contained elsewhere in this prospectus. In some cases, you can identify forward-looking statements by terminology such as "aim," "anticipate," "assume," "believe," "continue," "could," "due," "estimate," "expect," "intend," "may," "objective," "plan," "predict," "potential," "positioned," "seek," "should," "target," "will," "would" and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or similar language. These forward-looking statements include, but are not limited to, statements about:

- our expectations regarding the timing, progress and results of preclinical studies and clinical trials for NC318, NC410 and any other product candidates we develop, including statements regarding the timing of initiation and completion of studies or trials and related preparatory work, the period during which the results of the trials will become available and our research and development programs;
- the timing or likelihood of regulatory filings for NC318, NC410 and any other product candidates we develop and our ability to obtain and maintain regulatory approvals for such product candidates for any indication;
- our manufacturing capabilities and strategy, including the scalability of our manufacturing methods and processes;
- our expectations regarding the potential benefits, activity, effectiveness and safety of NC318, NC410 and any other product candidates we develop;
- our intentions and ability to successfully commercialize our product candidates;
- our expectations regarding the nature of the biological pathways we are targeting;
- our expectations for our FIND-IO platform, including our ability to discover and advance product candidates using our FIND-IO platform;
- the potential benefits of and our ability to maintain our relationships and collaborations with Yale, Dr. Lieping Chen and Lilly;
- our estimates regarding our expenses, future revenues, capital requirements and our needs for or ability to obtain additional financing and the period over which we expect the proceeds of this offering, together with our current cash and cash equivalents, to be sufficient to fund our operations;
- our intended reliance on and the performance of third parties, including collaborators, contract research organizations and third-party manufacturers;
- our ability to protect and enforce our intellectual property protection and the scope and duration of such protection;
- developments and projections relating to our competitors and our industry, including competing therapies;
- the impact of current and future laws and regulations; and
- our intended use of proceeds from this offering.

These statements are based on management's current expectations, estimates, forecasts and projections about our business and industry, are not guarantees of future performance and involve known and unknown risks, uncertainties and other factors that are in some cases beyond our control and that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from those anticipated by the forward-looking statements. We discuss many of these risks in greater detail in the section entitled "Risk Factors" and elsewhere in this prospectus. While we believe that our internal expectations, estimates, forecasts and projections are reasonable, no independent source has verified such expectations, estimates, forecasts and projections, as a result we cannot assure you that the forward-looking statements in this prospectus will prove to be accurate. Furthermore, if our forward-looking statements prove to be inaccurate, the inaccuracy may be material. Accordingly, you should not rely upon forward-looking statements as predictions of future events. These forward-looking statements speak only as of the date of this prospectus, and except as required by law, after the date of this prospectus, we are under no duty to update or revise any of the forward-looking statements, whether as a result of new information, future events or otherwise.

You should read this prospectus and the documents that we reference in this prospectus and have filed as exhibits to the registration statement, of which this prospectus is a part, completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by the foregoing cautionary statements.

USE OF PROCEEDS

We estimate that the net proceeds from the sale of shares of our common stock in this offering will be approximately $ million, or approximately $ million if the underwriters exercise their option to purchase additional shares in full, assuming an initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover of this prospectus), and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Each $1.00 increase or decrease in the assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover of this prospectus) would increase or decrease, respectively, the net proceeds from this offering by approximately $ million, assuming the number of shares offered by us, as set forth on the cover of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. An increase or decrease of 1.0 million in the number of shares we are offering would increase or decrease, respectively, the net proceeds from this offering, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, by approximately $ million, assuming the initial public offering price remains the same. We do not expect that a change in the initial public offering price or the number of shares offered by us by these amounts would have a material effect on our intended use of the net proceeds from this offering, although it may impact the amount of time prior to which we may need to seek additional capital.

As of December 31, 2018, we had $ million in cash and cash equivalents. We intend to use the net proceeds from this offering, together with our existing cash and cash equivalents, as follows:

- approximately $ million to advance NC318 through completion of our ongoing Phase 1/2 clinical trial in patients with advanced or metastatic solid tumors and into a Phase 3 clinical trial;
- approximately $ million to advance NC410 through completion of a Phase 1/2 clinical trial; and
- the remainder for research and development activities related to our FIND-IO platform and discovery programs, including advancement of two discovery programs through submission of INDs, personnel expenses, working capital and other general corporate purposes, including a $500,000 payment to Yale University that is due upon the closing of this offering.

Our expected use of the net proceeds from this offering represents our intentions based upon our current plans and business conditions, which could change in the future as our plans and business conditions evolve. As of the date of this prospectus, we cannot predict with certainty all of the particular uses for the net proceeds to be received upon the closing of this offering or the amounts that we will actually spend on the uses set forth above. The amounts and timing of our actual expenditures and the extent of our research and development activities may vary significantly depending on numerous factors, including the progress of our development efforts, the timing and costs associated with the manufacture and supply of any of our product candidates, and any unforeseen cash needs. As a result, our management will have broad discretion over the use of the net proceeds from this offering.

Pending the uses described above, we intend to invest the net proceeds from this offering in interest-bearing, investment-grade securities, certificates of deposit or government securities.

We believe that our existing cash and cash equivalents, together with the net proceeds from this offering, will be sufficient to fund our planned operations through . We have based this estimate on assumptions that may prove to be incorrect, and we could use our available capital resources sooner than we currently expect. After this offering, we will require substantial additional capital in order to continue to advance NC318, NC410 and future product candidates through preclinical studies, clinical trials, regulatory approval and commercialization.

DIVIDEND POLICY

We have never declared or paid cash dividends on our capital stock, and we do not anticipate paying any cash dividends in the foreseeable future. We currently intend to retain all available funds and any future earnings to support our operations and finance the growth and development of our business.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and our capitalization as of December 31, 2018:

- on an actual basis;
- on a pro forma basis to give effect to:
  - the automatic conversion of all outstanding shares of our preferred stock into 125,010,670 shares of common stock upon the closing of this offering; and
  - the filing and effectiveness of our amended and restated certificate of incorporation, which will occur upon the closing of this offering; and
- on a pro forma as adjusted basis to give further effect to the sale of shares of common stock in this offering, assuming an initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover of this prospectus), after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

You should read this table together with the sections entitled "Selected Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and the related notes and other financial information appearing elsewhere in this prospectus.

	As of December 31, 2018		
	Actual	Pro Forma	Pro Forma As Adjusted[1]
	(in thousands, except share and per share amounts)		
Cash and cash equivalents	$	$	$
Preferred stock, par value $0.001 per share—125,010,671 shares authorized, 125,010,670 shares issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	$	$	$
Stockholders' (deficit) equity:			
Common stock, par value $0.001 per share—158,745,671 shares authorized, 11,045,000 shares issued and outstanding, actual; shares authorized, shares issued and outstanding, pro forma; shares authorized, shares issued and outstanding, pro forma as adjusted			
Preferred stock, par value $0.001 per share—no shares authorized, issued and outstanding, actual; 10,000,000 shares authorized, pro forma and pro forma as adjusted; no shares issued or outstanding, pro forma and pro forma as adjusted			
Additional paid-in capital			
Accumulated deficit			
Total stockholders' (deficit) equity			
Total capitalization	$	$	$

(1) The pro forma as adjusted information is illustrative only, and our cash and cash equivalents and our capitalization following the closing of this offering will depend on the actual initial public offering

price and the other terms of this offering determined at pricing. Each $1.00 increase or decrease in the assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover of this prospectus) would increase or decrease, respectively, our pro forma as adjusted cash and cash equivalents, additional paid-in capital, total stockholders' equity and total capitalization by $ million, assuming the number of shares offered by us, as set forth on the cover of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. An increase or decrease of 1,000,000 in the number of shares we are offering would increase or decrease, respectively, our pro forma as adjusted cash and cash equivalents, additional paid-in capital, total stockholders' equity and total capitalization by $ million, assuming the assumed initial public offering price remains the same.

The actual, pro forma and pro forma as adjusted information set forth in the table above excludes the following:

- 16,525,125 shares of our common stock issuable upon the exercise of stock options outstanding under our 2015 Plan as of December 31, 2018, with a weighted average exercise price of $0.59 per share;
- 6,119,875 shares of our common stock reserved for issuance pursuant to future awards under our 2015 Plan as of December 31, 2018, which shares will cease to be available for issuance at the time our 2019 Plan becomes effective;
- shares of our common stock that will become available for future issuance under our 2019 Plan upon the effectiveness of the registration statement of which this prospectus forms a part; and
- shares of our common stock that will become available for future issuance under our ESPP upon the effectiveness of the registration statement of which this prospectus forms a part.

DILUTION

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

As of December 31, 2018, we had a historical net tangible book value (deficit) of $ million, or $ per share of our common stock. Our net tangible book value represents total tangible assets less total liabilities. Our net tangible book value per share represents net tangible book value divided by the number of shares of common stock outstanding on December 31, 2018, including 2,191,666 shares of restricted common stock that were unvested or subject to repurchase.

Our pro forma net tangible book value as of December 31, 2018, before giving effect to this offering, was $ million, or $ per share. Pro forma net tangible book value gives effect to the conversion of all outstanding shares of our preferred stock into 125,010,670 shares of our common stock upon the closing of this offering.

After giving further effect to the sale of shares of common stock in this offering, assuming an initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover of this prospectus) after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of December 31, 2018 would have been $ million, or $ per share. This represents an immediate increase in pro forma as adjusted net tangible book value of $ per share to existing stockholders and an immediate dilution of $ per share to new investors participating in this offering. The following table illustrates this per share dilution to new investors:

Assumed initial public offering price per share		$
Historical net tangible book value (deficit) per share as of December 31, 2018	$	
Pro forma increase in historical net tangible book value per share attributable to conversion of preferred stock		
Pro forma net tangible book value per share as of December 31, 2018		
Increase in pro forma net tangible book value per share attributable to investors participating in this offering		
Pro forma as adjusted net tangible book value per share after this offering		
Dilution per share to new investors participating in this offering		$

The pro forma as adjusted information is illustrative only, and will depend on the actual initial public offering price and other terms of this offering determined at pricing. Each $1.00 increase or decrease in the assumed initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover of this prospectus) would increase or decrease, respectively, our pro forma as adjusted net tangible book value as of December 31, 2018 after this offering by $ million, or $ per share, and would increase or decrease, respectively, dilution to investors in this offering by $ per share, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. We may also increase or decrease the number of shares we are offering. Assuming the assumed initial public price of $ per share (the midpoint of the estimated price range set forth on the cover of this prospectus) remains the same, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, each increase of 1,000,000 in the number of shares we are offering would increase our pro forma as adjusted net tangible book value as of December 31, 2018 after this offering by $ million, or $ per share, and would decrease dilution to investors in this offering by $ per share, and a decrease of 1,000,000 in the number of

shares we are offering would decrease our pro forma as adjusted net tangible book value as of December 31, 2018 after this offering by $ million, or $ per share, and would increase dilution to investors in this offering by $ per share.

If the underwriters exercise their option to purchase additional shares of our common stock in full, the pro forma as adjusted net tangible book value after this offering would be $ per share, the increase in pro forma net tangible book value per share would be $ and the dilution per share to new investors would be $ per share, in each case assuming an initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover of this prospectus), and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The following table shows, as of December 31, 2018, on the pro forma as adjusted basis described above, the number of shares of common stock purchased from us, the total consideration paid to us and the average price paid per share by existing stockholders and by investors purchasing common stock in this offering, assuming an initial public offering price of $ per share (the midpoint of the estimated price range set forth on the cover of this prospectus), before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us:

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders before this offering		%	$	%	$
Investors participating in this offering					
Total		100%	$	100%	

To the extent that outstanding options with an exercise price per share that is less than the pro forma as adjusted net tangible book value per share are exercised, new investors will experience further dilution. In addition, we may choose to raise additional capital due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our stockholders.

The number of shares of our common stock reflected in this discussion is based on 136,055,670 shares of our common stock outstanding as of December 31, 2018, which gives effect to the pro forma transactions and adjustments described above, and excludes:

- 16,525,125 shares of our common stock issuable upon the exercise of stock options outstanding under our 2015 Plan as of December 31, 2018, with a weighted average exercise price of $0.59 per share;
- 6,119,875 shares of our common stock reserved for issuance pursuant to future awards under our 2015 Plan as of December 31, 2018, which shares will cease to be available for issuance at the time our 2019 Plan becomes effective;
- shares of our common stock that will become available for future issuance under our 2019 Plan upon the effectiveness of the registration statement of which this prospectus forms a part; and
- shares of our common stock that will become available for future issuance under our ESPP upon the effectiveness of the registration statement of which this prospectus forms a part.

SELECTED FINANCIAL DATA

The following tables present our selected financial data for the periods and as of the dates indicated. We derived the statement of operations and comprehensive loss data for the years ended December 31, 2017 and 2018 and the balance sheet data as of December 31, 2017 and 2018 from our audited financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be expected in any future period. You should read the following data together with our financial statements and the related notes appearing elsewhere in this prospectus and the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations." The selected financial data in this section are not intended to replace the financial statements and are qualified in their entirety by the audited financial statements and related notes appearing elsewhere in this prospectus.

	Year Ended December 31,	
	2017	2018
	(in thousands, except share and per share amounts)	
Statement of Operations and Comprehensive Loss Data:		
Operating expenses:		
Research and development	$ 12,954	$
General and administrative	2,595	
Total operating expenses	15,549	
Loss from operations	(15,549)	
Other income, net	80	
Net loss	$ (15,469)	$
Net loss per share attributable to common stockholders, basic and diluted[(1)]	$ (1.41)	$
Weighted average common shares outstanding, basic and diluted[(1)]	11,000,000	
Pro forma net loss per share, basic and diluted (unaudited)[(1)]		$
Pro forma weighted average common shares outstanding, basic and diluted (unaudited)[(1)]		

(1) See Note 11 to our financial statements included elsewhere in this prospectus for further details on the calculations of our basic and diluted net loss per share, basic and diluted pro forma net loss per share and the weighted average number of shares used in the computation of the per share amounts.

	As of December 31,	
	2017	2018
	(in thousands)	
Balance Sheet Data:		
Cash and cash equivalents	$ 8,427	$
Working capital[(1)]	6,655	
Total assets	19,467	
Total liabilities	3,879	
Preferred stock	40,000	
Accumulated deficit	(24,498)	
Total stockholders' deficit	(24,412)	

(1) We define working capital as current assets less current liabilities. See our audited financial statements and related notes included elsewhere in this prospectus for details regarding our current assets and current liabilities.

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

You should read the following discussion and analysis of our financial condition and results of operations together with the section entitled "Selected Financial Data" and our financial statements and the related notes appearing elsewhere in this prospectus. This discussion and other parts of this prospectus contain forward-looking statements that involve risk and uncertainties, such as statements of our plans, objectives, expectations and intentions. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the section entitled "Risk Factors."

Overview

We are a clinical-stage biopharmaceutical company committed to discovering and developing novel, first-in-class immunomedicines to treat cancer and other immune-related diseases by restoring normal immune function. We view the immune system holistically and, rather than target one specific immune cell type, we focus on understanding biological pathways, the interactions of cells and the role each interaction plays in an immune response. Through our proprietary Functional, Integrated, NextCure Discovery in Immuno-Oncology, or FIND-IO, platform, we study various immune cells to discover and understand targets and structural components of immune cells and their functional impact in order to develop immunomedicines. We are focused on patients who do not respond to current therapies, patients whose cancer progresses despite treatment and patients with cancer types not adequately addressed by available therapies.

Our lead product candidate, NC318, is a first-in-class immunomedicine against a novel immunomodulatory receptor called Siglec-15, or S15. In October 2018, we initiated a Phase 1/2 clinical trial of NC318 in patients with advanced or metastatic solid tumors. We expect proof-of-mechanism data from the Phase 1 portion of this trial in and proof-of-concept data from the Phase 2 portion in . Our second product candidate, NC410, is a novel immunomedicine designed to block immune suppression mediated by an immune modulator called Leukocyte-Associated Immunoglobulin-like Receptor 1, or LAIR-1. We expect to submit an investigational new drug application, or IND, to the U.S. Food and Drug Administration, or FDA, for NC410 in .

Financial Overview

Since commencing operations in 2015, we have devoted substantially all of our efforts and financial resources to organizing and staffing our company, identifying business development opportunities, raising capital, securing intellectual property rights related to our product candidates, building and optimizing our manufacturing capabilities and conducting discovery, research and development activities for our product candidates, discovery programs and FIND-IO platform.

We have not generated any revenue from product sales or otherwise and, as a result, we have never been profitable and have incurred net losses since the commencement of our operations. Our net losses for the years ended December 31, 2017 and 2018 were $15.5 million and $ million, respectively. As of December 31, 2017, we had an accumulated deficit of $24.5 million, primarily as a result of research and development and general and administrative expenses. We do not expect to generate product revenue unless and until we obtain marketing approval for and commercialize a product candidate, and we cannot assure you that we will ever generate significant revenue or profits.

We have funded our operations to date primarily through private placements of preferred stock and proceeds from our multi-year research and development collaboration agreement with Eli Lilly and Company, or Lilly. Since our inception through December 31, 2017, we received gross proceeds of $40.0 million through private placements of preferred stock, including gross proceeds of $25.0 million from the sale and issuance of shares of our Series A-2 Preferred Stock in January 2017.

In April 2018, we received gross proceeds of $31.0 million from the sale and issuance of shares of our Series A-3 Preferred Stock, and in November 2018, we received gross proceeds of $93.4 million from the sale and issuance of shares of our Series B Preferred Stock, including $15.0 million from Lilly as described below.

In November 2018, we entered into a multi-year research and development collaboration agreement with Lilly, or the Lilly Agreement, pursuant to which we will use our FIND-IO platform to identify novel oncology targets for additional collaborative research and drug discovery by us and Lilly. Under this agreement, we granted Lilly the exclusive option to obtain worldwide exclusive licenses to research, develop, manufacture and commercialize multiple compounds and products directed to oncology targets identified through our research collaboration. In addition, Lilly granted us the exclusive option to obtain worldwide exclusive licenses to research, develop, manufacture and commercialize an equal number of compounds and products directed to oncology targets for which Lilly does not exercise its option. The Lilly Agreement will expire upon the earlier of the exercise of all options granted to Lilly or four years from the date of the agreement.

We received an upfront payment of $25.0 million in cash and an equity investment of $15.0 million from Lilly upon entering into the Lilly Agreement, and we are eligible for research support, option exercise and milestone payments in an aggregate of up to $1.3 billion and mid to high single-digit royalty payments on net sales for all products directed to each target optioned by Lilly. This amount assumes that Lilly exercises all of the options available to it, as well as the successful achievement of all clinical development and sales milestones for the first indication for each target optioned by Lilly under the Lilly Agreement. If Lilly obtains approval in additional indications in different therapeutic areas, then additional amounts may become due. Upon our exercise of an option with respect to a given target, we will owe Lilly option exercise, milestone and royalty payments in amounts equivalent to a portion of the amounts payable by Lilly were Lilly to exercise an option. For more information on the Lilly Agreement, see "Business—Our Collaboration Agreements—Research and Development Collaboration with Lilly." We expect to record collaboration and licensing revenue beginning in 2019 related to the Lilly Agreement, including with respect to the upfront payment that we received from Lilly and any other payments that we may receive from time to time. We expect to recognize revenue from the upfront payment over the term of our service under the agreement.

In December 2015, we entered into a license agreement with Yale University, or the Yale Agreement, pursuant to which we obtained a license to products that either incorporate certain licensed patents used in the discovery of targets or arise out of research and development of Dr. Chen's laboratory at Yale, including S15. We are obligated to pay Yale low single-digit royalties on sales of products, including NC318, that are either covered by the patents licensed to us under the Yale Agreement or arise out of Dr. Chen's laboratory, subject to a modest minimum annual royalty payment. Until we are required to pay royalties under the Yale Agreement, we must pay an annual license maintenance fee to Yale. In addition, with respect to each product covered by licenses under the Yale Agreement, we are obligated to pay Yale milestone payments in an aggregate amount of up to approximately $3.0 million.

In connection with the Yale Agreement, we also entered into a corporate sponsored research agreement with Yale, or the SRA, in which we agreed to provide up to an aggregate of $12.4 million to fund a research program aimed at discovering new targets for immunomedicines. As of December 31, 2017, we have made payments in an aggregate of $4.9 million under the SRA, including $2.1 million in the year ended December 31, 2017. Pursuant to the SRA, we have the option to add any patents invented pursuant to the research program as a licensed patent under the Yale Agreement and the right to obtain a royalty-bearing, exclusive, worldwide license to any such patents.

As of December 31, 2018, we had cash and cash equivalents of $ million. We believe that our existing cash and cash equivalents, together with the net proceeds from this offering, will be sufficient to

fund our planned operations through . We have based this estimate on assumptions that may prove to be incorrect, and we could use our available capital resources sooner than we currently expect.

We expect to incur substantial expenditures in the foreseeable future as we advance our product candidates through clinical development, the regulatory approval process and, if approved, commercialization, and as we expand our pipeline through research and development activities related to our FIND-IO platform and discovery programs. Specifically, in the near term, we expect to incur substantial expenses relating to our ongoing Phase 1/2 clinical trial of NC318, preclinical studies and our planned Phase 1/2 clinical trial of NC410 and other research and development activities. Furthermore, upon the closing of this offering, we expect to incur significantly increased costs as a result of operating as a public company, including significant legal, accounting, investor relations and other expenses that we did not incur as a private company.

We will need substantial additional funding to support our continuing operations and to pursue our development strategy. Until such time as we can generate significant revenue from sales of our product candidates, if ever, we expect to finance our operations through a combination of public or private equity offerings, debt financings, marketing and distribution arrangements, other collaborations, strategic alliances and licensing arrangements. Adequate funding may not be available to us on acceptable terms, or at all. If we fail to raise capital or enter into such agreements as and when needed, we may be required to delay, limit, reduce or terminate preclinical studies, clinical trials, or other research and development activities or one or more of our development programs.

Components of Our Results of Operations

Through December 31, 2017, we have not generated any revenue from product sales or otherwise.

Operating Expenses

Research and Development Expenses

Research and development expenses consist primarily of costs incurred for our research activities, including the development of our product candidates and our discovery efforts, and include:

- salaries, benefits and other related costs, including stock-based compensation, for personnel engaged in research and development functions;
- expenses incurred under agreements with third parties, including agreements with third parties that conduct research, preclinical activities or clinical trials on our behalf, such as the SRA and the Yale Agreement;
- costs of outside consultants, including their fees, stock-based compensation and related travel expenses;
- the costs of laboratory supplies and acquiring, developing and manufacturing preclinical study and clinical trial materials; and
- facility-related expenses, which include direct depreciation costs and allocated expenses for rent and maintenance of facilities and other operating costs.

We expense research and development costs as incurred. Our expenses related to clinical trials are based on estimates of patient enrollment and related expenses at clinical investigator sites, as well as estimates for the services received and efforts expended under contracts with research institutions, consultants and third-party contract research organizations that conduct and manage clinical trials on our behalf. We generally accrue expenses related to clinical trials based on contracted amounts applied to the level of patient enrollment and activity according to the protocol. If future timelines or contracts are modified based upon changes in the clinical trial protocol or scope of work to be performed, we would

modify our estimates of accrued expenses accordingly on a prospective basis. Historically, any such modifications have not been material.

Due to the early-stage nature of our programs, we do not track costs on a program-by-program basis. As our current and future product candidates proceed further into clinical trials, we intend to track the costs of each program.

Research and development activities are central to our business model. We expect that our research and development expenses will continue to increase substantially for the foreseeable future as we advance our product candidates through development, including conducting our Phase 1/2 clinical trial of NC318 and conducting preclinical studies and a Phase 1/2 clinical trial of NC410, and as we expand our pipeline through research and development activities related to our FIND-IO platform and discovery programs.

We cannot determine with certainty the duration and costs of future clinical trials of NC318, NC410 or any other product candidate we may develop or if, when or to what extent we will generate revenue from the commercialization and sale of any product candidate for which we may obtain marketing approval. We may never succeed in obtaining marketing approval for any product candidate. The duration, costs and timing of clinical trials and development of NC318, NC410 and any other product candidate we may develop will depend on a variety of factors, including:

- the scope, progress, results and costs of clinical trials of NC318 and NC410, as well as of any future clinical trials of other product candidates and other research and development activities that we may conduct;
- uncertainties in selection of indications, clinical trial design and patient enrollment rates;
- the probability of success for our product candidates, including safety and efficacy, early clinical data, competition, ease and ability of manufacturing and commercial viability;
- significant and changing government regulation and regulatory guidance;
- the timing and receipt of any development or marketing approvals, including the IND for NC410; and
- the expense of filing, prosecuting, defending and enforcing any patent claims and other intellectual property rights.

A change in the outcome of any of these variables with respect to the development of a product candidate could lead to a significant change in the costs and timing associated with the development of that product candidate. For example, if the FDA or another regulatory authority were to require us to conduct clinical trials beyond those that we anticipate will be required for the completion of clinical development of a product candidate, or if we experience significant delays in our clinical trials due to patient enrollment or other reasons, we would be required to expend significant additional financial resources and time to complete clinical development for any such product candidate.

General and Administrative Expenses

General and administrative expenses consist primarily of personnel-related costs, including payroll and stock-based compensation, for personnel in executive, finance, human resources, business and corporate development and other administrative functions, professional fees for legal, intellectual property, consulting and accounting services, rent and other facility-related costs, depreciation and other general operating expenses not otherwise classified as research and development expenses. General and administrative expenses also include all patent-related costs incurred in connection with filing and prosecuting patent applications, which are expensed as incurred.

We anticipate that our general and administrative expenses will increase substantially during the next few years as a result of staff expansion and additional occupancy costs, as well as costs associated with

being a public company, including higher legal and accounting fees, investor relations costs, higher insurance premiums and other compliance costs associated with being a public company.

Other Income, Net

Other income, net consists primarily of interest income earned on our short-term investments in U.S. Treasury obligations and payment of interest on our term loan with a commercial bank, or the Term Loan.

Results of Operations

Comparison of the Years Ended December 31, 2017 and 2018

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

	Year Ended December 31,		
	2017	2018	Change
Operating expenses:			
Research and development	$ 12,954	$	$
General and administrative	2,595		
Loss from operations	(15,549)		
Other income, net	80		
Net loss	$ (15,469)	$	$

Research and Development Expenses

Research and development expenses were $13.0 million for the year ended December 31, 2017, which consisted of expenses for advancing NC318 through IND-enabling activities and clinical material production costs, commencement of NC410 preclinical studies and advancement of our other early-stage programs and discovery activities, including payments of $2.1 million pursuant to the SRA and payments pursuant to other sponsored research agreements. In addition, we had personnel-related expenses and allocated facility-related costs.

General and Administrative

General and administrative expenses were $2.6 million for the year ended December 31, 2017, which consisted of personnel-related expenses, professional services and allocated facility-related costs.

Other Income, Net

Other income, net was $80,000 for the year ended December 31, 2017, which consisted of $110,000 in interest income earned on the proceeds of our Series A Preferred Stock financing, partially offset by interest expense related to the Term Loan of $30,000.

Liquidity and Capital Resources

To date, we have financed our operations primarily through private placements of preferred stock and proceeds from the Lilly Agreement. Since inception, we have received aggregate gross proceeds of $164.4 million from the sale and issuance of shares of our preferred stock. In addition, in November 2018, we received an upfront payment of $25.0 million in cash from Lilly under the Lilly Agreement. Our cash and cash equivalents are held in money market funds and U.S. Treasury obligations.

In addition, in April 2016, we entered into the Term Loan to finance laboratory equipment purchases. In January 2019, we amended the Term Loan to increase our borrowing capacity from $1.0 million to

$5.0 million. As amended, the Term Loan matures in January 2023. Our obligations under the Term Loan are secured by a security interest in our certificates of deposit, money market accounts, cash, securities, investment property and deposit or investment accounts. The Term Loan bears interest at a rate equal to the greater of (i) the prime rate less 1.0% and (ii) 4.25%, and is subject to mandatory prepayment upon the occurrence of specified events, including failure to pay the Term Loan when due, uncured breach, bankruptcy or dissolution. Under the Term Loan, we will make interest-only payments through January 2020 and 36 equal monthly payments of principal plus accrued interest thereafter through January 2023. As of December 31, 2018, our outstanding borrowings under the Term Loan were $ million. Upon amending the Term Loan in January 2019, our outstanding borrowings under the Term Loan were $5.0 million.

We will continue to require additional capital to develop our product candidates and fund operations for the foreseeable future. We may seek to raise capital through sale of equity, debt financings, strategic alliances and licensing arrangements. Adequate additional funding may not be available to us on acceptable terms or at all. If we fail to raise capital or enter into such agreements as and when needed, we may have to significantly delay, scale back or discontinue the development of our product candidates or delay our efforts to expand our pipeline of product candidates. We anticipate that we will need to raise substantial additional capital, the requirements of which will depend on many factors, including:

- the scope, progress, results and costs of researching and developing NC318, NC410 and our other programs, including targets identified through our FIND-IO platform, and of conducting preclinical studies and clinical trials;
- the timing of, and the costs involved in, obtaining marketing approvals for NC318, NC410 and any future product candidates we develop, if clinical trials are successful;
- the success of our collaboration with Lilly, including whether Lilly exercises its licensing options under its collaboration agreement with us, each of which would trigger additional payments to us;
- the costs of manufacturing NC318, NC410 and any future product candidates we develop for preclinical studies and clinical trials in preparation for marketing approval and commercialization;
- the costs of commercialization activities, including marketing, sales and distribution costs, for NC318, NC410 and any future product candidates we develop, whether alone or with a collaborator, if any such product candidates are approved for sale, including marketing, sales and distribution costs;
- the success of our SRA with Yale;
- our ability to establish and maintain additional collaborations, licenses or other arrangements on favorable terms, if at all;
- the costs involved in preparing, filing, prosecuting, maintaining, expanding, defending and enforcing patent claims, including litigation costs and the outcome of any such litigation;
- our current collaboration and license agreements remaining in effect and our achievement of milestones and the timing and amount of milestone payments we are required to make, or that we may be eligible to receive, under those agreements;
- the timing, receipt and amount of sales of, or royalties on, our future products, if any; and
- the emergence of competing therapies and other adverse developments in the oncology market.

If we raise additional funds by issuing equity securities, our stockholders may experience dilution. Any future debt financing into which we enter may impose upon us additional covenants that restrict our operations, including limitations on our ability to incur liens or additional debt, pay dividends, repurchase our common stock, make certain investments and engage in certain merger, consolidation or asset sale

transactions. Any debt financing or additional equity that we raise may contain terms that are not favorable to us or our stockholders. If we are unable to raise additional funds when needed, we may be required to delay, reduce or terminate some or all of our development programs and clinical trials. We may also be required to sell or license to others rights to our product candidates in certain territories or indications that we would prefer to retain for ourselves.

See the section entitled "Risk Factors" for additional risks associated with our substantial capital requirements.

Cash Flows

The following table sets forth the primary sources and uses of cash and cash equivalents for each of the periods presented below (in thousands):

	Year Ended December 31,	
	2017	2018
Net cash (used in) provided by:		
Operating activities	$ (12,514)	$
Investing activities	(8,652)	
Financing activities	24,860	
Net increase in cash and cash equivalents	$ 3,694	$

Cash Used in Operating Activities

We have historically experienced negative cash flows from operating activities as we have developed our product candidates and continued to expand our business. Net cash used in operating activities was $12.5 million for the year ended December 31, 2017, which was primarily due to the use of funds in our operations and the resulting net loss of $15.5 million as we continued our research and development activities. The amount of cash used in operating activities in any period is influenced by the timing of cash payments for research-related expenses.

Cash Used in Investing Activities

Cash used in investing activities for the year ended December 31, 2017 was $8.7 million, which consisted primarily of purchases of laboratory equipment.

Cash Provided by Financing Activities

Cash provided by financing activities was $24.9 million for the year ended December 31, 2017, which consisted primarily of net proceeds from the issuance and sale of shares of our Series A Preferred Stock, partially offset by payments under the Term Loan of $0.1 million.

Contractual Obligations and Commitments

The following table summarizes our contractual obligations as of December 31, 2017 (in thousands):

	Payments Due by Period				
	Less than 1 Year	1 - 3 Years	3 - 5 Years	More Than 5 Years	Total
Long-term debt obligations	$ 400	$ 460	$ —	$ —	$ 860
Operating lease obligations	316	633	672	970	2,591
Total	$ 716	$ 1,093	$ 672	$ 970	$ 3,451

We had operating lease obligations consisting of an operating lease for our corporate headquarters, which includes both office and laboratory space, for approximately 25,000 square feet as of December 31, 2017. The term of the lease commenced in February 2016 and expires in August 2025. Under the terms of the lease, we will have lease obligations aggregating $2.6 million through 2025.

The contractual obligations table does not include any potential contingent payments upon the achievement by us of clinical, regulatory and commercial events, as applicable, or royalty payments that we may be required to make under license agreements we have entered into with various entities pursuant to which we have in-licensed intellectual property, including our license agreements with Lilly and Yale and our SRA with Yale. We excluded the contingent payments given that the timing and amount (if any) of any such payments cannot be reasonably estimated at this time. See "Business—Our Collaboration Agreements" for additional information.

We enter into contracts in the normal course of business with third-party contract organizations for clinical trials, non-clinical studies and testing, manufacturing and other services and products for operating purposes. These contracts generally provide for termination following a certain period after notice, and therefore we believe that our non-cancelable obligations under these agreements are not material.

Critical Accounting Policies, Significant Judgments and Use of Estimates

Our financial statements have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported expenses incurred during the reporting periods. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgments and estimates.

While our significant accounting policies are described in the notes to our financial statements, we believe that the following critical accounting policies are most important to understanding and evaluating our reported financial results.

Research and Development Expenses

Expenditures, including payroll, contractor expenses and supplies, for research and development of product candidates are expensed as incurred. Development costs incurred by third parties are expensed as the contracted work is performed. Where contingent milestone payments are due to third parties under research and development arrangements, the milestone payment obligations are expensed when the milestone results are probable of being achieved.

Stock-Based Compensation

We account for stock-based compensation, including stock options and restricted stock units, based on the fair value of the award as of the grant date. We utilize the Black-Scholes option-pricing model as the method for estimating the fair value of its stock option grants. The Black-Scholes option-pricing model requires the use of highly subjective and complex assumptions, including the options' expected term and the price volatility of the underlying stock. The fair value of the portion of the award that is ultimately expected to vest is recognized as compensation expense over the award's requisite service period. We recognize stock-based compensation to expense using the straight-line method. If there are any

modifications or cancelations of stock-based awards, we may be required to accelerate, increase or decrease any remaining unrecognized stock-based compensation expense.

Stock-based compensation expense, net of estimated forfeitures, is reflected in the statements of operations and comprehensive loss as follows (in thousands):

	Year Ended December 31,	
	2017	2018
Research and development expense	$ 35	$
General and administrative expense	40	
Total stock-based compensation expense	$ 75	$

As of December 31, 2017, total unamortized stock-based compensation was $0.3 million.

The intrinsic value of all outstanding stock options as of December 31, 2018 was $ million based on a hypothetical common stock fair value of $ per share, the midpoint of the estimated price range set forth on the cover of this prospectus.

Common Stock Valuations

As there has been no public market for our common stock to date, the estimated fair value of our common stock has been determined by our board of directors as of the date of each option grant, with input from management, considering our most recently available third-party valuations of common stock, and our board of directors' assessment of additional objective and subjective factors that it believed were relevant and which may have changed from the date of the most recent valuation through the date of the grant. These third-party valuations were performed in accordance with the guidance outlined in the American Institute of Certified Public Accountants' Accounting and Valuation Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*. Our common stock valuations were prepared using an option pricing method, or OPM, which used market approaches to estimate our enterprise value. The OPM treats common stock and preferred stock as call options on the total equity value of a company, with exercise prices based on the value thresholds at which the allocation among the various holders of a company's securities changes. Under this method, the common stock has value only if the funds available for distribution to stockholders exceeded the value of the preferred stock liquidation preferences at the time of the liquidity event, such as a strategic sale or a merger. A discount for lack of marketability of the common stock is then applied to arrive at an indication of value for the common stock.

Following the closing of this offering, our board of directors intends to determine the fair value of our common stock based on the closing price of our common stock on the Nasdaq Global Market as reported on the date of grant.

Income Taxes

We use the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities, which relate primarily to the carrying amount of the our property and equipment and our net operating loss carryforwards, are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax expense or benefit is the result of changes in the deferred tax assets and liabilities. Valuation allowances are established when necessary to reduce deferred tax assets where, based upon the available evidence, management concludes that it is more-likely-than not that the deferred tax assets will not be realized. In evaluating our ability to recover deferred tax assets, we consider all available positive

and negative evidence, including our operating results, ongoing tax planning and forecasts of future taxable income on a jurisdiction-by-jurisdiction basis. Because of the uncertainty of the realization of the deferred tax assets, we have recorded a full valuation allowance against our deferred tax assets.

Reserves are provided for tax benefits for which realization is uncertain. Such benefits are only recognized when the underlying tax position is considered more likely than not to be sustained on examination by a taxing authority, assuming they possess full knowledge of the position and facts. Interest and penalties related to uncertain tax positions are recognized in the provision of income taxes; however, we currently have no interest or penalties related to income taxes.

As of December 31, 2017, our gross deferred tax assets were $7.8 million. Due to our lack of earnings history and uncertainties surrounding our ability to generate future taxable income, the net deferred tax assets have been fully offset by a valuation allowance. The deferred tax assets were primarily comprised of federal and state tax net operating losses, or NOLs. Utilization of NOLs may be limited by the "ownership change" rules, as defined in Section 382 of the Internal Revenue Code of 1986, as amended. Similar rules may apply under state tax laws. Our ability to use our remaining NOLs may be further limited if we experience an ownership change in connection with this offering, future offerings or as a result of future changes in our stock ownership.

Off-Balance Sheet Arrangements

Since our inception, we have not engaged in any off-balance sheet arrangements, as defined in the rules and regulations of the U.S. Securities and Exchange Commission.

JOBS Act Accounting Election

The Jumpstart Our Business Startups Act of 2012, or the JOBS Act, permits an "emerging growth company" such as us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies. We are choosing to opt out of this provision and, as a result, we will comply with new or revised accounting standards as required when they are adopted. This decision to opt out of the extended transition period under the JOBS Act is irrevocable.

For so long as we remain an emerging growth company, we are permitted and intend to rely on certain exemptions from various public company reporting requirements, including not being required to have our internal control over financial reporting audited by our independent registered public accounting firm pursuant to Section 404(b) of the Sarbanes-Oxley Act of 2002. We will remain an emerging growth company until the earliest of (i) December 31, 2024, (ii) the last day of the first fiscal year in which we have total annual gross revenues of at least $1.07 billion, (iii) the last day of the first fiscal year in which the market value of our common stock that is held by non-affiliates exceeds $700.0 million on June 30th and (iv) the date on which we have issued more than $1.0 billion in non-convertible debt securities during the prior three-year period.

Recent Accounting Pronouncements

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

BUSINESS

Overview

We are a clinical-stage biopharmaceutical company committed to discovering and developing novel, first-in-class immunomedicines to treat cancer and other immune-related diseases by restoring normal immune function. We view the immune system holistically and, rather than target one specific immune cell type, we focus on understanding biological pathways, the interactions of cells and the role each interaction plays in an immune response. Through our proprietary Functional, Integrated, NextCure Discovery in Immuno-Oncology, or FIND-IO, platform, we study various immune cells to discover and understand targets and structural components of immune cells and their functional impact in order to develop immunomedicines. We are focused on patients who do not respond to current therapies, patients whose cancer progresses despite treatment and patients with cancer types not adequately addressed by available therapies. Our lead product candidate, NC318, is a first-in-class immunomedicine against a novel immunomodulatory receptor called Siglec-15, or S15. In October 2018, we initiated a Phase 1/2 clinical trial of NC318 in patients with advanced or metastatic solid tumors. We expect proof-of-mechanism data from the Phase 1 portion of this trial in and proof-of-concept data from the Phase 2 portion in . Our second product candidate, NC410, is a novel immunomedicine designed to block immune suppression mediated by an immune modulator called Leukocyte-Associated Immunoglobulin-like Receptor 1, or LAIR-1. We expect to submit an investigational new drug application, or IND, to the U.S. Food and Drug Administration, or FDA, for NC410 in .

Our approach to identifying targets for new immunomedicines is based on our FIND-IO platform. FIND-IO embodies a rational approach to the discovery of novel cell surface and secretory molecules that drive functional immune responses. We use our immunology knowledge, experience, capabilities and tools we have developed, including our FIND-IO platform, to support our discovery efforts. We are working to discover novel targets that play a key role in mediating immune dysfunctions that allow tumors to evade the immune system. We are seeking to identify and develop immunomedicines that counteract these outcomes and to further validate and advance our product candidates.

NC318, our lead immunomedicine program, is a monoclonal antibody targeting S15, which is expressed on highly immunosuppressive cells called M2 macrophages and on tumor cells. The immunosuppressive properties of S15 were discovered in 2015 at Yale University by our scientific founder Dr. Lieping Chen. Dr. Chen was also the first to discover a molecule he called B7-H1, which is now more widely known as PD-L1, or programmed cell death protein ligand 1, which is the ligand for PD-1, or programmed cell death 1. In preclinical research, we and others have observed that S15 promotes suppression of T cell proliferation and negatively regulates T cell function. NC318 is designed to block this S15-mediated immune suppression and restore T cell function and anti-tumor immunity in the tumor microenvironment, or TME, which we believe will reduce and kill tumors. We believe NC318 has the potential to treat multiple cancer indications because S15 is expressed in multiple tumor types and has a unique ability to modulate immune responses in the TME. In addition, because S15 and PD-L1 expression in tumors generally appear to be non-overlapping, we believe NC318 may be well suited to treat patients who are not responding to PD-1/PD-L1 directed cancer therapies. We are initially evaluating NC318 for the treatment of advanced or metastatic solid tumors, which could include ovarian cancer, non-small cell lung cancer, or NSCLC, and head and neck squamous cell carcinoma, or HNSCC.

NC410, our second immunomedicine program, is a fusion protein designed to block immune suppression mediated by LAIR-1. LAIR-1 is expressed on T cells and antigen-presenting cells, known as dendritic cells, that present tumor antigens to immune cells in order to generate immune responses. The binding of LAIR-1 to collagen or C1q results in loss of immune function in the TME and a reduction in T cell function and dendritic cell activity. By blocking the binding of LAIR-1, NC410 can promote T cell function and dendritic cell activity, which could result in anti-tumor immune responses that eliminate cancer cells. We are currently conducting IND-enabling studies for NC410 and expect to submit an IND

and initiate a Phase 1/2 clinical trial in patients with advanced or metastatic solid tumors in . We are currently focused on opportunities for NC410 in ovarian cancer, NSCLC and renal cancer.

The advancement of cancer to late stages indicates a failure of the immune system to mount an effective anti-tumor immune response. Immuno-oncology, which focuses on stimulating the immune system to respond to cancer and includes checkpoint inhibitors targeting PD-L1, PD-1 and cytotoxic T-lymphocyte antigen-4, or CTLA-4, is one of the most significant advances in the history of cancer treatment. In 2011, the first checkpoint inhibitor was approved, and today, despite only a modest breadth of efficacy, this class of therapies is estimated to have had global sales of more than $17 billion in 2018 and is predicted to reach more than $33 billion in global sales by 2022. However, despite the recent success of checkpoint inhibitors, efficacy has been limited. It is estimated that up to 60% to 70% of cancer patients, including those with melanoma, renal cell cancer, colorectal cancer, NSCLC, urothelial cancer and HNSCC, do not respond to single-agent therapy with checkpoint inhibitors. In addition, some patients develop resistance after initial treatment with these therapies. As a result, the standard of care in cancer today leaves many patients underserved. We believe broader efficacy and more meaningful clinical responses in oncology may be obtained by focusing on the TME.

We are using our FIND-IO platform as our discovery engine to identify targets and develop immunomedicines that restore normal immune function in the TME through novel mechanisms of action. Since our founding in 2015, we have developed, industrialized and optimized our FIND-IO platform based on the immunological expertise of our management team and the scientific leadership of Dr. Chen. Our approach in creating the FIND-IO platform, and how we apply it, reflects our belief in the importance of understanding biological pathways of all cells in the immune system and restoring normal immune function. The platform uses our proprietary approaches to assess the suppressive or stimulatory function of immune pathways in T cells and other immune cells, as measured by effects on proliferation or induction of molecules known to impact immune responses, such as cytokines, which are signaling molecules secreted by cells in the immune system that mediate and regulate immunity and inflammation. We study primary immune cells from healthy donors and from patients with various diseases, as well as established cell lines from immune and non-immune cell lineages, including T cell subsets, monocytes, macrophage subpopulations and cancer cell lines. In oncology, we are using the FIND-IO platform to discover immunomedicines with the potential to intervene or modulate interactions of immune cells within the TME to restore anti-tumor activity. We are also expanding the functional screening approach of our FIND-IO platform for the identification of novel targets in other serious illnesses outside of oncology, including autoimmune, inflammatory and neuro-inflammatory diseases.

In November 2018, we entered into a multi-year collaboration agreement with Eli Lilly and Company, or Lilly, focused on the discovery and development of immunomedicines for oncology using our FIND-IO platform. The collaboration seeks to discover novel cancer targets utilizing our platform and provides that we and Lilly will each receive options to exclusively develop antibodies resulting from the collaboration. In connection with the agreement, or the Lilly Agreement, we received an upfront payment of $25.0 million in cash and an equity investment of $15.0 million and are eligible to receive development and commercial milestones in an aggregate of up to $1.3 billion, as well as royalty payments.

We have assembled an experienced management team to execute on our mission to create novel immunomedicines. Our scientific founder and members of our management team collectively have extensive experience in drug discovery and product development and are leaders in the immuno-oncology field. Members of our management team have experience discovering, developing, manufacturing and commercializing biologics, including some of the earliest approved monoclonal antibodies, such as Synagis, as well as some of the first immune checkpoint inhibitor monoclonal antibodies and fusion proteins targeting the PD-1/PD-L1 pathway and CTLA-4. Within three years, we advanced our company from formation to antibody generation to the clinic, and constructed a manufacturing facility that complies with current good manufacturing practice, or cGMP, and that we have used to manufacture our preclinical and clinical drug supply. We have received financial support from leading healthcare investors, including OrbiMed Advisors, Canaan Partners, Sofinnova Investments, Pfizer Ventures, Lilly Asia Ventures, Quan

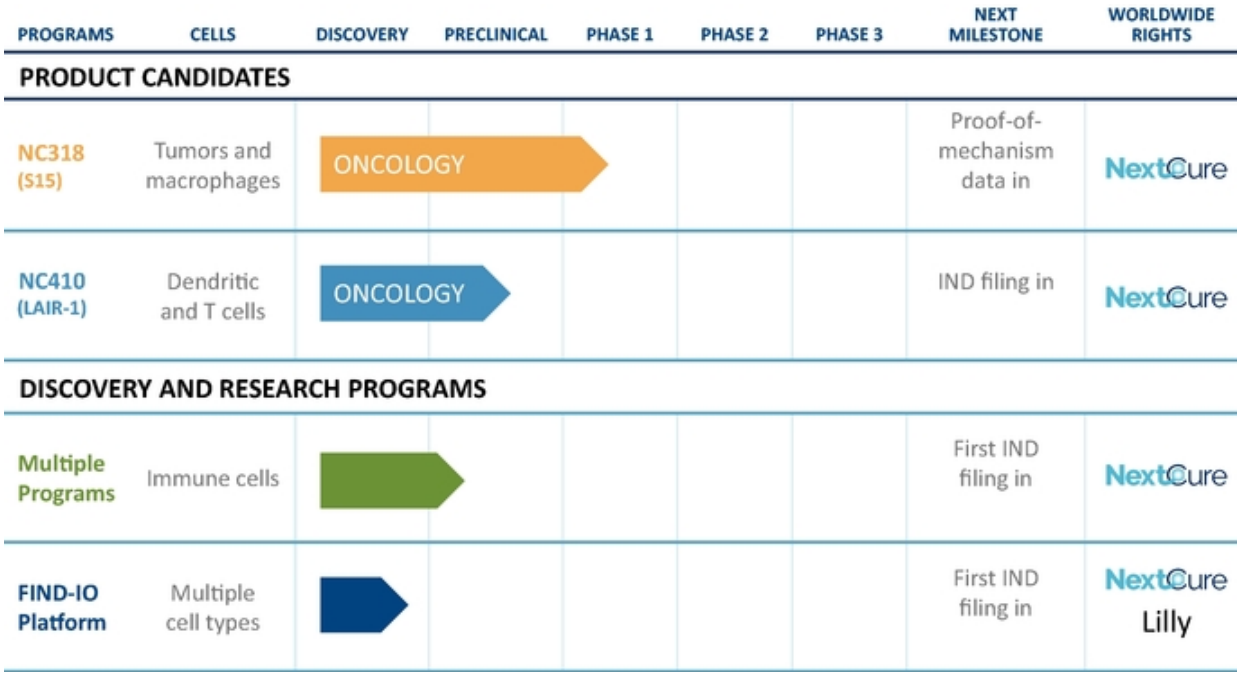
Capital, Bay City Capital–GF Xinde, Surveyor Capital (a Citadel Company), Ping An Ventures, Taiho Ventures, NS Investment and Alexandria Venture Investments.

Members of our management team have a longstanding relationship with our scientific founder Dr. Chen, who is the United Technologies Corporation Professor in Cancer Research and Professor of Immunobiology, of Dermatology and of Medicine (Medical Oncology) at Yale, and the Co-Director of the Cancer Immunology Program at Yale Cancer Center. Dr. Chen was the first to discover PD-L1, and to show that it is expressed by multiple tumor types and its activity can cause the death of T cells, preventing those T cells from eliminating cancer cells. He also showed that blocking the interaction between PD-1 and PD-L1 with monoclonal antibodies improved the immune system's ability to eliminate tumors. Dr. Chen's work provided an important foundation for the subsequent development of immunotherapies that enable more effective immune treatments against cancer. Since then, his laboratory has identified and characterized various molecules in two of the major families of immune modulating proteins, the B7-CD28 and the tumor necrosis factor, or TNF, receptor/ligand superfamilies, and elucidated their interactions and functions in controlling immune responses. The immunosuppressive properties of S15, the target of our lead product candidate, NC318, were discovered in Dr. Chen's lab using a predecessor of our FIND-IO platform. We continue to collaborate with Dr. Chen on discovering novel immunomedicines through an exclusive sponsored research agreement with Yale.

We believe the combination of our team's capabilities and focus on understanding the biological pathways of the immune system, our product development expertise and manufacturing infrastructure, our partnership with Lilly and our relationship with Dr. Chen and Yale positions us to build a sustainable portfolio of first-in-class immunomedicines.

Our Pipeline

We are leveraging our understanding of biological pathways and our FIND-IO platform to discover, validate and build a proprietary pipeline of immunomedicine candidates. The figure below details our pipeline of product candidates and principal discovery and research programs.



Our Strategy

Our strategy is to use our fully integrated discovery and product development infrastructure to build a sustainable pipeline of product candidates to treat cancer patients who are not adequately served by currently available therapies. The key elements of our strategy include:

- ***Advancing the clinical development of our lead product candidates, NC318 and NC410.*** In October 2018, we initiated a Phase 1/2 clinical trial evaluating NC318 in patients with advanced or metastatic solid tumors. We expect proof-of-mechanism data from the Phase 1 portion of this trial in and proof-of-concept data from the Phase 2 portion in . For NC410, we are currently conducting IND-enabling studies, with the expectation of submitting an IND and initiating a Phase 1/2 clinical trial in .

- ***Building an oncology pipeline of novel targets for new immunomedicines focused on non-responders***. We are leveraging our immunological expertise and our FIND-IO platform to identify novel targets relevant to overcoming immune suppression. We believe our relationship with Lilly will promote the efficient development of antibodies for novel cancer targets identified using our FIND-IO platform. In addition to our internal discovery efforts, we also expect to leverage our relationship with Dr. Chen's laboratory at Yale for the discovery of additional targets for immunomedicines.

- ***Leveraging our fully integrated development, quality systems and cGMP manufacturing capabilities.*** Our approach is to integrate key aspects of product development within our organization. We have assembled a team with extensive experience in identifying, characterizing and developing novel immunomedicines. We seek to couple discovery of important targets with the capability to rapidly streamline target validation and conduct key IND-enabling studies, leading to clinical development of lead candidates. Our purpose-built, dedicated, state-of-the-art cGMP manufacturing facility utilizes single-use technology to support development of our pipeline and advancement of our product candidates into and through clinical development. The facility has an initial production capacity of 1,000 liters with additional room for expansion and is designed to operate as a multi-product facility. Compared to working with third-party manufacturers, we believe our facility provides better quality assurance, greater control in scheduling and prioritizing manufacturing activities and enhanced capital efficiency.

- ***Expanding our current focus and creating new opportunities outside of the oncology field, including through strategic partnerships***. While our primary focus is oncology, the functional screening approach and proprietary technology of our FIND-IO platform are broadly applicable to the identification of positive and negative immune modulators, and therefore can be used and expanded to discover novel targets in other inflammatory diseases. Our goal is to enable next-generation immunomedicines for other serious inflammatory diseases with significant unmet medical needs in fields beyond oncology. For example, we are developing our FIND-AI platform, a new platform focused on discovery efforts in autoimmunity and inflammation. We expect to explore a variety of alternatives for our platforms and future product candidates outside of oncology, including the pursuit of strategic partnerships.

Immuno-Oncology Background

The immune system has powerful biological mechanisms to defend and protect the body from pathogens, such as viruses, parasites and bacteria. It also provides surveillance against cancers by recognizing and responding to antigens that are uniquely or highly expressed on cancer cells. In cancer, complex interactions between immune cells and growing tumor cells can prevent an immune response by blocking cellular interactions, resulting in immunosuppression in the TME. This phenomenon, referred to as immune evasion, is a hallmark of cancer where the tumor can prevent tumor-specific immune cells called T cells from functioning within the TME or gaining access to the tumor site, which allows the tumor to continue to grow, leading to disease progression. Tumors in advanced cancer have multiple mechanisms of evasion in the TME that can differ from tumor to tumor.

The TME is the cellular environment in which the tumor exists and encompasses the surrounding blood vessels, a variety of immune cells, fibroblasts, bone marrow-derived inflammatory cells, lymphocytes, signaling molecules and the extracellular matrix, or ECM. Immune cell types in the TME include T cells, natural killer, or NK, cells, dendritic cells, macrophages, suppressive myeloid cells and neutrophils. The tumor and the surrounding microenvironment interact constantly. Tumors and immune cells can express co-inhibitory proteins known as checkpoints that lead to immune tolerance by the tumor and/or immune cells, allowing the tumor to grow by evading the host immune response. In addition to modulating immune function, immune cells in the TME can also promote a pro-tumorigenic environment that fosters the growth and evolution of cancer cells.

Remodeling the TME and overcoming its immunosuppressive properties is a major focus of cancer research and drug development. Checkpoint inhibitors are a drug class designed to counteract certain tumor defenses against the immune system. Currently approved checkpoint inhibitors were developed for the treatment of cancer based on the belief that inactivation of the immune system by checkpoints could be reversed to reactivate the immune system to recognize and attack the tumor. Therapies against checkpoints, such as PD-L1, PD-1 and CTLA-4, have produced impressive results in the clinic across an array of cancers and have been approved for several malignancies. However, despite the recent success of these checkpoint inhibitors, efficacy has been limited. It is estimated that up to 60% to 70% of cancer patients, including those with melanoma, renal cell cancer, colorectal cancer, NSCLC, urothelial cancer and HNSCC, do not respond to single-agent therapy with checkpoint inhibitors. Many of the patients who are non-responders possess so called "cold" tumors that do not contain meaningful numbers of T cells that recognize their tumors. In addition, some patients develop resistance after initial treatment with these checkpoint inhibitors. This limited efficacy highlights the importance of our effort to identify novel targets and molecular pathways responsible for tumor immune evasion mechanisms that we believe will work independently from current targets for cancer immunotherapy.

Our Approach to Developing Immunomedicines for Cancer

Our approach to identifying targets for new immunomedicines in cancer is based on the combination of our FIND-IO platform, our immunological expertise and our belief in the importance of understanding biological pathways and the normal function of the immune system in the TME. Rather than focusing on a specific type of immune cell, we are targeting molecules that modulate the immune system in ways that we believe may provide new treatment opportunities for patients that are differentiated from currently marketed targeted therapies as well as those in development. Our primary goal is to develop immunomedicines that increase response rates, efficacy and durable overall survival among patients who do not respond to current therapies, patients whose cancer progresses despite treatment and patients with cancer types that are not adequately addressed by currently available therapies. We design our product candidates either to restore the normal effects of the immune system to promote elimination of the tumors or to counteract tumor immune evasion mechanisms.

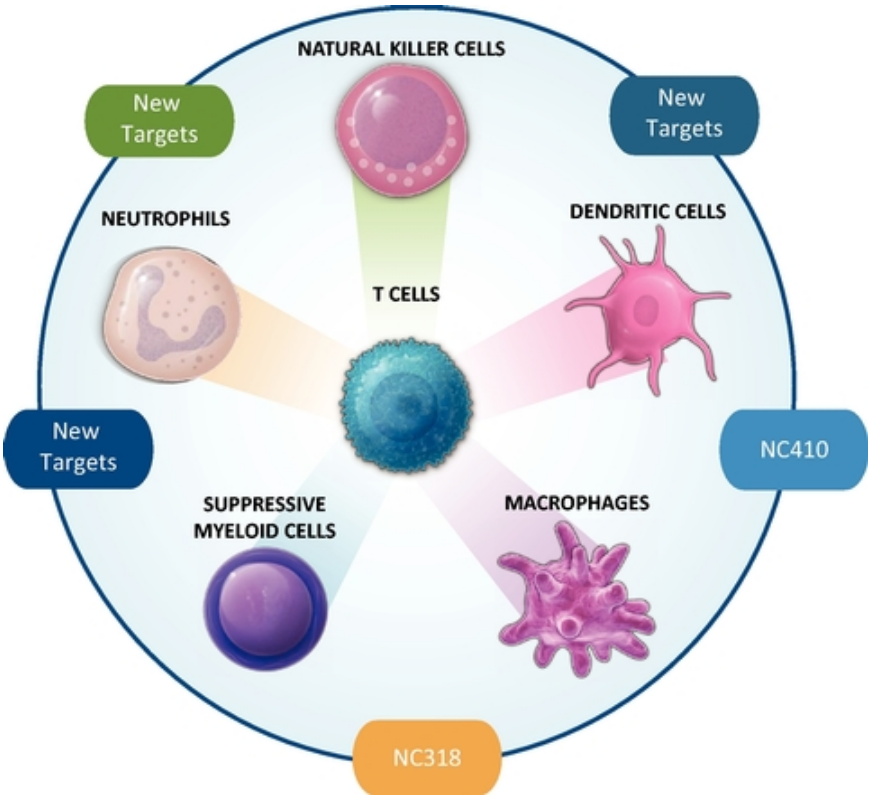
Our FIND-IO platform applies a function-based screening approach to identify human proteins and to determine whether those proteins alter or stop an immune response resulting in immune evasion. The platform is designed to identify novel cell surface molecular interactions that drive functional immune responses. Our FIND-IO platform broadly and quantitatively evaluates interactions between relevant protein components and different cellular types over time in order to identify novel targets that either increase or decrease immune-related functional responses associated with desired immune responses against tumors. By identifying novel immune modulators through the FIND-IO platform, we aim to develop next-generation immunomedicines that restore normal immune function in the TME.

To create our FIND-IO platform, we industrialized, expanded and optimized the T Cell Activity Array, or the TCAA, a predecessor of the FIND-IO platform that Dr. Chen used to discover the immunosuppressive properties of S15. Our work in developing the FIND-IO platform beyond the TCAA includes using different and expanded gene libraries, adding biological pathways and reporters, expanding immune cell types and, most importantly, increasing the repertoire of functional assay readouts. We also broadened the platform to look at signaling within both the immune cell and the cell expressing the library

gene. By transfecting cells with library genes, which encode membrane-bound or soluble proteins, FIND-IO is designed to determine whether the genes have signaling functions when interacting with an immune cell.

Our FIND-IO technology includes proprietary approaches to functionally assess immune pathways in both primary immune cells and established cell lines from immune lineages, including T cell subsets, monocytes, macrophage subpopulations, dendritic cells, cancer cell lines and cells isolated from diseased patients. This platform allows us to identify proteins that can be targeted with novel immunomedicines to repair and maintain anti-tumor immunity. By focusing on understanding the TME in oncology, we believe we can identify multiple new positive and negative modulators of immune cells, including T cells, NK cells, macrophages and myeloid-derived suppressor cells. As shown in the figure below, our product candidates target a variety of cell types in the immune system. For example, NC318 targets macrophages and tumor cells and prevents suppressive myeloid cells from negatively regulating T cells. NC410 targets the negative signaling from dendritic cells and macrophages on T cells. We also have earlier stage discovery programs that are investigating the negative effects of NK cells and other immune cells in the TME on T cells.

Expanding Targets Beyond T Cells



Our Programs

NC318

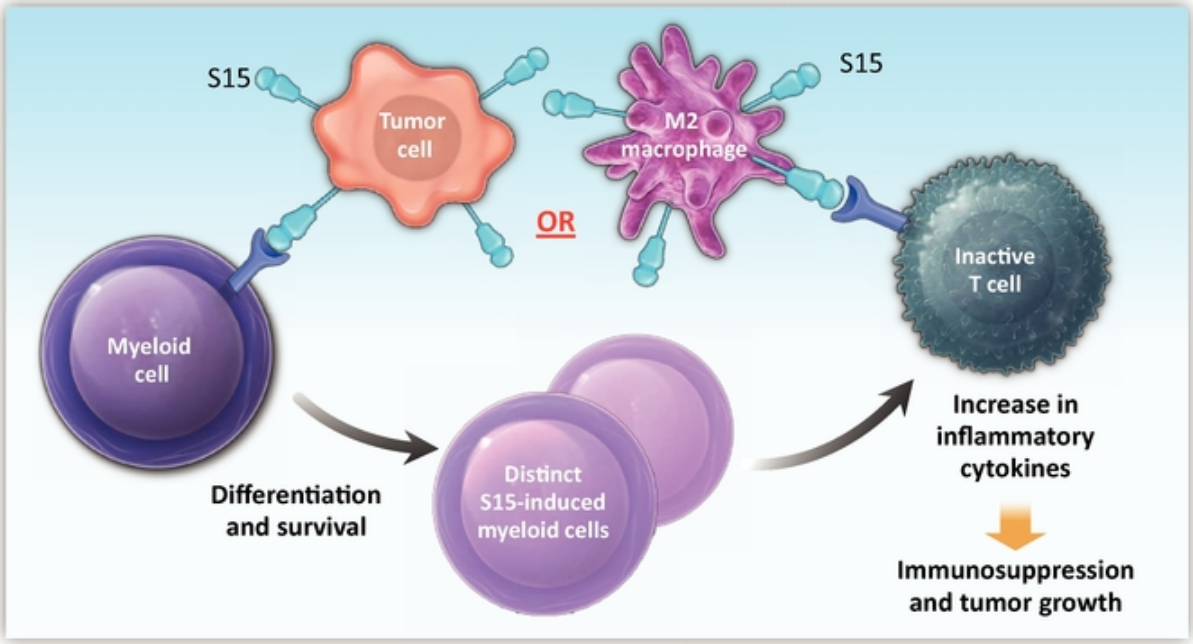
NC318 is a monoclonal antibody that binds specifically to human S15 with high affinity. We have observed in preclinical studies that blocking S15 improved the immune response in multiple animal models. We believe that NC318 may help promote an effective anti-tumor immune response by targeting multiple cell types in the TME that express S15, including macrophages and S15-positive tumor cells. Based on the results of our preclinical studies, we initiated a Phase 1/2 clinical trial of NC318 in patients with advanced or metastatic solid tumors in October 2018. We expect proof-of-mechanism data from the Phase 1 portion of the trial in and proof-of-concept data from the Phase 2 portion in . We have exclusive worldwide rights to NC318.

S15 Background

S15 is a member of the sialic acid-binding immunoglobulin lectins, or Siglec, family, a distinct subgroup of the immunoglobulin superfamily of proteins. Siglecs are expressed on most white blood cells of the immune system, except for T cells. Siglecs recognize and bind to a sugar structure called sialic acid that coats proteins and fatty acids found on the surface of all mammalian cells. This binding can affect cell signaling on immune cells. Several Siglecs play key roles in helping immune cells distinguish between self and non-self and modulating immune responses. In 2015, Dr. Chen discovered the immunosuppressive properties of S15 using the TCAA. S15 is expressed on tumor cells and, importantly, on M2 macrophages, which are highly immunosuppressive in the TME.

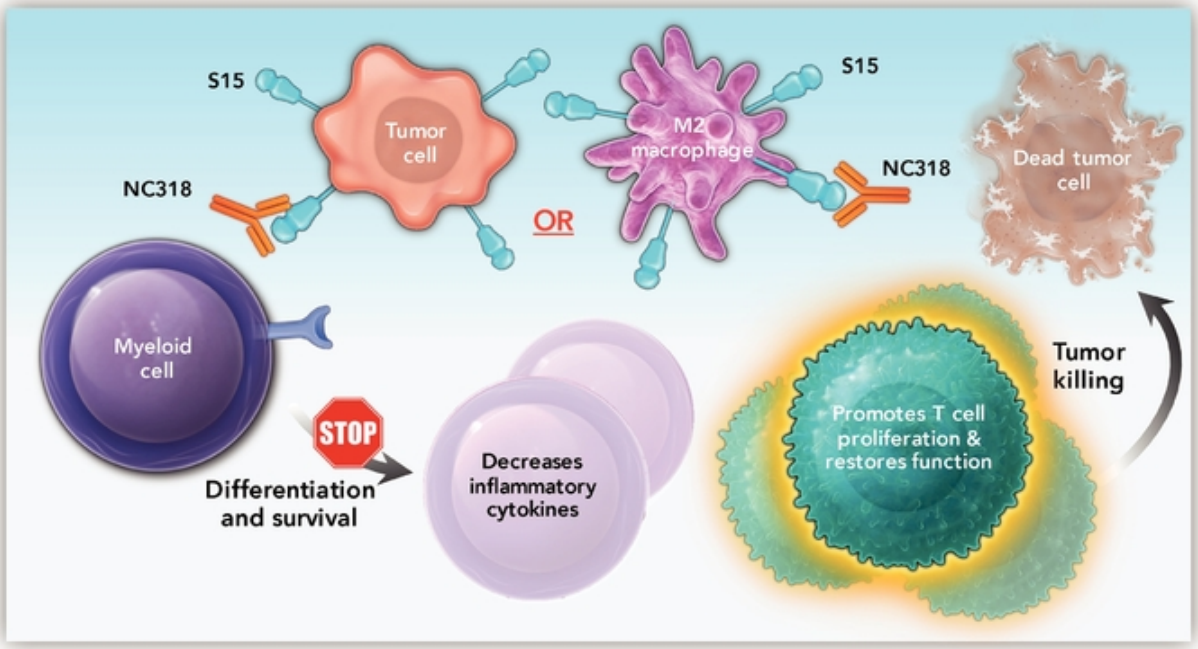
S15 molecules on M2 macrophages, as well as on tumors themselves, appear to interact with unidentified receptors on T cells and inhibit T cell proliferation and functions, leading to decreased anti-tumor immune response. It also appears that S15 interacts with myeloid cells to promote their survival and differentiation so that they contribute to the overall immunosuppressive tumor environment through production of cytokines, such as IL-6, IL-1b and TNF-a, that are tumor-promoting and immunosuppressive in the context of the TME. As shown in the figure below, the presence of S15 on either tumor cells or M2 macrophages can lead to an immunosuppressive TME, resulting in tumor growth.

S15 is Highly Immunosuppressive in the TME



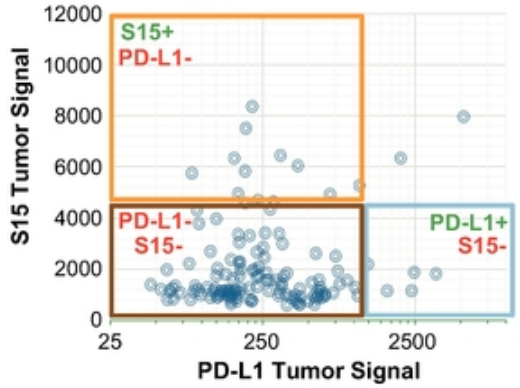
The mechanism of action of NC318 prevents immune suppression caused by S15 and promotes anti-tumor activity. As the figure below shows, by targeting M2 macrophages, S15-induced myeloid cells and S15-positive tumors, NC318 is engineered to decrease inflammatory cytokines associated with enhanced tumor growth, promote T cell proliferation and restore T cell function, which we believe will reduce and kill tumors.

NC318 is Designed to Block Immunosuppressive Activity Induced by S15

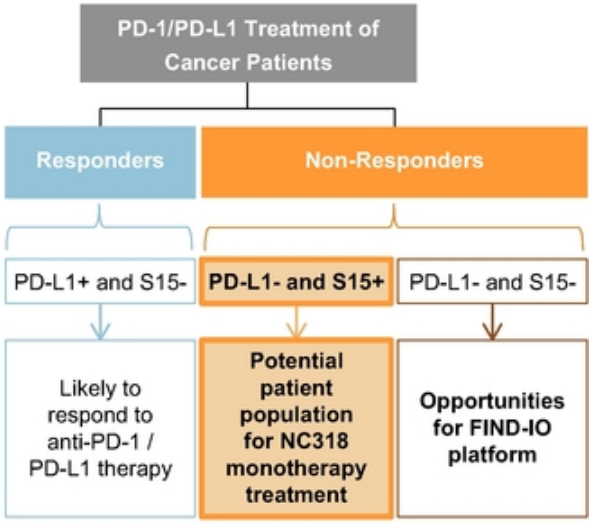


In preclinical studies, we have observed that S15 is highly expressed on both tumor cells and M2 macrophages in the TME in multiple tumor types, including human lung cancer, ovarian cancer, breast cancer and melanoma. In contrast, S15 expression on normal tissues is minimal. Our analysis shows that S15 exhibits a distinct expression pattern on tumors and functions independently from the PD-L1 pathway. The left panel of the following figure illustrates the expression of S15 relative to PD-L1 among 377 NSCLC tumor microarrays. Three distinct populations are identified: S15-positive and PD-L1-negative tumors; PD-L1-positive and S15-negative tumors; and tumors that express neither S15 nor PD-L1. This observation suggests that the expression of S15 is generally non-overlapping from PD-L1 on tumors. As reflected in the right panel of the following figure, we believe NC318 may provide a therapeutic solution for patients who have S15-positive and PD-L1-negative tumors, a patient population that is less likely to respond to a PD-1/PD-L1 directed therapy. This is consistent with our goal to develop immunomedicines that restore normal immune function in ways that differ from existing immunotherapies in order to provide effective therapies for patients who are not adequately served by currently available therapies.

S15 and PD-L1 Expression Generally Do Not Overlap in NSCLC Tumor Samples



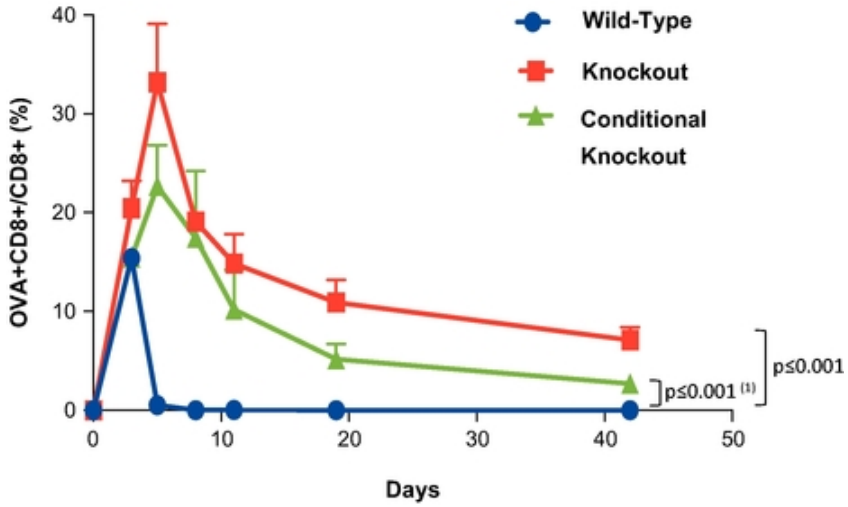
Potential New Treatment Options for PD-1/PD-L1 Non-Responders



S15 Target Validation

We believe S15 represents a novel target for the treatment of cancer. We and others have conducted multiple preclinical studies in various animal models evaluating the effect of inhibiting S15 by knocking out the gene responsible for producing S15 in mice. Across these studies, we observed that mice in which S15 is absent have generally developed normally, suggesting that the inhibition of S15 is not associated with adverse effects on normal cells. In subsequent studies, we observed that S15 knockout mice mounted enhanced antigen-specific T cell responses *in vivo* as compared with wild-type mice, as shown in the following figure. In addition, when S15 was knocked out in myeloid-derived cells, reflected as conditional knockout in the figure below, the mice mounted an enhanced antigen-specific T cell response similar to that of the knockout mice, which suggests the key role that macrophages play in S15-mediated immunosuppression. The data show a statistically significant increase in antigen-specific T cells in knockout and conditional knockout mice as compared to wild-type mice, and the increase is prolonged and maintained over a longer period than in the wild-type mice. In addition, we observed a significant increase in antigen-specific T cells in the spleen, as measured by the percentage of OVA+ CD8+ cells among CD8+ cells. The knockout mice showed an increase of nearly 20% as compared to less than 2% in wild-type mice. This suggests that S15 plays a key role in mediating immune suppression and the absence or inhibition of S15 could restore normal immune function.

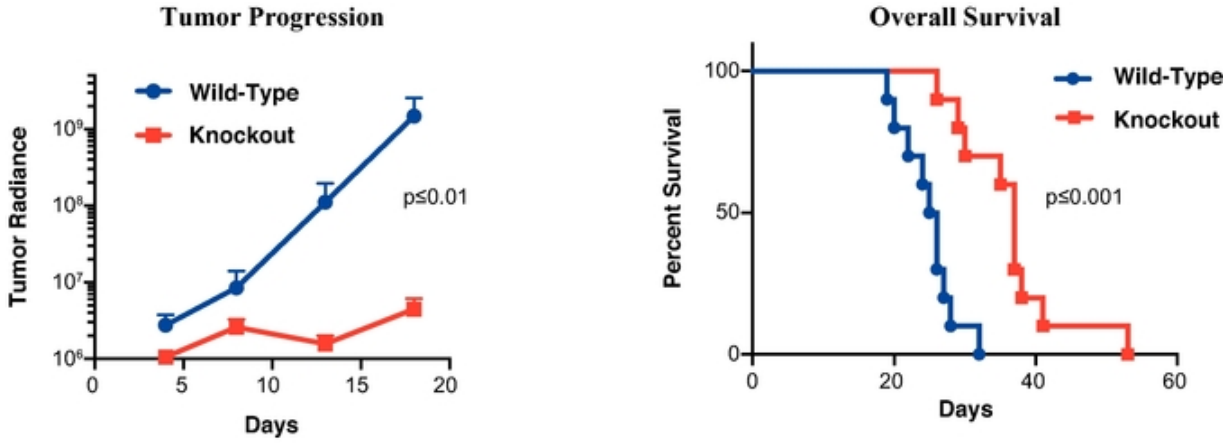
Increase in T Cells Observed When S15 is Absent



(1) The p-value, or probability value, cited in figures in this prospectus as "p," is the likelihood that an observed result occurred by chance. The smaller the p-value, the less likely that chance caused the result. A result that is sufficiently unlikely to have occurred by chance is referred to as being statistically significant. The FDA generally considers a p-value of less than or equal to 0.05, meaning that there is a 5% or less chance that the results occurred by chance, to be statistically significant.

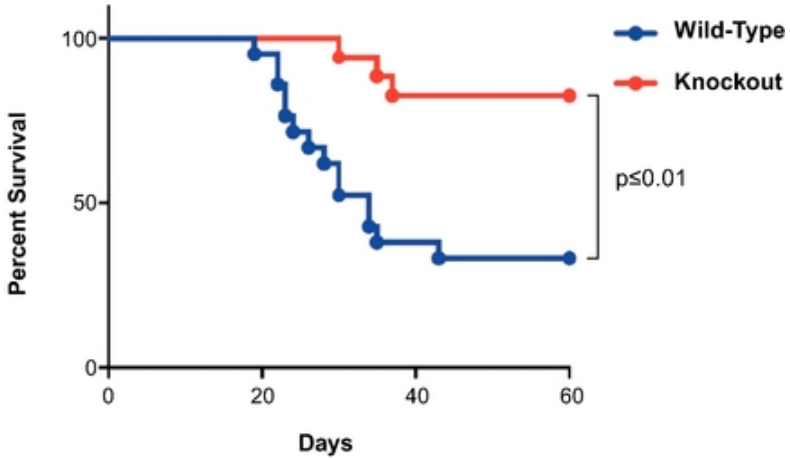
We also evaluated tumor progression in S15 knockout mice compared to wild-type mice in a glioma tumor model. As shown in the figures below, the knockout group showed delayed tumor progression as well as a corresponding increase in survival as compared to the wild-type group.

Knocking Out S15 Delayed Tumor Progression and Prolonged Survival in Glioma Model



In order to study the potential benefit of S15 inhibition in non-responders to PD-1/PD-L1 therapies, we conducted a preclinical study evaluating S15 knockout mice in a frequently used melanoma model, the B16.GMCSF tumor model, which has been demonstrated to be resistant to PD-1/PD-L1 therapy. We observed that S15 knockout mice demonstrated greater anti-tumor effect and, as shown in the following figure, had better overall survival than wild-type mice. We believe that this study suggests NC318 may have therapeutic potential in patients who do not respond to checkpoint inhibitors.

Knocking Out S15 Prolonged Survival in PD-1/PD-L1 Resistant Tumor Model



Phase 1/2 Clinical Trial

In October 2018, we initiated a Phase 1/2 clinical trial to evaluate NC318 as a monotherapy in patients with advanced or metastatic solid tumors. This ongoing first-in-human trial is an open-label Phase 1/2 clinical trial designed to assess the safety and tolerability of NC318, to define the maximal tolerable dose and/or pharmacologically active dose and to assess preliminary efficacy. Patients receive NC318 on day one of each cycle over 26 cycles of treatment. We have initiated the trial with 14-day cycles; however, we may explore alternate dose administration schedules depending on pharmacokinetics, pharmacodynamics, biomarker data, safety results and feedback from investigators.

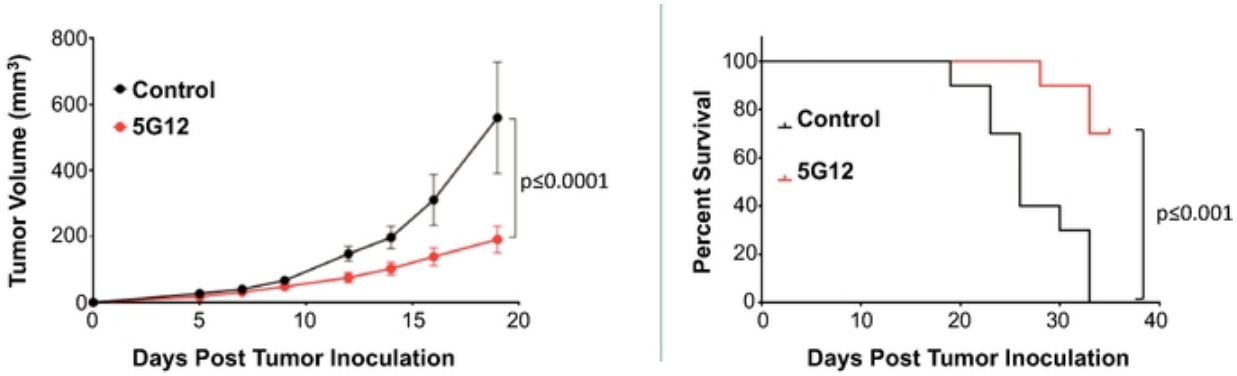
The trial is being conducted in two phases. The Phase 1 portion, which is designed for dose escalation and safety expansion, is intended to determine the pharmacologically active dose, defined as the dose that provides a maximal biologic effect, such as an increase in biomarkers of immune activation or a reduction of biomarkers associated with immune suppression, and/or the maximal tolerable dose of NC318, including defining the optimal dose administration schedule and the maximum number of tolerated doses. We expect proof-of-mechanism data from this portion of the trial in . The Phase 2 portion is a dose expansion phase intended to evaluate the recommended dose and administration schedule determined in Phase 1. In this portion of the trial, we will enroll patients with tumor types that have been shown to be immunogenic and/or reported to have elevated S15 expression, including ovarian cancer, NSCLC and HNSCC, as well as other malignancies where PD-L1 expression is low. We expect proof-of-concept data from this portion of the trial in .

We designed our ongoing clinical trial for NC318 with a robust biomarker strategy to help evaluate clinical activity throughout the trial by focusing on markers of pharmacodynamics. During the trial, we will obtain a series of peripheral blood and whole blood samples from patients before and during treatment. These blood samples will be used for the analysis and characterization of the immune cell population. T cell receptor clones will also be analyzed to detect evidence of therapy-induced clonal expansion of a subpopulation of antigen-specific T cells. Other assays relevant to the objectives of the study, such as flow cytometry analysis of intracellular cytokines, may be performed based upon emerging data. In the Phase 2 portion of this trial, we will also obtain tumor biopsy samples before the first dose of NC318 and at least once more after the third dose. The biopsy samples will be used to investigate molecular signatures associated with response or resistance to treatment with NC318. We may also examine tissue by histology and immunohistochemistry or by exploratory methods to evaluate markers of inflammation and effector T cell populations, growth, signaling, apoptosis and similar markers that may be associated with safety, response or resistance to treatment with NC318. We believe our biomarker strategy will allow us to better monitor the clinical trial and could help shape the treatment strategy of NC318 in future clinical trials and, if approved, in clinical practice.

Preclinical Data

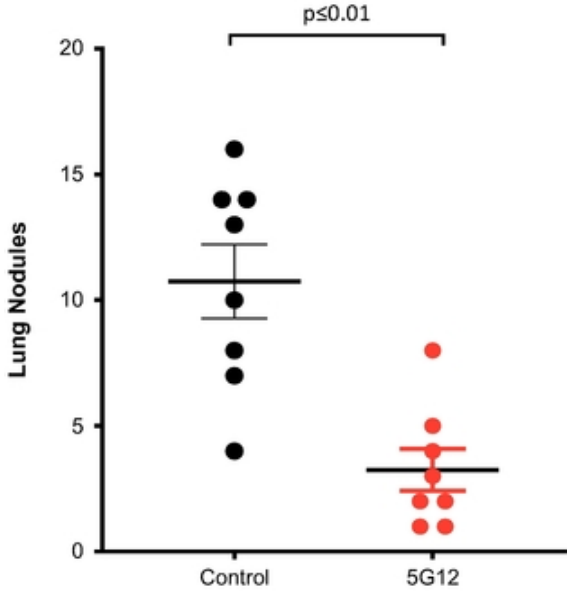
Most syngeneic mouse tumor cell lines, which are common mouse models used to test immunotherapies, do not express S15. In order to study the effects of our S15-targeted antibody, we generated a tumor model where the mouse expresses S15. The model was initiated by differentiating mouse bone marrow cells into S15-positive M2 macrophages *in vitro*. These cells were then implanted into mice with an S15-negative mouse colon cancer cell line called CT26. The mice were then treated with either the S15-targeted antibody 5G12, the murine parent antibody of NC318, which has similar overall functional properties to NC318, or a control antibody. Across multiple preclinical studies, we evaluated the safety and efficacy of 5G12 and observed that blocking the effects of S15 with 5G12 restored immune function and anti-tumor immunity. For example, as the figure below shows, mice treated with 5G12 every four days for seven doses had smaller tumors and increased survival when compared to the mice treated with a control antibody.

Treatment with 5G12 Reduced Tumor Growth and Increased Survival



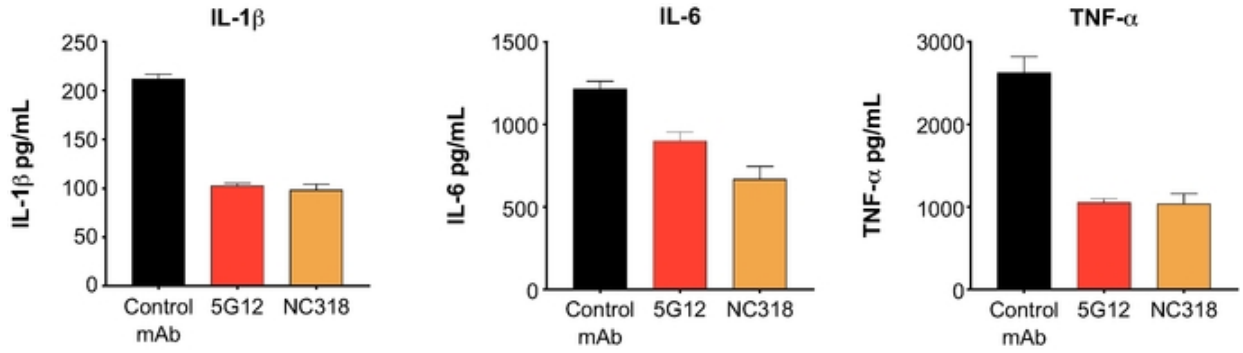
We also generated murine tumors expressing S15 on their surface. In our preclinical studies of an S15-positive murine colon cancer cell line, we observed that 5G12 delayed tumor growth and tumor metastasis, which was demonstrated by fewer lung nodules measured 28 days after treatment in the mice treated with 5G12 as compared to the mice treated with a control antibody, as shown in the figure below.

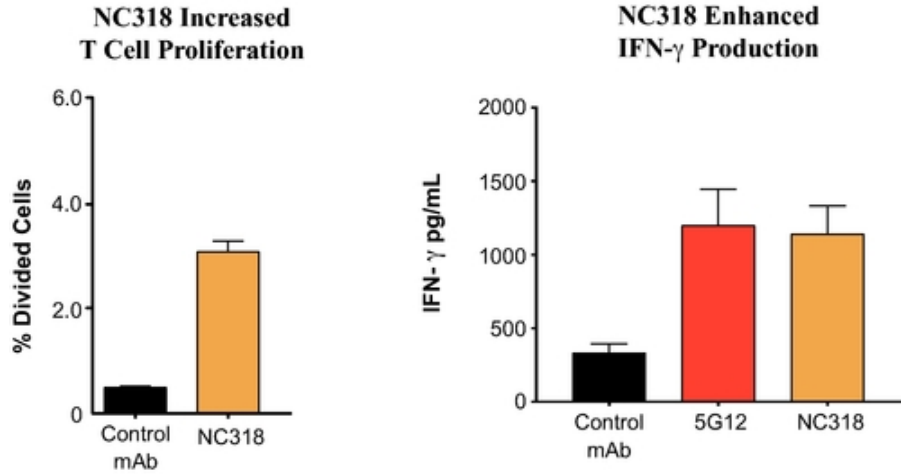
Treatment with 5G12 Delayed Tumor Metastasis in Lung Model



Based on *in vitro* studies, we understand that S15 drives an increase in pro-inflammatory and pro-tumorigenic cytokines, such as IL-1b, IL-6 and TNF-a. As indicated in the figure below, when human peripheral blood mononuclear cells, or PBMCs, which are blood cells that are critical components in the immune system, were cultured in the presence of S15, the amount of pro-inflammatory and pro-tumorigenic cytokines increased, indicating an immunosuppressive environment. However, when human PBMCs were cultured with S15 protein and 5G12 or NC318, the amount of pro-inflammatory and pro-tumorigenic cytokines was reduced relative to when cultured with S15 and a control antibody. In addition, 5G12 and NC318 promoted the ability of human T cells to proliferate and produce interferon-gamma, or IFN-g. These data, which are shown in the figures below, suggest that 5G12 and NC318 have the potential to block immune suppression mediated by S15.

NC318 Decreased Inflammatory Cytokines





NC410

NC410 is a fusion protein of LAIR-2, a naturally occurring soluble version of and decoy protein for LAIR-1, and is designed to block immune suppression mediated by LAIR-1. Multiple preclinical studies support our understanding that eliminating or blocking the binding of LAIR-1 restores normal immune function in multiple immune cells. Our translational work has shown that NC410 blocks the interaction of LAIR-1 with its binding partners, thereby promoting T cell function and dendritic cell activity to contribute to restoring anti-tumor immune activity. Consistent with our strategy, we believe NC410 has the potential to address the needs of patients who are not adequately addressed by currently available therapies. We are currently conducting IND-enabling studies and expect to file an IND and initiate a Phase 1/2 clinical trial in patients with advanced or metastatic solid tumors in . We have exclusive worldwide rights to NC410.

Background of LAIR Pathway in Cancer

LAIR-1 is a co-inhibitory receptor expressed on T cells and several other immune cell subsets, including monocytes, macrophages and dendritic cells. Its binding partners include certain types of collagen and complement component 1q, or C1q.

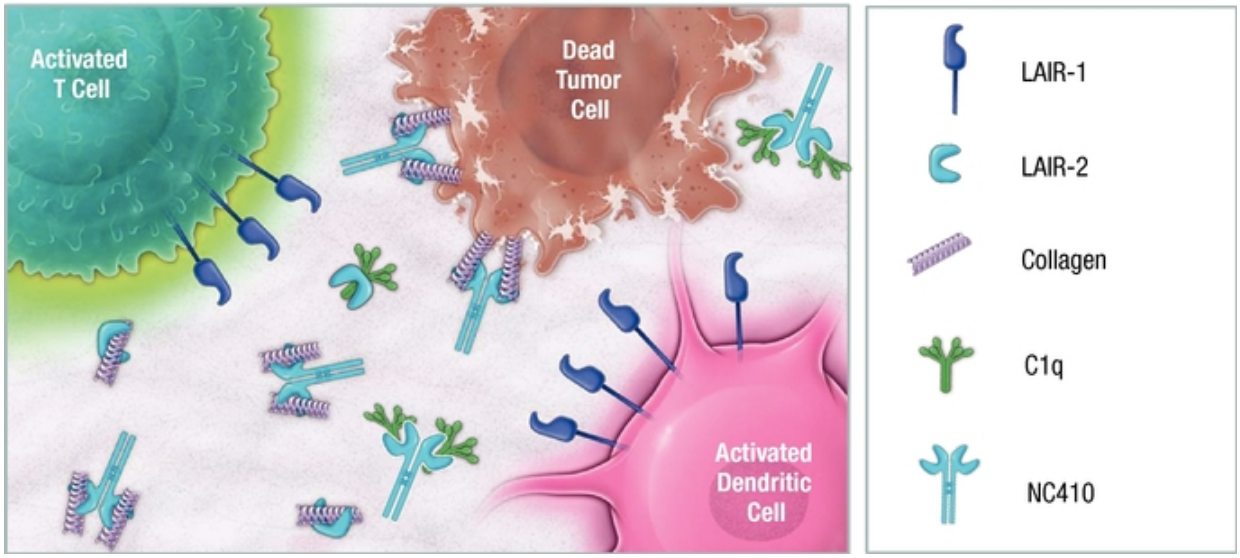
Under normal conditions, collagen forms a scaffold to provide strength and structure to tissues. C1q is part of the innate immune system to protect the host from infection and other foreign agents. Both collagen and C1q are highly upregulated and expressed under pathologic conditions, such as in the TME and in the immune organelles close to the tumor site known as lymph nodes, which are important sites for mounting immune responses to the tumor. However, binding of LAIR-1 to collagen or C1q leads to immune suppression. Our preclinical studies have shown that LAIR-1 and LAIR-2 bind to similar ligands, including collagen and C1q. LAIR-2, which is a secreted protein as opposed to a membrane-bound protein like LAIR-1, binds to the same regions of these ligands with stronger affinity than LAIR-1. However, because LAIR-2 does not induce immune suppression when binding to these ligands, LAIR-2 functions as an efficient decoy for LAIR-1.

Under the harsh conditions of the TME, collagen and C1q are overexpressed as a membrane protein on many types of tumor cells and in the ECM surrounding the tumor. This increased expression of collagen and C1q, combined with insufficient levels of natural LAIR-2, leads to increased binding of LAIR-1, resulting in immune suppression, tumor immune evasion and tumor growth.

NC410 is a novel immunotherapeutic protein that was developed to block LAIR-1-mediated immune suppression by mimicking the natural decoy effects of LAIR-2. Our approach of using NC410 as a therapeutic is intended to take advantage of the natural LAIR-2 regulatory system in humans, which maintains human immune function under normal non-pathologic conditions.

The mechanism of action of NC410 prevents immune suppression caused by LAIR-1 binding to collagen or C1q and promotes anti-tumor immune activity. As the figure below shows, when LAIR-2 and NC410 are present in the TME, they bind to collagen or C1q preferentially compared to LAIR-1 given their higher binding affinity. This has the effect of blocking the collagen or C1q from binding to LAIR-1, which otherwise would have resulted in an immunosuppressive effect. By blocking this interaction with LAIR-1 and its binding partners, T cell function and dendritic cell activity is promoted in order to restore anti-tumor immune activity.

NC410 is Designed to Prevent Immune Suppression Caused by LAIR-1

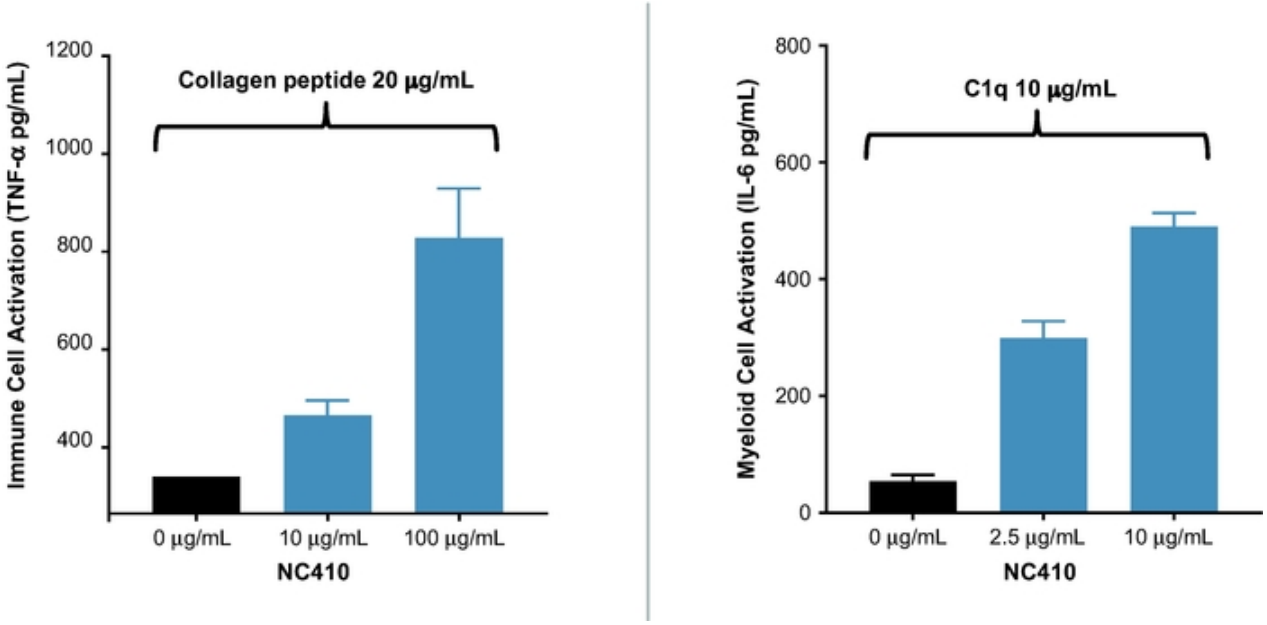


Preclinical Data

We have conducted multiple preclinical studies to assess the activity of NC410 across a variety of preclinical models. These studies support our understanding that eliminating or blocking the binding of LAIR-1 to collagen or C1q can restore normal immune function in multiple immune cells, including T cells and myeloid cells, resulting in activation of T cells and anti-tumor immunity.

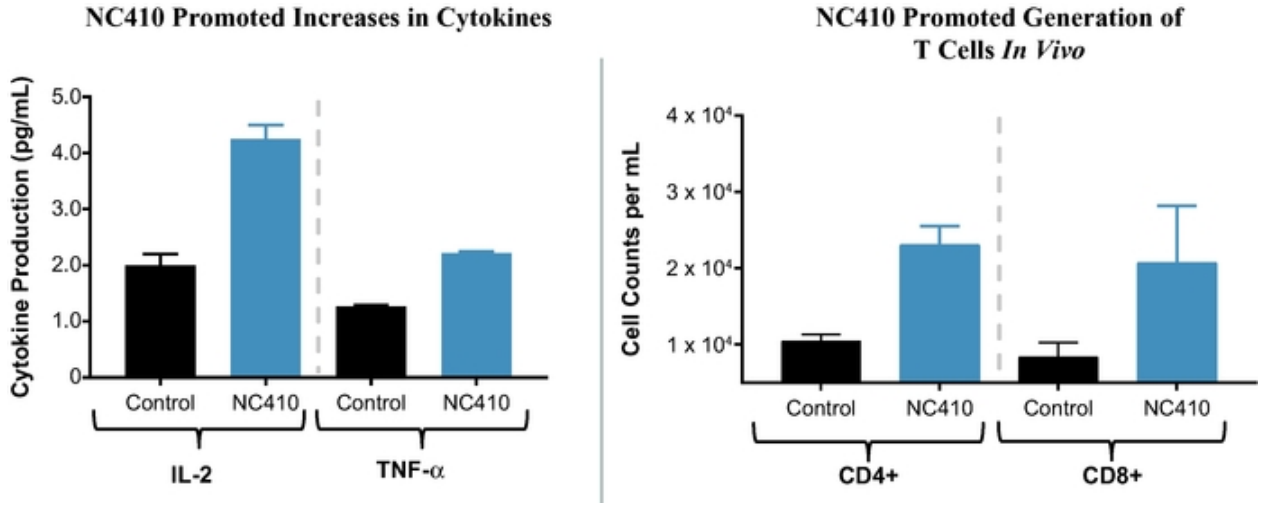
We have observed *in vitro* with human cells that using NC410 to block LAIR-1 from binding with collagen or C1q reverses immune suppression and restores normal immune cell function for both peripheral blood monocytes, including T cells, and myeloid cells. In one study of peripheral blood monocytes, we added 0 µg/mL, 10 µg/mL and 100 µg/mL of NC410 to 20 µg/mL of collagen peptide *in vitro*. Similarly, we also evaluated the addition of 0 µg/mL, 2.5 µg/mL and 10 µg/mL of NC410 to 10 µg/mL of C1q on human myeloid cells. As shown in the figures below, NC410 promoted the activation of immune cells in the presence of high levels of collagen in peripheral blood monocytes and high levels of C1q in myeloid cells in a dose-dependent manner.

NC410 Reversed Immune Suppression
Caused by LAIR-1 Binding with Collagen and C1q



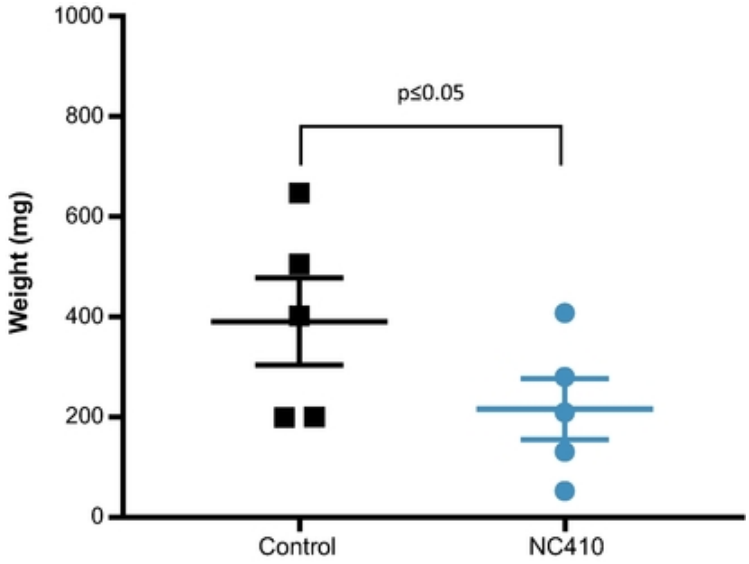
In another preclinical study with human cells, we observed that NC410 promoted increases in the cytokines IL-2 and TNF-a, as shown in the left-hand panel of the following figure, which is indicative of increased immune function. In addition, simultaneous *in vivo* injections of NC410 and human T cells in

immune-deficient mice resulted in increased amounts of CD4+ and CD8+ T cells, as shown in the right-hand panel of the figure below.



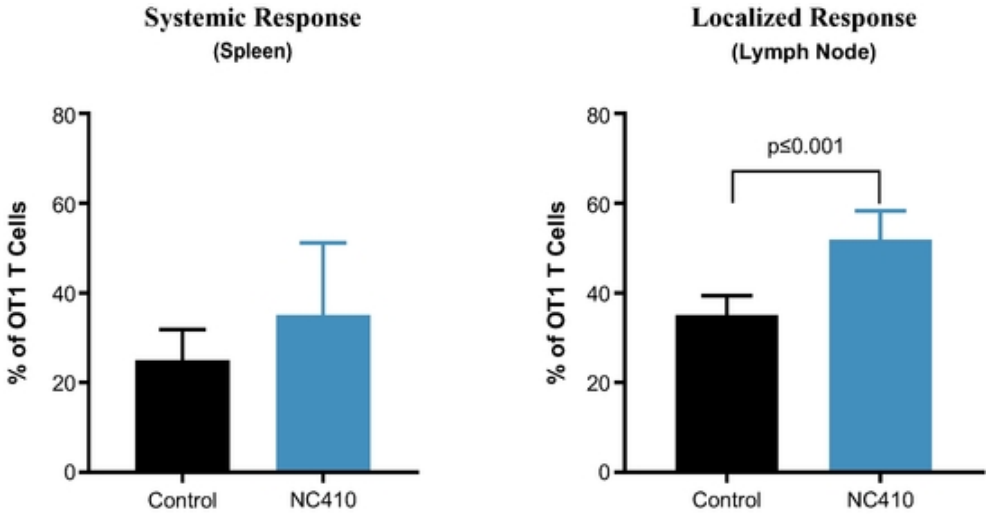
Through multiple preclinical studies in several additional tumor models, we observed that eliminating or blocking LAIR-1-mediated immune suppression prolonged survival. In addition, anti-tumor activity of NC410 correlated with a local increase in antigen-specific T cells in the TME *in vivo* using an engineered mouse model to measure localized antigen-specific responses. We used an antigen-specific tumor model of EL4, a murine lymphoma cell line. We measured the weight of the animals daily as a proxy for tumor growth. As shown in the figure below, we observed that mice treated with NC410 had smaller tumors than mice treated with a control, suggesting that NC410 has potential anti-tumor activity.

NC410 Showed Anti-Tumor Activity



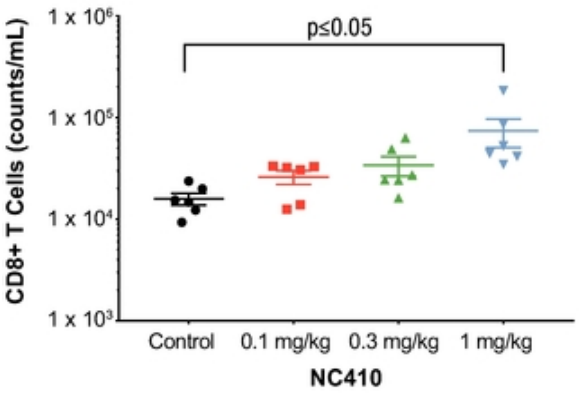
We also measured T cells specific for ovalbumin, and as shown in the figures below, we observed systemic and local increases, as measured in the spleen and lymph node, respectively, in mice treated with NC410 compared to those treated with control. We believe that these data support an immune response in and around the TME.

NC410 Increased T Cells Both Systemically and Locally

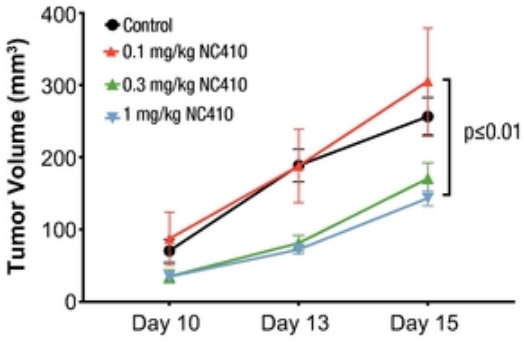


In addition, when human PBMCs were implanted into mice with mouse P815 mastocytoma tumor cells, we observed that NC410 mediated an increase in human T cells *in vivo* and that the increase in human T cells correlated with a delay in tumor growth. As shown in the figures below, NC410 increased the number of CD8+ T cells on day 13 in a dose-dependent manner and that increase corresponded to a decrease in tumor volume.

NC410 Increased CD8+ T Cells on Day 13



NC410 Decreased Tumor Volume



Our Clinical Development Plan for NC410

We and others have analyzed genomic and protein databases and observed that LAIR-1 expression levels negatively correlate with survival rates for several cancers, including brain, renal, colorectal, glioma, lung, urothelial and ovarian cancers. These analyses support possible targeting of these tumor types as primary indications for therapeutic treatment with NC410. We are conducting expansive screening efforts on tumor samples from different solid tumor types to identify tumors that express LAIR-1 on the surface

of either cancer cells or infiltrating immune cells to guide our ultimate selection of patients for planned clinical trials of NC410 in humans.

We are currently conducting IND-enabling studies for NC410 and plan to file an IND and initiate a Phase 1/2 clinical trial in patients with advanced or metastatic solid tumors in .

Our Research Programs

In addition to NC318 and NC410, we are also pursuing preclinical evaluation of other potential novel immunomodulatory molecules. Among these is an antibody that targets a novel member of the B7-family of immunomodulatory proteins. In our preclinical studies, this antibody has shown highly reproducible and potent anti-tumor activity with *in vivo* modeling and appears to involve an important immunomodulatory pathway in the TME that may complement the activity of NC318 and NC410. Consistent with our focus on patients who do not respond to current therapies, patients whose cancer progresses despite treatment and patients with cancer types that are not adequately addressed by currently available therapies, the target of this antibody appears to be non-overlapping with the expression of both S15 and PD-L1 on tumor cells.

We also have an antibody in preclinical development targeting an immune modulator that is highly expressed in inflamed tissue and the TME in multiple tumor types. In our preclinical research, we observed that disrupting inhibitory signaling by this molecule with our antibody increased T cell and NK cell effector functions.

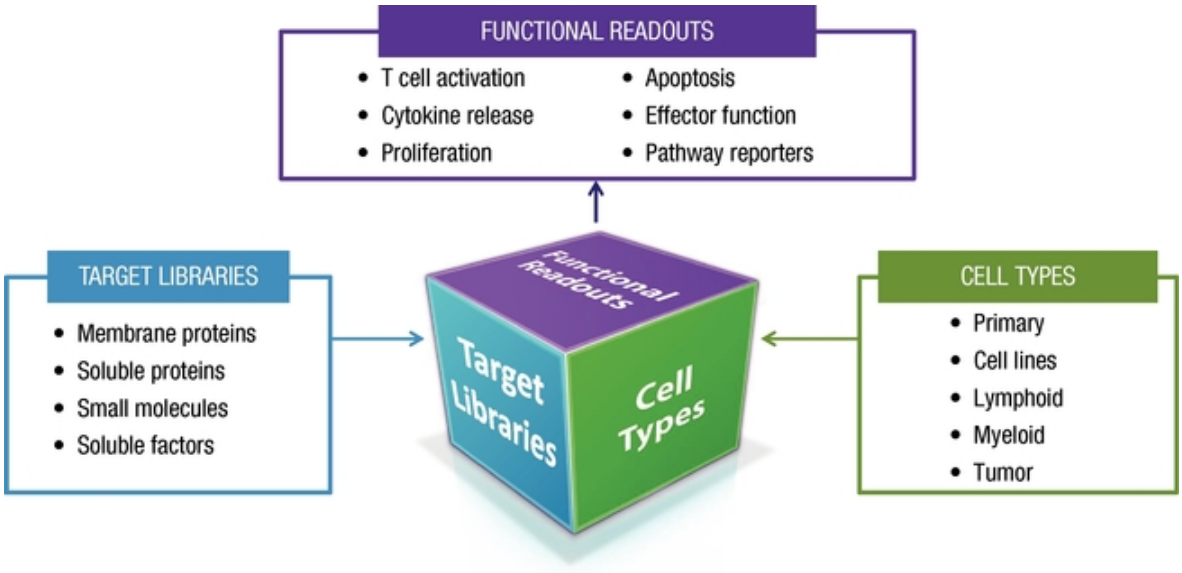
Based on our understanding of the LAIR pathway, including through our development of NC410, we are also pursuing monoclonal antibodies that target LAIR-1 and directly block LAIR-1 binding and signaling to prevent tumor growth or to eliminate the tumor. These novel LAIR-1 antibodies have unique functional properties that may provide additional opportunities in both cancer and autoimmune disorders.

Our FIND-IO Discovery Engine

Our FIND-IO platform uses proprietary approaches to functionally assess immune pathways in both primary immune cells and established cell lines from immune lineages, including T cell subsets, monocytes, macrophage subpopulations, dendritic cells, cancer cell lines, and cells isolated from diseased patients. This platform allows us to identify proteins that can be targeted with novel immunomedicines to repair and maintain anti-tumor immunity.

There are three integrated components to our FIND-IO platform. The first component consists of gene libraries, also called target libraries, comprising genes that are expressed and queried for immune or other functions. Our target libraries are composed of genes that encode a structurally diverse set of protein molecules and that are either inserted into the plasma membrane on the host cell surface or secreted outside of the host cell. The second component encompasses a variety of immune and non-immune cell types, called responder cells, used to evaluate the functional effects of the target libraries. The immune responder cell types include primarily immune cells obtained from human volunteers and multiple immune cell lines that have been grown in culture, and the non-immune responder cell types include tumor cell lines. The third component utilizes a broad set of outputs indicative of whether a newly discovered target

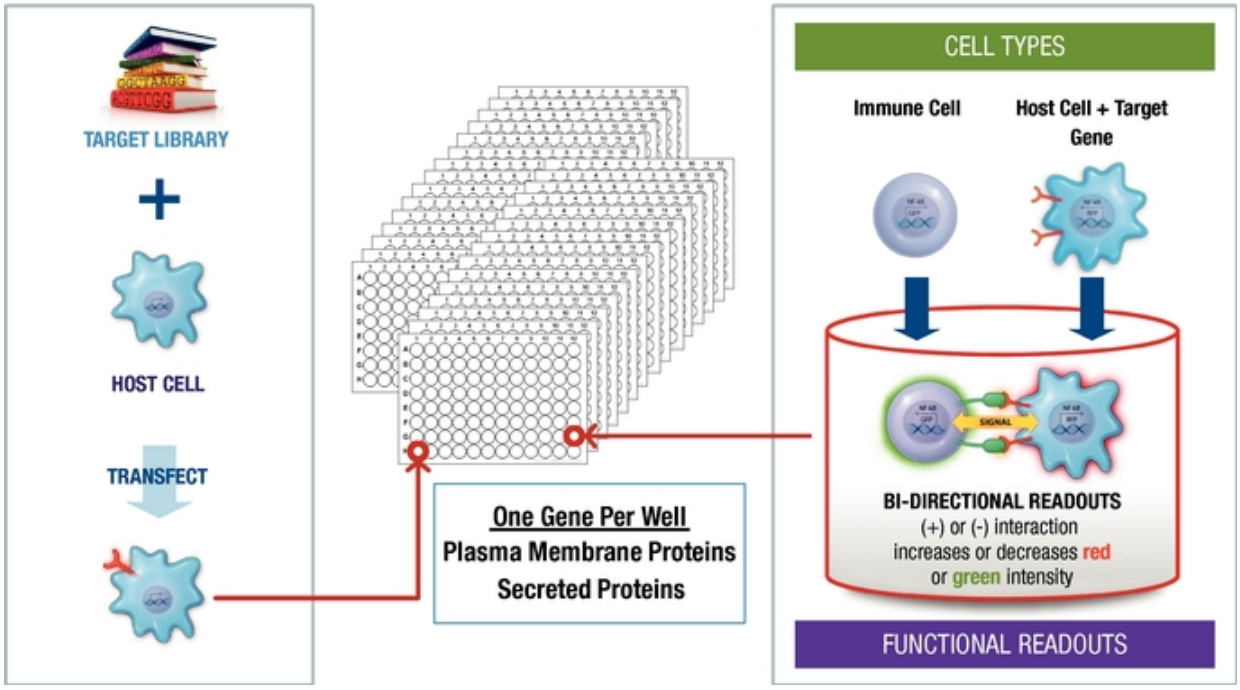
inhibits or stimulates functional immune responses. We utilize a cube to illustrate these three components as shown in the figure below.



Unlike other screening platforms that often focus on a single parameter or cell type, our approach uses a broad search across multiple cell types and multiple functions and is purposefully designed to produce physiologically relevant results. Although the orchestration of an immune response is complex and dynamic within the TME, we have designed the FIND-IO platform to be simple yet functional. The platform integrates multiple components to assess immune function resulting from cellular interactions in order to identify new immune modulators in an approach that mimics physiological interactions. The goal is to identify proteins that can be targeted with immunomedicines, such as monoclonal antibodies or fusion proteins. Potential targets that are preliminarily identified through the FIND-IO platform undergo reproducible, robust, relevant and comprehensive characterization resulting in functional readouts that improve the likelihood of developing immunomedicines against novel immune modulatory molecules. This approach is intended to meet our goal of extending beyond the success of current immunotherapies to treat patients who are not adequately addressed by currently available therapies and to enhance overall survival in these patients.

The first step in the application of our FIND-IO platform is to transfect the target library into a host cell on a gene-by-gene basis. The host cells then express the library genes and the proteins are present on the cell surface or secreted into the surrounding space. In addition, the host cell has been engineered to express a reporter of transcriptional activity associated with a cellular function. For example, we engineer the host cells to report transcription factor activity in a cellular pathway by linking a selected DNA with a different fluorescent reporter, such as red fluorescent protein, or RFP. Thus, if the library gene expresses a protein that can signal via the applicable pathway, then the RFP gene is transcribed, expressed as a protein and the cell will glow red. The immune or non-immune responder cells are also engineered to express a reporter of transcriptional activity associated with a cellular function. For example, we engineer the responder cells to report transcription factor activity in a cellular pathway by linking a selected DNA with a fluorescent reporter such as green fluorescent protein, or GFP. Therefore, when transcription occurs in the responder cell, the GFP gene is transcribed, expressed as a protein and the cell will glow green. The red and/or green glow of the cells can be measured quantitatively. This is called bi-directional signaling as the

FIND-IO platform was designed to look at signaling events in the host cells as well as the immune and non-immune responder cells.



The FIND-IO platform allows us to select and screen multiple immune and non-immune responder cell types, including T cells, myeloid cells, leukemia cells, epithelial cancer cells, plasma B cells and multiple myeloma cells, as well as primary immune cells from healthy donors. For each of these cell types, we undertake functional screening, including activity of many reporter pathways, effector function activity and effects on cell death, in order to identify novel immunomodulatory targets with common or differentiating effects across multiple cell types.

Additionally, with our FIND-IO technology we can test for combination screens to search for synergistic or additive combinations with certain pathways, including immune checkpoint pathways, like the PD-1/PD-L1 pathway, that are currently approved for treating cancer patients. We expect that this screening will help with the identification of potential combination treatments to enhance response rates.

The goal of our FIND-IO platform is to sustain a pipeline of novel immunomedicines that restore normal immune function to treat cancer and other immune-related diseases. While we are primarily focused on cancer treatment, we believe that our proprietary technology, our approach, our understanding of biological pathways and the convergence of immunology and inflammation provide us with opportunity to explore novel immunomedicines for other significant unmet medical needs. To maximize the full potential of our platform and expertise, we are expanding the functional screening approach of our FIND-IO platform to the identification of novel targets in autoimmunity and inflammation, where we are using this approach to develop our FIND-AI platform, as well as in neuro-inflammatory diseases.

Our Collaboration Agreements

Agreements with Yale University

License Agreement with Yale

In December 2015, we entered into a license agreement with Yale, or the Yale Agreement, pursuant to which we obtained an exclusive, royalty-bearing, sublicensable worldwide license to products that either

incorporate certain licensed patents used in the discovery of targets or arise out of research and development of Dr. Chen's laboratory at Yale, including S15. We are obligated to pay Yale low single-digit royalties on sales of products, including NC318, that are either covered by the patents licensed to us under the Yale Agreement or arise out of Dr. Chen's laboratory, subject to a modest minimum annual royalty payment. Until we are required to pay royalties under the Yale Agreement, we must pay an annual license maintenance fee to Yale. In addition, with respect to each product covered by licenses under the Yale Agreement, we are obligated to pay Yale milestone payments upon (i) the initiation of each of a Phase 1 clinical trial, Phase 2 clinical trial and Phase 3 clinical trial or a pivotal trial, (ii) first commercial sale in the United States and (iii) first commercial sale in China, Japan or a major European country, in an aggregate amount of up to $2,975,000. The term of the license agreement with Yale runs, on a country-by-country basis, until the later of the expiration of all licensed patents or 10 years from the first commercial sale in such country, unless Yale has cause to terminate earlier for our material breach of the license, bankruptcy or if we or any sublicensee bring a challenge against Yale in relation to the licensed patents. We have the right to terminate the Yale Agreement for Yale's material breach or at any time during the term with six months' prior written notice to Yale.

Sponsored Research Agreement with Yale

In connection with the Yale Agreement, we also entered into a corporate sponsored research agreement, or SRA, with Yale, in which we agreed to provide up to an aggregate of $12.4 million to fund a research program aimed at discovering new targets for immunomedicines. The research program is under the direction and supervision of Dr. Chen. Pursuant to the SRA, we have the option to add any patents invented pursuant to the research program as a licensed patent under the Yale Agreement and the right to obtain a royalty-bearing, exclusive, worldwide license to any such patents. If we do not exercise our option within the exercise period, Yale is permitted to license any such patents to any third party. The SRA will expire on December 31, 2020, and we have the option of extending the term upon mutual agreement with Yale. We can terminate the SRA at any time upon 90 days' written notice to Yale. Yale can terminate for an uncured breach or with 90 days' written notice for cause.

Research and Development Collaboration with Lilly

In November 2018, we entered into the Lilly Agreement, pursuant to which we will use our FIND-IO platform to identify novel oncology targets for additional collaborative research and drug discovery by us and Lilly. Under this agreement, we granted Lilly the exclusive option to obtain worldwide exclusive licenses to research, develop, manufacture and commercialize multiple compounds and products directed to oncology targets identified through our research collaboration. Lilly currently has all options remaining eligible for exercise. In addition, Lilly granted us the exclusive option to obtain worldwide exclusive licenses to research, develop, manufacture and commercialize an equal number of compounds and products directed to oncology targets for which Lilly does not exercise its option. We currently have all options remaining eligible for exercise. Under the Lilly Agreement, we retain all rights to our intellectual property outside of oncology for any targets that are not actively being researched and developed pursuant to the Lilly Agreement.

Under the Lilly Agreement, we and Lilly have agreed to engage in a multi-year research collaboration, which will expire upon the earlier of the exercise of all options granted to Lilly or four years from the date of the agreement. We have granted Lilly exclusivity with respect to targets identified through our FIND-IO platform that can be used in the oncology field during the research term or until Lilly has exercised all of its options.

During the research term, as a part of target discovery, we will be responsible for providing Lilly with oncology targets identified using our FIND-IO platform. From the targets provided by us, Lilly may select targets to advance to target validation using criteria developed by both parties. Following completion of the agreed upon target validation plan with respect to a given target, either party may propose to advance

that target to compound discovery. For each target that has been advanced to compound discovery, Lilly will have the option to obtain an exclusive license in all fields of use with respect to the compounds and products directed to the target. If Lilly does not exercise its option with respect to a given target that has advanced through compound discovery, or has previously exercised all of its options, we have the option to obtain licenses with respect to compounds and products directed to the target. Lilly and we may each exercise our respective options with respect to targets during the research term. Following option exercise by a party, the development and commercialization of any compounds and products directed to the target will be conducted by the exercising party. The exercising party must use commercially reasonable efforts to develop, seek regulatory approval for and commercialize any such products.

We received an upfront payment of $25.0 million in cash and a $15.0 million equity investment from Lilly upon entering into the agreement. Lilly is also required to pay us quarterly research and development support payments during a portion of the research term as well as an option exercise fee upon each option exercise by Lilly. For the first product directed to each target optioned by Lilly, Lilly will pay development and regulatory milestones. For each additional indication in a different therapeutic area for such product, Lilly will pay regulatory milestones upon the submission of a regulatory approval application in each of the United States, European Union and Japan. Additionally, regardless of indication, Lilly will pay sales milestones as well as mid to high single-digit royalties on net sales for all products directed to each target optioned by Lilly. The support, option exercise and milestone payments could amount to an aggregate of up to $1.274 billion. This amount assumes that Lilly exercises all of the options available to it, as well as the successful achievement of all clinical development and sales milestones for the first indication for each target optioned by Lilly. If Lilly obtains approval in additional indications in different therapeutic areas, then additional amounts may become due.

Upon our exercise of an option with respect to a given target, we will owe Lilly option exercise, milestone and royalty payments in amounts equivalent to a portion of the amounts payable by Lilly were Lilly to exercise an option. Unless terminated earlier, the term of the Lilly Agreement will continue in effect, on a product-by-product and country-by-country basis, until the expiration of the applicable royalty term. Either party may terminate the agreement, in whole or in part, for the other's material breach that has not been cured within a certain period or upon notice of bankruptcy or insolvency that has continued unabated for a certain period. In addition, Lilly has the right to terminate the agreement in its entirety or with respect to a specified product or target at any time with 60 days prior notice. To the extent that we terminate for Lilly's material breach or insolvency or Lilly terminates for convenience, all licenses and rights granted by us to Lilly will automatically terminate and the licenses and rights granted by Lilly to us will survive. Similarly, if Lilly terminates for our material breach or insolvency, all licenses and rights granted by Lilly to us will automatically terminate, and the licenses and rights granted by us to Lilly will survive. In such cases, all future royalties and milestones will be reduced in an amount to be reasonably agreed by the parties.

Manufacturing

We have a purpose-built, dedicated, state-of-the-art cGMP manufacturing facility that utilizes single-use technology to support our pipeline and advance our product candidates into and through clinical development. The facility has an initial production capacity of 1,000 liters and was designed with additional room for expansion to support multiple product candidates. The investment in our manufacturing facility is a critical element of our ability to quickly identify whether a candidate will be successful and to facilitate an efficient development path. While other companies may need to work with third parties for antibody production, we can do so in our own facility. Compared to working with third-party manufacturers, we believe our facility provides better quality assurance, greater control in scheduling and prioritizing manufacturing activities and enhanced capital efficiency. We are currently manufacturing all of the drug supply for our preclinical studies and our Phase 1/2 clinical trial of NC318. As we advance the development of our growing pipeline of product candidates, we will continue to evaluate the merits of expanding our internal manufacturing capabilities, including for the production of commercial drug supply, as compared to collaborating with third-party manufacturers.

Competition

The biotechnology and pharmaceutical industries, and the immuno-oncology subsector, are characterized by rapid evolution of technologies, fierce competition and strong defense of intellectual property. We believe that our programs, platforms, technology, knowledge, experience and scientific resources provide us with competitive advantages, but we also face competition from pharmaceutical and biotechnology companies, academic institutions, governmental agencies and public and private research institutions, among others. Our competitors include larger and better funded biopharmaceutical, biotechnology and therapeutics companies, including companies focused on cancer immunotherapies, such as Amgen, Inc., AstraZeneca plc, Bristol-Myers Squibb Company, or BMS, Genentech, Inc., GlaxoSmithKline PLC, Merck & Co., Inc., Novartis AG, Pfizer Inc., Roche Holding Ltd and Sanofi S.A. Moreover, we may also compete with smaller or earlier-stage companies, universities and other research institutions that have developed, are developing or may be developing current and future cancer therapeutics.

Product candidates that we successfully develop and commercialize will compete with a range of therapies that are currently approved and any new therapies that may become available in the future. Key product features that would affect our ability to effectively compete with other therapeutics include the efficacy, safety and convenience of our products. Currently marketed oncology drugs and therapeutics range from traditional cancer therapies, including chemotherapy, to antibody-drug conjugates, such as Genentech Inc.'s Kadcyla, to immune checkpoint inhibitors targeting CTLA-4, such as BMS' Yervoy, and PD-1/PD-L1, such as BMS' Opdivo, Merck & Co.'s Keytruda and Genentech's Tecentriq, to T cell-engager immunotherapies, such as Amgen's Blincyto. In addition to these marketed therapies, numerous compounds are in clinical development for the potential treatment of cancer.

The availability of reimbursement from government and other third-party payors will also significantly affect the pricing and competitiveness of our products. Our competitors may also obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market.

Intellectual Property

Our commercial success depends in part on our ability to obtain and maintain proprietary protection for our products, methods and manufacturing processes, to operate without infringing the proprietary rights of others and to prevent others from infringing our proprietary rights. We rely on a combination of patent applications and trade secrets, as well as contractual protections, to establish and protect our intellectual property rights. We seek to protect our proprietary position by, among other things, filing patent applications in the United States and internationally. Our patent estate includes patent applications with claims relating to our product candidates, methods of use and manufacturing processes, and claims for potential future products and developments. As of January 30, 2019, our intellectual property portfolio includes, on a worldwide basis, two pending international patent applications relating to NC318 and NC410, one pending U.S. patent application relating to NC410 and additional pending patent applications for other discovery and research programs. Patents resulting from our patent applications for NC318 and NC410, if issued, are expected to expire beginning in 2037 absent any patent term adjustments or extensions.

In addition, as described above, under the Yale Agreement, we have an exclusive, royalty-bearing, sublicensable worldwide license from Yale for an intellectual property portfolio, including patent applications, relating to methods of use for S15 that covers the use of NC318. Any patents from these patent applications, if issued, are expected to expire no earlier than 2036 absent any patent term adjustments or extensions.

For all patent applications, we determine strategy for claim scope on a case-by-case basis, taking into account advice of counsel and our business model and needs. We file patents containing claims for

protection of all useful applications of our proprietary technologies and any products, as well as all new applications and/or uses we discover for existing technologies and products, based on our assessment of their strategic value. We continuously reassess the number and type of patent applications, as well as the pending and issued patent claims to ensure that maximum coverage and value are obtained for our processes and compositions, given existing patent office rules and regulations. Further, claims may be modified during patent prosecution to meet our intellectual property and business needs.

We also rely upon trade secrets, know-how and continuing technological innovation to develop and maintain our competitive position, including with respect to our FIND-IO platform. We seek to protect our proprietary technology and processes, in part, by confidentiality and invention assignment agreements with our employees, consultants, scientific advisors and other contractors. In addition, in the ordinary course of our business, we enter into agreements with other third parties for non-exclusive rights to intellectual property directed to other technologies that are ancillary to our business, including laboratory information management software and research and development tools. In addition, we have filed for trademark registration with the U.S. Patent and Trademark Office, or the USPTO, for "NextCure," our logo and our FIND-IO platform.

Government Regulation

Government Regulation and Product Approval

The FDA and other regulatory authorities at federal, state and local levels, as well as in foreign countries, extensively regulate, among other things, the research, development, testing, manufacture, quality control, import, export, safety, effectiveness, labeling, packaging, storage, distribution, recordkeeping, approval, advertising, promotion, marketing, post-approval monitoring and post-approval reporting of biological products. Along with third-party contractors, we will be required to navigate the various preclinical, clinical and commercial approval requirements of the governing regulatory agencies of the countries in which we wish to conduct studies or seek approval or licensure of our product candidates. The processes for obtaining regulatory approvals in the United States and in foreign jurisdictions, along with subsequent compliance with applicable laws and regulations and other regulatory authorities, require the expenditure of substantial time and financial resources.

Government policies may change and additional government regulations may be enacted that could prevent or delay further development or regulatory approval of any product candidates, product or manufacturing changes, additional disease indications, or label changes. We cannot predict the likelihood, nature or extent of government regulation that might arise from future legislative or administrative action.

Review and Approval for Licensing Biologics in the United States

In the United States, the FDA regulates our current product candidates as biological products, or biologics, under the Federal Food, Drug, and Cosmetic Act, or FDCA, the Public Health Service Act and associated implementing regulations. Biologics, like other drugs, are used for the treatment, prevention or cure of disease in humans. In contrast to chemically synthesized small molecular weight drugs, which have a well-defined structure and can be thoroughly characterized, biologics are generally derived from living material (human, animal, or microorganism) are complex in structure, and thus are usually not fully characterized. Biologics include immunomedicines for cancer and other diseases.

Biologics are also subject to other federal, state and local statutes and regulations. The failure to comply with applicable statutory and regulatory requirements at any time during the product development process, approval process or after approval may subject a sponsor or applicant to administrative or judicial enforcement actions. These actions could include the suspension or termination of clinical trials by the FDA, the FDA's refusal to approve pending applications or supplemental applications, withdrawal of an approval, Warning Letters or Untitled Letters, product recalls, product seizures, total or partial suspension of production or distribution, import detention, injunctions, fines, refusals of government contracts,

restitution, disgorgement of profits, or civil or criminal investigations and penalties brought by the FDA, the Department of Justice, or the DOJ, or other governmental entities.

An applicant seeking approval to market and distribute a biologic in the United States must typically undertake the following:

- completion of non-clinical laboratory tests and animal studies performed in accordance with the FDA's good laboratory practice, or GLP, regulations;
- manufacture, labeling and distribution of investigational drug in compliance with cGMP;
- submission to the FDA of an IND application, which must become effective before clinical trials may begin and must be updated annually or when significant changes are made;
- approval by an independent institutional review board, or IRB, or ethics committee at each clinical site before each clinical trial may be initiated;
- performance of adequate and well-controlled human clinical trials in accordance with the FDA's current Good Clinical Practices requirements, or cGCP, to establish the safety, purity and potency of the proposed biologic product candidate for its intended purpose;
- preparation of and submission to the FDA of a biologics license application, or BLA, after completion of all pivotal clinical trials requesting marketing approval for one or more proposed indications;
- obtain satisfactory completion of an FDA Advisory Committee review, where appropriate or if applicable, as may be requested by the FDA to assist with its review;
- satisfactory completion of one or more FDA inspections of the manufacturing facility or facilities at which the proposed product, or components thereof, are produced to assess compliance with cGMP and data integrity requirements to assure that the facilities, methods and controls are adequate to preserve the biologic's identity, safety, quality, purity and potency;
- satisfactory completion of FDA audits of selected clinical investigation sites to assure compliance with cGCP requirements and the integrity of the clinical data;
- payment of user fees under the Prescription Drug User Fee Act for the relevant year;
- obtain FDA review and approval of the BLA to permit commercial marketing of the licensed biologic for particular indications for use in the United States; and
- compliance with any post-approval requirements, including the potential requirement to implement a Risk Evaluation and Mitigation Strategy, or REMS, and the potential requirement to conduct post-approval studies.

From time to time, legislation is drafted, introduced and passed in Congress that could significantly change the statutory provisions governing the testing, approval, manufacturing and marketing of products regulated by the FDA. In addition to new legislation, FDA regulations and policies are often revised or interpreted by the agency in ways that may significantly affect our business and our products. It is impossible to predict whether further legislative changes will be enacted or whether FDA regulations, guidance, policies or interpretations will be changed or what the effect of such changes, if any, may be.

Preclinical and Clinical Development

Before an applicant can begin testing the potential candidate in human subjects, the applicant must first conduct preclinical studies. Preclinical studies include laboratory evaluations of product chemistry, toxicity and formulation, as well as *in vitro* and animal studies to assess the potential safety and activity of the drug for initial testing in humans and to establish a rationale for therapeutic use. Preclinical studies are

subject to federal regulations and requirements, including GLP regulations. The results of an applicant's preclinical studies are submitted to the FDA as part of an IND.

An IND is a request for authorization from the FDA to administer an investigational new drug product to humans. An IND is an exemption from the FDCA that allows an unapproved drug to be shipped in interstate commerce for use in an investigational clinical trial. Such authorization must be secured prior to interstate shipment and administration of a biologic that is not subject of an approved BLA. In support of a request for an IND, applicants must submit a protocol for each clinical trial. Any subsequent protocol amendments must be submitted to the FDA as part of the IND.

Human clinical trials may not begin until an IND is effective. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA raises safety concerns or questions about the proposed clinical trial within the 30-day time period. In such a case, the IND may be placed on clinical hold and the IND sponsor and the FDA must resolve any outstanding concerns or questions before the clinical trial can begin. Submission of an IND therefore may or may not result in FDA authorization to begin a clinical trial.

The FDA may also place a clinical hold or partial clinical hold on such trial following commencement of a clinical trial under an IND. A clinical hold is an order issued by the FDA to the sponsor to delay a proposed clinical investigation or to suspend an ongoing investigation. A partial clinical hold is a delay or suspension of only part of the clinical work requested under the IND. For example, a specific protocol or part of a protocol is not allowed to proceed, while other protocols may do so. No more than 30 days after imposition of a clinical hold or partial clinical hold, the FDA will provide the sponsor a written explanation of the basis for the hold. Following issuance of a clinical hold or partial clinical hold, an investigation may only resume after the FDA has notified the sponsor that the investigation may proceed. The FDA will base that determination on information provided by the sponsor correcting the deficiencies previously cited or otherwise satisfying the FDA that the investigation can proceed.

Clinical trials involve the administration of the investigational product to human subjects under the supervision of qualified investigators in accordance with cGCP regulations, which include the requirement that all research subjects provide their informed consent for their participation in any clinical study. Clinical trials are conducted under protocols detailing, among other things, the objectives of the study, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated. A separate submission to the existing IND must be made for each successive clinical trial conducted during product development and for any subsequent protocol amendments.

A sponsor may choose, but is not required, to conduct a foreign clinical study under an IND. When a foreign clinical study is conducted under an IND, all FDA IND requirements must be met unless waived. When the foreign clinical study is not conducted under an IND, the sponsor must ensure that the study complies with cGCP regulations in order to use the study as support for an IND or application for marketing approval, including cGCP regulations, including review and approval by an independent ethics committee and informed consent from subjects.

Furthermore, an independent IRB for each site proposing to conduct the clinical trial must review and approve the plan for any clinical trial and its informed consent form before the clinical trial begins at that site, and must monitor the study until completed. Regulatory authorities, the IRB or the sponsor may suspend a clinical trial at any time on various grounds, including a finding that the subjects are being exposed to an unacceptable health risk or that the trial is unlikely to meet its stated objectives.

Some trials also include oversight by an independent group of qualified experts organized by the clinical trial sponsor, known as a data safety monitoring board, or DSMB. DSMBs provide authorization for whether or not a trial may move forward at designated check points based on access to certain data from the trial and may halt the clinical trial if it determines that there is an unacceptable safety risk for subjects or other grounds, such as no demonstration of efficacy. Other grounds for suspension or termination may be made based on evolving business objectives and/or competitive climate. There are also requirements governing the reporting of ongoing clinical trials and clinical trial results to public registries.

Clinical Trials

For purposes of BLA approval, clinical trials are typically conducted in the following sequential phases:

- Phase 1: The investigational product is initially introduced into healthy human subjects or patients with the target disease or condition. These trials are designed to test the safety, dosage tolerance, absorption, metabolism and distribution of the investigational product in humans and the side effects associated with increasing doses. These trials may also yield early evidence of effectiveness.

- Phase 2: The investigational product is administered to a limited patient population with a specified disease or condition to evaluate the preliminary efficacy, optimal dosages and dosing schedule and to identify possible adverse side effects and safety risks. Multiple Phase 2 clinical trials may be conducted to obtain information prior to beginning larger and more expensive Phase 3 clinical trials.

- Phase 3: The investigational product is administered to an expanded patient population to further evaluate dosage, to provide statistically significant evidence of clinical efficacy and to further test for safety, generally at multiple geographically dispersed clinical trial sites. These clinical trials are intended to generate sufficient data to statistically evaluate the efficacy and safety of the product for approval, to establish the overall risk/benefit ratio of the investigational product and to provide an adequate basis for product approval by the FDA.

These phases may overlap or be combined. In some cases, the FDA may require, or companies may voluntarily pursue, additional clinical trials after a product is approved to gain more information about the product, referred to as Phase 4 trials. Such post-approval trials, when applicable, are conducted following initial approval, typically to develop additional data and information relating to the biological characteristics of the product and treatment of patients in the intended therapeutic indication.

Progress reports detailing the results of the clinical trials must be submitted at least annually to the FDA and more frequently if serious adverse events occur. In addition, IND safety reports must be submitted to the FDA for any of the following: suspected serious and unexpected adverse reactions; findings from epidemiological studies, pooled analysis of multiple studies, animal or *in vitro* testing, or other clinical studies, whether or not conducted under an IND, and whether or not conducted by the sponsor, that suggest a significant risk in humans exposed to the drug; and any clinically important increase in the rate of a serious suspected adverse reaction over such rate listed in the protocol or investigator brochure.

Our planned clinical trials may not be completed successfully within any specified period, or at all. Furthermore, the FDA or the sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research subjects are being exposed to an unacceptable health risk. Similarly, an IRB can suspend or terminate approval of a clinical trial at its institution, or an institution it represents, if the clinical trial is not being conducted in accordance with the IRB's requirements or if the drug has been associated with unexpected serious harm to patients. The FDA will typically inspect one or more clinical sites to assure compliance with cGCP and the integrity of the clinical data submitted.

During clinical development, the sponsor often refines the indication and endpoints on which the BLA will be based. For endpoints based on patient-reported outcomes, or PROs, and outcome reported outcomes, or OROs, the process typically is an iterative one. The FDA has issued guidance on the framework it uses to evaluate PRO instruments. Although the agency may offer advice on optimizing PRO and ORO instruments during the clinical development process, the FDA usually reserves final judgment until it reviews the BLA.

Concurrent with clinical trials, companies often complete additional animal studies, and develop additional information about the chemistry and physical characteristics of the drug and finalize a process

for manufacturing the product in commercial quantities in accordance with cGMP. The manufacturing process must be capable of consistently producing quality batches of the drug candidate and, among other things, must develop methods for testing the identity, strength, quality, purity and potency of the final drug. Additionally, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the drug candidate does not undergo unacceptable deterioration over its shelf life.

BLA Submission and Review

Assuming successful completion of all required clinical testing in accordance with all applicable regulatory requirements, an applicant may submit a BLA requesting licensing to market the biologic for one or more indications in the United States. The BLA must include the results of product development, nonclinical studies and clinical trials; detailed information on the product's chemistry, manufacture, controls; and proposed labeling. Under the Prescription Drug User Fee Amendments, a BLA submission is subject to an application user fee, unless a waiver or exemption applies.

The FDA will initially review the BLA for completeness before accepting it for filing. Under the FDA's procedures, the agency has 60 days from its receipt of a BLA to determine whether the application will be accepted for filing and substantive review. If the agency determines that the application does not meet this initial threshold standard, the FDA may refuse to file the application and request additional information, in which case the application must be resubmitted with the requested information and review of the application delayed.

With certain exceptions, BLAs must include a pediatric assessment, generally based on clinical trial data, of the safety and effectiveness of the biologic in relevant pediatric populations. Under certain circumstances, the FDA may waive or defer the requirement for a pediatric assessment, either at the sponsor's request or by the agency's initiative.

After the BLA is accepted for filing, the FDA reviews the BLA to determine, among other things, whether a product is safe, pure and potent and if the facility in which it is manufactured, processed, packed or held meets standards designed to assure the product's continued identity, strength, quality, safety, purity and potency. The FDA may convene an advisory committee to provide clinical insight on application review questions. Before approving a BLA, the FDA will typically inspect the facility or facilities where the product is manufactured. The FDA will not approve an application unless it determines that the manufacturing processes and facilities comply with cGMP and are adequate to assure consistent production of the product within required specifications. In addition, the FDA expects that all data be reliable and accurate, and requires sponsors to implement meaningful and effective strategies to manage data integrity risks. Data integrity is an important component of the sponsor's responsibility to ensure the safety, efficacy and quality of its product or products.

The FDA will typically inspect one or more clinical sites to assure compliance with cGCP regulations before approving a BLA. If the FDA determines that the application, manufacturing process or manufacturing facilities are not acceptable, it will outline the deficiencies in the submission and often will request additional testing or information. Notwithstanding the submission of any requested additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval.

FDA performance goals generally provide for action on a BLA within 10 months of filing, which (as discussed above) typically occurs within 60 days of submission, but that deadline is extended in certain circumstances. Furthermore, the review process is often significantly extended by FDA requests for additional information or clarification.

The FDA may refer applications for novel products or products that present difficult questions of safety or efficacy to an advisory committee. Typically, an advisory committee consists of a panel that includes clinicians and other experts who will review, evaluate and provide a recommendation as to

whether the application should be approved and, if so, under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions and usually has followed such recommendations.

After the FDA evaluates a BLA and conducts inspections of manufacturing facilities where the investigational product and/or its components will be produced, the FDA may issue an approval letter or a Complete Response Letter, or CRL. An approval letter authorizes commercial marketing of the biologic with specific prescribing information for specific indications. A CRL will describe all of the deficiencies that the FDA has identified in the BLA, except that where the FDA determines that the data supporting the application are inadequate to support approval, the FDA may issue the CRL without first conducting required inspections, testing submitted product lots and/or reviewing proposed labeling. If and when the deficiencies have been addressed to the FDA's satisfaction in a resubmission of the BLA, the FDA will issue an approval letter. In issuing the CRL, the FDA may recommend actions that the applicant might take to place the BLA in condition for approval, including requests for additional data, information or clarification. The FDA may delay or refuse approval of a BLA if applicable regulatory criteria are not satisfied, and may require additional testing or information and/or require post-marketing studies and clinical trials. Even with submission of this additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval.

During the approval process, the FDA will determine whether a REMS is necessary to assure the safe use of the biologic. A REMS is a safety strategy to manage a known or potential serious risk associated with a product and to enable patients to have continued access to such medicines by managing their safe use, and could include medication guides, physician communication plans or elements to assure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. If the FDA concludes that a REMS is needed, the BLA sponsor must submit a proposed REMS and the FDA will not approve the BLA without a REMS that the agency has determined is acceptable.

If the FDA approves a product, it may limit the approved indications for use for the product, or require that contraindications, warnings or precautions be included in the product labeling. The FDA may also require that post-approval studies, including Phase 4 clinical trials, be conducted to further assess the drug's safety after approval. The FDA may prevent or limit further marketing of a product based on the results of post-market studies or surveillance programs.

The FDA may also require testing and surveillance programs to monitor the product after commercialization. For biologics, such testing may include official lot release, which requires the manufacturer to perform certain tests on each lot of the product before it is released for distribution. The manufacturer then typically must submit samples of each lot of product to the FDA, together with a release protocol showing a summary of the history of manufacture of the lot and the results of all of the manufacturer's tests performed on the lot. The FDA may also perform certain confirmatory tests on lots of some products itself, before releasing the lots for distribution by the manufacturer.

After approval, many types of changes to the approved product, such as adding new indications, manufacturing changes and additional labeling claims, are often subject to further testing requirements and FDA review and approval, depending on the nature of the post-approval change. The FDA may withdraw the product approval if compliance with pre- and post-marketing requirements is not maintained or if problems occur after the product reaches the marketplace.

Pediatric Studies

Under the Pediatric Research Equity Act, a BLA or BLA supplement thereto must contain data that are adequate to assess the safety and effectiveness of the drug product for the claimed indications in all relevant pediatric subpopulations, and to support dosing and administration for each pediatric subpopulation for which the product is safe and effective. Those plans must contain an outline of the proposed pediatric study or studies the applicant plans to conduct, including study objectives and design,

any deferral or waiver requests and any other information required by regulation. The applicant, the FDA and the FDA's internal review committee must then review the information submitted, consult with each other, and agree upon a final plan. The FDA or the applicant may request an amendment to the plan at any time. In addition, the FDA Reauthorization Act of 2017 requires the FDA to meet early in the development process to discuss pediatric study plans with drug sponsors. The law requires the FDA to meet with drug sponsors by no later than the end-of-Phase 1 meeting for serious or life-threatening diseases and by no later than 90 days after the FDA's receipt of the study plan.

The FDA may, on its own initiative or at the request of the applicant, grant deferrals for submission of some or all pediatric data until after approval of the product for use in adults, or full or partial waivers from the pediatric data requirements. For example, the requirement for such studies or clinical trials may be waived if necessary studies or clinical trials in children are impossible, there is strong evidence suggesting the drug will not be effective or safe in children, the drug does not represent a meaningful therapeutic benefit over existing therapies for children, or the drug is not likely to be used in a substantial number of children. Such studies or clinical trials may also be deferred if the drug is ready for approval in adults before pediatric studies or clinical trials are completed or due to concerns about the safety or effectiveness of the drugs in pediatric populations. When such studies or clinical trials are deferred, they will be reported as post-marketing requirements. Pediatric data requirements do not apply to products with orphan designation.

Post-Approval Requirements

Any products manufactured or distributed pursuant to FDA approvals are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to recordkeeping, periodic reporting, reporting of certain deviations and adverse experiences, product sampling and distribution and advertising and promotion of the product. After approval, most changes to the approved product, such as adding new indications or other labeling claims, are subject to FDA review and approval. There also are continuing user fee requirements, under which FDA assesses an annual program fee for each product identified in an approved BLA. Biologic manufacturers and their third-party contractors are required to register their establishments with the FDA and certain state agencies. These establishments are subject to routine and periodic unannounced inspections by the FDA and certain state agencies for compliance with cGMP and data integrity requirements, which impose certain procedural and documentation requirements to assure quality of manufacturing and product. FDA has increasingly observed cGMP violations involving data integrity during site inspections and is a significant focus of its oversight. Requirements with respect to data integrity include, among other things, controls to ensure data are complete and secure; activities documented at the time of performance; audit trail functionality; authorized access and limitations; validated computer systems; and review of records for accuracy, completeness and compliance with established standards.

Post-approval changes to the manufacturing process are strictly regulated, and, depending on the significance of the change, may require FDA approval before being implemented. FDA regulations also require investigation and correction of any deviations from cGMP and impose reporting requirements upon us and any third-party manufacturers that we may decide to use. Accordingly, manufacturers must continue to expend time, money and effort in the area of production and quality control to maintain compliance with cGMP, data integrity, pharmacovigilance and other aspects of regulatory compliance.

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

assess new safety risks; or imposition of distribution or other restrictions under a REMS. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of a product, complete withdrawal of the product from the market or product recalls;
- fines, Warning Letters, Untitled Letters or holds on post-approval clinical studies;
- refusal of the FDA to approve pending applications or supplements to approved applications, or suspension or revocation of existing product approvals;
- product seizure or detention, or refusal of the FDA to permit the import or export of products or Import Alert; or
- permanent injunctions and consent decrees, including the imposition of civil or criminal penalties.

The FDA strictly regulates the marketing, labeling, advertising and promotion of prescription drug products placed on the market. A company can make only those claims relating to safety and efficacy, purity and potency that are approved by the FDA and in accordance with the provisions of the approved label. The FDA's regulation includes, among other things, standards and regulations for direct-to-consumer advertising, communications regarding unapproved uses, industry-sponsored scientific and educational activities and promotional activities involving the Internet and social media. Promotional claims relating to a product's safety or effectiveness are prohibited before the drug is approved. After approval, a product generally may not be promoted for uses that are not approved by the FDA, as reflected in the product's prescribing information. In the United States, healthcare professionals are generally permitted to prescribe drugs for such uses not described in the drug's labeling, known as off-label uses, because the FDA does not regulate the practice of medicine. However, FDA regulations impose rigorous restrictions on manufacturers' communications, prohibiting the promotion of off-label uses. It may be permissible, under very specific, narrow conditions, for a manufacturer to engage in non-promotional, non-misleading communication regarding off-label information, such as distributing scientific or medical journal information.

If a company is found to have promoted off-label uses, it may become subject to adverse public relations and administrative and judicial enforcement by the FDA, the DOJ or the Office of the Inspector General of the Department of Health and Human Services, as well as other federal and state authorities. This could subject a company to a range of penalties that could have a significant commercial impact, including civil and criminal fines and agreements that materially restrict the manner in which a company promotes or distributes products. The federal government has levied large civil and criminal fines against companies for alleged improper promotion, and has also requested that companies enter into consent decrees and permanent injunctions under which specified promotional conduct is changed or curtailed.

The distribution of prescription drug and biologic are subject to the Drug Supply Chain Security Act, or DSCSA, which requires manufacturers and other stakeholders to comply with product identification, tracing, verification, detection and response, notification and licensing requirements. In addition, the Prescription Drug Marketing Act, or PDMA, and its implementing regulations, and state laws limit the distribution of prescription pharmaceutical product samples, and the DSCSA imposes requirements to ensure accountability in distribution and to identify and remove prescription drug and biological products that may be counterfeit, stolen, contaminated, or otherwise harmful from the market.

Patent Term Restoration and Marketing Exclusivity

After approval, owners of relevant drug or biological product patents may apply for up to a five year patent extension to restore a portion of patent term lost during product development and FDA review of a BLA if approval of the application is the first permitted commercial marketing or use of a biologic containing the active ingredient under the Drug Price Competition and Patent Term Restoration Act of

1984, referred to as the Hatch-Waxman Act. The allowable patent term extension is calculated as one-half of the product's testing phase, which is the time between IND and BLA submission, and all of the review phase, which is the time between BLA submission and approval, up to a maximum of five years. The time can be shortened if the FDA determines that the applicant did not pursue approval with due diligence. The total patent term after the extension may not exceed more than 14 years from the date of FDA approval of the product. Only one patent claiming each approved product is eligible for restoration and the patent holder must apply for restoration within 60 days of approval. The USPTO, in consultation with the FDA, reviews and approves the application for patent term restoration.

For patents that might expire during the application phase, the patent owner may request an interim patent extension. An interim patent extension increases the patent term by one year and may be renewed up to four times. For each interim patent extension granted, the post-approval patent extension is reduced by one year. The director of the USPTO must determine that approval of the product candidate covered by the patent for which a patent extension is being sought is likely. Interim patent extensions are not available for a product candidate for which a BLA has not been submitted.

Biosimilars and Marketing Exclusivities

The Biologics Price Competition and Innovation Act, or BPCIA, created an abbreviated approval pathway for biological product candidates shown to be highly similar to or interchangeable with an FDA licensed reference biological product. Biosimilarity sufficient to reference a prior FDA-approved product requires that there be no differences in conditions of use, route of administration, dosage form and strength, and no clinically meaningful differences between the biological product candidate and the reference product in terms of safety, purity and potency. Biosimilarity must be shown through analytical trials, animal trials and at least one clinical trial, unless the Secretary of Health and Human Services waives a required element. A biosimilar product candidate may be deemed interchangeable with a prior approved product if it meets the higher hurdle of demonstrating that it can be expected to produce the same clinical results as the reference product and, for products administered multiple times, the biologic and the reference biologic may be switched after one has been previously administered without increasing safety risks or risks of diminished efficacy relative to exclusive use of the reference biologic. To date, a handful of biosimilar products and no interchangeable products have been approved under the BPCIA. Complexities associated with the larger, and often more complex, structures of biologics, as well as the process by which such products are manufactured, pose significant hurdles to implementation of the abbreviated approval pathway that are still being worked out by the FDA.

A reference biologic is granted 12 years of exclusivity from the time of first licensure of the reference product, and no application for a biosimilar can be submitted for four years from the date of licensure of the reference product. The first biologic product candidate submitted under the abbreviated approval pathway that is determined to be interchangeable with the reference product has exclusivity against a finding of interchangeability for other biologics for the same condition of use for the lesser of (i) one year after first commercial marketing of the first interchangeable biosimilar, (ii) 18 months after the first interchangeable biosimilar is approved if there is no patent challenge, (iii) 18 months after resolution of a lawsuit over the patents of the reference biologic in favor of the first interchangeable biosimilar applicant, or (iv) 42 months after the first interchangeable biosimilar's application has been approved if a patent lawsuit is ongoing within the 42 month period. At this time, it is unclear whether products deemed "interchangeable" by the FDA will, in fact, be readily substituted by pharmacies, which are governed by state pharmacy laws and regulations.

If a biologic is designated and approved for an orphan indication, it will be granted seven years of orphan drug exclusivity. An orphan indication is granted to biological products and drugs designated and approved to treat diseases or conditions affecting fewer than 200,000 individuals in the United States, or if there is no reasonable expectation that the sponsor will be able to recover the costs of developing and marketing the drug or biological product in the United States. A biosimilar may not be licensed by FDA

for the protected orphan indication until after the expiration of the seven year orphan drug exclusivity period or the 12 year reference product exclusivity, whichever is later.

Pediatric exclusivity adds an additional six month exclusivity period to any marketing exclusivities and patents that a biological product has obtained. In order to obtain pediatric exclusivity, a BLA sponsor must conduct pediatric studies as requested by the FDA in a Written Request. The data do not need to show the product to be effective in the pediatric population studied; rather, if the clinical trial is deemed to fairly respond to the FDA's request, the additional protection is granted. If reports of requested pediatric studies are submitted to and accepted by the FDA within the statutory time limits, whatever statutory or regulatory periods of exclusivity or patent protection cover the product are extended by six months. While pediatric exclusivity is not an actual extension on a patent term, it effectively extends the preclusive effect of the patent on FDA's authority to approve another application that relies on the product with pediatric exclusivity.

The BPCIA is complex and continues to be interpreted and implemented by the FDA. The FDA has issued several guidance documents outlining an approach to review and approval of biosimilars. In July 2018, the FDA released its Biosimilars Action Plan to improve the efficiency of the biosimilar and interchangeable product development and approval process. Other aspects of the BPCIA, some of which may impact the BPCIA exclusivity provisions, have also been the subject of recent litigation. As a result, the ultimate impact, implementation and impact of the BPCIA is subject to significant uncertainty.

Regulation of Companion Diagnostics and Laboratory Developed Tests

A companion diagnostic is an *in vitro* diagnostic that can: identify the patients most likely to benefit from a particular therapeutic product; identify those likely to be at an increased risk for serious side effects; or monitor responses to treatment with a particular therapeutic product for the purpose of adjusting treatment to achieve improved safety or effectiveness. Under the FDCA, *in vitro* companion diagnostics are generally regulated as medical devices. The FDA has generally classified *in vitro* companion diagnostics as high-risk, Class III devices, which require FDA approval of a premarket approval application, or PMA, but recognizes the possibility of a moderate-risk IVD companion diagnostic (*i.e.*, Class II device), which would require clearance of a 510(k) premarket notification or grant of a *de novo* request. Approval or clearance of the *in vitro* companion diagnostic device will ensure that the device has been adequately evaluated and has adequate performance characteristics in the intended population.

For those *in vitro* companion diagnostics that require PMA approval, the process involves gathering and submitting clinical and preclinical data on the device for review by the FDA. It involves a rigorous premarket review, during which the applicant must provide the FDA with reasonable assurance of the device's safety and effectiveness, as well as information regarding the device's design, manufacturing and labeling. In addition, the FDA will typically inspect the device manufacturer's facilities for compliance with the Quality System Regulation, which imposes testing, control, documentation and other quality assurance requirements.

The FDA has issued guidance on the approval of therapeutic products and *in vitro* companion diagnostic devices. According to the FDA's guidance, for novel therapeutic products including biologics, an *in vitro* companion diagnostic device and its corresponding therapeutic should be approved or cleared contemporaneously by the FDA for the use indicated in the therapeutic product's labeling.

In some cases, information from a diagnostic test may be useful to a prescriber, but not necessary for the safe and effective administration of the therapeutic product. In those cases, health care providers may employ information derived from a laboratory developed test, or LDT, when administering a therapeutic product. An LDT is a type of *in vitro* diagnostic test that is designed, manufactured and used within a single laboratory. LDTs can be used to measure or detect a wide variety of analytes (substances such as proteins, chemical compounds like glucose or cholesterol, or DNA), in a sample taken from a human body.

Currently the Centers for Medicare and Medicaid Services, or CMS, regulates LDTs and the laboratories that develop them, and enforces the Clinical Laboratories Improvement Amendments, or CLIA. CMS evaluates whether there is clinical utility for each specific test, and also performs postmarket oversight of laboratory operational processes. CMS's oversight through the CLIA program is designed to confirm that a lab assesses analytical validity, but does not confirm whether it had results from an analytical validity assessment that were sufficient to support the claimed intended use of the test.

Historically the FDA has generally not enforced premarket review and other FDA requirements on LDTs because LDTs were relatively simple lab tests and generally available on a limited basis. Due to advances in technology, however, some LDTs are now much more complex, have a nationwide reach and present higher risks, such as detection of risk for breast cancer and Alzheimer's disease, which are similar to those of other IV *in vitro* diagnostics that have undergone premarket review.

The FDA has announced that in the future it intends to assert jurisdiction over LDTs and proposed increasing regulatory requirements for LDTs through a risk-based framework. The FDA received considerable resistance to its proposal, and to date generally exercises enforcement discretion with respect to LDTs, leaving responsibility to CMS.

New laws, regulations or changes to existing laws, regulations and policies may result in changes to the requirements for LDTs or *in vitro* diagnostic devices and to the FDA's compliance and enforcement policies.

Healthcare Regulation

Pharmaceutical Coverage and Reimbursement

Our ability to successfully commercialize any of our product candidates for which we may receive regulatory approval will depend in significant part on the availability of coverage and reimbursement from third-party payors, including governmental healthcare programs such as the Medicare and Medicaid programs in the U.S.; private health insurers; managed care organizations; and other entities. Third-party payors establish the coverage and reimbursement policies for pharmaceutical products, and the marketability of any products for which we may receive regulatory approval for commercial sale depends on those payors' coverage policies and reimbursement rates. Third-party payors may limit coverage to specific products on an approved list, or formulary, which might not include one or more of our product candidates. Third-party payors, together with regulators and others, are increasingly challenging the prices charged for pharmaceutical products and health services, in addition to their cost-effectiveness, safety and efficacy.

In addition, no uniform policy for coverage and reimbursement exists in the United States. Third-party payors often rely upon Medicare coverage policy and payment limitations in setting their own coverage and reimbursement policies, but also have their own methods and approval process apart from Medicare determinations. Therefore, coverage and reimbursement rates can vary significantly from payor to payor.

Moreover, obtaining coverage and adequate reimbursement is a time-consuming and costly process. We may be required to provide scientific and clinical support for the use of any product to each third-party payor separately with no assurance that approval will be obtained, and we may need to conduct expensive pharmacoeconomic studies in order to demonstrate the cost-effectiveness of our products. We cannot be certain that our product candidates will be considered cost-effective by third-party payors. This process could delay the market acceptance of any product candidates for which we may receive approval and could have a negative effect on our future revenues and operating results.

Other U.S. Healthcare Laws and Compliance Requirements

In the United States, our business may be subject to healthcare fraud and abuse regulation and enforcement by both the federal government and the states in which we conduct our business, particularly once third-party reimbursement becomes available for one or more of our products. The healthcare fraud and abuse laws and regulations that may affect our ability to operate include but are not limited to:

- The federal Anti-Kickback Statute, which prohibits, among other things, knowingly and willfully soliciting, receiving, offering or paying any remuneration (including any kickback, bribe or rebate), directly or indirectly, overtly or covertly, in cash or in kind, to induce, or in return for, either the referral of an individual, or the purchase, lease, order or recommendation of any good, facility, item or service for which payment may be made, in whole or in part, under the Medicare and Medicaid programs, or other federal healthcare programs. A person or entity can be found guilty of violating the statute without actual knowledge of the statute or specific intent to violate it. The federal Anti-Kickback Statute has been interpreted to apply to arrangements between pharmaceutical manufacturers on the one hand and prescribers, purchasers, and formulary managers on the other. Although there are a number of statutory exceptions and regulatory safe harbors to the federal Anti-Kickback Law protecting certain common business arrangements and activities from prosecution or regulatory sanctions, the exceptions and safe harbors are drawn narrowly, and practices that involve remuneration to those who prescribe, purchase, or recommend pharmaceutical and biological products, including certain discounts, or engaging such individuals as speakers or consultants, may be subject to scrutiny if they do not fit squarely within an exception or safe harbor. Our practices may not in all cases meet all of the criteria for safe harbor protection from anti-kickback liability. Moreover, there are no safe harbors for many common practices, such as educational and research grants or patient or product assistance programs;

- The federal civil and criminal false claims laws and civil monetary penalty laws, including the civil False Claims Act, or FCA, which prohibits, among other things, knowingly presenting, or causing to be presented, claims for payment of government funds that are false or fraudulent, or knowingly making, or using or causing to be made or used, a false record or statement material to a false or fraudulent claim to avoid, decrease, or conceal an obligation to pay money to the federal government. Private individuals, commonly known as "whistleblowers," can bring FCA *qui tam* actions, on behalf of the government and such individuals and may share in amounts paid by the entity to the government in recovery or settlement. In addition, a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the FCA. FCA liability is potentially significant in the healthcare industry because the statute provides for treble damages and significant mandatory penalties per false claim or statement for violations. Criminal penalties, including imprisonment and criminal fines, are also possible for making or presenting a false, fictitious or fraudulent claim to the federal government;

- The federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which, among other things, prohibits executing a scheme to defraud any healthcare benefit program, including private third-party payors, and prohibits (i) knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement or representation and (ii) making or using any false writing or document knowing the same to contain any materially false, fictitious or fraudulent statement or entry in connection with the delivery of or payment for healthcare benefits, items or services. Similar to the federal Anti-Kickback Statute, a person or entity can be found guilty of violating the HIPAA fraud provisions without actual knowledge of the statute or specific intent to violate it;

- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, and their respective implementing regulations, which impose requirements relating to the privacy, security and transmission of individually identifiable health information held

by covered entities, including health plans, healthcare clearinghouses and certain healthcare providers, and their business associates, individuals or entities that perform certain services on behalf of a covered entity that involve the use or disclosure of individually identifiable health information. HITECH also created new tiers of civil monetary penalties, amended HIPAA to make civil and criminal penalties directly applicable to business associates and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce HIPAA and seek attorneys' fees and costs associated with pursuing federal civil actions;

- The federal Physician Payments Sunshine Act, being implemented as the Open Payments Program, which requires manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) to report annually to CMS information related to direct or indirect payments and other transfers of value to physicians and teaching hospitals, as well as ownership and investment interests held in a company by physicians and their immediate family members. Beginning in 2022, applicable manufacturers will also be required to report information regarding payments and transfers of value provided to physician assistants, nurse practitioners, clinical nurse specialists, certified nurse anesthetists and certified nurse-midwives; and

- Analogous U.S. state and local laws and regulations, such as state anti-kickback and false claims laws, which may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers; state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government or otherwise restrict payments that may be made to healthcare providers; state laws that restrict the ability of manufacturers to offer co-pay support to patients for certain prescription drugs; state laws that require drug manufacturers to report information related to clinical trials, or information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures; state laws that require drug manufacturers to report information on the pricing of certain drugs; state laws and local ordinances that require identification or licensing of sales representatives; and state laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

We will be required to spend substantial time and money to ensure that our business arrangements with third parties comply with applicable healthcare laws and regulations. Even then, governmental authorities may conclude that our business practices do not comply with current or future statutes, regulations or case law involving applicable fraud and abuse or other healthcare laws and regulations. If governmental authorities find that our operations violate any of these laws or any other governmental regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, damages, fines, disgorgement, individual imprisonment, exclusion from government funded healthcare programs, such as Medicare and Medicaid, and additional reporting obligations and oversight if we become subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with these laws, and we may be required to curtail or restructure our operations. Moreover, we expect that there will continue to be federal and state laws and regulations, proposed and implemented, that could impact our operations and business. In addition, the approval and commercialization of any product candidate we develop outside the United States will also likely subject us to foreign equivalents of the healthcare laws mentioned above, among other foreign laws. The extent to which future legislation or regulations, if any, relating to health care fraud and abuse laws or enforcement, may be enacted or what effect such legislation or regulation would have on our business remains uncertain.

Healthcare Reform

In the United States there have been, and continue to be, several legislative and regulatory changes and proposed reforms of the healthcare system to contain costs, improve quality and expand access to care. In the United States, there have been and continue to be a number of healthcare-related legislative initiatives that have significantly affected the pharmaceutical industry. For example, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, or collectively, the ACA, was passed in March 2010, substantially changing the way healthcare is financed by both governmental and private insurers and significantly impacting the U.S. pharmaceutical industry. Among other things, the ACA subjects biologics to potential competition by lower-cost biosimilars; 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; 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; establishes annual fees and taxes on manufacturers of certain branded prescription drugs; and creates a new Medicare Part D coverage gap discount program in which, as a condition of coverage of its products under Medicare Part D, manufacturers must now agree to offer 70% point-of-sale discounts off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period.

Some of the provisions of the ACA have yet to be fully implemented, while certain provisions have been subject to judicial and Congressional challenges. In addition, there have been efforts by the Trump Administration to repeal or replace certain aspects of the ACA and to alter the implementation of the ACA and related laws. For example, Congress has considered legislation that would repeal or repeal and replace all or part of the ACA. While Congress has not passed comprehensive repeal legislation, bills affecting the implementation of certain taxes under the ACA have been signed into law. The Tax Cuts and Jobs Act of 2017, or the Tax Act, includes a provision repealing, effective January 1, 2019, the tax-based shared responsibility payment imposed by the ACA on certain individuals who fail to maintain qualifying health coverage for all or part of a year commonly referred to as the "individual mandate." On January 22, 2018, President Trump signed a continuing resolution on appropriations for fiscal year 2018 that delayed the implementation of certain ACA-mandated fees, including the so-called "Cadillac" tax on certain high cost employer-sponsored insurance plans, the annual fee imposed on certain high cost employer-sponsored insurance plans, the annual fee imposed on certain health insurance providers based on market share and the medical device excise tax on non-exempt medical devices. The Bipartisan Budget Act of 2018, or the BBA, among other things, amends the ACA, effective January 1, 2019, to reduce the coverage gap in most Medicare drug plans, commonly referred to as the "donut hole." Also, in July 2018, CMS issued a final rule permitting further collections and payments to and from certain ACA qualified health plans and health insurance issuers under the ACA risk adjustment program in response to the outcome of federal district court litigation regarding the method CMS uses to determine this risk adjustment. Additional legislative changes or regulatory changes related to the ACA remain possible. In December 2018, a United States District Court Judge for the Northern District of Texas ruled that the entire ACA is unconstitutional because the tax penalty associated with the "individual mandate" was repealed by Congress as part of the Tax Act. This ruling is under appeal and stayed pending appeal. While the United States District Court Judge for the Northern District of Texas, as well as the Trump Administration and CMS, have stated that the ruling will have no effect while this appeal is pending, it is unclear how this decision, subsequent appeals and other efforts to invalidate the ACA, regulations promulgated under the ACA or portions thereof, will impact the ACA and its implementation.

Additionally, 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 and enacted federal and state legislation designed to, among other things, bring more transparency to drug pricing; reduce the cost of prescription drugs under Medicare; review the relationship between pricing and manufacturer patient programs; and reform government program

reimbursement methodologies for drugs. For example, the Trump Administration released a "Blueprint" to lower drug prices and reduce out of pocket costs of drugs that contains additional proposals to increase manufacturer competition, increase the negotiating power of certain federal healthcare programs, incentivize manufacturers to lower the list price of their products and reduce the out of pocket costs of drug products paid by consumers. Although a number of these, and other proposed measures will require authorization through additional legislation to become effective, Congress and the Trump Administration have each indicated that they will continue to seek new legislative and/or administrative measures to control drug costs. Individual states in the United States have also increasingly passed legislation and implemented regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement limitations, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. In addition, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other healthcare programs.

Moreover, 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.

Employees

As of December 31, 2018, we had 40 full-time employees, of which 30 were primarily engaged in research and development activities and 19 hold M.D. or Ph.D. degrees. None of our employees is represented by labor unions or covered by collective bargaining agreements. We consider our relationship with our employees to be good.

Facilities

Our corporate headquarters are currently located in Beltsville, Maryland and consist of 11,329 square feet of office space and 13,579 square feet of laboratory and manufacturing space under a lease that expires in August 2025. In January 2019, we entered into a new lease for an additional 14,075 square feet to be used for office, laboratory and manufacturing space that we expect to take possession of in June 2019. The new lease is expected to expire in March 2030 and will also cover our existing space after the expiration of our current lease. We believe that these facilities are adequate for our current needs and that suitable additional or substitute space will be available in the future if needed.

Legal Proceedings

From time to time, we may become involved in litigation or other legal proceedings as part of our ordinary course of business. We are not currently a party to any litigation or legal proceedings that, in the opinion of our management, are likely to have a material adverse effect on our business.

MANAGEMENT

Executive Officers and Directors

The following table sets forth the name and position of each of our executive officers and directors, and their ages as of January 28, 2019:

Name	Age	Position(s)
Executive Officers and Employee Directors		
Michael Richman	57	President, Chief Executive Officer and Director
Steven P. Cobourn, CPA	55	Chief Financial Officer
Kevin N. Heller, M.D.	47	Chief Medical Officer
James B. Bingham, Ph.D.	52	Chief Development Officer
Sol Langermann, Ph.D.	59	Chief Scientific Officer
Timothy Mayer, Ph.D.	54	Senior Vice President, Corporate Development
Linda Liu, Ph.D.	52	Senior Vice President, Research
Non-Employee Directors		
David Kabakoff, Ph.D.[(1)(2)]	71	Chair of our Board of Directors
Elaine V. Jones, Ph.D.[(1)(3)]	64	Director
Chau Q. Khuong[(1)(3)]	43	Director
Judith J. Li[(2)]	34	Director
Timothy M. Shannon, M.D.[(2)(3)]	60	Director
Stella Xu, Ph.D.[(3)]	48	Director

(1) Member of the audit committee.

(2) Member of the compensation committee.

(3) Member of the nominating and corporate governance committee.

Executive Officers

Michael Richman co-founded our company and has served as our President, Chief Executive Officer and a member of our board of directors since October 2015. Mr. Richman served as President and Chief Executive Officer of Amplimmune, Inc. (now MedImmune, LLC), a biopharmaceutical company focused on immuno-oncology, from 2007 to August 2015, including through Amplimmune's acquisition by AstraZeneca plc in October 2013. Before Amplimmune, Mr. Richman served as Executive Vice President and Chief Operating Officer of MacroGenics, Inc., a biopharmaceutical company focused on the treatment of cancer, from 2002 to 2007. Mr. Richman joined MacroGenics with approximately 20 years' experience in corporate business development within the biotechnology industry. Mr. Richman has served as a director of Pieris Pharmaceuticals, Inc., a public company, since December 2014 and as a director of Madison Vaccines, Inc., a private company, since May 2014. Mr. Richman was previously a member of the board of directors of GenVec, Inc. from April 2015 until its acquisition by Intrexon Corporation in June 2017 and Opexa Therapeutics, Inc. from June 2006 until its acquisition by Acer Therapeutics in September 2017. Mr. Richman received a B.S. in genetics and molecular biology from the University of California at Davis and an M.S.B.A. in international business from San Francisco State University.

We believe that Mr. Richman is qualified to serve on our board of directors because of his service as our President and Chief Executive Officer, his service on the boards of other private and public life sciences companies and his extensive knowledge of our company and industry, including comprehensive experience in financing, corporate management, research and business development.

Steven P. Cobourn, CPA has served as our Chief Financial Officer since January 2018. Previously, he served as Chief Financial Officer of Vaccinex, Inc., a biotechnology company, from May 2014 to January

2018. Prior to joining Vaccinex, Mr. Cobourn was the Vice President of Finance and Treasurer of Otsuka America Pharmaceutical, Inc., a private pharmaceutical company, from 2003 to April 2014, and served in other roles at Otsuka America Pharmaceutical from 1993 to 2003. Prior to joining Otsuka America Pharmaceutical, Mr. Cobourn was a Certified Public Accountant at Hass & Company LLC, an accounting firm. Mr. Cobourn received a B.S. in business administration from Drexel University and is a Certified Public Accountant.

Kevin N. Heller, M.D. has served as our Chief Medical Officer since April 2018. He has also served as an Adjunct Professor at the Yale University School of Medicine since October 2018. Dr. Heller served as head of antibody clinical development at Incyte Corporation, a biotechnology company, from May 2015 to April 2018 and as Global Medical Lead for the vandetanib program at AstraZeneca plc from May 2013 to May 2015. Prior to joining AstraZeneca plc, Dr. Heller served as an early clinical development lead for multiple programs, clinical strategy lead for ipilumumab and global lead for oncology search and evaluation in the business development group at Bristol-Meyers Squibb Company from 2007 to 2013. Dr. Heller received a B.S. in molecular biophysics and biochemistry from Yale University and an M.D. from George Washington University.

James B. Bingham, Ph.D. has served as our Chief Development Officer since December 2018 and previously served as our Senior Vice President, Development and Manufacturing from October 2015 to December 2018. Dr. Bingham has also served as President of MMG Biopharmaceuticals Consulting, LLC since November 2008. Prior to joining NextCure, Dr. Bingham held various positions at Amplimmune from 2007 to July 2015, including Senior Vice President of Development, Manufacturing and Quality from January 2013 to July 2015. Dr. Bingham served as Associate Director of Microbial Research & Development at Cambrex Corporation and, after its acquisition of Cambrex, Lonza Group AG from 2006 to 2007. Dr. Bingham also worked for Human Genome Sciences, Inc. (acquired by GlaxoSmithKline plc), or HGS, from 2000 to 2006. Prior to joining HGS, Dr. Bingham was also employed at MedImmune and Integrated Genetics (now part of Laboratory Corporation of America Holdings). Dr. Bingham received a B.S. in biology from St. Michael's College and a Ph.D. in biological chemistry from The Johns Hopkins University.

Sol Langermann, Ph.D. has served as our Chief Scientific Officer since December 2018 and previously served as our Senior Vice President, Research from October 2015 to December 2018. Prior to joining NextCure, Dr. Langermann served as Senior Vice President and Chief Scientific Officer of Amplimmune from 2007 to July 2015. Dr. Langermann previously served as Chief Scientific Officer at PharmAthene, Inc., which was later acquired by Altimmune, Inc., from 2004 to 2007. Prior to PharmAthene, he held several positions at MedImmune, LLC, including Senior Director of Cell Biology, Director of Immunology and Molecular Genetics and Research Scientist in Immunology. Dr. Langermann received a B.A. in philosophy of science from Columbia College, an M.L.A. in immunology from Harvard University and a Ph.D. in microbiology and molecular biology from Tufts University. He completed his postdoctoral fellowship in mucosal immunology at Harvard University.

Timothy Mayer, Ph.D. has served as our Senior Vice President, Corporate Development since December 2018 and previously served as our Vice President, Business Development from February 2016 to December 2018. Prior to joining NextCure, Dr. Mayer held several positions at MacroGenics, Inc., a biopharmaceutical company focused on the treatment of cancer, from 2004 to February 2016, including Senior Director, Intellectual Property from 2009 to February 2016. Prior to that, Dr. Mayer worked on biotechnology and pharmaceutical patent matters as a Technical Specialist at Banner & Witcoff, Ltd., an intellectual property law firm, from 2000 to 2004. Dr. Mayer received a B.S. in microbiology and a B.S. in biochemistry from California Polytechnic State University and a Ph.D. in microbiology and immunology from the Pennsylvania State University College of Medicine.

Linda N. Liu, Ph.D. has served as our Senior Vice President, Research since December 2018 and previously served as our Vice President, Translational Research from October 2015 to December 2018.

Prior to joining NextCure, Dr. Liu held several positions at Amplimmune from 2007 to August 2015, including Executive Director of Translational Science/Scientific Affairs and Vice President of New Product Development from January 2013 to August 2015. She served as a Senior Director of Biological Product Development at MaxCyte, Inc., a clinical stage biotechnology company aimed at commercializing cell loading technology, from 2000 to 2007 and as a Senior Scientist at Osiris Therapeutics, Inc. from 1999 to 2000. Dr. Liu received a B.S. in virology and molecular biology from Wuhan University in China and a Ph.D. in virology and cell biology from the University of Texas at Austin. She conducted her postdoctoral training in tumor cell biology at the St. Jude Children's Research Hospital.

Non-Employee Directors

David Kabakoff, Ph.D. has served as Chair of our board of directors since December 2015. Dr. Kabakoff has served as Executive Partner at Sofinnova Investments, Inc. since May 2007 and became a founding Partner of HealthQuest Capital in 2012. Dr. Kabakoff currently serves on the board of directors of several privately held life sciences companies, including Dauntless Pharmaceuticals, Inc., Rainier Therapeutics, Neurana Pharmaceuticals, Lineagen, Inc., where he serves as chairman, bioTheranostics, Inc., Castle Biosciences, Inc. and Antiva Biosciences, Inc. Mr. Kabakoff has previously served as a director of several other publicly traded and privately held life sciences companies, including Principia Biopharma, Inc. from June 2016 until August 2018 in advance of Principia's September 2018 initial public offering and publicly traded lnterMune, Inc. from November 2005 to September 2014, including Amplimmune. In 2001, Dr. Kabakoff co-founded Salmedix, Inc., a company that developed cancer drug treatments, and served as the company's Chairman and Chief Executive Officer and led its acquisition in June 2005 by Cephalon, Inc. Previously, Dr. Kabakoff held the positions of Executive Vice President of Dura Pharmaceuticals, Inc. and President and Chief Executive Officer of Spiros, both pharmaceutical companies, Chief Executive Officer of Corvas International, Inc., a developer of biotherapeutics, and held senior executive positions with Hybritech, a biotechnology company. Dr. Kabakoff received a B.A. in chemistry from Case Western Reserve University and a Ph.D. in chemistry from Yale University.

We believe Dr. Kabakoff is qualified to serve as a member of our board of directors due to his extensive experience in the biotechnology industry and his investing experience.

Elaine V. Jones, Ph.D. has served as a member of our board of directors since December 2015. Dr. Jones has served as Vice President, Worldwide Business Development and Senior Partner at Pfizer Ventures, where she is responsible for making and managing venture investments of strategic interest to Pfizer Inc., since December 2008. Prior to joining Pfizer, Dr. Jones was a General Partner with EuclidSR Partners. She began her private equity career in 1999 at S.R. One, GlaxoSmithKline's venture fund. Before that, she was Director of Scientific Licensing for SmithKline Beecham and a research scientist for SmithKline Beecham Pharmaceutical R&D. Dr. Jones currently serves on the board of directors for various privately held companies and also serves as a trustee of Juniata College. Dr. Jones previously served on the boards of directors of several publicly traded healthcare companies, including Mersana Therapeutics, Inc. from February 2015 to June 2018, Mirna Therapeutics, Inc. from December 2012 to June 2016, CytomX Therapeutics, Inc. from December 2014 to June 2016, Aquinox Pharmaceuticals, Inc. from June 2010 to February 2015 and Flexion Therapeutics, Inc. from December 2009 to June 2014. Dr. Jones received a B.S. in biology from Juniata College and a Ph.D. in microbiology from the University of Pittsburgh.

We believe that Dr. Jones is qualified to serve as a member of our board of directors due to her scientific and pharmaceutical industry background, as well as her extensive experience in the venture capital industry.

Chau Q. Khuong has served as a member of our board of directors since December 2015. Mr. Khuong has served as a Private Equity Partner at OrbiMed Advisors LLC, a venture capital and asset management firm, since 2003. Mr. Khuong currently serves as a director of several publicly traded companies, including Bellus Health since December 2018, Synlogic, Inc. since February 2016, Inspire Medical Systems, Inc. since

May 2014 and Aerpio Pharmaceuticals, Inc. since April 2014, and previously served as a director of Nabriva Therapeutics plc (formerly Nabriva Therapeutics AG) from April 2015 to August 2017, Otonomy, Inc. from August 2013 to July 2016 and as chairman of the board of directors of Pieris Pharmaceuticals, Inc. from December 2014 to November 2017. Mr. Khuong has also served on the board of directors for several privately held companies. Mr. Khuong received a B.S. in molecular biology with concentration in biotechnology and a M.P.H. with concentration in infectious diseases from Yale University.

We believe that Mr. Khuong is qualified to serve as a member of our board of directors due to his extensive directorship and healthcare industry experience.

Judith J. Li has served as a member of our board of directors since December 2015. Ms. Li has served as a Partner at Lilly Asia Ventures, which focuses on early- and growth-stage life sciences investments, since April 2015 and prior to that served as Principal at Lilly Asia Ventures from November 2013 to April 2015. Ms. Li has served as a director of publicly traded Gritstone Oncology, Inc. since September 2017 and holds board appointments at a variety of Lilly Asia Ventures' private portfolio companies, including Just Biotherapeutics, Inc. and Veritas Genetics Inc. From April 2014 to December 2017, she served on the board of Crown BioScience Inc., a biotechnology company that was publicly listed on the Taiwan Stock Exchange until it was acquired in December 2017. Prior to joining Lilly Asia Ventures, Ms. Li served as a senior business analyst at McKinsey & Company, worked in hospital administration at Partners Healthcare, and co-founded an interventional nephrology medical device venture. Ms. Li received a B.A. in biology from Harvard University and an M.B.A. from Harvard Business School.

We believe that Ms. Li is qualified to serve on our board of directors due to her experience as a board member of biotechnology and pharmaceutical companies and her experience as an investor in early-stage life sciences companies.

Timothy M. Shannon, M.D. has served as a member of our board of directors since December 2015. Dr. Shannon has served as a General Partner at Canaan Partners since November 2009. Dr. Shannon has also served as the chairman of the board of directors at Arvinas, Inc., a publicly traded biopharmaceutical company focused on therapies to degrade disease-causing proteins, since July 2013. Dr. Shannon was the President and Chief Executive Officer of Aldea Pharmaceuticals, a biopharmaceutical company focused on the treatment of toxic aldehyde-related diseases, from November 2010 to September 2013. Dr. Shannon also served as Chief Executive Officer of CuraGen Corporation from 2007 to 2009 and as CuraGen's Chief Medical Officer from 2004 to 2007. From 1992 to 2002, Dr. Shannon served in various senior research and development roles at Bayer Healthcare, including Senior Vice President of Worldwide Clinical Development. Dr. Shannon previously served as a member of the boards of directors of publicly traded CytomX Therapeutics, Inc. from July 2012 to March 2017, Celldex Therapeutics, Inc. from October 2009 to December 2014 and CuraGen Corporation from September 2007 until its acquisition by Celldex in October 2009. Dr. Shannon received a B.A. in chemistry from Amherst College and an M.D. from the University of Connecticut.

We believe Dr. Shannon is qualified to serve on our board of directors due to his extensive experience in the venture capital industry, his executive leadership experience, his medical background and training and his service on the boards of other public and private biopharmaceutical companies.

Stella Xu, Ph.D. has served as a member of our board of directors since November 2018. Dr. Xu has served as Managing Director of Quan Capital, a life sciences venture fund with offices in China and the United States, since August 2017. Prior to joining Quan Capital, Dr. Xu served as Vice President and site head of Roche Innovation Center Shanghai, and a member of the global management team for Roche's Immunology, Inflammation & Infectious Diseases Discovery and Translation Area, from September 2012 to August 2017. Dr. Xu joined Roche from McKinsey & Company. Dr. Xu has served as a director of Centrexion Therapeutics Corporation, a biopharmaceutical company focused on the treatment of chronic pain, since January 2018 and previously served as a director of ARMO BioSciences, Inc., a late-stage

biopharmaceutical company focused on immuno-oncology, from August 2017 to July 2018 when it was acquired by Eli Lilly and Company. Dr. Xu received a B.S. in biophysics from Peking University and a Ph.D. in immunology from Northwestern University.

We believe that Dr. Xu is qualified to serve on our board of directors due to her extensive, global experience in the development and commercialization of innovative therapies.

Board Composition and Diversity

Our board of directors currently consists of seven members, each of whom currently serves pursuant to the terms of an amended and restated voting agreement entered into in November 2018. The agreement will terminate upon closing of this offering. Upon the termination of these provisions, there will be no further contractual obligations regarding the election of our directors. Thereafter, each of our current directors will continue to serve until the election and qualification of his or her successor, or his or her earlier death, resignation or removal.

Upon closing of this offering, our nominating and corporate governance committee will be responsible for reviewing with the board of directors, on an annual basis, the appropriate characteristics, skills and experience required for the board of directors as a whole and its individual members. In evaluating the suitability of individual candidates (both new candidates and current members), the nominating and corporate governance committee, in recommending candidates for election, and the board of directors, in approving (and, in the case of vacancies, appointing) such candidates, may take into account many factors, including but not limited to the following:

- personal and professional integrity;
- ethics and values;
- experience in corporate management, such as serving as an officer or former officer of a publicly traded company;
- experience in the industries in which we compete;
- experience as a board member or executive officer of another publicly traded company;
- diversity of expertise and experience in substantive matters pertaining to our business relative to other board members;
- diversity of background and perspective, including, but not limited to, with respect to race, gender or national origin;
- conflicts of interest; and
- practical and mature business judgment.

We have no formal policy regarding board diversity. Currently, our board of directors evaluates, and following the closing of this offering will evaluate, each individual in the context of the board of directors as a whole, with the objective of assembling a group that can best maximize the success of the business and represent stockholder interests through the exercise of sound judgment using its diversity of experience in these various areas.

Director Independence

Our board of directors has determined that none of our directors other than Mr. Richman has a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under Nasdaq rules. There are no family relationships among any of our directors or executive officers. In making these determinations, our board of directors considered the current and prior relationships that each

non-employee director has with our company and all other facts and circumstances deemed relevant in determining their independence, including the beneficial ownership of our capital stock by each non-employee director and the transactions involving them described in the section entitled "Certain Relationships and Related Party Transactions."

Board Leadership Structure

Dr. Kabakoff currently serves as Chair of our board of directors. Our board of directors believes that separation of the positions of Chair and Chief Executive Officer reinforces the independence of our board of directors from management, creates an environment that encourages objective oversight of management's performance and enhances the effectiveness of our board of directors as a whole, and has concluded that our current board leadership structure is appropriate at this time. However, our amended and restated bylaws and corporate governance guidelines to be in effect upon the closing of this offering will provide our board of directors with flexibility to combine or separate the positions of Chair and Chief Executive Officer and to appoint a lead director in accordance with its determination that utilizing one or the other structure would be in the best interests of our company. Our board of directors will continue to periodically review our leadership structure and may make such changes in the future as it deems appropriate.

Classified Board of Directors

In accordance with our amended and restated certificate of incorporation to be in effect upon the closing of this offering, our board of directors will be divided into three classes with staggered, three-year terms. At each annual meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. Effective upon the closing of this offering, we expect that our directors will be divided among the three classes as follows:

- the Class I directors will be , and their terms will expire at the annual meeting of stockholders to be held in 2020;
- the Class II directors will be , and their terms will expire at the annual meeting of stockholders to be held in 2021; and
- the Class III directors will be , and their terms will expire at the annual meeting of stockholders to be held in 2022.

Our amended and restated certificate of incorporation will provide that the authorized number of directors may be changed only by resolution of the board of directors. Any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one-third of the directors. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control of our company.

Role of the Board in Risk Oversight

Risk assessment and oversight are an integral part of our governance and management processes. Our board of directors encourages management to promote a culture that incorporates risk management into our corporate strategy and day-to-day business operations. Management discusses strategic and operational risks at regular management meetings and conducts specific strategic planning and review sessions during the year that include a focused discussion and analysis of the risks facing us. Throughout the year, senior management reviews these risks with the board of directors at regular board meetings as part of management presentations that focus on particular business functions, operations or strategies and presents the steps taken by management to mitigate or eliminate such risks.

Our board of directors does not have a standing risk management committee, but rather administers this oversight function directly through our board of directors as a whole, as well as through various standing committees of our board of directors that address risks inherent in their respective areas of oversight. In particular, our board of directors is responsible for monitoring and assessing strategic risk exposure and our audit committee is responsible for overseeing our major financial risk exposures and the steps our management has taken to monitor and control these exposures. The audit committee also monitors compliance with legal and regulatory requirements and considers and approves or disapproves any related person transactions. Our nominating and corporate governance committee monitors the effectiveness of our corporate governance practices and of our board of directors. Our compensation committee assesses and monitors whether any of our compensation policies and programs have the potential to encourage excessive risk-taking. While each committee is responsible for evaluating certain risks and overseeing the management of such risks, our entire board of directors is regularly informed about such risks through committee reports.

Board Committees

Our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee. Each of these committees will operate under a written charter approved by our board of directors that satisfies applicable SEC and Nasdaq standards, to be effective upon the effectiveness of the registration statement of which this prospectus forms a part. From time to time, our board of directors may establish other committees to facilitate the management of our business. Upon our listing on Nasdaq, each committee's charter will be available under the Corporate Governance section of our website at *www.nextcure.com*. The reference to our website address does not constitute incorporation by reference of the information contained at or available through our website.

Audit Committee

The primary function of our audit committee is to oversee our corporate accounting and financial reporting process. Our audit committee's responsibilities include:

- appointing and retaining, approving the compensation of, overseeing and evaluating the independence, qualification and performance of our independent registered public accounting firm;
- reviewing and discussing with management and the registered public accounting firm our annual and quarterly financial statements and related disclosures;
- coordinating our board of directors' oversight of our internal control over financial reporting, disclosure controls and procedures and the prompt reporting of violations of our code of business conduct and ethics
- reviewing our critical accounting policies and estimates;
- discussing our risk management policies;
- reviewing and approving or ratifying any related person transaction; and
- preparing the audit committee report required to be included in our annual proxy statement

The members of our audit committee are Dr. Kabakoff, Dr. Jones and Mr. Khuong. Dr. Kabakoff serves as the chair of the committee. Our board of directors has determined that each of the members of our audit committee satisfies the financial literacy and sophistication requirements of the SEC and the Nasdaq listing rules. In addition, our board of directors has determined that qualifies as an audit committee financial expert under SEC rules. Under SEC rules, members of our audit committee must also meet heightened independence standards. Our board of directors has determined that each of the members of our audit committee is independent under the applicable SEC and Nasdaq listing rules.

Compensation Committee

Our compensation committee oversees policies relating to compensation and benefits of our officers and employees. The compensation committee reviews and approves or recommends corporate goals and objectives relevant to compensation of our executive officers, evaluates the performance of these officers in light of those goals and objectives and approves the compensation of these officers based on such evaluations. The compensation committee also reviews and approves or makes recommendations to our board of directors regarding the issuance of stock options and other awards to our executive officers. The compensation committee will review and evaluate, at least annually, the performance of the compensation committee and its members, including compliance by the compensation committee with its charter. The members of our compensation committee are Dr. Shannon, Ms. Li and Dr. Kabakoff. Dr. Shannon serves as chair of the committee. Each of the members of our compensation committee is independent under the applicable Nasdaq listing rules and is a "non-employee director" as defined in Rule 16b-3 promulgated under the Securities Exchange Act of 1934, as amended, or the Exchange Act.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee is responsible for making recommendations to our board of directors regarding candidates for directorships and the size and composition of our board of directors. In addition, our nominating and corporate governance committee is responsible for overseeing our corporate governance policies and reporting and making recommendations to our board of directors concerning governance matters. The members of our nominating and corporate governance committee are Dr. Jones, Dr. Xu, Mr. Khuong and Dr. Shannon. Dr. Jones serves as chair of the committee. Each of the members of our nominating and corporate governance committee is independent under the applicable Nasdaq listing rules.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee has ever served as one of our officers or employees. None of our executive officers serves, or has served during the last three fiscal years, as a member of the board of directors, compensation committee or other board committee performing equivalent functions of any entity that has one or more executive officers serving as one of our directors or on our compensation committee.

Code of Business Conduct and Ethics

Effective upon the effectiveness of the registration statement of which this prospectus forms a part, we will adopt a code of business conduct and ethics that applies to all of our directors, officers and employees, including those officers responsible for financial reporting. Following this offering, a current copy of the code of business conduct and ethics will be available under the Corporate Governance section of our website. We intend to disclose future amendments to the code or any waivers of its requirements on our website. The reference to our website address does not constitute incorporation by reference of the information contained at or available through our website.

Limitation on Liability and Indemnification Matters

Our amended and restated certificate of incorporation, which will become effective upon the closing of offering, will contain provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for:

- any breach of the duty of loyalty to us or our stockholders;

- any act or omission not in good faith that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- any transaction from which the director derived an improper personal benefit.

Our amended and restated bylaws, which will become effective upon the closing of this offering, will provide that we are required to indemnify our directors and officers, in each case to the fullest extent permitted by Delaware law. Our amended and restated bylaws will also obligate us to advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding and permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of such person's actions in that capacity regardless of whether we would otherwise be permitted to indemnify such person under Delaware law. We have entered and expect to continue to enter into agreements to indemnify our directors, executive officers and other employees as determined by our board of directors. These indemnification agreements generally require us, among other things, to indemnify our directors, executive officers and these employees against liabilities that may arise by reason of their status or service as directors or officers, other than liabilities arising from willful misconduct. These indemnification agreements also generally require us to advance any expenses incurred by the directors, executive officers and employees as a result of any proceeding against them as to which they could be indemnified. We believe that these provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. We also maintain directors' and officers' liability insurance that insures our directors and officers against the cost of defense, settlement or payment of a judgment in some circumstances.

The limitation of liability and indemnification provisions in our amended and restated certificate of incorporation and amended and restated bylaws may discourage stockholders from bringing a lawsuit against our directors and officers for breach of their fiduciary duty. They may also reduce the likelihood of derivative litigation against our directors and officers, even though an action, if successful, might benefit us and our stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage.

Non-Employee Director Compensation

Historically, we have not had a formalized non-employee director compensation program. In the year ended December 31, 2018, we did not pay any fees to, or make any equity or non-equity awards to, or pay any other compensation to the non-employee members of our board of directors for their services as directors, except that we granted Dr. Kabakoff an option to purchase 300,000 shares of our common stock at an exercise price of $0.95 per share. Each of our other non-employee directors is associated with one of our principal investors and is not compensated by us for service on our board of directors. In addition, we reimburse our non-employee directors for travel and other necessary business expenses incurred in the performance of their service as directors.

Director Compensation Table

As described above, we did not pay any cash or grant any stock awards or other compensation to our non-employee directors during 2018 for their services as non-employee directors, except for the option granted to Dr. Kabakoff. Except as described below for Dr. Kabakoff, there were no outstanding stock awards or option awards held by our non-employee directors as of December 31, 2018. The table below sets forth information on the compensation of all our non-employee directors for the year ended

December 31, 2018. Michael Richman, our President and Chief Executive Officer, is also a member of our board of directors, but did not receive any additional compensation for his service as a director.

Name	Stock Awards ($)	Option Awards ($)[1]	Total ($)
David Kabakoff, Ph.D.	—(2)	217,771(3)	217,771
All other non-employee directors	—	—	—

(1) Amounts in this column reflect the full grant date fair value of stock option awards granted during the year as measured pursuant to Financial Accounting Standards Board Accounting Standards Codification Topic 718 and do not correspond to the actual value that may be recognized by the director in connection with the applicable awards. See Note 10 to our financial statements included elsewhere in this prospectus regarding assumptions underlying the valuation of equity awards.

(2) As of December 31, 2018, Dr. Kabakoff held 500,000 shares of restricted common stock that were purchased in May 2016 and are subject to repurchase following termination, of which 83,333 shares were unvested and will vest in equal monthly installments through December 29, 2019, subject to Dr. Kabakoff's continued service with us through the applicable vesting date.

(3) As of December 31, 2018, Dr. Kabakoff held an option to purchase 300,000 shares of our common stock. The option vests 25% on December 21, 2019 and, thereafter, 1/36th of the remaining option will vest on each monthly anniversary of the grant date.

EXECUTIVE COMPENSATION

This section discusses the material components of the executive compensation program for our named executive officers, or NEOs, who are named in the "Summary Compensation Table" below. As an "emerging growth company" as defined in the JOBS Act, we are not required to include a Compensation Discussion and Analysis section and have elected to comply with the scaled disclosure requirements applicable to emerging growth companies. In 2018, our NEOs and their positions were as follows:

- Michael Richman, President and Chief Executive Officer;
- Steven P. Cobourn, Chief Financial Officer; and
- Sol Langermann, Ph.D., Chief Scientific Officer.

This discussion may contain forward-looking statements that are based on our current plans, considerations, expectations and determinations regarding future compensation programs. Actual compensation programs that we adopt following the closing of this offering may differ materially from the currently planned programs summarized in this discussion.

Summary Compensation Table

The following table sets forth information concerning the compensation of our NEOs for the year ended December 31, 2018:

Name and Principal Position	Year	Salary ($)	Bonus ($)[1]	Option Awards ($)[2]	Non-Equity Incentive Plan Compensation ($)[1]	All Other Compensation ($)	Total ($)
Michael Richman *President and Chief Executive Officer*	2018	383,400	—	1,963,224	—	493	2,347,117
Steven P. Cobourn, CPA *Chief Financial Officer*	2018	239,583[3]	—	694,465	—	493	934,541
Sol Langermann, Ph.D. *Chief Scientific Officer*	2018	340,976	—	455,022	—	493	796,491

(1) As of January 30, 2019, the amounts, if any, earned for 2018 performance have not been determined. The board of directors expects to make such determination in the first quarter of 2019.

(2) Amounts in this column reflect the full grant date fair value of stock option awards granted during the year as measured pursuant to Financial Accounting Standards Board Accounting Standards Codification Topic 718 and do not correspond to the actual value that may be recognized by the director in connection with the applicable awards. See Note 11 to our financial statements included elsewhere in this prospectus regarding assumptions underlying the valuation of equity awards.

(3) Mr. Cobourn's employment commenced with us on January 22, 2018. The 2018 salary reported reflects the pro rata portion of Mr. Cobourn's annual salary of $250,000 earned during 2018 from commencement of his employment through December 31, 2018.

Narrative to Summary Compensation Table

Annual Base Salary

We have entered into employment agreements with each of our NEOs that establish annual base salaries, which are generally determined, approved and reviewed periodically by our board of directors in order to compensate our NEOs for services rendered to our company. The base salary payable to each NEO is intended to provide a fixed component of compensation reflecting the executive's skill set,

experience, role and responsibilities. Base salaries for our NEOs have generally been set at levels deemed necessary to attract and retain individuals with superior talent. In March 2018, the annual base salaries of Mr. Richman and Dr. Langermann were increased by 3% and 2.5% to $386,200 and $343,050, respectively. Mr. Cobourn's annual base salary for 2018 was $250,000.

Annual Bonus and Non-Equity Incentive Plan Compensation

Our NEOs are eligible to receive annual bonuses, which are determined at the discretion of our board of directors based upon, among other things, the achievement of pre-determined performance milestones. For 2018, Mr. Richman and Dr. Langermann were each eligible to receive a target bonus of up to 35% and 25%, respectively, of his base salary. At the time Mr. Cobourn joined our company in 2018, our board of directors did not set a target bonus percentage for Mr. Cobourn. His bonus will be determined by our board of directors using the same pre-determined performance milestones used for our other NEOs and a percentage of his base salary that our board of directors determines to be appropriate. In the summary compensation table above, the payments to Mr. Richman and Dr. Langermann will be identified as non-equity incentive compensation and the payment to Mr. Cobourn will be identified as bonus compensation. As of January 30, 2019, the amounts of these bonuses, if any, earned for 2018 performance have not yet been determined. Our board of directors expects to make such determination in the first quarter of 2019.

Equity Awards

Although we do not have a formal policy with respect to the grant of equity incentive awards to our NEOs, we believe that equity grants provide our NEOs with a strong link to our long-term performance, create an ownership culture and help to align the interests of our NEOs and our stockholders. Our board of directors and compensation committee has historically been responsible for approving NEO equity grants, Following the closing of this offering, our compensation committee will generally be responsible for approving NEO equity grants. Vesting of equity awards is generally tied to continuous service with us and serves as an additional retention measure. Our NEOs generally are awarded an initial new hire grant upon commencement of employment. Additional grants may occur periodically in order to specifically incentivize executives with respect to achieving certain goals or to reward NEOs for exceptional performance. Prior to this offering, we have granted all awards pursuant to the 2015 Plan, the terms of which are described below under "—Equity Compensation Plans—2015 Omnibus Incentive Plan."

In August 2018, our board of directors awarded Mr. Richman an option to purchase 950,000 shares of our common stock, Mr. Cobourn an option to purchase 600,000 shares of our common stock and Mr. Langermann an option to purchase 200,000 shares of our common stock, each at an exercise price of $0.22 per share. In December 2018, our board of directors awarded Mr. Richman an option to purchase 3,000,000 shares of our common stock, Mr. Cobourn an option to purchase 1,000,000 shares of our common stock and Dr. Langermann an option to purchase 700,000 shares of our common stock, each at an exercise price of $0.95 per share. With respect to each of the grants disclosed above, 25% vest on the one-year anniversary of the grant date, and, thereafter, 1/36th of the remaining options vest on each monthly anniversary of the grant date.

Outstanding Equity Awards at Fiscal Year-End

The following table provides information regarding equity awards held by our NEOs that were outstanding as of December 31, 2018. All of the awards listed in this table were granted under our 2015

Omnibus Incentive Plan, the terms of which are described below under "—Equity Compensation Plans—2015 Omnibus Incentive Plan."

		Option Awards				Stock Awards	
Name	Grant Date	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price ($/sh)	Option Expiration Date	Number of Shares of Stock That Have Not Vested (#)	Market Value of Shares of Stock That Have Not Vested ($)
Michael Richman	3/15/2017	350,000	450,000(1)	0.15	3/15/2027	—	
	3/15/2018	—	950,000(2)	0.22	8/27/2028	—	
	12/21/2018	—	3,000,000(3)	0.95	12/21/2028	—	
						516,666(4)	(5)
Steven P. Cobourn	8/27/2018	—	600,000(6)	0.22	8/27/2028	—	
	12/21/2018	—	1,000,000(7)	0.95	12/21/2028	—	
Sol Langermann, Ph.D.	9/1/2017	112,500	87,500(8)	0.06	9/1/2026	—	
	3/15/2017	87,500	112,500(9)	0.15	3/15/2027	—	
	8/27/2018	—	200,000(10)	0.22	8/27/2028	—	
	12/21/2018	—	700,000(11)	0.95	12/21/2028	—	

(1) On the one-year anniversary of the grant date, 25% of these options vested and, thereafter, 1/36th of the remaining options vest on each monthly anniversary of the grant date.

(2) On the one-year anniversary of the grant date, 25% of these options vest and, thereafter, 1/36th of the remaining options vest on each monthly anniversary of the date of the grant.

(3) On the one-year anniversary of the grant date, 25% of these options vest and, thereafter, 1/36th of the remaining options vest on each monthly anniversary of the grant date.

(4) Represents unvested restricted common stock purchased by the NEO on October 1, 2015 in connection with our founding. On December 29, 2015, the NEO entered into a stock restriction agreement pursuant to which 25% of the stock vested on the agreement date, 25% vested on the one-year anniversary of the agreement date and, thereafter, 1/36th of the remaining shares vest on each monthly anniversary of the agreement date.

(5) The market value of the stock award assumes an initial public offering price of $ per share (the midpoint of the estimated range set forth on the cover of this prospectus).

(6) On the one-year anniversary of the grant date, 25% of these options vest and, thereafter, 1/36th of the remaining options vest on each monthly anniversary of the grant date.

(7) On the one-year anniversary of the grant date, 25% of these options vest and, thereafter, 1/36th of the remaining options vest on each monthly anniversary of the grant date.

(8) On the one-year anniversary of the grant date, 25% of these options vested and, thereafter, 1/36th of the remaining options vest on each monthly anniversary of the grant date.

(9) On the one-year anniversary of the grant date, 25% of these options vested and, thereafter, 1/36th of the remaining options vest on each monthly anniversary of the grant date.

(10) On the one-year anniversary of the grant date, 25% of these options vest and, thereafter, 1/36th of the remaining options vest on each monthly anniversary of the grant date.

(11) On the one-year anniversary of the grant date, 25% of these options vest and, thereafter, 1/36th of the remaining options vest on each monthly anniversary of the grant date.

Employment Agreements with Named Executive Officers and Potential Payments Upon Termination or Change in Control

We have entered into employment agreements with each of our NEOs, as described below.

We entered into a letter agreement with Michael Richman, our President and Chief Executive Officer, in August 2016 that governs the current terms of his employment with us. Pursuant to that agreement, Mr. Richman (i) was entitled to an initial annual base salary of $375,000, which has since increased, (ii) is

eligible to receive an annual bonus of up to 35% of his base salary, (iii) in our board of directors' sole discretion, from time to time, is entitled to equity compensation awards under our 2015 Omnibus Incentive Plan and (iv) receives health insurance benefits and other benefits approved by our board of directors.

We entered into a letter agreement with Steven P. Cobourn, our Chief Financial Officer, in December 2017 that governs the current terms of his employment with us. Pursuant to that agreement, Mr. Cobourn (i) was entitled to an initial annual base salary of $250,000, (ii) received an option to purchase 600,000 shares of our common stock under our 2015 Omnibus Incentive Plan and (iii) receives health insurance benefits and other benefits approved by our board of directors.

We entered into a letter agreement with Sol Langermann, Ph.D., our Chief Scientific Officer, in August 2016 that governs the current terms of his employment with us. Pursuant to that agreement, Dr. Langermann (i) was entitled to an initial annual base salary of $325,000, which has since increased, (ii) is eligible to receive an annual bonus of up to 25% of his base salary, (iii) received an option to purchase 300,000 shares of our common stock under our 2015 Omnibus Incentive Plan and (iv) receives health insurance benefits and other benefits approved by our board of directors.

In the event Mr. Richman or Dr. Langermann's employment with us is terminated by us for any reason other than Cause (as defined in the employment agreements) or by the NEO for Good Reason (as defined in the employment agreements), then he will be entitled to: (i) any unpaid salary for services rendered prior to the date of termination of employment; (ii) any earned but unpaid annual bonus for any fiscal year prior to the year in which termination of employment occurs; (iii) reimbursement of any unreimbursed business expenses; (iv) accrued but unused vacation; (v) any other payments, benefits or fringe benefits to which the NEO is entitled under the terms of any applicable compensation arrangement or benefit, equity, program or grant; (vi) 12 months' base salary, in the case of Mr. Richman, and six months' base salary, in the case of Dr. Langermann, subject to certain conditions and terms set forth in the employment agreement, including the execution of a release of claims; and (vii) health insurance coverage until the earlier of (a) six months following the effective termination date or (b) the date upon which the NEO commences full-time employment.

Other Agreements

We have also entered into standard confidentiality and proprietary rights agreements with each of our NEOs pursuant to which each NEO has agreed to protect our confidential, proprietary information and trade secret information indefinitely. Pursuant to these agreements, each NEO has agreed not to compete with us during his employment and for a period of one year after the termination of his employment and not to solicit our employees during his employment and for a period of one year after the termination of his employment. In addition, each NEO has agreed that there is a presumption that we own all inventions or works created by the NEO (i) using our facilities, supplies, information, trade secrets or time, (ii) that are indirectly related to or arise out of our actual or proposed business, (iii) that relate to any task assigned or performed by the NEO on our behalf or (iv) that are based on our confidential information.

Equity Compensation Plans

2015 Omnibus Incentive Plan

Our board of directors adopted, and our stockholders approved the 2015 Plan on December 29, 2015, which was subsequently amended to increase the number of shares issuable under the 2015 Plan. The 2015 Plan is intended to enhance our company's ability to attract and retain highly qualified officers, directors, key employees and other persons, and to motivate such persons to serve us and our affiliates and to expend maximum effort to improve the business results and our earnings, by providing to such persons an opportunity to acquire or increase a direct proprietary interest in our operations and our future success. The 2015 Plan provides for the grant of stock options, restricted stock and stock units. No further awards will be made under the 2015 Plan upon the effectiveness of our 2019 Omnibus Incentive Plan, or the 2019

Plan; however, awards outstanding under the 2015 Plan will continue to be governed by their existing terms.

Share Reserve

As of December 31, 2018, we have reserved 22,690,000 shares of our common stock for issuance under the 2015 Plan. As of December 31, 2018, options to purchase 16,525,125 shares of our common stock were outstanding under the 2015 Plan, 83,333 unvested shares of restricted stock were outstanding under the 2015 Plan and 6,119,875 shares of our common stock remained available for future issuance. If any shares covered by an award granted under the 2015 Plan are not purchased or are forfeited, expire or otherwise terminate without delivery of any shares subject to the award, or are settled in cash in lieu of shares, then the number of shares subject to such award will, to the extent of any such forfeiture, termination, expiration or settlement, again be available for future issuance under the 2015 Plan or, following the effectiveness of the registration statement of which this prospectus is a part, under our 2019 Plan.

Administration

Our board of directors has administered the 2015 Plan since its adoption; however, following the completion of this offering, the compensation committee of our board of directors will generally administer the 2015 Plan. The administrator has complete discretion to make all decisions relating to the 2015 Plan and outstanding awards.

Eligibility

Our employees, officers and directors or any of our affiliates and consultants, contractors and advisers who provide services to us or any of our affiliates are eligible to receive awards under the 2015 Plan.

Changes in Capitalization

In the event of a recapitalization, reclassification, stock split, reverse stock split, spin-off, combination of shares, exchange of shares, stock dividend or other distribution payable in capital stock, or other increase or decrease in our shares of common stock effected without the receipt of consideration by us, then the number and kind of shares for which grants of options and other awards may be made under the 2015 Plan will be adjusted proportionately and accordingly by the administrator of the 2015 Plan. In addition, the number and kind of shares for which awards are outstanding, as well as the exercise price of outstanding options will be adjusted proportionately and accordingly by the administrator of the 2015 Plan.

Corporate Transaction

Our board of directors has the discretion to determine the effect of a "corporate transaction" (as defined in the 2015 Plan) on any outstanding awards. Without limiting the generality of the foregoing, in connection with a corporate transaction, our board of directors may elect, in its sole discretion, to:

- cancel any outstanding awards and pay or deliver, or cause to be paid or delivered, to the holder of the award an amount in cash or securities having a value (as determined by our board of directors acting in good faith) equal to the product of the number of shares subject to the award, or the Grant Shares, multiplied by, (i) in the case of options, the amount, if any, by which (a) the formula or fixed price per share paid to holders of shares of our common stock pursuant to such transaction exceeds (b) the exercise price applicable to such Grant Shares and (ii) in the case of restricted stock and stock units, the formula or fixed price per share paid to holders of shares of our common stock pursuant to the transaction;

- provide in connection with such corporate transaction for the assumption or continuation of the options previously granted, or for the substitution for such awards for new common stock options

relating to the stock of a successor entity, or a parent or subsidiary thereof, with appropriate adjustments as to the number of shares (disregarding any consideration that is not common stock) and exercise prices, such that awards previously granted will continue in the manner and under the terms so provided;

- cancel any outstanding awards that are unvested (or any unvested portion thereof) without payment to the holders of such awards; or

- cancel any outstanding awards to the extent the exercise price applicable to the Grant Shares issuable under such awards is greater than the formula or fixed price per share paid to holders of shares of our common stock pursuant to such transaction, with or without any payment to the holders of such awards.

If we establish an exercise window in connection with a scheduled consummation of a corporate transaction, any exercise of an option during such period will be conditioned upon the consummation of the event and will be effective only immediately before the consummation of the event. Upon the consummation of any corporate transaction, the 2015 Plan and all outstanding but unexercised options will terminate. Our board of directors will send written notice of an event that will result in such a termination to all individuals who hold options not later than the time at which we give notice of the event to the holders of our common stock.

Our board of directors may, in its sole discretion, provide for the accelerated vesting or lapse of restrictions of awards at any time.

Plan Amendment and Termination

Our board of directors may amend or terminate the 2015 Plan or any outstanding award under the 2015 Plan at any time; provided that no amendment may adversely impair a participant's rights under outstanding awards without his or her consent. Our stockholders must approve any amendment if such approval is required under applicable law or Nasdaq listing rules. Unless terminated sooner by our board of directors or extended with stockholder approval, the 2015 Plan will terminate on December 29, 2025.

2019 Omnibus Incentive Plan

Our board of directors adopted the 2019 Plan on , 2019, and our stockholders approved the 2019 Plan on , 2019. The 2019 Plan will become effective upon the effectiveness of the registration statement of which this prospectus is a part. The purpose of the 2019 Plan is to provide eligible individuals with an incentive to contribute to our success and to operate and manage our business in a manner that will provide for our long-term growth and profitability and that will benefit our stockholders and other important stakeholders, including our employees and customers. The 2019 Plan is also intended to provide a means of recruiting, rewarding and retaining key personnel. The 2019 Plan provides for the grant of stock options, stock appreciation rights, restricted stock, restricted stock units, deferred stock units, unrestricted stock, dividend equivalent rights, other equity-based awards and cash bonus awards. The 2019 Plan will replace our 2015 Plan; however, awards outstanding under the 2015 Plan will continue to be governed by their existing terms.

Share Reserve

The number of shares of our common stock reserved for issuance under the 2019 Plan is equal to the sum of (i) shares plus (ii) up to shares related to awards outstanding under our 2015 Plan on the effective date of the registration statement to which this prospectus is a part that subsequently terminate by expiration or forfeiture, cancellation, or otherwise without the issuance of such shares. The number of shares reserved for issuance under our 2019 Plan will automatically increase on January 1st of each year during the term of the 2019 Plan, by a number equal to % of the shares of common stock

outstanding on December 31st of the prior calendar year; however, our board of directors may provide that there will be no increase, or a smaller increase, in the share reserve for a given calendar year.

If any shares covered by an award granted under the 2019 Plan are not purchased or are forfeited or expire or otherwise terminate without delivery of any shares subject to the award, or are settled in cash in lieu of shares, then the number of shares subject to such award will, to the extent of any such forfeiture, termination, expiration or settlement, again be available for future issuance under the 2019 Plan. If shares subject to an award are applied to the exercise price or tax withholding obligations related to the award, such shares will not be available for future issuance under the 2019 Plan.

Administration

The 2019 Plan will be administered by our board of directors or a committee of our board of directors to which our board of directors delegates such administration (as applicable, the administrator). Subject to the terms of the 2019 Plan, the administrator has the complete discretion to determine the eligible individuals who are to receive awards under the 2019 Plan, to determine the terms and conditions of awards granted under the 2019 Plan and to make all decisions related to the 2019 Plan and awards granted thereunder. The administrator will also interpret the provisions of the 2019 Plan. Our board of directors has delegated full authority to administer the 2019 Plan to its compensation committee.

Eligibility

All of our employees and the employees of our affiliates are eligible to receive awards under the 2019 Plan. In addition, our non-employee directors and certain consultants and advisors who perform services for us and our affiliates may receive awards under the 2019 Plan. However, only our employees and our subsidiaries are eligible to receive incentive stock options.

Stock Options

The 2019 Plan authorizes our compensation committee to grant incentive stock options (under Section 422 of the Internal Revenue Code of 1986, as amended, or the Code) and stock options that do not qualify as incentive stock options, or non-qualified stock options. The maximum number of shares that may be issued under the 2019 Plan pursuant to the exercise of incentive stock options is . The compensation committee will determine the exercise price of each stock option, provided that the price must be equal to at least the fair market value of our shares of common stock on the date on which the stock option is granted. If we were to grant incentive stock options to any 10% stockholder, the exercise price may not be less than 110% of the fair market value of our shares of common stock on the date of grant.

The term of a stock option cannot exceed 10 years from the date of grant. If we were to grant incentive stock options to any 10% stockholder, the term cannot exceed five years from the date of grant. The compensation committee will determine at what time or times each stock option may be exercised and the period of time, if any, after death, disability or termination of employment during which stock options may be exercised. Stock options may be made exercisable in installments. The compensation committee may accelerate the exercisability of stock options.

The aggregate fair market value, determined at the time of grant, of our common stock with respect to incentive stock options that are exercisable for the first time by a grantee during any calendar year under all of our stock plans may not exceed $100,000. We will generally treat stock options or portions thereof that exceed such limit as non-qualified stock options.

Stock Appreciation Rights

The 2019 Plan authorizes our compensation committee to grant stock appreciation rights that provide the recipient with the right to receive, upon exercise of the stock appreciation right, cash, shares of our common stock or a combination of the two. The amount that the recipient will receive upon exercise of the stock appreciation right generally will equal the excess of the fair market value of our common stock on the date of exercise over the shares' fair market value on the date of grant. Stock appreciation rights will become exercisable in accordance with terms determined by our compensation committee. Stock appreciation rights may be granted in tandem with a stock option grant or independently from a stock option grant. The term of a stock appreciation right cannot exceed 10 years from the date of grant.

Restricted Stock, Restricted Stock Units and Deferred Stock Units

The 2019 Plan authorizes our compensation committee to grant restricted stock, restricted stock units and deferred stock units. Restricted stock is an award of our common stock on which vesting restrictions are imposed that subject such shares of our common stock to a substantial risk of forfeiture, as defined in Section 83 of the Code. A restricted stock unit is an award that represents the right to receive a compensation amount, based on the value of our shares of common stock, if vesting criteria established by the compensation committee are met. If the vesting criteria are met, we will settle restricted stock units in cash, shares of our common stock or a combination of the two. A deferred stock unit is a restricted stock unit that may be settled at some point in the future at a time or times consistent with the requirements of Section 409A of the Code.

Subject to the provisions of the 2019 Plan, our compensation committee will determine the terms and conditions of each award of restricted stock, restricted stock units and deferred stock units, including the restricted period for all or a portion of the award, the restrictions applicable to the award and the purchase price, if any, for the shares of our common stock subject to the award. A grantee of restricted stock will have all the rights of a stockholder, including the right to vote the shares and receive dividends, except to the extent limited by our compensation committee. However, all cash dividends declared or paid on shares of restricted stock will not vest or become payable unless and until the shares of restricted stock to which the dividends apply become vested and nonforfeitable. In addition, all stock dividend payments or distributions, if any, received by a grantee with respect to shares of restricted stock as a result of any stock split, stock dividend, combination of stock or other similar transaction will be subject to the same vesting conditions and restrictions as applicable to such underlying shares of restricted stock.

Grantees of restricted stock units and deferred stock units will have no voting or dividend rights or other rights associated with stock ownership, although our compensation committee may award dividend equivalent rights on such units. Dividend equivalent rights granted as a component of another award will not vest or become payable unless and until the award to which the dividend equivalent rights correspond becomes vested and settled.

Dividend Equivalent Rights

The 2019 Plan authorizes our compensation committee to grant dividend equivalent rights in connection with the grant of any equity-based award other than stock options and stock appreciation rights. Dividend equivalent rights entitle the grantee to receive, or to receive credits for the future payment of, cash, shares of our common stock or other property equal in value to dividend payments or distributions declared or paid by us with respect to a number of shares of our common stock specified in such dividend equivalent right (or other award to which such right relates), as if such shares had been issued to and held by the grantee as of the record date of such dividend or distribution. Dividend equivalent rights may be paid currently or may be deemed to be reinvested in additional shares of stock, which may thereafter accrue additional dividend equivalent rights and may be payable in cash, shares of our common stock or a combination of the two; however, dividend equivalent rights granted as a component of another award will not vest or become payable unless and until the award to which the dividend equivalent rights correspond becomes vested and settled. Our compensation committee will determine the terms of any dividend equivalent rights.

Other Equity-Based Awards

The 2019 Plan authorizes our compensation committee to grant other types of equity-based awards under the 2019 Plan. Other equity-based awards may be granted with vesting, value and/or payment contingent upon the achievement of one or more performance goals or other vesting conditions, and may be payable in cash, shares of our common stock or a combination thereof. The terms and conditions that apply to other equity-based awards will be determined by our compensation committee.

Non-Employee Director Compensation Limitation

The 2019 Plan provides that the aggregate value of all awards granted under the plan and all other cash compensation paid by us to any of our non-employee directors in any calendar year may not exceed $; however, such amount will be $ for the calendar year in which the non-employee director is initially elected or appointed to our board of directors. Our board of directors may make exceptions to these limitations for individual non-employee directors in extraordinary circumstances, provided that the non-employee director receiving such additional compensation may not participate in the decision to award such compensation or in other contemporaneous compensation decisions involving non-employee directors.

Changes in Capitalization

In the event of a recapitalization, reclassification, stock split, reverse stock split, spin-off, combination of shares, exchange of shares, stock dividend or other distribution payable in capital stock, or other increase or decrease in our shares of common stock effected without the receipt of consideration by us, then the number and kind of shares for which grants of options and other awards may be made under the 2019 Plan, including the maximum number of shares that may be issued upon the exercise of incentive stock options, will be adjusted proportionately and accordingly by our compensation committee. In addition, the number and kind of shares for which awards are outstanding, as well as the exercise price of outstanding options and stock appreciation rights, will be adjusted proportionately and accordingly by our compensation committee.

Change in Control

Except as otherwise provided in the applicable award agreement, in another agreement with a grantee, or as otherwise set forth in writing, upon the occurrence of a "change in control" (as defined in the 2019 Plan) in which outstanding awards are not being assumed, continued or substituted for, the following provisions will apply to the awards: (i) except for performance-based awards, all shares of restricted stock, restricted stock units, deferred stock units and dividend equivalent rights will be deemed to have vested and any underlying shares of our common stock will be deemed delivered immediately before the change in control; and (ii) at our compensation committee's discretion, either all options and stock appreciation rights will become exercisable 15 days before the change in control (with any exercise of an option or stock appreciation right during such 15 day period to be contingent upon the consummation of the change in control) and terminate upon the change in control to the extent not exercised, or all options, stock appreciation rights, shares of restricted stock, restricted stock units, deferred stock units and/or dividend equivalent rights will be canceled and cashed out in connection with the change in control.

In the case of performance-based awards, if less than half of the performance period has lapsed, the award will be treated as though target performance has been achieved. If at least half of the performance period has lapsed, actual performance to date will be determined as of a date reasonably proximal to the date of the consummation of the change in control, as determined by our compensation committee in its sole discretion, and that level of performance will be treated as achieved immediately prior to the occurrence of the change in control. If our compensation committee determines that actual performance is not determinable, the award will be treated as though target performance has been achieved. Any awards that arise after performance is determined in accordance with this paragraph will be treated as set forth in

the preceding paragraph. Other equity-based awards will be governed by the terms of the applicable award agreement.

If we experience a change in control in which outstanding awards will be assumed, continued or substituted for by the surviving entity, then, except as otherwise provided in the applicable award agreement, in another agreement with a grantee, or as otherwise set forth in writing, upon the occurrence of the change in control, the 2019 Plan and the awards granted under the 2019 Plan will continue in the manner and under the terms so provided in the event of the change in control to the extent that provision is made in writing in connection with such change in control for the assumption or continuation of such awards, or for the substitution for such awards with new awards, with appropriate adjustments as to the number of shares (disregarding any consideration that is not common stock) and exercise prices of options and stock appreciation rights.

Except as otherwise provided in the applicable award agreement, in another agreement with a grantee, or as otherwise set forth in writing, in the event a grantee's award is assumed, continued, or substituted upon the consummation of any change in control and the service of such grantee with us or an affiliate of ours is terminated without "cause" (as defined in the 2019 Plan) within 12 months following the consummation of such change in control, such award will become fully vested and may be exercised in full, to the extent applicable, beginning on the date of such termination and for the one-year period, or such longer period as may be determined by our compensation committee, immediately following such termination.

Clawback; Transferability

All awards will be subject to mandatory repayment to us by a grantee to the extent the grantee is, or in the future becomes, subject to (i) any "clawback" or recoupment policy by us or any of our affiliates that is adopted to comply with the requirements of any applicable laws, or (ii) any applicable laws which impose mandatory recoupment, under circumstances set forth in such applicable laws. Except in limited circumstances, awards granted under our 2019 Plan may generally not be transferred in any manner prior to vesting other than by will or by the laws of descent and distribution.

Plan Amendment and Termination

Our compensation committee may amend or terminate the 2019 Plan at any time; provided that no amendment may materially impair a participant's rights under outstanding awards without his or her consent. Our stockholders must approve any amendment if such approval is required under applicable law or Nasdaq listing rules. Unless terminated sooner by our board of directors or extended with stockholder approval, the 2019 Plan will terminate on the day before the tenth anniversary of the effective date of the registration statement of which this prospectus is a part.

No Repricing without Stockholder Approval

Except in connection with certain corporate transactions, we may not, without obtaining stockholder approval: (i) amend the terms of outstanding options or stock appreciation rights to reduce the applicable exercise price; (ii) cancel outstanding options or stock appreciation rights in exchange for or substitution of options or stock appreciation rights with an exercise price that is less than the exercise price of the original options or stock appreciation rights; or (iii) cancel outstanding options or stock appreciation rights with an exercise price above the current stock price in exchange for cash or other securities.

2019 Employee Stock Purchase Plan

Our board of directors adopted the ESPP on , 2019, and our stockholders approved the ESPP on , 2019. The ESPP will become effective upon the effectiveness of the registration statement of which this prospectus is a part. The purpose of the ESPP is to encourage and to enable eligible employees to acquire proprietary interests in our company through the purchase and ownership of

shares of our common stock. The ESPP is intended to benefit us and our stockholders by incentivizing participants to contribute to our success and to operate and manage our business in a manner that will provide for our long-term growth and profitability and that will benefit our stockholders and other important stakeholders. The ESPP is intended to qualify as an "employee stock purchase plan" within the meaning of Section 423 of the Code.

Share Reserve

The ESPP will authorize the issuance of up to shares of our common stock pursuant to purchase rights granted to our employees or to employees of any of our participating affiliates. The number of shares of our common stock reserved for issuance will automatically increase on January 1st of each year, commencing on January 1, 2020 and continuing until the expiration of the ESPP, in an amount equal to % of the total number of shares of our common stock outstanding on December 31st of the preceding calendar year; however, prior to the date of any such increase, the administrator of the ESPP may determine that such increase will be for a lesser number of shares or that there will be no increase for the calendar year.

Administration

The ESPP will be administered under the direction of our board of directors, our compensation committee, or any other committee designated by our board of directors. Our board of directors has delegated full authority to administer the ESPP to its compensation committee. Among other things, the compensation committee will have the authority to determine eligibility for participation in the ESPP, designate separate offerings under the plan and construe, interpret and apply the terms of the plan.

Eligibility

All of our employees who are employed by us or our participating affiliates may be eligible to participate in the ESPP, provided that the following employees are among those that are ineligible under the ESPP: (i) employees whose customary employment is 20 hours or less per week; (ii) employees whose customary employment is for not more than five months in any calendar year; and (iii) employees who, after exercising their rights to purchase our common stock under the ESPP, would own 5% or more of our total combined voting power.

No employee may purchase shares of our common stock in any calendar year under the ESPP and under all other employee stock purchase plans having an aggregate fair market value in excess of $25,000, determined as of the first trading day of the offering period. In addition, unless otherwise determined by our compensation committee, no employee may purchase more than shares of our common stock in any one offering period.

Offering Periods

The ESPP will be implemented through a series of offerings under which eligible employees are granted purchase rights to purchase our common stock on specified dates during such offerings. Our compensation committee will determine offering periods of not more than 27 months and may permit periodic purchases of our common stock within a single offering period. Unless otherwise established by our compensation committee prior to the start of an offering period, the plan will have two offering periods (with concurrent purchase periods) that commence each calendar year, and each offering period will be of approximately six months' duration, with the first such offering period beginning on the first trading day of January and ending on the last trading day of the immediately following June, and the second such offering period beginning on the first trading day of July and ending on the last trading day of the immediately following December; however, unless otherwise established by our compensation committee prior to the commencement thereof, the first offering period under the ESPP will commence on

the effective date of the registration statement of which this prospectus is a part and will end on the last trading day of the immediately following .

Payroll Deductions and Purchase Price

Generally, all employees, including executive officers, employed by us or by any of our participating affiliates, may participate in the ESPP and may contribute, normally through payroll deductions, up to 15% of their eligible compensation for the purchase of our common stock under the ESPP. Unless otherwise determined by our compensation committee, the purchase price per share of our common stock under the ESPP will be 85% of the lesser of the average of the high and low sales price of our common stock on (i) the first trading day of the relevant offering period and (ii) the last trading day of the relevant offering period (or, if the relevant offering period has multiple purchase periods, the last trading day of the relevant purchase period); however, with respect to the first offering period under the ESPP, unless otherwise established by our compensation committee prior to the commencement of such offering period, the purchase price per share of our common stock under the ESPP will be 85% of the lesser of (a) public offering price as specified in the final prospectus for our initial public offering and (b) the average of the high and low sales price of our common stock on the last trading day of the offering period (or, if the offering period has multiple purchase periods, the last trading day of the applicable purchase period).

Limitations on the Sale of Shares

Our compensation committee has the right to (i) require that an employee not request that all or a part of the shares of our common stock purchased by the employee be reissued in the employee's own name and shares be delivered to the employee until two years have elapsed since the offering date of the offering period in which the shares of our common stock were purchased and one year has elapsed since the day the shares of our common stock were purchased, or the holding period, (ii) require that any sales of our common stock during the holding period be performed through a licensed broker acceptable to us and (iii) limit sales or other transfers of shares of our common stock for up to two years from the date the employee purchases shares of our common stock under the ESPP.

Corporate Transactions

In the event that there occurs a change in our capital structure through such actions as a recapitalization, stock split, reverse stock split, spin-off, combination of shares, exchange of shares, stock dividend or other distribution payable in capital stock, our compensation committee will make appropriate adjustments to the number and kind of shares that may be purchased, and the number and kind of shares for which options are outstanding, under the ESPP.

In the event of certain significant corporate transactions, including (i) a dissolution or liquidation, (ii) a merger, consolidation or reorganization where we are not the surviving entity, (iii) a sale of all or substantially all of our assets, or (iv) a merger or consolidation resulting in any person or entity owning more than 50% of the combined voting power of all classes of our capital stock, the ESPP and all elections outstanding under the ESPP will terminate, except for certain situations where, for instance, the parties make arrangements for the continuation or assumption of the ESPP. In the event of any such termination of the ESPP, the offering period and the purchase period will be deemed to have ended on the last trading day prior to such termination, and the options of each participant then outstanding will be deemed to be automatically exercised on such last trading day.

Amendment, Suspension, or Termination

The ESPP will terminate on the day before the 10th anniversary of the date of adoption of the ESPP by our board of directors, unless earlier terminated. Our compensation committee may amend, suspend, or terminate the ESPP; however, any such amendment, suspension, or termination may not impair any vested rights without the employee's consent. Our compensation committee may not increase the number of shares reserved for issuance under the ESPP without stockholder approval.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following is a description of transactions since January 1, 2016 to which we have been or are to be a participant, in which the amount exceeds $120,000, and in which any of our directors, executive officers or beneficial owners of more than 5% of any class of our voting securities, or any immediate family member of or person sharing a household with any of the foregoing persons, had or will have a direct or indirect material interest, other than employment relationships with our executive officers and compensation to our directors. Employment relationships with and compensation paid to our NEOs are described under the section entitled "Executive Compensation" and compensation to our directors is described in "Management—Non-Employee Director Compensation."

Our Relationships with Yale University and Dr. Lieping Chen

Consulting Agreement with Lieping Chen, M.D., Ph.D.

In December 2015, we entered into a consulting agreement for advisory services with our scientific founder, Dr. Lieping Chen, who beneficially owns more than 5% of our outstanding common stock. The term of the consulting agreement expires December 31, 2020. Under the agreement, Dr. Chen receives $5,000 per month in consulting fees until the expiration of the agreement.

Yale License Agreement and Sponsored Research Agreement

In December 2015, we entered into a license agreement with Yale University, which beneficially owns more than 5% of our outstanding common stock. Under the Yale Agreement, we obtained a license to products that either incorporate certain licensed patents used in the discovery of targets or arise out of research and development of Dr. Chen's laboratory at Yale, including S15. We are obligated to pay Yale low single-digit royalties on sales of products, including NC318, that are either covered by the patents licensed to us under the Yale Agreement or arise out of Dr. Chen's laboratory, subject to a modest minimum annual royalty payment. Until we are required to pay royalties under the Yale Agreement, we must pay an annual license maintenance fee to Yale. In addition, with respect to each product covered by licenses under the Yale Agreement, we are obligated to pay Yale milestone payments in an aggregate amount of up to approximately $3.0 million. Upon the closing of this offering, we are obligated to pay Yale $500,000 pursuant to the terms of the Yale Agreement.

In connection with the Yale Agreement, we also entered into the SRA with Yale, in which we agreed to provide up to an aggregate of $12.4 million to fund a research program aimed at discovering new targets for immunomedicines. The research program is under the direction and supervision of Dr. Chen.

Dr. Chen is the United Technologies Corporation Professor in Cancer Research and Professor of Immunobiology, of Dermatology and of Medicine (Medical Oncology) at Yale, and the Co-Director of the Cancer Immunology Program at the Yale Cancer Center. For more information about the Yale Agreement and the SRA, see "Business—Our Collaboration Agreements—Agreements with Yale University."

Gift to Yale University

In March 2016, we made a charitable contribution to Dr. Chen at Yale University of $500,000 to be used at Dr. Chen's discretion to support research activities.

Our Relationship with Eli Lilly

In November 2018, we entered into the Lilly Agreement, which is focused on the discovery and development of immunomedicines for oncology using our FIND-IO platform. Lilly beneficially owns more than 5% of our outstanding common stock. We received an upfront payment of $25.0 million in cash and an equity investment of $15.0 million from Lilly upon entering into the Lilly Agreement and are eligible for support, option exercise and milestone payments of up to an aggregate of $1.3 billion, as well as mid to

high single-digit royalties under the Lilly Agreement. Upon our exercise of an option with respect to a given target, we will owe Lilly option exercise, milestone and royalty paymentsin amounts equivalent to a portion of the amounts payable by Lilly were Lilly to exercise an option. For more information on the Lilly Agreement, see "Business—Our Collaboration Agreements—Research and Development Collaboration with Lilly."

Sales and Purchases of Securities

Series A-2 and Series A-3 Preferred Stock Financings

In January 2017, we issued and sold an aggregate of 25,000,000 shares of our Series A-2 Preferred Stock, at a purchase price of $1.00 per share, for aggregate proceeds to us of $25 million. In April 2018, we issued and sold an aggregate of 28,181,819 shares of our Series A-3 Preferred Stock, at a purchase price of $1.10 per share, for aggregate proceeds to us of approximately $31 million. Each share of Series A-2 and Series A-3 Preferred Stock is convertible into one share of common stock.

Certain owners of 5% or more of a class of our voting stock and entities that may be deemed to beneficially own 5% or more of a class of our voting stock purchased shares of our Series A-2 and Series A-3 Preferred Stock in these financings. The following table summarizes those purchases:

Participants	Shares of Series A-2 Preferred Stock	Shares of Series A-3 Preferred Stock	Purchase Price
OrbiMed Private Investments VI, LP[1]	5,970,000	5,861,455	$ 12,417,601
Canaan X L.P.[2]	5.970,000	5,861,455	$ 12,417,601
Sofinnova Venture Partners IX, L.P.[3]	3,732,500	7,301,000	$ 11,763,600
Pfizer Inc.[4]	4,477,500	4,396,091	$ 9,313,200
Entities associated with Lilly Asia Ventures[5]	4,477,500	4,396,091	$ 9,313,200
Alexandria Venture Investments, LLC	372,500	365,727	$ 774,780

(1) Chau Q. Khuong, a member of our board of directors, is a Partner at OrbiMed Advisors LLC, which is associated with OrbiMed Private Investments VI, LP.

(2) Timothy M. Shannon, M.D., a member of our board of directors, is a managing member of Canaan Partners X LLC, the general partner of Canaan X L.P.

(3) David Kabakoff, Ph.D., the Chair of our board of directors, is an Executive Partner at Sofinnova Investments, Inc., the management company of Sofinnova Venture Partners IX, L.P.

(4) These shares are directly owned by Pfizer Ventures (US) LLC. Pfizer Inc. is the parent company to Pfizer Ventures (US) LLC and may be deemed to beneficially own the shares directly owned by Pfizer Ventures (US) LLC. Elaine V. Jones, a member of our board of directors, is Vice President, Worldwide Business Development and Senior Partner at Pfizer Ventures, which is associated with Pfizer Inc.

(5) Consists of 1,492,500 shares of Series A-2 Preferred Stock and 1,465,364 shares of Series A-3 Preferred Stock purchased by Lilly Asia Ventures Fund III, L.P. and 2,985,000 shares of Series A-2 Preferred Stock and 2,930,727 shares of Series A-3 Preferred Stock purchased by LAV Biosciences Fund III, L.P. Judith J. Li, a member of our board of directors, is a Partner at Lilly Asia Ventures, which is associated with Lilly Asia Ventures Fund III, L.P. and LAV Biosciences Fund III.

Series B Preferred Stock Financing

In November 2018, we issued and sold an aggregate of 15,052,117 shares of our Series B-1 Preferred Stock at a purchase price of $1.59 per share, 34,276,734 shares of our Series B-2 Preferred Stock at a

purchase price of $1.59 per share and 7,500,000 shares of our Series B-3 Preferred Stock at a purchase price of $2.00 per share. We received aggregate gross proceeds of approximately $93.4 million for the sale of our Series B Preferred Stock. Each share of Series B Preferred Stock is convertible into one share of common stock.

Certain owners of 5% or more of a class of our voting stock and entities that may be deemed to beneficially own 5% or more of a class of our voting stock purchased shares of our Series B-1, B-2 and B-3 Preferred Stock in these financings. The following table summarizes that participation:

Participants	Shares of Series B-1 Preferred Stock	Shares of Series B-2 Preferred Stock	Shares of Series B-3 Preferred Stock	Purchase Price
OrbiMed Private Investments VI, LP(1)	3,554,466			$ 5,651,601
Canaan X L.P.(2)	2,296,605			$ 3,651,602
Sofinnova Venture Partners IX, L.P.(3)	3,773,585			$ 6,000,000
Pfizer Inc.(4)	2,665,850			$ 4,238,702
Entities associated with Lilly Asia Ventures(5)	2,132,680			$ 3,390,961
Alexandria Venture Investments, LLC	628,931			$ 1,000,000
HH NCure Holdings LLC(6)		7,861,636		$ 12,500,001
Quan Venture Fund II, L.P.(7)		7,861,636		$ 12,500,001
Bay City Capital GF Xinde International Life Sciences USD Fund, L.P.		4,716,982		$ 7,500,000
Citadel Multi-Strategy Equities Master Fund Ltd.		3,144,655		$ 5,000,001
Taiho Ventures, LLC		3,144,655		$ 5,000,001
Ling Tong Investment Limited		3,144,654		$ 5,000,000
Entities associated with ArrowMark Partners		2,515,723		$ 4,000,000
Entities associated with NS Investment		1,886,793		$ 3,000,000
Eli Lilly and Company			7,500,000	$ 15,000,000

(1) Chau Q. Khuong, a member of our board of directors, is a Partner at OrbiMed Advisors LLC, which is associated with OrbiMed Private Investments VI, LP.

(2) Timothy M. Shannon, M.D., a member of our board of directors, is a managing member of Canaan Partners X LLC, the general partner of Canaan X L.P.

(3) David Kabakoff, Ph.D., the Chair of our board of directors, is an Executive Partner at Sofinnova Investments, Inc., the management company of Sofinnova Venture Partners IX, L.P.

(4) Elaine V. Jones, a member of our board of directors, is Vice President, Worldwide Business Development and Senior Partner at Pfizer Ventures, which is associated with Pfizer Inc.

(5) Consists of 710,893 shares of Series B-1 Preferred Stock purchased by Lilly Asia Ventures Fund III, L.P. and 1,421,787 shares of Series B-1 Preferred Stock purchased by LAV Biosciences Fund III, L.P. Judith J. Li, a member of our board of directors, is a Partner at Lilly Asia Ventures, which is associated with Lilly Asia Ventures Fund III, L.P. and LAV Biosciences Fund III.

(6) Qingqing Yi, a former member of our board of directors, is a Partner at Hillhouse Capital Group, which is associated with HH NCure Holdings LLC.

(7) Stella Xu, a member of our board of directors, is a Managing Director at Quan Capital, which is associated with Quan Venture Fund II, L.P.

In connection with the Series B Preferred Stock financing, we reimbursed (i) counsel for HH NCure Holdings LLC in the amount of $150,000, (ii) counsel for Quan Venture Fund II, L.P., in the amount of $10,000 and (iii) counsel for Pfizer Inc., OrbiMed Private Investments VI, LP, Lilly Asia Ventures and

Sofinnova Venture Partners IX, L.P., collectively, in an aggregate amount of $35,000 for legal fees incurred by them.

Amended and Restated Investors' Rights Agreement

In connection with our Series B Preferred Stock financing in November 2018, we entered into an amended and restated investors' rights agreement with the holders of our preferred stock. These stockholders are entitled to rights with respect to the registration of their shares under the Securities Act in certain circumstances. For a more detailed description of these registration rights, see the section entitled "Description of Capital Stock—Registration Rights."

Voting Agreement

In connection with our Series A Preferred Stock financing, we entered into a voting agreement with the holders of our preferred stock and the holders of our common stock with respect to election of our directors and certain other matters, which voting agreement was amended and restated in connection with our Series B Preferred Stock financing in November 2018. All of our current directors were elected pursuant to the terms of the voting agreement or the amended and restated voting agreement. The agreement will terminate upon the closing of this offering.

Management Rights Letters

In connection with our preferred stock financings, we entered into management rights letters with purchasers of our preferred stock with which certain of our directors are affiliated, pursuant to which such purchasers were granted certain management rights, including the right to consult with and advise our management on significant business issues, review our operating plans, examine our books and records and inspect our facilities. These management rights will terminate upon the closing of this offering.

Indemnification Agreements

We have entered into indemnification agreements with each of our directors and executive officers. These indemnification agreements generally require us, among other things, to indemnify our directors and executive officers against liabilities that may arise by reason of their status or service as directors or officers, other than liabilities arising from willful misconduct. These indemnification agreements also generally require us to advance any expenses incurred by the directors and executive officers as a result of any proceeding against them as to which they could be indemnified. For more information regarding these agreements, see "Management—Limitation on Liability and Indemnification Matters."

Policies and Procedures Regarding Transactions with Related Persons

Our board of directors will adopt a written related person transaction policy, to be effective upon the closing of this offering, setting forth the policies and procedures for the review and approval or ratification of related person transactions. This policy will cover, with certain exceptions set forth in Item 404 of Regulation S-K under the Securities Act, any transaction, arrangement or relationship, or any series of similar transactions, arrangements or relationships in which we were or are to be a participant, where the amount involved exceeds $120,000 and a related person had or will have a direct or indirect material interest. Types of transactions covered by this policy include, without limitation, purchases of goods or services by or from the related person or entities in which the related person has a material interest, indebtedness, guarantees of indebtedness and employment by us of a related person. In reviewing and approving any such transactions, our audit committee is tasked to consider all relevant facts and circumstances, including but not limited to whether the transaction is on terms comparable to those that could be obtained in an arm's length transaction with an unrelated third party and the extent of the related person's interest in the transaction. All of the transactions described in this section occurred prior to the adoption of this policy.

PRINCIPAL STOCKHOLDERS

The following table sets forth information relating to the beneficial ownership of our common stock as of January 29, 2019, by:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our outstanding shares of common stock;
- each of our directors;
- each of our NEOs; and
- all of our directors and executive officers as a group.

The number of shares beneficially owned prior to this offering by each entity, person, director or executive officer is determined in accordance with SEC rules, and the information is not necessarily indicative of beneficial ownership for any other purpose. Under such rules, beneficial ownership includes any shares over which the individual has sole or shared voting power or investment power as well as any shares that the individual has the right to acquire within 60 days of January 29, 2019 through the exercise of any stock option or other rights. Except as otherwise indicated, and subject to applicable community property laws, the persons named in the table have sole voting and investment power with respect to all shares of common stock held by that person.

The percentage of shares beneficially owned is computed on the basis of 136,055,670 shares of our common stock deemed to be outstanding on January 29, 2019, after giving effect to the conversion of all outstanding shares of our preferred stock into 125,010,670 shares of our common stock. The percentage of beneficial ownership after this offering in the table below is based on shares of common stock assumed to be outstanding after the closing of this offering, assuming no exercise of the underwriters' option to purchase additional shares. Shares of our common stock that a person has the right to acquire within 60 days of January 29, 2019 are deemed outstanding for purposes of computing the percentage ownership of the person holding such rights, but not for purposes of computing the percentage ownership of any other person, except with respect to the percentage ownership of all directors and executive officers

as a group. Except as set forth below, the address for each beneficial owner listed is c/o NextCure, Inc., 9000 Virginia Manor Road, Suite 200, Beltsville, Maryland 20705.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Shares Beneficially Owned	
		Before Offering	After Offering
5% Stockholders:			
OrbiMed Private Investments VI, LP(1)	18,967,921	13.94%	%
Canaan X L.P.(2)	17,710,060	13.01%	%
Sofinnova Venture Partners IX, L.P.(3)	17,046,585	12.53%	%
Entities associated with Pfizer Inc.(4)	14,225,941	10.45%	%
Entities associated with Lilly Asia Ventures(5)	13,692,771	10.06%	%
HH NCure Holdings LLC(6)	7,861,636	5.78%	%
Quan Venture Fund II, L.P.(7)	7,861,636	5.78%	%
Eli Lilly and Company(8)	7,500,000	5.51%	%
Named Executive Officers and Directors:			
Michael Richman(9)	3,737,500	2.73%	%
Steven P. Cobourn, CPA(10)	175,000	*	%
Sol Langermann, Ph.D.(11)	575,000	*	%
David Kabakoff, Ph.D.(12)	500,000	*	%
Elaine V. Jones, Ph.D.	—	—	%
Chau Q. Khuong	—	—	%
Judith J. Li(5)	13,692,771	10.06%	%
Timothy M. Shannon, M.D.	—	—	%
Stella Xu, Ph.D.(7)	7,861,636	5.78%	%
All executive officers and directors as a group (13 persons)(13)	28,179,407	20.69%	%

* Indicates beneficial ownership of less than 1% of the total outstanding common stock.

(1) Consists of (a) 3,582,000 shares of common stock issuable upon conversion of Series A-1 Preferred Stock, (b) 5,970,000 shares of common stock issuable upon conversion of Series A-2 Preferred Stock, (c) 5,861,455 shares of common stock issuable upon conversion of Series A-3 Preferred Stock and (d) 3,554,466 shares of common stock issuable upon conversion of Series B-1 Preferred Stock. OrbiMed Advisors is the general partner of OrbiMed Capital GP VI LLC, which is general partner of OrbiMed Private Investments VI, LP. Carl L. Gordon, Sven H. Borho and Jonathan T. Silverstein as members of OrbiMed Advisors' management committee share voting and dispositive power over the shares directly owned by OrbiMed Private Investments VI, LP. The address for OrbiMed Private Investments VI, LP is c/o OrbiMed Advisors LLC, 601 Lexington Ave. 54th Floor, New York, NY 10022.

(2) Consists of (a) 3,582,000 shares of common stock issuable upon conversion of Series A-1 Preferred Stock, (b) 5,970,000 shares of common stock issuable upon conversion of Series A-2 Preferred Stock, (c) 5,861,455 shares of common stock issuable upon conversion of Series A-3 Preferred Stock and (d) 2,296,605 shares of common stock issuable upon conversion of Series B-1 Preferred Stock. Canaan Partners X LLC is the sole general partner of Canaan X L.P. and may be deemed to have sole voting and dispositive power over the shares held by Canaan X L.P. Investment, voting and dispositive decisions with respect to the shares held by Canaan X L.P. are made by the managers of Canaan Partners X LLC, collectively. None of the managers of Canaan Partners X LLC has beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of any shares held by Canaan X L.P. The address for Canaan X L.P. is 285 Riverside Ave., Suite 250, Westport, CT 06880.

(3) Consists of (a) 2,239,500 shares of common stock issuable upon conversion of Series A-1 Preferred Stock, (b) 3,732,500 shares of common stock issuable upon conversion of Series A-2 Preferred Stock, (c) 7,301,000 shares of common stock issuable upon conversion of Series A-3 Preferred Stock and (d) 3,773,585 shares of common stock issuable upon conversion of Series B-1 Preferred Stock. Sofinnova Management IX, L.L.C., or SM IX, the general partner of Sofinnova Venture Partners IX, L.P., may be deemed to have sole voting and dispositive power, and Dr. Michael F. Powell, Dr. James I. Healy and Dr. Anand Mehra, the managing members of SM IX, may be deemed to have shared power to vote and dispose of the shares owned by Sofinnova Venture Partners IX, L.P. The address for Sofinnova Venture Partners IX, L.P. is 3000 Sand Hill Rd. Bldg. 4, Suite 250, Menlo Park, CA 94025.

(4) Consists of: (a) (i) 2,686,500 shares of common stock issuable upon conversion of Series A-1 Preferred Stock; (ii) 4,477,500 shares of common stock issuable upon conversion of Series A-2 Preferred Stock; and (iii) 4,396,091 shares of common stock issuable upon conversion of Series A-3 Preferred Stock directly owned by Pfizer Ventures (US) LLC; and (b) 2,665,850 shares of common stock issuable upon conversion of Series B-1 Preferred Stock directly owned by Pfizer Inc. As of January 31, 2019, the board of directors of Pfizer Inc. is comprised of the following individuals: Dennis A. Ausiello, Ronald E. Blaylock, Albert Bourla, W. Don Cornwell, Joseph J. Echevarria, Helen H. Hobbs, James M. Kilts, Dan R. Littman, Shantanu Narayen, Suzanne Nora Johnson, Ian C. Read and James C. Smith. Pfizer Inc. is a publicly traded company. The address for Pfizer Inc. is 235 East 42nd St., New York, NY 10017.

(5) Consists of: (a) (i) 895,500 shares of common stock issuable upon conversion of Series A-1 Preferred Stock, (ii) 1,492,500 shares of common stock issuable upon conversion of Series A-2 Preferred Stock, (iii) 1,465,364 shares of common stock issuable upon conversion of Series A-3 Preferred Stock and (iv) 710,893 shares of common stock issuable upon conversion of Series B-1 Preferred Stock directly owned by Lilly Asia Ventures Fund III, L.P.; and (b) (i) 1,791,000 shares of common stock issuable upon conversion of Series A-1 Preferred Stock, (ii) 2,985,000 shares of common stock issuable upon conversion of Series A-2 Preferred Stock, (iii) 2,930,727 shares of common stock issuable upon conversion of Series A-3 Preferred Stock and (iv) 1,421,787 shares of common stock issuable upon conversion of Series B-1 Preferred Stock directly owned by LAV Biosciences Fund III, L.P. Ms. Li is a Partner at Lilly Asia Ventures and shares voting and dispositive power over the shares owned by the entities associated with Lilly Asia Ventures. The address for Lilly Asia Ventures is Unit 1109-10, Two Chinachem Central, 26 Des Voeux Road Central, Hong Kong.

(6) Consists of 7,861,636 shares of common stock issuable upon conversion of Series B-2 Preferred Stock. HH NCure Holdings LLC is beneficially owned and controlled by Hillhouse Fund IV, L.P. Hillhouse Capital Management, Ltd. acts as the sole management company of Hillhouse Fund IV, L.P., which is in turn ultimately controlled by Mr. Lei Zhang. The registered address of HH NCure Holdings LLC is Citco Trustees (Cayman) Limited, 89 Nexus Way, Camana Bay, PO Box 31106, Grand Cayman KY1-1205, Cayman Islands.

(7) Consists of 7,861,636 shares of common stock issuable upon conversion of Series B-2 Preferred Stock. Dr. Xu is a Managing Director at Quan Capital, has voting and dispositive power over the shares directly owned by Quan Venture Fund II, L.P. The address for Quan Venture Fund II, L.P. is c/o Quan Capital, Jinchuang Plaza, 4560 Jinke Rd., Bldg. 1N, Suite 401, Zhangjiang Hi-tech Park, Pudong New Area, Shanghai, China 201210.

(8) Consists of 7,500,000 shares of common stock issuable upon conversion of Series B-3 Preferred Stock. The address for Eli Lilly and Company is Lilly Corporate Center, Indianapolis, IN 46285.

(9) Consists of (a) 3,100,000 shares of common stock, including up to 573,611 shares of restricted common stock subject to repurchase by us upon certain terminations and (b) 637,500 shares of

common stock issuable upon the exercise of stock options within 60 days of January 29, 2019. Our right of repurchase lapses in equal monthly installments through December 29, 2019.

(10) Consists of 175,000 shares of common stock issuable upon the exercise of stock options within 60 days of January 29, 2019.

(11) Consists of (a) 300,000 shares of common stock and (b) 275,000 shares of common stock issuable upon the exercise of stock options within 60 days of January 29, 2019.

(12) Consists of 500,000 shares of restricted common stock subject to repurchase following termination, 76,389 of which are unvested and subject to forfeiture following termination for any reason other than death or disability prior to December 29, 2019. The unvested restricted common stock will vest in equal monthly installments through December 29, 2019, subject to Dr. Kabakoff's continued service with us.

(13) Consists of (a) 4,600,000 shares of common stock, including 1,202,777 shares subject to repurchase or forfeiture, (b) 2,025,000 shares of common stock issuable upon the exercise of stock options within 60 days of January 29, 2019 and (c) 21,554,407 shares of common stock issuable upon conversion of preferred stock.

DESCRIPTION OF CAPITAL STOCK

The following summary describes our capital stock and the material provisions of our amended and restated certificate of incorporation and our amended and restated bylaws, each of which will become effective upon the closing of this offering, and of the Delaware General Corporation Law. Because the following is only a summary, it does not contain all of the information that may be important to you. For a complete description, you should refer to our amended and restated certificate of incorporation and amended and restated bylaws, copies of which have been filed as exhibits to the registration statement of which this prospectus is part.

General

Upon the closing of this offering, we will file our amended and restated certificate of incorporation that authorizes shares of common stock, $0.001 par value per share, and shares of preferred stock, $0.001 par value per share, all of which shares of preferred stock will be undesignated. Our board of directors may establish the rights and preferences of the preferred stock from time to time.

As of December 31, 2018, there were outstanding:

- 136,055,670 shares of our common stock, on an as-converted basis, held by approximately 33 stockholders of record; and
- 16,525,125 shares of our common stock issuable upon exercise of outstanding stock options.

In connection with this offering, we expect to consummate a reverse stock split of our outstanding capital stock at a ratio to be determined.

Common Stock

Voting Rights

Each holder of our common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors. Our stockholders do not have cumulative voting rights in the election of directors. Accordingly, holders of a majority of the voting shares are able to elect all of the directors. In addition, the affirmative vote of holders of $66^{2}/_{3}\%$ of the voting power of all of the then outstanding voting stock will be required to take certain actions, including amending certain provisions of our amended and restated certificate of incorporation, such as the provisions relating to the classified board and choice of forum.

Dividends

Subject to preferences that may be applicable to any then outstanding preferred stock, holders of our common stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds.

Liquidation

In the event of our liquidation, dissolution or winding up, holders of our common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then outstanding shares of preferred stock.

Rights and Preferences

Holders of our common stock have no preemptive, conversion, subscription or other rights, and there are no redemption or sinking fund provisions applicable to our common stock. The rights, preferences and

privileges of the holders of our common stock are subject to and may be adversely affected by the rights of the holders of shares of any series of our preferred stock that we may designate in the future.

Fully Paid and Nonassessable

All of our outstanding shares of common stock are, and the shares of common stock to be issued in this offering will be, fully paid and nonassessable.

Stock Options

As of December 31, 2018, options to purchase 16,525,125 shares of our common stock were outstanding under our 2015 Plan, with a weighted average exercise price of $0.59 per share, and 6,119,875 shares of our common stock remained available for future issuance. For additional information regarding the terms of the 2015 Plan, see "Executive Compensation—Equity Incentive Plans—2015 Omnibus Incentive Plan."

Preferred Stock

Upon the closing of this offering, all outstanding shares of our preferred stock will be converted into 125,010,670 shares of our common stock. Upon the closing of this offering, our amended and restated certificate of incorporation will be amended and restated to delete all references to such shares of preferred stock. From and after the closing of this offering, our board of directors will have the authority, without further action by our stockholders, to issue up to 10,000,000 shares of preferred stock in one or more series and to fix the rights, preferences, privileges and restrictions thereof. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms and the number of shares constituting, or the designation of, such series, any or all of which may be greater than the rights of common stock. The issuance of our preferred stock could adversely affect the voting power of holders of common stock and the likelihood that such holders will receive dividend payments and payments upon our liquidation. In addition, the issuance of our preferred stock could have the effect of delaying, deferring or preventing a change in control of our company or other corporate action. Immediately after the closing of this offering, no shares of preferred stock will be outstanding, and we have no present plan to issue any shares of preferred stock.

Registration Rights

Under our amended and restated investors' rights agreement, following the closing of this offering, the holders of 125,010,670 shares of common stock, or their transferees, will have the right to require us to register their shares, or the registrable shares, under the Securities Act so that those shares may be publicly resold, and the right to include their shares in any registration statement we file, in each case as described below.

Demand Registration Rights

After the closing of this offering, the holders of the registrable shares will be entitled to certain demand registration rights. Beginning six months following the effectiveness of the registration statement of which this prospectus is a part, the holders of at least 20% of these shares can, on not more than two occasions, request that we register all or a portion of their shares if the aggregate offering price of the shares would exceed $10 million (after deductions of underwriters' commissions and expenses).

Piggyback Registration Rights

After the closing of this offering, in the event that we determine to register any of our securities under the Securities Act (subject to certain exceptions), either for our own account or for the account of other security holders, the holders of the registrable shares will be entitled to certain "piggyback" registration

rights allowing the holders to include their shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act, other than with respect to a registration related to employee benefit plans, registration on a form that does not include substantially the same information as would be required to be included in a registration statement covering the registrable shares, a registration in which the only common stock being registered is common stock issuable upon conversion of debt securities also being registered, or corporate reorganizations or certain other transactions, the holders of these shares are entitled to notice of the registration and have the right, subject to limitations that the underwriters may impose on the number of shares included in the registration, to include their shares in the registration. In an underwritten offering, the underwriters have the right, subject to specified conditions, to exclude or limit the number of shares such holders may include.

Form S-3 Registration Rights

If we become and are eligible to file a registration statement on Form S-3, the holders of the registrable shares can make a written request that we register their shares on Form S-3 if we are eligible to file a registration statement on Form S-3 and if the aggregate offering price of the shares is at least $1 million (after deductions of underwriters' commissions and expenses). These stockholders may make an unlimited number of requests for registration on Form S-3, but in no event shall we be required to file more than two registrations on Form S-3 in any given 12-month period.

Expenses of Registration

We will pay the registration expenses of the holders of the shares registered pursuant to the demand, piggyback and Form S-3 registration rights described above, including the reasonable expenses of one counsel for the selling holders.

Expiration of Registration Rights

The demand, piggyback and Form S-3 registration rights described above will expire, with respect to any particular stockholder, upon the earlier of five years after the closing of this offering and when that stockholder can sell all of its shares under Rule 144 under the Securities Act without limitation during any three-month period without registration.

Anti-Takeover Effects of Provisions of Our Amended and Restated Certificate of Incorporation, Our Amended and Restated Bylaws and Delaware Law

Certain provisions of Delaware law and our amended and restated certificate of incorporation and our amended and restated bylaws that will become effective upon to the closing of this offering could make the following transactions more difficult: acquisition of us by means of a tender offer; acquisition of us by means of a proxy contest or otherwise; or removal of our incumbent officers and directors. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in our best interests, including transactions that might result in a premium over the market price for our shares.

These provisions, summarized below, are expected to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because negotiation of these proposals could result in an improvement of their terms.

Delaware Anti-Takeover Statute

We are subject to Section 203 of the Delaware General Corporation Law, which prohibits persons deemed "interested stockholders" from engaging in a "business combination" with a publicly traded Delaware corporation for three years following the date these persons become interested stockholders unless the business combination is, or the transaction in which the person became an interested stockholder was, approved in a prescribed manner or another prescribed exception applies. Generally, an "interested stockholder" is a person who, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation's voting stock. Generally, a "business combination" includes a merger, asset or stock sale, or other transaction resulting in a financial benefit to the interested stockholder. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by the board of directors, such as discouraging takeover attempts that might result in a premium over the market price of our common stock.

Undesignated Preferred Stock

The ability to authorize undesignated preferred stock makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change control of us. These and other provisions may have the effect of deterring hostile takeovers or delaying changes in control or management of our company.

Special Stockholder Meetings

Our amended and restated bylaws provide that a special meeting of stockholders may be called only by our board of directors, our Chair, President or Chief Executive Officer.

Requirements for Advance Notification of Stockholder Nominations and Proposals

Our amended and restated bylaws establish advance notice procedures with respect to stockholder proposals and the nomination of candidates for election as directors, other than nominations made by or at the direction of the board of directors or a committee of the board of directors.

Elimination of Stockholder Action by Written Consent

Our amended and restated certificate of incorporation and our amended and restated bylaws eliminate the right of stockholders to act by written consent without a meeting.

Classified Board; Election and Removal of Directors; Filling Vacancies; Board Size

Our board of directors is divided into three classes. The directors in each class will serve for a three-year term, one class being elected each year by our stockholders, with staggered three-year terms. Only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. Because our stockholders do not have cumulative voting rights, our stockholders holding a majority of the shares of common stock outstanding will be able to elect all of our directors. Our amended and restated certificate of incorporation provides for the removal of any of our directors only for cause and requires a stockholder vote by the holders of at least a $66^{2}/_{3}\%$ of the voting power of the then outstanding voting stock. For more information on the classified board, see "Management—Classified Board of Directors." Any vacancy on our board of directors, however occurring, including a vacancy resulting from an increase in the size of the board, may only be filled by a resolution of the board of directors unless the board of directors determines that such vacancies shall be filled by the stockholders. Furthermore, the authorized number of directors may be changed only by a resolution of the board of directors. This system of electing and removing directors, filling vacancies and fixing the size of the board may tend to discourage a third party from making a tender

offer or otherwise attempting to obtain control of us, because it generally makes it more difficult for stockholders to replace a majority of the directors.

Choice of Forum

Our amended and restated certificate of incorporation provide that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the exclusive forum for: any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine. Although our amended and restated certificate of incorporation contains the choice of forum provision described above, it is possible that a court could find that such a provision is inapplicable for a particular claim or action or that such provision is unenforceable.

Amendment of Charter Provisions

The amendment of any of the above provisions, except for the provision making it possible for our board of directors to issue undesignated preferred stock, would require approval by a stockholder vote by the holders of at least a $66^{2}/_{3}\%$ of the voting power of the then outstanding voting stock.

The provisions of the Delaware General Corporation Law, our amended and restated certificate of incorporation and our amended and restated bylaws could have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they may also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in our management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

Limitation of Liability and Indemnification Matters

For a discussion of liability and indemnification, see "Management—Limitation on Liability and Indemnification Matters."

Listing

We intend to apply to list our common stock on the Nasdaq Global Market under the symbol "NXTC".

Transfer Agent and Registrar

The transfer agent and registrar for our common stock will be . The transfer agent and registrar's address is .

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock. Future sales of our common stock, including shares issued upon the exercise of outstanding options or warrants, in the public market after this offering, or the perception that those sales may occur, could cause the prevailing market price for our common stock to fall or impair our ability to raise equity capital in the future. As described below, only a limited number of shares of our common stock will be available for sale in the public market for a period of several months after the closing of this offering due to contractual and legal restrictions on resale described below. Future sales of our common stock in the public market either before (to the extent permitted) or after restrictions lapse, or the perception that those sales may occur, could adversely affect the prevailing market price of our common stock at such time and our ability to raise equity capital at a time and price we deem appropriate.

Sale of Restricted Shares

Based on the number of shares of our common stock outstanding as of December 31, 2018, upon the closing of this offering, we will have outstanding an aggregate of shares of common stock. Of these shares, all of the shares of common stock to be sold in this offering and any shares sold upon exercise of the underwriters' option to purchase additional shares, will be freely tradable in the public market without restriction or further registration under the Securities Act, unless the shares are held by any of our "affiliates" as such term is defined in Rule 144 under the Securities Act. All remaining shares of common stock held by existing stockholders immediately prior to the closing of this offering will be "restricted securities" as such term is defined in Rule 144. These restricted securities were issued and sold by us, or will be issued and sold by us, in private transactions and are eligible for public sale only if registered under the Securities Act or if they qualify for an exemption from registration under the Securities Act, including the exemptions provided by Rule 144 or Rule 701, which rules are summarized below.

As a result of the lock-up agreements referred to below and the provisions of Rule 144 and Rule 701 under the Securities Act, based on the number of shares of our common stock outstanding as of December 31, 2018, the shares of our common stock (excluding the shares sold in this offering) that will be available for sale in the public market are as follows:

Approximate Number of Shares	First Date Available for Sale into Public Market
shares	180 days after the date of this prospectus upon expiration of the lock-up agreements referred to below, subject in some cases to applicable volume limitations under Rule 144 under the Securities Act

Lock-Up Agreements

In connection with this offering, we, our directors, our executive officers and the holders of all of our outstanding stock and stock options have agreed, subject to certain exceptions, with the underwriters not to dispose of any shares of our common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of the lock-up agreement continuing through the date 180 days after the date of this prospectus, except with the prior written consent of Morgan Stanley & Co. LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Piper Jaffray & Co., on behalf of the underwriters.

Prior to the closing of this offering, certain of our employees, including our executive officers and directors may enter into written trading plans that are intended to comply with Rule 10b5-1 under the Exchange Act. Sales under these trading plans would not be permitted until the expiration of the lock-up agreements relating to the offering described above.

Following the lock-up periods set forth in the agreements described above, all of the shares of our common stock that are restricted securities or are held by our affiliates as of the date of this prospectus will be eligible for sale in the public market in compliance with Rule 144 under the Securities Act.

Rule 144

In general, under Rule 144, as currently in effect, once we have been subject to the public company reporting requirements of the Exchange Act for at least 90 days, a person (or persons whose shares are required to be aggregated) who is not deemed to have been one of our "affiliates" for purposes of Rule 144 at any time during the three months preceding a sale, and who has beneficially owned restricted securities within the meaning of Rule 144 for at least six months, including the holding period of any prior owner other than one of our "affiliates," is entitled to sell those shares in the public market (subject to the lock-up agreement referred to above, if applicable) without complying with the manner of sale, volume limitations or notice provisions of Rule 144, but subject to compliance with the public information requirements of Rule 144. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than "affiliates," then such person is entitled to sell such shares in the public market without complying with any of the requirements of Rule 144 (subject to the lock-up agreement referred to above, if applicable). In general, under Rule 144, as currently in effect, once we have been subject to the public company reporting requirements of the Exchange Act for at least 90 days, our "affiliates," as defined in Rule 144, who have beneficially owned the shares proposed to be sold for at least six months are entitled to sell in the public market, upon expiration of any applicable lock-up agreements and within any three-month period, a number of those shares of our common stock that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately immediately after this offering; or
- the average weekly trading volume of our common stock on the Nasdaq Global Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Such sales under Rule 144 by our "affiliates" or persons selling shares on behalf of our "affiliates" are also subject to certain manner of sale provisions, notice requirements and to the availability of current public information about us. Notwithstanding the availability of Rule 144, the holders of substantially all of our restricted securities have entered into lock-up agreements as referenced above and their restricted securities will become eligible for sale (subject to the above limitations under Rule 144) upon the expiration of the restrictions set forth in those agreements.

Rule 701

In general, under Rule 701 as currently in effect, any of our employees, directors, officers, consultants or advisors who acquired common stock from us in connection with a written compensatory stock or option plan or other written agreement in compliance with Rule 701 under the Securities Act before the effective date of the registration statement of which this prospectus is a part (to the extent such common stock is not subject to a lock-up agreement) is entitled to rely on Rule 701 to resell such shares beginning 90 days after we become subject to the public company reporting requirements of the Exchange Act in reliance on Rule 144, but without compliance with the holding period requirements contained in Rule 144. Accordingly, subject to any applicable lock-up agreements, beginning 90 days after we become subject to the public company reporting requirements of the Exchange Act, under Rule 701 persons who are not our "affiliates," as defined in Rule 144, may resell those shares without complying with the minimum holding period or public information requirements of Rule 144, and persons who are our "affiliates" may resell those shares without compliance with Rule 144's minimum holding period requirements (subject to the terms of the lock-up agreement referred to above).

Registration Rights

Based on the number of shares outstanding as of December 31, 2018, after the closing of this offering, the holders of 125,010,670 shares of our common stock, or their transferees, will, subject to the lock-up agreements referred to above, be entitled to certain rights with respect to the registration of the offer and sale of those shares under the Securities Act. For a description of these registration rights, see "Description of Capital Stock—Registration Rights." If the offer and sale of these shares are registered, they will be freely tradable without restriction under the Securities Act.

Incentive Plans

We intend to file with the SEC a registration statement under the Securities Act covering the shares of common stock that we may issue upon exercise of outstanding options reserved for issuance under the 2015 Plan, the 2019 Plan and the ESPP. Such registration statement is expected to be filed and become effective as soon as practicable after the closing of this offering. Accordingly, shares registered under such registration statement will be available for sale in the open market following its effective date, subject to Rule 144 volume limitations and the lock-up agreements described above, if applicable.

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS OF COMMON STOCK

The following is a summary of the material U.S. federal income tax consequences of the ownership and disposition of our common stock acquired in this offering by a Non-U.S. Holder (as defined below). For purposes of this discussion, a Non-U.S. Holder is a beneficial owner of our common stock that is not a "U.S. person" or partnership, including any entity or arrangement treated as a partnership and the equity holders therein, for U.S. federal income tax purposes.

A U.S. person is any of the following:

- an individual citizen or resident of the United States;
- a corporation (or other entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust (i) whose administration is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust, or (ii) that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

If you are an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes, the U.S. federal income tax treatment of a partner will generally depend on the status of the partner and your activities. Partnerships holding our common stock and the partners in such partnerships are urged to consult their tax advisors as to particular U.S. federal income tax consequences to them of holding and disposing of our common stock.

This discussion is based on the Code, administrative pronouncements, judicial decisions and final, temporary and proposed Treasury regulations, changes to any of which subsequent to the date of this prospectus supplement may affect the tax consequences described herein, possibly with retroactive effect. We have not sought and will not seek any rulings from the Internal Revenue Service, or IRS, regarding the matters discussed below. There can be no assurance the IRS or a court will not take a contrary position to that discussed below regarding the tax consequences of the ownership and disposition of our common stock.

This discussion is limited to Non-U.S. Holders who hold our common stock as a "capital asset" within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does consider any specific facts or circumstances that may be relevant to holders subject to special rules under the U.S. federal income tax laws, including, without limitation, certain former citizens or long-term residents of the United States, a person who holds or receives our common stock pursuant to the exercise of an employee stock option or otherwise as compensation, partnerships (or arrangements classified as partnerships for U.S. federal income tax purposes) or other pass-through entities and the equity holders therein, "controlled foreign corporations," "passive foreign investment companies," corporations that accumulate earnings to avoid U.S. federal income tax, banks, financial institutions, investment funds, insurance companies, brokers, dealers or traders in securities, tax-exempt organizations, tax-qualified retirement plans, persons subject to the alternative minimum tax, persons that own, or have owned, actually or constructively, more than 5% of our common stock and persons holding our common stock as part of a hedging or conversion transaction or straddle, or a constructive sale, or other risk reduction strategy.

This discussion does not describe all of the U.S. federal income tax consequences that may be relevant to you in light of your particular circumstances, and does not address the potential application of the alternative minimum tax, Medicare contribution tax, estate or gift taxes and does not address any aspect of

state, local or non-U.S. taxation, or any taxes other than income taxes. You should consult your tax adviser with regard to the application of the U.S. federal tax laws to your particular situation, as well as any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction.

PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE PARTICULAR U.S. FEDERAL INCOME TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING AND DISPOSING OF OUR COMMON STOCK, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER ANY STATE, LOCAL OR FOREIGN TAX LAWS AND ANY OTHER U.S. FEDERAL TAX LAWS.

Dividends

Distributions of cash or other property paid on our common stock will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. To the extent those distributions exceed our current and accumulated earnings and profits, they will constitute a return of capital, which will first reduce your basis in our common stock, but not below zero, and any excess will be treated as gain from the sale or other disposition of our common stock, as described below under "—Gain on Disposition of Our Common Stock."

Dividends paid to you generally will be subject to withholding tax at a 30% rate or a reduced rate specified by an applicable income tax treaty. In order to obtain a reduced rate of withholding, subject to the discussion below under "—FATCA," you will be required to provide to us or our paying agent a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E (or applicable successor form) certifying your entitlement to benefits under a treaty. This certification must be provided to us or our paying agent prior to the payment of dividends and must be updated periodically. If you hold the stock through a financial institution or other agent acting on your behalf, you will be required to provide appropriate documentation to the agent, which then will be required to provide certification to us or our paying agent, either directly or through other intermediaries.

If you do not timely provide the required certification, but qualify for a reduced treaty rate, you may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

If dividends paid to you are effectively connected with your conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, are attributable to a permanent establishment or fixed base maintained by you in the United States), you will generally be taxed on the dividends on a net income basis in the same manner as a U.S. person. If you are a foreign corporation you also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of your effectively connected earnings and profits for the taxable year, as adjusted for certain items.

If dividends paid to you are effectively connected with your conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, are attributable to a permanent establishment or fixed base maintained by you in the United States), you will be exempt from the withholding tax discussed in the preceding paragraph, although you will be required to provide a properly executed IRS Form W-8ECI in order to claim an exemption from withholding. You should consult your tax advisors regarding any applicable income tax treaties that may provide for different rules.

Gain on Disposition of Our Common Stock

Subject to the discussions below under "—Information Reporting and Backup Withholding" and "—FATCA," you generally will not be subject to U.S. federal income or withholding tax on gain realized on a sale or other taxable disposition of our common stock unless:

- the gain is effectively connected with your conduct of a trade or business in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment or fixed base maintained by you in the United States);
- you are a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition, and certain other requirements are met; or
- we are or have been a "United States real property holding corporation," as defined in the Code, or a USRPHC, at any time within the five-year period ending on the date of the taxable disposition or your holding period for such common stock, whichever period is shorter, and our common stock is not regularly traded on an established securities market or you hold more than 5% of our outstanding common stock, directly or indirectly, during the shorter of the five-year period ending on the date of the taxable disposition or the holding period for such common stock.

Gain described in the first bullet point above will generally be taxed on such gain in the same manner as a U.S. person. If you are a foreign corporation, you also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of your effectively connected earnings and profits for the taxable year, as adjusted for certain items.

Gain described in the second bullet point above will be subject to U.S. federal income tax at a flat 30% rate (or such lower rate specified by an applicable income tax treaty), but may be offset by certain U.S.-source capital losses (even though the individual is not considered a resident of the United States), provided that you have timely filed U.S. federal income tax returns with respect to such losses.

Generally, a corporation is a USRPHC only if the fair market value of its U.S. real property interests equals or exceeds 50% of the sum of the fair market value of its worldwide real property interests plus any of its assets used or held for use in a trade or business. Although there can be no assurance, we do not believe that we are, or have been, a UPRHC, or that we are likely to become one in the future. Even if we are a USRPHC, for so long as our common stock is regularly traded on an established securities market, sales of our common stock generally will not be subject to tax if you have not held more than 5% of our common stock, actually or constructively, during the five-year period preceding such sale or other disposition of our common stock (or your holding period, if shorter). If we are a USRPHC and either our common stock is not regularly traded on an established securities market or you hold, or are treated as holding, more than 5% of our outstanding common stock, directly or indirectly, during the applicable testing period, you will generally be taxed on any gain in the same manner as gain that is effectively connected with the conduct of a U.S. trade or business, except that the branch profits tax generally will not apply. If we are a USRPHC and our common stock is not regularly traded on an established securities market, your proceeds received on a disposition of common stock will be subject to withholding on your proceeds at a rate of 15%. No assurance can be provided that our common stock will be regularly traded on an established securities market for purposes of the rules described above. You are encouraged to consult your own tax advisors regarding the possible consequences to you if we are, or were to become, a USRPHC.

Information Reporting and Backup Withholding

Information returns are required to be filed with the IRS in connection with payments of dividends on our common stock. Unless you comply with certification procedures to establish that you are not a U.S. person, information returns may also be filed with the IRS in connection with the proceeds from a sale or other disposition of our common stock. You may be subject to backup withholding on payments on our

common stock or on the proceeds from a sale or other disposition of our common stock unless the applicable withholding agent does not have actual knowledge or reason to know that you are a U.S. person and you comply with certification procedures to establish that you are not a U.S. person or otherwise establish an exemption. Your provision of a properly executed applicable IRS Form W-8 certifying your non-U.S. status will permit you to avoid backup withholding, provided the applicable withholding agent does not have actual knowledge or reason to know that you are a U.S. person. Amounts withheld under the backup withholding rules are not additional taxes and may be refunded or credited against your U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

FATCA

Provisions of the Code commonly referred to as the Foreign Account Tax Compliance Act, or FATCA, require withholding of 30% on payments of dividends on our common stock, and, subject to the discussion of certain proposed Treasury Regulations below, gross proceeds of dispositions of our common stock, to "foreign financial institutions" (which is broadly defined for this purpose and in general includes investment vehicles) and certain other non-U.S. entities unless various U.S. information reporting and due diligence requirements (generally relating to ownership by U.S. persons of interests in or accounts with those entities) have been satisfied, or an exemption applies. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements. Under certain circumstances, you may be eligible for refunds or credits of such taxes. The U.S. Treasury recently released proposed Treasury Regulations which, if finalized in their present form, would eliminate the federal withholding tax of 30% applicable to the gross proceeds of a sale or other disposition of our common stock. In its preamble to such proposed Treasury Regulations, the U.S. Treasury stated that taxpayers may generally rely on the proposed regulations until final regulations are issued. You should consult your tax adviser regarding the effects of FATCA on your investment in our common stock.

UNDERWRITERS

Under the terms and subject to the conditions in an underwriting agreement dated the date of this prospectus, the underwriters named below, for whom Morgan Stanley & Co. LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Piper Jaffray & Co. are acting as representatives, have severally agreed to purchase, and we have agreed to sell to them, severally, the number of shares indicated below:

Name	Number of Shares
Morgan Stanley & Co. LLC	
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
Piper Jaffray & Co.	
Total	

The underwriters are offering the shares of common stock subject to their acceptance of the shares from us and subject to prior sale. The underwriting agreement provides that the obligations of the several underwriters to pay for and accept delivery of the shares of common stock offered by this prospectus are subject to the approval of certain legal matters by their counsel and to certain other conditions. The underwriters are obligated to take and pay for all of the shares of common stock offered by this prospectus if any such shares are taken. However, the underwriters are not required to take or pay for the shares covered by the underwriters' option to purchase additional shares described below.

The underwriters initially propose to offer part of the shares of common stock directly to the public at the offering price listed on the cover of this prospectus and part to certain dealers at a price that represents a concession not in excess of $ per share under the public offering price. After the initial offering of the shares of common stock, the offering price and other selling terms may from time to time be varied by the representatives.

We have granted the underwriters an option for a period of 30 days from the date of this prospectus to purchase up to an additional shares of our common stock. To the extent the option is exercised, each underwriter will become obligated, subject to certain conditions, to purchase about the same percentage of the additional shares of common stock as the number listed next to the underwriter's name in the preceding table bears to the total number of shares of common stock listed next to the names of all underwriters in the preceding table.

The following table shows the per share and total public offering price, underwriting discounts and commissions and proceeds before expenses to us. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase up to an additional shares of common stock.

		Total	
	Per Share	No Exercise	Full Exercise
Public offering price	$	$	$
Underwriting discounts and commissions to be paid by us	$	$	$
Proceeds, before expenses, to us	$	$	$

The estimated offering expenses payable by us, exclusive of the underwriting discounts and commissions, are approximately $. We have agreed to reimburse the underwriters for expenses relating to clearance of this offering with the Financial Industry Regulatory Authority of up to $.

The underwriters have informed us that they do not intend sales to discretionary accounts to exceed 5% of the total number of shares of common stock offered by them.

We intend to apply to list our common stock on the Nasdaq Global Market under the trading symbol "NXTC."

We and all directors and officers and the holders of all of our outstanding stock and stock options have agreed that, without the prior written consent of the representatives, on behalf of the underwriters, we and they will not, during the period ending 180 days after the date of this prospectus, or the restricted period:

- offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock;

- file any registration statement with the SEC relating to the offering of any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock; or

- enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the common stock,

whether any such transaction described above is to be settled by delivery of common stock or such other securities, in cash or otherwise. In addition, we and each such person agrees that, without the prior written consent of the representatives, on behalf of the underwriters, we or such other person will not, during the restricted period, make any demand for, or exercise any right with respect to, the registration of any shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock.

The restrictions described in the immediately preceding paragraph to do not apply to:

- the sale of shares to the underwriters;

- the issuance by us of shares of common stock upon the exercise of an option or a warrant or the conversion of a security outstanding on the date of this prospectus of which the underwriters have been advised in writing;

- transactions by any person other than us relating to shares of common stock or other securities acquired in open market transactions after the closing of this offering; provided that no filing under Section 16(a) of the Exchange Act is required or voluntarily made in connection with subsequent sales of the common stock or other securities acquired in such open market transactions;

- transfers of shares of common stock or any securities convertible into or exercisable or exchangeable for shares of common stock (i) as a bona fide gift or (ii) to any corporation, partnership, limited liability company, investment fund or other entity controlled or managed, or under common control or management by, the holder, provided that, (a) each transferee shall sign and deliver a lock-up agreement and (b) no filing under Section 16(a) of the Exchange Act reporting a reduction in the beneficial ownership of shares of common stock shall be required or shall be voluntarily made during the restricted period; or

- the establishment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of common stock, provided that (i) such plan does not provide for the transfer of common stock during the restricted period and (ii) to the extent a public announcement or filing under the Exchange Act, if any, is required or voluntarily made regarding the establishment of such plan, such announcement or filing shall include a statement to the effect that no transfer of common stock may be made under such plan during the restricted period.

The representatives, in their joint discretion, may release the common stock and other securities subject to the lock-up agreements described above in whole or in part at any time.

In order to facilitate the offering of the common stock, the underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the common stock. Specifically, the underwriters may sell more shares than they are obligated to purchase under the underwriting agreement, creating a

short position. A short sale is covered if the short position is no greater than the number of shares available for purchase by the underwriters under the option. The underwriters can close out a covered short sale by exercising the option or purchasing shares in the open market. In determining the source of shares to close out a covered short sale, the underwriters will consider, among other things, the open market price of shares compared to the price available under the option. The underwriters may also sell shares in excess of the option, creating a naked short position. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in this offering. As an additional means of facilitating this offering, the underwriters may bid for, and purchase, shares of common stock in the open market to stabilize the price of the common stock. These activities may raise or maintain the market price of the common stock above independent market levels or prevent or retard a decline in the market price of the common stock. The underwriters are not required to engage in these activities and may end any of these activities at any time.

We and the underwriters have agreed to indemnify each other against certain liabilities, including liabilities under the Securities Act.

A prospectus in electronic format may be made available on websites maintained by one or more underwriters, or selling group members, if any, participating in this offering. The representatives may agree to allocate a number of shares of common stock to underwriters for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters that may make Internet distributions on the same basis as other allocations.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Certain of the underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for us, for which they received or will receive customary fees and expenses.

In addition, in the ordinary course of their various business activities, the underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. The underwriters and their respective affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

Selling Restrictions

Canada

The shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 *Prospectus Exemptions* or subsection 73.3(1) of the *Securities Act* (Ontario), and are permitted clients, as defined in National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a

misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 *Underwriting Conflicts* (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

European Economic Area

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive, or each, a Relevant Member State, an offer to the public of any shares of our common stock may not be made in that Relevant Member State, except that an offer to the public in that Relevant Member State of any shares of our common stock may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(i) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives for any such offer; or

(iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of shares of our common stock shall result in a requirement for the publication by us or any underwriter of a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an "offer to the public" in relation to any shares of our common stock in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares of our common stock to be offered so as to enable an investor to decide to purchase any shares of our common stock, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State, and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

United Kingdom

Each underwriter has represented and agreed that:

(i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity within the meaning of Section 21 of the Financial Services and Markets Act 2000, or FSMA, received by it in connection with the issue or sale of the shares of our common stock in circumstances in which Section 21(1) of the FSMA does not apply to us; and

(ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares of our common stock in, from or otherwise involving the United Kingdom.

Hong Kong

Shares of our common stock may not be offered or sold by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), (ii) to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder or (iii) in other circumstances which do not result in the document being a "prospectus" within the meaning of the Companies Ordinance (Cap.32, Laws of Hong Kong), and no advertisement, invitation or document relating to shares of our common stock may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to shares of our common stock which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" within the meaning of the Securities and Futures Ordinance (Cap.571, Laws of Hong Kong) and any rules made thereunder.

Japan

No registration pursuant to Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended), or the FIEL, has been made or will be made with respect to the solicitation of the application for the acquisition of the shares of common stock.

Accordingly, the shares of common stock have not been, directly or indirectly, offered or sold and will not be, directly or indirectly, offered or sold in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements, and otherwise in compliance with, the FIEL and the other applicable laws and regulations of Japan.

For Qualified Institutional Investors, or QII

Please note that the solicitation for newly issued or secondary securities (each as described in Paragraph 2, Article 4 of the FIEL) in relation to the shares of common stock constitutes either a "QII only private placement" or a "QII only secondary distribution" (each as described in Paragraph 1, Article 23-13 of the FIEL). Disclosure regarding any such solicitation, as is otherwise prescribed in Paragraph 1, Article 4 of the FIEL, has not been made in relation to the shares of common stock. The shares of common stock may only be transferred to QIIs.

For Non-QII Investors

Please note that the solicitation for newly issued or secondary securities (each as described in Paragraph 2, Article 4 of the FIEL) in relation to the shares of common stock constitutes either a "small number private placement" or a "small number private secondary distribution" (each as is described in Paragraph 4, Article 23-13 of the FIEL). Disclosure regarding any such solicitation, as is otherwise prescribed in Paragraph 1, Article 4 of the FIEL, has not been made in relation to the shares of common stock. The shares of common stock may only be transferred en bloc without subdivision to a single investor.

Singapore

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of shares of our common stock may not be circulated or distributed, nor may the shares of our common stock be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an

institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA, (ii) to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where shares of our common stock are subscribed or purchased under Section 275 by a relevant person which is: (i) a corporation (which is not an accredited investor) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or (ii) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary is an accredited investor, shares, debentures and units of shares and debentures of that corporation or the beneficiaries' rights and interest in that trust shall not be transferable for 6 months after that corporation or that trust has acquired shares of our common stock under Section 275 except: (a) to an institutional investor under Section 274 of the SFA or to a relevant person, or any person pursuant to Section 275(1A), and in accordance with the conditions, specified in Section 275 of the SFA; (b) where no consideration is given for the transfer; or (c) by operation of law.

LEGAL MATTERS

The validity of the shares of our common stock to be issued in this offering will be passed upon for us by our counsel, Hogan Lovells US LLP, Baltimore, Maryland. As of the date of this prospectus, a partner of Hogan Lovells US LLP owns 300,000 shares of our common stock. Cooley LLP, New York, New York, is acting as counsel for the underwriters in connection with this offering.

EXPERTS

Ernst & Young LLP, independent registered public accounting firm, has audited our financial statements and related notes at December 31, 2017, and for the year ended December 31, 2017, as set forth in their report. We have included our financial statements in this prospectus and elsewhere in the registration statement in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of common stock offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits and schedules filed therewith. For further information with respect to us and the common stock offered hereby, reference is made to the registration statement and the exhibits and schedules filed therewith. Statements contained in this prospectus regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and each such statement is qualified in all respects by reference to the full text of such contract or other document filed as an exhibit to the registration statement. The SEC maintains a website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The address is *www.sec.gov*.

In connection with the closing of this offering, we will become subject to the information and periodic reporting requirements of the Exchange Act and, in accordance therewith, will file periodic reports, proxy statements and other information with the SEC. Such periodic reports, proxy statements and other information will be available for inspection and copying at the website of the SEC referred to above. We maintain a website at *www.nextcure.com*. Upon closing of this offering, you may access our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act with the SEC free of charge at our website as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC. The reference to our website address does not constitute incorporation by reference of the information contained at or available through our website, and you should not consider the contents of our website in making an investment decision with respect to our common stock.

INDEX TO FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of NextCure, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheet of NextCure, Inc. (the "Company") as of December 31, 2017, the related statements of operations and comprehensive loss, preferred stock and stockholders' deficit and cash flows for the year then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2017, and the results of its operations and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

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

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

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2017.
Tysons, VA
January 30, 2019

NEXTCURE, INC.

BALANCE SHEET

(in thousands, except share and per share amounts)

	December 31, 2017
Assets	
Current assets:	
Cash and cash equivalents	$ 8,427
Restricted cash	860
Prepaid expenses and other current assets	133
Total current assets	9,420
Property and equipment, net	10,021
Other assets	26
Total assets	$ 19,467
Liabilities, Preferred Stock and Stockholders' Deficit	
Current liabilities:	
Accounts payable	$ 1,141
Accrued liabilities	1,564
Deferred rent, current portion	19
Term loan, current portion	400
Total current liabilities	3,124
Deferred rent, net of current portion	295
Term loan, net of current portion	460
Total liabilities	3,879
Commitments and contingencies (Note 6)	
Preferred stock:	
Series A Preferred Stock, par value of $0.001 per share; 64,545,455 shares authorized, 40,000,000 shares issued and outstanding	40,000
Stockholders' deficit:	
Common stock, par value of $0.001 per share; 84,045,455 shares authorized, 11,000,000 shares issued and outstanding	11
Additional paid-in capital	75
Accumulated deficit	(24,498)
Total stockholders' deficit	(24,412)
Total liabilities, preferred stock and stockholders' deficit	$ 19,467

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

NEXTCURE, INC.

STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS

(in thousands, except share and per share amounts)

	Year Ended December 31, 2017
Operating expenses:	
Research and development	$ 12,954
General and administrative	2,595
Total operating expenses	15,549
Loss from operations	(15,549)
Other income, net	80
Net loss	(15,469)
Other comprehensive income	—
Total comprehensive loss	$ (15,469)
Net loss per share attributable to common stockholders—basic and diluted	$ (1.41)
Weighted average common shares outstanding—basic and diluted	11,000,000

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

NEXTCURE, INC.

STATEMENT OF PREFERRED STOCK AND STOCKHOLDERS' DEFICIT

(in thousands, except share data)

	Series A Stock		Stockholders' Deficit				
			Common Stock		Additional Paid-in Capital	Accumulated Deficit	Stockholders' Deficit
	Shares	Amount	Shares	Amount			
Balance as of December 31, 2016	15,000,000	$ 15,000	11,000,000	$ 11	$ —	$ (9,029)	$ (9,018)
Stock-based compensation	—	—	—	—	75	—	75
Issuance of preferred stock	25,000,000	25,000	—	—	—	—	—
Net loss	—	—	—	—	—	(15,469)	(15,469)
Balance as of December 31, 2017	40,000,000	$ 40,000	11,000,000	$ 11	$ 75	$ (24,498)	$ (24,412)

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

NEXTCURE, INC.

STATEMENT OF CASH FLOWS

(in thousands)

	Year Ended December 31, 2017
Cash flows from operating activities:	
Net loss	$ (15,469)
Adjustments to reconcile net loss to net cash used in operating activities:	
Depreciation and amortization	582
Stock-based compensation	75
Changes in operating assets and liabilities:	
Prepaid expenses and other current assets	(89)
Other assets	21
Accounts payable	767
Accrued liabilities	1,557
Deferred rent	42
Net cash used in operating activities	(12,514)
Cash flows from investing activities:	
Purchase of property and equipment	(8,652)
Net cash used in investing activities	(8,652)
Cash flows from financing activities:	
Proceeds from issuance of preferred stock	25,000
Payments of the term loan	(140)
Net cash provided by financing activities	24,860
Net increase in cash, cash equivalents and restricted cash	3,694
Cash, cash equivalents and restricted cash—beginning of year	5,593
Cash, cash equivalents and restricted cash—end of year	$ 9,287
Supplemental disclosures of cash flow information:	
Cash paid for interest	$ 30
Cash paid for income taxes	$ —
Supplemental disclosures of noncash investing and financing activities:	
Purchase of property and equipment included in accrued liabilities	$ 515

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

NEXTCURE, INC.

NOTES TO FINANCIAL STATEMENTS

1. Nature of the Business and Basis of Presentation

Organization

NextCure, Inc. ("NextCure" or the "Company") was incorporated in Delaware in September 2015 and is headquartered in Beltsville, Maryland. The Company is a biopharmaceutical company committed to discovering and developing novel, first-in-class immunomedicines to treat cancer and other immune-related diseases by restoring normal immune function. Through its proprietary Functional, Integrated, NextCure Discovery in Immuno-Oncology ("FIND-IO") platform, the Company studies various immune cells in order to discover and understand targets and structural components of immune cells and their functional impact in order to develop immunomedicines. Since inception, the Company has devoted substantially all of its efforts and financial resources to organizing and staffing the Company, identifying business development opportunities, raising capital, securing intellectual property rights related to the Company's product candidates, building and optimizing the Company's manufacturing capabilities and conducting discovery, research and development activities for the Company's product candidates, discovery programs and its FIND-IO platform.

Risks and Uncertainties

The Company is subject to risks common to early-stage companies in the biotechnology industry including, but not limited to: having a limited operating history and no products approved for commercial sale; having a history of significant losses; our need to obtain additional financing; dependence on its ability to advance its current and future product candidates through clinical trials, marketing approval and commercialization; the unproven approach to the discovery and development of product candidates based on the Company's FIND-IO platform; the lengthy and expensive nature and uncertain outcomes of the clinical development process; the lengthy, time-consuming and unpredictable nature of the regulatory approval process; the results of preclinical studies and early-stage clinical trials that may not be predictive of future results; dependence on its key personnel; its limited manufacturing experience as an organization and with its manufacturing facility; risks related to patent protection and our pending patent applications; dependence on third-party collaborators for the discovery, development and commercialization of current and future product candidates; and significant competition from other biotechnology and pharmaceutical companies. Pursuit of the Company's business efforts will require significant amounts of additional capital, adequate personnel, infrastructure and extensive compliance-reporting capabilities. Even if the Company's development efforts are successful, it is uncertain when, if ever, the Company will realize significant revenue from product sales.

Liquidity

The Company expects that its operating losses and negative cash flows will continue for the foreseeable future. As of the issuance date of the financial statements for the year ended December 31, 2017, the Company expects that its cash and cash equivalents will be sufficient to fund its operating expenses and capital expenditure requirements through at least twelve months from the issuance date of the financial statements. The future viability of the Company beyond that date is dependent on its ability to raise additional capital to finance its operations. On April 5, 2018, the Company issued 28,181,819 shares of Series A-3 Preferred Stock at an issuance price of $1.10 per share for cash proceeds of $31.0 million (Note 15). On November 5, 2018, the Company entered into a Series B Preferred Stock Purchase Agreement and issued 15,052,117 shares of Series B-1 Preferred Stock at an issuance price of $1.59 per share, 34,276,734 shares of Series B-2 Preferred Stock at an issuance price of $1.59 per share and 7,500,000 shares of Series B-3 Preferred Stock at an issuance price of $2.00 per share for aggregate cash proceeds of

NEXTCURE, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

1. Nature of the Business and Basis of Presentation (Continued)

$93.4 million (Note 15). If the Company is unable to obtain additional funding, management will implement cost saving strategies, such that the Company's current cash and cash equivalents as of December 31, 2017, as well as the funds raised on April 5, 2018 and November 5, 2018, will be sufficient to fund its operating expenses and capital expenditure requirements through at least twelve months from the issuance date of these financial statements.

The Company plans to seek additional funding through public or private equity offerings, debt financings, marketing and distribution arrangements, other collaborations, strategic alliances and licensing arrangements. The Company may not be able to obtain financing on acceptable terms, or at all, and the Company may not be able to enter into strategic alliances or other arrangements on favorable terms, or at all. The terms of any financing may adversely affect the holdings or the rights of the Company's stockholders. If the Company is unable to obtain funding, the Company could be required to delay, reduce or eliminate research and development programs, product portfolio expansion or future commercialization efforts, which could adversely affect its business prospects.

Although management continues to pursue these funding plans, there is no assurance that the Company will be successful in obtaining sufficient funding on terms acceptable to the Company to fund continuing operations, if at all.

Basis of Presentation

The accompanying financial statements include the accounts of the Company. The Company's financial statements have been prepared in accordance with United States generally accepted accounting principles ("GAAP"). Any reference in these notes to applicable guidance is meant to refer to the authoritative GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Update ("ASU") of the Financial Accounting Standards Board ("FASB").

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. On an ongoing basis, management evaluates its estimates, including those related to accrued expenses, revenue recognition, the valuation of equity-based compensation, including incentive stock options, common stock and restricted common stock, as well as income taxes. The Company bases its estimates on various assumptions that the Company believes to be reasonable under the circumstances. Actual results could differ from those estimates.

Segment and Geographic Information

Operating segments are defined as components of an entity about which separate discrete information is available for evaluation by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Company views its operations as and manages its business in one operating segment operating exclusively in the United States.

NEXTCURE, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less at the date of purchase to be cash equivalents. The Company deposits its cash primarily in checking, sweep account and money market accounts.

Restricted Cash

The Company is required to maintain cash collateral on deposit in a segregated money market bank account, as a condition of its Term Loan (Note 7) equal to the principal portion on a quarterly basis. The bank may restrict withdrawals or transfers by, or on behalf of, the Company. The required reserve totaled $860,000 as of December 31, 2017. This amount is presented as restricted cash on the accompanying balance sheet.

The following table reconciles cash and cash equivalents and restricted cash per the balance sheet to the statement of cash flows (in thousands):

	December 31, 2017
Cash and cash equivalents	$ 8,427
Restricted cash	860
Total	$ 9,287

Concentration of Credit Risk

Financial instruments that potentially expose the Company to concentrations of credit risk primarily consist of cash and cash equivalents. The Company maintains its cash and cash equivalents at one accredited financial institution in amounts that exceed federally insured limits. The Company does not believe that it is subject to unusual credit risk beyond the normal credit risk associated with commercial banking relationships.

Fair Value of Financial Instruments

ASC Topic 820, *Fair Value Measurement* ("ASC 820"), establishes a fair value hierarchy for instruments measured at fair value that distinguishes between assumptions based on market data (observable inputs) and the Company's own assumptions (unobservable inputs). Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs are inputs that reflect the Company's assumptions about the inputs that market participants would use in pricing the asset or liability and are developed based on the best information available in the circumstances. ASC 820 identifies fair value as the exchange price, or exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As a basis for considering market participant assumptions in fair value measurements, ASC 820 establishes a three-tier value hierarchy that distinguishes between the following:

Level 1—Quoted market prices in active markets for identical assets or liabilities.

NEXTCURE, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies (Continued)

Level 2—Inputs other than Level 1 inputs that are either directly or indirectly observable, such as quoted market prices, interest rates and yield curves.

Level 3—Unobservable inputs developed using estimates of assumptions developed by the Company, which reflect those that a market participant would use.

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

Property and Equipment, Net

Property and equipment are recorded at cost. Depreciation is computed over the estimated useful lives of the related assets using the straight-line method. Leasehold improvements are amortized on a straight-line basis over the shorter of the useful life or term of the lease. Upon retirement or disposal, the cost and related accumulated depreciation are removed from the balance sheet and the resulting gain or loss is recorded to general and administrative expenses in the accompanying statement of operations and comprehensive loss. Routine expenditures for maintenance and repairs are expensed as incurred.

Estimated useful lives for property and equipment are as follows:

Property and Equipment	Estimated Useful Life
Equipment	5 years
Furniture and fixtures	7 years
Leasehold improvements	Lesser of estimated useful life or remaining lease term

Construction in Progress

Construction in progress (Note 4) is carried at cost and consists of specifically identifiable direct and indirect development and construction costs. While under construction, costs of the property are included in construction in progress until the property is placed in service, at which time costs are transferred to the appropriate property and equipment account including, but not limited to, leasehold improvements or other such accounts.

Impairment of Long-Lived Assets

The Company reviews the recoverability of its long-lived asset group when events or changes in circumstances occur that indicate that the carrying value of the asset group may not be recoverable. The assessment of possible impairment is based on the ability to recover the carrying value of the asset group from the expected future cash flows (undiscounted and without interest expense) of the related operations. If these cash flows are less than the carrying value of such asset group, an impairment loss for the difference between the estimated fair value and carrying value is recorded. There was no impairment loss recognized during the year ended December 31, 2017.

NEXTCURE, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies (Continued)

Preferred Stock

The Company's preferred stock is classified outside of stockholders' deficit because the shares contain deemed liquidation rights that are a contingent redemption feature not solely within the control of the Company.

Research and Development Costs

Expenditures, including payroll, contractor expenses and supplies, for research and development of products are expensed as incurred. Development costs incurred by third parties are expensed as the contracted work is performed. Where contingent milestone payments are due to third parties under research and development arrangements, the milestone payment obligations are expensed when the milestone results are probable of being achieved.

Patent Costs

All patent-related costs incurred in connection with filing and prosecuting patent applications are expensed as incurred due to the uncertainty about the recovery of the expenditure. Amounts incurred are classified as general and administrative expenses in the accompanying statement of operations and comprehensive loss.

Stock-Based Compensation

The Company accounts for its stock-based compensation in accordance with ASC Topic 718, *Compensation-Stock Compensation* ("ASC 718"). ASC 718 requires all share-based payments to employees, consultants and directors, including grants of incentive stock options, nonqualified stock options, restricted stock awards, unrestricted stock awards or restricted stock units to employees, consultants and directors of the Company, to be recognized as expense in the statement of operations and comprehensive loss based on their grant date fair values. The Company estimates the fair value of options granted using the Black-Scholes option pricing model ("Black-Scholes") for stock option grants to both employees and non-employees and the fair value of common stock to determine the fair value of restricted stock.

The Company recognizes forfeitures as they occur as allowed by ASU No. 2016-09, *Improvements to Employee Share-Based Payment Accounting* ("ASU 2016-09"). Adoption of ASU 2016-09 did not have a material impact on the Company's financial statements.

The Black-Scholes option pricing model requires inputs based on certain subjective assumptions, including (i) the expected stock price volatility, (ii) the expected term of the award, (iii) the risk-free interest rate and (iv) expected dividends. Due to the lack of a public market for the Company's common stock and lack of company-specific historical and implied volatility data, the Company has based its computation of expected volatility on the historical volatility of a representative group of public companies with similar characteristics to the Company, including stage of product development and life science industry focus. The historical volatility is calculated based on a period of time commensurate with expected term assumption. The Company uses the simplified method as prescribed by the SEC Staff Accounting Bulletin No. 107, Share-Based Payment, to calculate the expected term for options granted to employees as it does not have sufficient historical exercise data to provide a reasonable basis upon which to estimate the expected term. The expected term is applied to the stock option grant group as a whole, as the Company does not expect substantially different exercise or post-vesting termination behavior among its employee

NEXTCURE, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies (Continued)

population. For options granted to non-employees, the Company utilizes the simplified method also as the basis for the expected term assumption. The risk-free interest rate is based on a treasury instrument whose term is consistent with the expected term of the stock options. The expected dividend yield is assumed to be zero as the Company has never paid dividends and has no current plans to pay any dividends on its common stock.

There are significant judgments and estimates inherent in the determination of the fair value of the Company's common stock. These estimates and assumptions include a number of objective and subjective factors, including external market conditions, the prices at which the Company sold shares of preferred stock, the superior rights and preferences of securities senior to its common stock at the time of, and the likelihood of, achieving a liquidity event, such as an initial public offering or sale.

The Company expenses the fair value of its share-based compensation awards on a straight-line basis over the requisite service period, which is generally the vesting period.

Income Taxes

The Company uses the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax base. Deferred tax assets and liabilities, which relate primarily to the carrying amount of the Company's property and equipment and its net operating loss carryforwards, are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax expense or benefit is the result of changes in the deferred tax assets and liabilities. Valuation allowances are established when necessary to reduce deferred tax assets where, based upon the available evidence, the Company concludes that it is more-likely-than-not that the deferred tax assets will not be realized. In evaluating its ability to recover deferred tax assets, the Company considers all available positive and negative evidence, including its operating results, ongoing tax planning and forecasts of future taxable income on a jurisdiction-by-jurisdiction basis. Because of the uncertainty of the realization of deferred tax assets, the Company has recorded a full valuation allowance against its deferred tax assets.

Reserves are provided for tax benefits for which realization is uncertain. Such benefits are only recognized when the underlying tax position is considered more-likely-than-not to be sustained on examination by a taxing authority, assuming they possess full knowledge of the position and facts. Interest and penalties related to uncertain tax positions are recognized in the provision of income taxes; however, the Company currently has no interest or penalties related to uncertain income tax benefits.

Comprehensive Loss

The Company did not have any other comprehensive income or loss for any of the periods presented and, therefore, comprehensive loss did not differ from net loss.

Net Loss per Share

The Company calculates basic and diluted net loss per share attributable to common stockholders in conformity with the two-class method required for participating securities. The Company considers its Series A Preferred Stock to be participating securities as in the event a dividend is paid on common stock,

NEXTCURE, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies (Continued)

the holders of Series A Preferred Stock would be entitled to receive dividends on a basis consistent with the common stockholders. Under the two-class method, the net loss attributable to common stockholders is not allocated to the preferred stock as the holders of the preferred stock do not have a contractual obligation to share in losses.

Under the two-class method, basic net loss per share attributable to common stockholders is computed by dividing the net loss attributable to common stockholders by the weighted average number of shares of common stock.

Recently Adopted Accounting Pronouncements

In November 2016, the FASB issued ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash* ("ASU 2016-18"), which requires that a statement of cash flows explain the change during the period in the total cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. Therefore, amounts generally described as restricted cash and restricted cash equivalents should be included with cash and cash equivalents when reconciling the beginning and ending balances shown on the statement of cash flows. The guidance is effective for fiscal years, and interim periods within those years, beginning after December 15, 2017. Early adoption is permitted; however, adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. The Company adopted ASU 2016-18 as of January 1, 2017.

Recently Issued Accounting Pronouncements

In January 2016, the Financial Accounting Standards Board (the FASB) issued Accounting Standards Update (ASU) No. 2016-01, *Financial Instruments —Overall* (*Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* ("ASU 2016-01"). The update addresses certain aspects of recognition, measurement, presentation and disclosure of financial instruments. ASU 2016-01 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2017. The standard is not expected to have a significant impact on the Company's financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases* ("ASU 2016-02"). The new guidance requires lessees to record most leases on their balance sheets and recognize the related expenses on their income statements in a manner similar to current practice. ASU 2016-02 states that a lessee would recognize a lease liability for the obligation to make lease payments and a right-to-use asset for the right to use the underlying asset for the lease term. The standard is effective for fiscal years, and interim periods within those years, beginning after December 15, 2018. Early adoption is permitted. The Company is currently evaluating the effect of this standard on its financial statements.

In March 2016, the FASB issued ASU No. 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)* ("ASU 2016-08"), which clarified the revenue recognition implementation guidance on principal versus agent considerations. In April 2016, the FASB issued ASU No. 2016-10, *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing* ("ASU 2016-10"), which clarified the revenue recognition guidance regarding the identification of performance obligations and the licensing implementation. In May 2016, the FASB issued ASU No. 2016-12, *Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients* ("ASU 2016-12"), which narrowly amended the revenue recognition guidance regarding collectability, noncash consideration, presentation of sales tax and transition. ASU No. 2016-08, ASU No. 2016-10 and ASU 2016-12 are effective during the same period as

NEXTCURE, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

2. Summary of Significant Accounting Policies (Continued)

ASU No. 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"), which is effective for fiscal years, and interim periods within those years, beginning after December 15, 2017. The Company will adopt ASU 2016-08, ASU 2016-10, ASU 2016-12 and ASU 2014-09 once the Company has revenue.

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments* ("ASU 2016-15"). ASU 2016-15 eliminates the diversity in practice related to the classification of certain cash receipts and payments for debt prepayment or extinguishment costs, the maturing of a zero coupon bond, the settlement of contingent liabilities arising from a business combination, proceeds from insurance settlements, distributions from certain equity method investees and beneficial interests obtained in a financial asset securitization. ASU 2016-15 designates the appropriate cash flow classification, including requirements to allocate certain components of these cash receipts and payments among operating, investing and financing activities. The retrospective transition method, requiring adjustment to all comparative periods presented, is required unless it is impracticable for some of the amendments, in which case those amendments would be prospectively applied as of the earliest date practicable. ASU 2016-15 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2017. The standard is not expected to have a significant impact on the Company's financial statements.

In May 2017, the FASB issued ASU No. 2017-09, *Compensation—Stock Compensation (Topic 718): Scope of Modification Accounting* ("ASU 2017-09"), which clarifies when to account for a change to the terms or conditions of a share-based payment award as a modification. Under the new guidance, modification accounting is required only if the fair value, the vesting conditions, or the classification of the award (as equity or liability) changes as a result of the change in terms or conditions. The standard is effective for fiscal years, and interim periods within those years, beginning after December 15, 2017. The Company will adopt ASU 2017-09 as of the required effective date of January 1, 2018. The adoption of this standard will have an impact on the accounting for the modification of stock-based awards, if any, after the date of adoption.

3. Fair Value of Financial Instruments

The following table sets forth the fair value of the Company's financial assets by level within the fair value hierarchy (in thousands):

	As of December 31, 2017				
			Fair Value Measurement Based on		
Assets	Carrying Amount	Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money market funds (cash equivalents)	$ 1,000	$ 1,000	$ 1,000	$ —	$ —

The Company did not transfer any assets measured at fair value on a recurring basis to or from Level 1 during the year ended December 31, 2017.

NEXTCURE, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

4. Property and Equipment, Net

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

	As of December 31, 2017
Research equipment	$ 6,213
Leasehold improvements	564
Computer equipment and software	111
Furniture and fixtures	33
Construction in progress	3,892
Property and equipment, gross	10,813
Less: accumulated depreciation and amortization	(792)
Property and equipment, net	$ 10,021

Construction in progress at December 31, 2017 consists of the costs incurred for the build-out of a manufacturing suite at the Company's headquarters in Beltsville, Maryland, which was completed in January 2018.

Depreciation and amortization expense for the year ended December 31, 2017 was approximately $582,000.

5. Accrued Liabilities

Accrued liabilities consist of the following (in thousands):

	As of December 31, 2017
Accrued construction in progress	$ 515
Accrued payroll and related benefits	493
Accrued operating expenses	450
Accrued office lease	104
Accrued interest	2
Total accrued liabilities	$ 1,564

6. Commitments and Contingencies

Operating Leases

The Company subleases its facilities under a non-cancelable operating sublease agreement. The sublease commenced on February 9, 2016 and expires on August 31, 2025. The Company is also responsible for its prorated share of the sublandlord's operating expense.

NEXTCURE, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

6. Commitments and Contingencies (Continued)

The future minimum payments for the operating leases are as follows (in thousands):

Year Ending December 31,	
2018	$ 316
2019	325
2020	308
2021	317
2022	355
Thereafter	970
Total future minimum payments	$ 2,591

Rent expense incurred under operating leases was approximately $376,000 for the year ended December 31, 2017.

Contingencies

The Company is subject to claims and assessments from time to time in the ordinary course of business. The Company records a provision for a liability when it believes that it is both probable that a liability has been incurred and the amount can be reasonably estimated. Significant judgment is required to determine both probability and the estimated amount.

In the normal course of business, the Company may become involved in legal proceedings. The Company will accrue a liability for such matters when it is probable that a liability has been incurred and the amount can be reasonably estimated. When only a range of possible loss can be established, the most probable amount in the range is accrued. If no amount within this range is a better estimate than any other amount within the range, the minimum amount in the range is accrued. The accrual for a litigation loss contingency might include, for example, estimates of potential damages, outside legal fees and other directly related costs expected to be incurred. As of December 31, 2017, the Company was not involved in any material legal proceedings.

7. Term Loan

In April 2016, the Company entered into a $1.0 million term loan (the "Term Loan"). The Term Loan bears interest at the prime rate less 1%. As of December 31, 2017, the interest rate in effect was 3.5%. The Term Loan is secured by all certificates of deposit, money market accounts, cash, securities, investment property and deposit or investment accounts. The Term Loan requires monthly payments of interest only before May 2017, and equal monthly payments of principal and interest thereafter, as defined in the agreement. Interest expense under the Term Loan totaled $30,000 during the year ended December 31, 2017. The outstanding balance on the Term Loan totaled $860,000 as of December 31, 2017.

NEXTCURE, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

7. Term Loan (Continued)

Future maturities of the Term Loan as of December 31, 2017 are as follows (in thousands):

	As of December 31, 2017
2018	$ 400
2019	387
2020	73
Total	860
Less: current portion of term loan	(400)
Term loan, net of current portion	$ 460

8. Preferred Stock

As of December 31, 2017, the Company's certificate of incorporation, as amended and restated, authorized the Company to issue 64,545,455 shares of $0.001 par value preferred stock. The Company's preferred stock is classified outside of stockholders' deficit because the shares contain deemed liquidation rights that are a contingent redemption feature not solely within the control of the Company.

As of December 31, 2017, the Company has issued 40,000,000 shares of Series A Preferred Stock as follows:

In December 2015, the Company issued 15,000,000 shares of Series A-1 Preferred Stock at an issuance price of $1.00 per share for cash proceeds of $15.0 million.

In January 2017, the Company issued 25,000,000 shares of Series A-2 Preferred Stock at an issuance price of $1.00 per share for cash proceeds of $25.0 million.

The Company's Series A Preferred Stock has the following rights and preferences, privileges and restrictions:

Dividends

The holders of Series A Preferred Stock are entitled to receive annual noncumulative dividends at an annual rate of 8% in preference to any declaration or payment of any dividend on the common stock, on an as-converted basis when, as and if declared by the Board of Directors. As of December 31, 2017, no dividends have been declared.

Voting Rights

Each share of Series A Preferred Stock represents such number of votes as is equal to the number of shares of common stock into which such share is convertible. The holders of Series A Preferred Stock vote together with the holders of common stock on an as-converted basis on all matters in which stockholders are entitled to vote. The holders of Series A Preferred Stock, exclusively and as a separate class, are entitled to elect five directors of the Company as of December 31, 2017.

NEXTCURE, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

8. Preferred Stock (Continued)

Conversion Rights

The holders of the Company's Series A Preferred Stock are entitled to convert their shares 1:1 into common stock on demand. The Series A Preferred Stock is mandatorily convertible upon the closing of a qualified public offering in which gross proceeds to the Company exceed $30.0 million or on the date specified by a majority vote of the outstanding shares of Series A Preferred Stock voting on an as-converted basis.

Liquidation Preference

In the event of any liquidation, dissolution or winding up of the Company, the holders of the Company's Series A Preferred Stock are entitled to an amount per share equal to the original issue price plus all declared and unpaid dividends. The conversion rights terminate on the day of the liquidation event.

9. Common Stock

As of December 31, 2017, the Company's Certificate of Incorporation, as amended and restated, authorized the Company to issue 84,045,455 shares of $0.001 par value common stock, of which 11,000,000 were issued and outstanding.

Each share of common stock entitles the holder to one vote on all matters submitted to a vote of the Company's stockholders. Common stockholders are entitled to receive dividends, as may be declared by the board of directors, if any, subject to the preferential dividend rights of the preferred stock. When dividends are declared on shares of common stock, the Company must declare at the same time a dividend payable to the holders of preferred stock equivalent to the dividend amount they would receive if each share of preferred stock was converted into common stock. The Company may not pay dividends to common stockholders until all dividends accrued or declared but unpaid on the preferred stock have been paid in full. No dividends have been declared or paid by the Company through December 31, 2017.

In the event of any liquidation or dissolution of the Company, the holders of common stock are entitled to the remaining assets of the Company legally available for distribution after the payment of the full liquidation preference for the preferred stock.

10. Stock-Based Compensation

2015 Omnibus Incentive Plan

The NextCure, Inc. 2015 Omnibus Incentive Plan (the "2015 Plan") provides for the Company to grant incentive stock options or nonqualified stock options, restricted stock awards, unrestricted stock awards or restricted stock units to employees, consultants and directors of the Company. The 2015 Plan is administered by the board of directors, or at the discretion of the board of directors, by a committee of the board of directors. The exercise prices, vesting and other restrictions are determined at the discretion of the board of directors or its committee if so delegated, except that the exercise price per share of the stock options may not be less than 100% of the fair market value of a share of the Company's common stock on the date of grant and the term of the stock options may not be greater than 10 years.

Under the 2015 Plan, the Company had initially reserved on December 29, 2015, 2,500,000 shares of common stock, which number of shares was automatically increased pursuant to the terms of the 2015 Plan by 3,000,000 as of the second closing of the Series A Preferred Stock financing on January 24, 2017. The

NEXTCURE, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

10. Stock-Based Compensation (Continued)

total number of shares of common stock that may be issued under the 2015 Plan was 5,500,000 as of December 31, 2017. As of December 31, 2017, there were 4,070,000 stock options and 500,000 shares of registered stock outstanding and 930,000 shares of common stock available for future issuance under the 2015 Plan.

Stock options granted under the 2015 Plan generally vest over four years and expire after 10 years.

The exercise price for stock options granted is not less than the fair value of common shares as determined by the board of directors as of the date of grant. The board of directors determines the value the Company's common stock taking into consideration the most recently available third-party valuation of common shares, as well as additional factors, which may have changed since the date of the most recent contemporaneous valuation through the date of grant.

A summary of stock option activity for awards under the 2015 Plan is presented below:

	Options Outstanding and Exercisable			
	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Aggregate Intrinsic Value[(1)] (in thousands)
Outstanding as of January 1, 2017	1,520,000	$ 0.06	8.6	$ 137
Granted	2,550,000	0.15		
Outstanding as of December 31, 2017	4,070,000	0.12	9.0	137
Vested and expected to vest as of December 31, 2017	4,070,000	0.12	9.0	137
Exercisable as of December 31, 2017	520,518	0.06	8.5	47

(1) The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying options and the estimated fair value of the common stock for the options that were in the money at December 31, 2017.

The weighted average grant date fair value of stock options granted during the year ended December 31, 2017 was $0.10 per share. There were no stock options exercised during the year ended December 31, 2017.

The aggregate grant date fair value of stock options and restricted stock vested during the year ended December 31, 2017 was approximately $29,000.

Stock-Based Compensation

The Company recorded stock-based compensation expense of $75,000 during the year ended December 31, 2017. As of December 31, 2017, there was $295,000 of unrecognized compensation cost related to unvested stock-based compensation arrangements granted under the 2015 Plan. The compensation is expected to be recognized over a weighted average period of three years as of December 31, 2017.

NEXTCURE, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

10. Stock-Based Compensation (Continued)

Stock-based compensation expense recorded as research and development and general and administrative expenses is as follows (in thousands):

	Year Ended December 31, 2017
Research and development	$ 35
General and administrative	40
Total stock-based compensation expense	$ 75

The assumptions used in the Black-Scholes option-pricing model for stock options granted were as follows:

	Year Ended December 31, 2017
Expected term (in years)	6.1
Expected volatility	74.0%
Risk-free interest rate	2.1%
Expected dividend yield	—%

Restricted Common Stock

In May 2016, the Company issued 500,000 shares of restricted common stock from the 2015 Plan, which are restricted as to sale or transferability. These restrictions lapse over a four-year period.

11. Net Loss Per Share Attributable to Common Stockholders

The following table summarizes the computation of basic and diluted net loss per share attributable to common stockholders of the Company (in thousands, except share and per share amounts):

	Year Ended December 31, 2017
Numerator:	
Net loss	$ (15,469)
Denominator:	
Weighted average number of common shares, basic and diluted	11,000,000
Net loss per common share attributable to common stockholders, basic and diluted	$ (1.41)

The Company's potential dilutive securities, which include preferred stock and common stock options, have been excluded from the computation of diluted net loss per share as the effect would be anti-dilutive. Therefore, the weighted average number of common shares outstanding used to calculate both basic and diluted net loss per share attributable to common stockholders is the same. The Company excluded the following potential common shares, presented based on amounts outstanding at period end, from the

NEXTCURE, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

11. Net Loss Per Share Attributable to Common Stockholders (Continued)

computation of diluted net loss per share attributable to common stockholders for the period indicated because including them would have had an anti-dilutive effect:

	Year Ended December 31, 2017
Preferred stock	40,000,000
Options to purchase common stock	520,518
Total	40,520,518

12. Income Taxes

2017 U.S. Tax Reform

On December 22, 2017, the U.S. government signed into law the Tax Cuts and Jobs Act (the "Tax Act") that significantly reforms the Internal Revenue Code of 1986, as amended. The Tax Act, among other things, contains significant changes to corporate taxation, including reduction of the corporate tax rate from a top marginal rate of 35% to a flat rate of 21%, effective as of January 1, 2018; limitation of the tax deduction for interest expense; limitation of the deduction for net operating losses to 80% of annual taxable income and elimination of net operating loss carrybacks, in each case, for losses arising in taxable years beginning after December 31, 2017 (though any such tax losses may be carried forward indefinitely); and modifying or repealing many business deductions and credits, including reducing the business tax credit for certain clinical testing expenses incurred in the testing of certain drugs for rare diseases or conditions generally referred to as "orphan drugs".

The staff of the Securities and Exchange Commission issued Staff Accounting Bulletin No. 118 to address the application of GAAP in situations when a registrant does not have the necessary information available, prepared or analyzed (including computations) in reasonable detail to complete the accounting for certain income tax effects of the Tax Act. In connection with the initial analysis of the impact of the Tax Act, the Company remeasured its deferred tax assets and liabilities based on the rates at which they are expected to reverse in the future, which is generally 21% for federal tax purposes. The remeasurement of the Company's deferred tax assets and liabilities was offset by a change in the valuation allowance.

The Company is still in the process of analyzing the impact of the Tax Act and its analysis is not yet complete. Where the Company has been able to make reasonable estimates of the effects related to the Tax Act, the Company has recorded provisional amounts. The ultimate impact to the Company's financial statements of the Tax Act may differ from the provisional amounts due to, among other things, additional analysis, changes in interpretations and assumptions the Company has made, additional regulatory guidance that may be issued and actions the Company may take as a result of the Tax Act.

NEXTCURE, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

12. Income Taxes (Continued)

Income Taxes

The reconciliation of federal statutory income tax rate to the Company's effective income tax rate is as follows:

	Year Ended December 31, 2017
Expected income tax benefit at the federal statutory rate	34.0%
State taxes, net of federal benefit	6.5
Research and development credit, net	4.7
Non-deductible items	(5.3)
Prior year provision to return adjustments	4.1
Tax rate reduction due to the Tax Act	(15.6)
Other	(2.9)
Change in valuation allowance	(25.5)
Total	0.0%

Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes.

The principal components of the Company's deferred tax assets consisted of the following as of December 31, 2017 (in thousands):

	As of December 31, 2017
Deferred tax assets:	
Federal and state net operating loss carryforwards	$ 6,176
Research and development tax credits	1,283
Charitable contribution carryforwards	153
Accruals	135
Other	4
Gross deferred tax assets	7,751
Less: valuation allowance	(7,491)
Total deferred tax assets	$ 260
Deferred tax liabilities:	
Depreciation and amortization	$ (260)
Gross deferred tax liabilities	$ (260)
Net deferred tax assets	$ —

The Company increased its valuation allowance by approximately $3.9 million for the year ended December 31, 2017 in order to maintain a full valuation allowance against its deferred tax assets. Based on the Company's history of losses, the Company recorded a full valuation allowance against its deferred tax

NEXTCURE, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

12. Income Taxes (Continued)

assets as of December 31, 2017. The Company intends to maintain a valuation allowance until sufficient positive evidence exists to support a reversal of the allowance.

As of December 31, 2017, the Company had federal and state net operating loss carryforwards of $22.7 million and $21.9 million, respectively, both of which begin to expire in the year ending December 31, 2036. The Company had federal research and development tax credit carryforwards of approximately $1.3 million as of December 31, 2017. This credit begins to expire in the year ending December 31, 2036.

Under the provisions of Section 382 of the Internal Revenue Code (the "IRC"), net operating loss and credit carryforwards and other tax attributes may be subject to limitation if there has been a significant change in ownership of the Company, as defined by the IRC. Future owner or equity shifts, including an initial public offering, could result in limitations on net operating loss and credit carryforwards.

The Company files income tax returns in the U.S. federal jurisdiction as well as in Maryland. The tax years 2015 to 2016 remain open to examination by the major jurisdictions in which the Company are subject to tax. Fiscal years outside the normal statute of limitation remain open to audit by tax authorities due to tax attributes generated in those early years, which have been carried forward and may be audited in subsequent years when utilized.

The Company evaluates tax positions for recognition using a more-likely-than-not recognition threshold, and those tax positions eligible for recognition are measured as the largest amount of tax benefit that is greater than 50% likely of being realized upon the effective settlement with a taxing authority that has full knowledge of all relevant information. As of December 31, 2017, the Company had no unrecognized income tax benefits that would affect the Company's effective tax rate if recognized.

13. Employee Benefit Plan

The Company sponsors a 401(k) plan that stipulates that eligible employees can elect to contribute to the 401(k) plan, subject to certain limitations, up to the lesser of the statutory maximum or 100% of eligible compensation on a pre-tax basis. Through December 31, 2017, the Company has not provided any contributions to this plan.

14. Related Party Transactions

Consulting Agreement with Scientific Founder

In December 2015, the Company entered into a consulting agreement for scientific advisory services with a founder of the Company (the "Scientific Founder"), who is also a stockholder of the Company. The term of the consulting agreement expires December 31, 2020. Under the agreement, the Scientific Founder receives $5,000 per month in consulting fees until the expiration of the agreement.

Yale License Agreement and Sponsored Research Agreement

In December 2015, the Company entered into a license agreement with Yale University (the "Yale Agreement"), which is also a stockholder of the Company. Under the Yale Agreement, the Company obtained a license to products that either incorporate certain licensed patents used in the discovery of targets or arise out of research and development of the Scientific Founder's laboratory at Yale, including S15. The Company is obligated to pay Yale low single-digit royalties on sales of products that are either

NEXTCURE, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

14. Related Party Transactions (Continued)

covered by the patents licensed to the Company under the Yale Agreement or arise out of the Scientific Founder's laboratory, subject to a modest minimum annual royalty payment, an annual license maintenance fee and milestone payments of up to $3.0 million per product.

In connection with the Yale Agreement, the Company also entered into the Corporate Sponsored Research Agreement with Yale (the "SRA"), in which the Company agreed to provide an aggregate of up to $12.4 million to fund a research program aimed at discovering new targets for immunomedicines. The research program is under the direction and supervision of the Scientific Founder. As of December 31, 2017, the Company has made payments in an aggregate of $4.9 million under the SRA, including $2.1 million in the year ended December 31, 2017.

15. Subsequent Events

The Company has evaluated subsequent events through January 30, 2019, the date on which the December 31, 2017 financial statements were available to be issued.

On April 5, 2018, the Company issued 28,181,819 shares of Series A-3 Preferred Stock at an issuance price of $1.10 per share for cash proceeds of approximately $31.0 million. In connection with the issuance, the Company's board of directors and stockholders approved amendments to the Company's Certificate of Incorporation. Pursuant to these amendments, the authorized number of shares of common stock and preferred stock was increased to 87,181,819 and 68,181,819, respectively. In addition, the Company effected an increase in the total number of shares of the Company's common stock reserved for the issuance under the 2015 Plan from 5,500,000 to 8,500,000.

On July 24, 2018, the Company increased the total number of shares of the Company's common stock reserved for issuance under the 2015 Plan from 8,500,000 to 9,475,000. The Company's board of directors and stockholders also approved an amendment to the Company's Certificate of Incorporation to increase the number of authorized shares of common stock to 88,156,819.

On August 27, 2018, the Company granted 3,677,000 options to purchase common stock of the Company with an exercise price of $0.22 per share.

On November 2, 2018, the Company entered into a collaboration agreement with Eli Lilly ("Lilly"), under which the Company will use its FIND-IO platform to identify novel oncology targets that will be subjected to jointly conducted research activities by both parties of the agreement. Additionally, the Company granted Lilly the exclusive option to obtain worldwide exclusive licenses to research, develop, manufacture and commercialize multiple compounds and products directed to oncology targets identified in the research collaboration. Lilly in turn granted the Company an exclusive option to obtain worldwide exclusive licenses to research, develop, manufacture and commercialize an equal number of compounds and products directed to oncology targets for which Lilly does not exercise its option. Under the terms of the agreement, Lilly paid an upfront fee of $25.0 million in cash and made an equity investment of $15.0 million in the Company.

On November 5, 2018, the Company entered into a purchase agreement for the Series B Preferred Stock and issued 15,052,117 shares of Series B-1 Preferred Stock at an issuance price of $1.59 per share, issued 34,276,734 shares of Series B-2 Preferred Stock at an issuance price of $1.59 per share and issued 7,500,000 shares of Series B-3 Preferred Stock at a price of $2.00 per share for aggregate gross cash proceeds of approximately $93.4 million. In connection with the issuance, the Company's board of directors and stockholders approved amendments to the Company's Certificate of Incorporation. Pursuant

NEXTCURE, INC.

NOTES TO FINANCIAL STATEMENTS (Continued)

15. Subsequent Events (Continued)

to these amendments, the authorized number of shares of common stock and preferred stock was increased to 158,745,671 and 125,010,671, respectively. In addition, the Company effected an increase in the total number of shares of the Company's common stock reserved for the issuance under the 2015 Plan from 9,475,000 shares to 22,690,000 shares.

On December 21, 2018, the Company granted 8,937,500 options to purchase common stock of the Company with a weighted average exercise price of $0.95 per share.

On January 25, 2019, the Company amended its Term Loan to an aggregate principal amount of $5.0 million, which remains secured by the Company's certificates of deposit, money market account, investment property and deposit or investment accounts. As amended, the Term Loan bears interest at the greater of the prime rate less 1% and 4.25%. Under the agreement, the Company is required to make monthly interest-only payments through January 2020 and is required to make 36 equal monthly payments of principal plus accrued interest thereafter through January 2023.

On January 30, 2019, the Company entered into a new lease for 14,075 square feet to be used for office, manufacturing and laboratory space, which the Company expects to take possession of in June 2019. The new lease is expected to expire in March 2030 and will also cover the Company's existing space after expiration of the Company's current lease. Base rent for the first 10 months is abated, after which the base rent of the lease is $19,650 per month, with an increase in annual rent of 3.0% in each subsequent year of the lease term.

Shares

Common Stock

PROSPECTUS

Joint Book-Running Managers

MORGAN STANLEY *BofA MERRILL LYNCH* *PIPER JAFFRAY*

Until , 2019, all dealers that effect transactions in these securities, whether or not participating in this offering, may be required to deliver a prospectus. This is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

, 2019

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Item 13. Other Expenses of Issuance and Distribution.

The following table sets forth the costs and expenses, other than the underwriting discounts and commissions, payable by us in connection with the sale of common stock being registered. All amounts are estimates except for the SEC registration fee, the Financial Industry Regulatory Authority, Inc., or FINRA, filing fee and the Nasdaq Global Market listing fee.

	Amount to be Paid
SEC registration fee	$ *
FINRA filing fee	*
Nasdaq Global Market listing fee	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Transfer agent and registrar fees and expenses	*
Miscellaneous expenses	*
Total	$ *

* To be completed by amendment.

Item 14. Indemnification of Directors and Officers.

We are incorporated under the laws of the State of Delaware. As permitted by Section 102 of the Delaware General Corporation Law, we have adopted provisions in our amended and restated certificate of incorporation and bylaws that limit or eliminate the personal liability of our directors for a breach of their fiduciary duty of care as a director. The duty of care generally requires that, when acting on behalf of the corporation, directors exercise an informed business judgment based on all material information reasonably available to them. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for:

- any breach of the duty of loyalty to us or our stockholders;
- any act or omission not in good faith that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law; or
- any transaction from which the director derived an improper personal benefit.

These limitations of liability do not affect the availability of equitable remedies such as injunctive relief or rescission. Our amended and restated certificate of incorporation also authorizes us to indemnify our officers, directors and other agents to the fullest extent permitted under Delaware law.

As permitted by Section 145 of the Delaware General Corporation Law, our amended and restated bylaws provide that:

- we will indemnify our directors and officers to the fullest extent permitted by the Delaware General Corporation Law, subject to limited exceptions;

- we will advance expenses to our directors in connection with legal proceedings to the fullest extent permitted by the Delaware General Corporation Law, subject to limited exceptions; and

- the rights provided in our amended and restated bylaws are not exclusive.

Our amended and restated certificate of incorporation, attached as Exhibit 3.1 hereto, and our amended and restated bylaws, attached as Exhibit 3.2 hereto, will provide for the indemnification provisions described above and elsewhere herein.

We have entered and expect to continue to enter into agreements to indemnify our directors, executive officers and other employees as determined by our board of directors. These indemnification agreements generally require us, among other things, to indemnify our directors, executive officers and these employees against liabilities that may arise by reason of their status or service as directors or officers, other than liabilities arising from willful misconduct. These indemnification agreements also generally require us to advance any expenses incurred by the directors, executive officers and employees as a result of any proceeding against them as to which they could be indemnified. We also maintain directors' and officers' liability insurance that insures our directors and officers against the cost of defense, settlement or payment of a judgment in some circumstances.

The form of Underwriting Agreement, attached as Exhibit 1.1 hereto, provides for indemnification by the underwriters named in this registration statement of our executive officers, directors and us, and by us of the underwriters named in this registration statement, for specified liabilities, including liabilities arising under the Securities Act. Our amended and restated investors' rights agreement with certain stockholders, attached as Exhibit 4.2 hereto, also provides for cross-indemnification in connection with the registration of our common stock on behalf of such investors.

See the undertakings set forth in response to Item 17 herein.

Item 15. Recent Sales of Unregistered Securities.

The following list sets forth information regarding all securities sold or granted by us within the last three years that were not registered under the Securities Act and the consideration, if any, received by us for such securities.

Issuances of Capital Stock

(1) In January 2017, we issued an aggregate of 25,000,000 shares of our Series A-2 Preferred Stock to seven accredited investors at a price per share of $1.00 for aggregate proceeds of $25 million. Upon the closing of this offering, each share of Series A-2 Preferred Stock will convert into one share of our common stock.

(2) In April 2018, we issued an aggregate of 28,181,819 shares of our Series A-3 Preferred Stock to seven accredited investors at a price per share of $1.10 for aggregate proceeds of $31 million. Upon the closing of this offering, each share of Series A-3 Preferred Stock will convert into one share of our common stock. Upon the closing of this offering, each share of Series A-2 Preferred Stock will convert into one share of our common stock.

(3) In November 2018, we issued an aggregate of 15,052,117 shares of our Series B-1 Preferred Stock to seven accredited investors at a price per share of $1.59 for aggregate proceeds of approximately $23.9 million. Upon the closing of this offering, each share of Series B-1 Preferred Stock will convert into one share of our common stock.

(4) In November 2018, we issued an aggregate of 34,276,734 shares of our Series B-2 Preferred Stock to 14 accredited investors at a price per share of $1.59 for aggregate proceeds of approximately $54.5 million. Upon the closing of this offering, each share of Series B-2 Preferred Stock will convert into one share of our common stock.

(5) In November 2018, we issued an aggregate of 7,500,000 shares of our Series B-3 Preferred Stock to Eli Lilly and Company at a price per share of $2.00 for aggregate proceeds of $15 million. Upon the closing of this offering, each share of Series B-3 Preferred Stock will convert into one share of our common stock.

Grants of Stock Options and Restricted Stock

(6) In May 2016, we issued 500,000 shares of restricted common stock to David Kabakoff, Ph.D., pursuant to a restricted stock agreement under the 2015 Plan at a price per share of $0.06 for aggregate proceeds of $30,000.

(7) Since January 30, 2016, we granted to our directors, officers, employees, consultants and other service providers stock options to purchase an aggregate of 17,184,500 shares of our common stock under our 2015 Plan at exercise prices ranging from $0.06 to $0.95 per share. Of these, stock options covering an aggregate of 114,375 shares were cancelled without being exercised.

(8) Since January 30, 2016, we have issued an aggregate of 78,750 shares of our common stock to our directors, officers and employees pursuant to the exercise of stock options under our 2015 Plan at exercise prices ranging from $0.06 to $0.15 per share for aggregate proceeds of approximately $7,931.

We deemed the offers, sales and issuances of the securities described in paragraphs (1) through (5) above to be exempt from registration under the Securities Act, in reliance on Section 4(a)(2) of the Securities Act, including Regulation D and Rules 504 and 506 promulgated thereunder, relative to transactions by an issuer not involving a public offering. All purchasers of securities in transactions exempt from registration pursuant to Regulation D represented to us that they were accredited investors and were acquiring the shares for investment purposes only and not with a view to, or for sale in connection with, any distribution thereof and that they could bear the risks of the investment and could hold the securities for an indefinite period of time. The purchasers received written disclosures that the securities had not been registered under the Securities Act and that any resale must be made pursuant to a registration statement or an available exemption from such registration.

We deemed the issuance of restricted common stock and grants and exercises of stock options described in paragraphs (6) through (8) above to be exempt from registration under the Securities Act in reliance on Rule 701 of the Securities Act as offers and sales of securities under compensatory benefit plans and contracts relating to compensation in compliance with Rule 701. Each of the recipients of securities in any transaction exempt from registration either received or had adequate access, through employment, business or other relationships, to information about us.

All of the foregoing securities are deemed restricted securities for purposes of the Securities Act. All certificates representing securities issued in the transactions described in this Item 15 included appropriate legends setting forth that the securities had not been offered or sold pursuant to a registration statement and describing the applicable restrictions on transfer of the securities. There were no underwriters employed in connection with any of the transactions set forth in this Item 15.

Item 16. Exhibits and Financial Statement Schedules.

(a) Exhibits

See the Index to Exhibits attached to this registration statement, which is incorporated by reference herein.

(b) Financial Statement Schedules

No financial statement schedules are provided, because the information called for is not required or is shown either in the financial statements or the notes thereto.

Item 17. Undertakings.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned registrant hereby undertakes that:

(1) The registrant will provide to the underwriters at the closing as specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

(2) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in the form of prospectus filed by the registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(3) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial *bona fide* offering thereof.

INDEX TO EXHIBITS

Exhibit Number	Exhibit Description
1.1*	Form of Underwriting Agreement.
3.1*	Form of Third Amended and Restated Certificate of Incorporation, to be in effect upon closing of this offering.
3.2*	Form of Amended and Restated Bylaws, to be in effect upon closing of this offering.
3.3	Second Amended and Restated Certificate of Incorporation, as currently in effect.
3.4	Bylaws, as amended to date, and as currently in effect.
4.1	Amended and Restated Investors' Rights Agreement, dated as of November 5, 2018, by and among the Company and the investors party thereto.
5.1*	Opinion of Hogan Lovells US LLP.
10.1†	License Agreement, dated as of December 29, 2015, by and between the Company and Yale University.
10.2†	Corporate Sponsored Research Agreement, dated as of December 29, 2015, by and between the Company and Yale University.
10.3†	Research and Development Collaboration Agreement, dated as of November 2, 2018, by and between the Company and Eli Lilly and Company.
10.4†	Sublease Agreement, dated as of February 9, 2016, by and between the Company and Lupin, Inc.
10.5*+	Form of Indemnification Agreement by and between the Company and each of its directors and executive officers.
10.6+	NextCure, Inc. 2015 Omnibus Incentive Plan, as amended.
10.7*+	Form of Stock Option Agreement under the NextCure, Inc. 2015 Omnibus Incentive Plan.
10.8*+	NextCure, Inc. 2019 Omnibus Incentive Plan.
10.9*+	Form of Stock Option Agreement under the NextCure, Inc. 2019 Omnibus Incentive Plan.
10.10*+	Form of Restricted Stock Agreement under the NextCure, Inc. 2019 Omnibus Incentive Plan.
10.11*+	Form of Restricted Stock Unit Agreement under the NextCure, Inc. 2019 Omnibus Incentive Plan.
10.12*+	NextCure, Inc. 2019 Employee Stock Purchase Plan.
10.13*+	Non-Employee Director Compensation Policy.
10.14*	Lease Agreement, dated as of January 30, 2019, by and between the Company and ARE-8000/9000/10000 Virginia Manor, LLC.
10.15*+	Employment Letter, dated as of September 12, 2016, by and between the Company and Michael Richman.
10.16*+	Employment Letter, dated as of December 18, 2017, by and between the Company and Steven P. Cobourn.
10.17*+	Employment Letter, dated as of September 12, 2016, by and between the Company and Sol Langermann, Ph.D.

Exhibit Number	Exhibit Description
23.1*	Consent of Ernst & Young LLP, independent registered public accounting firm.
23.2*	Consent of Hogan Lovells US LLP (included in Exhibit 5.1).
24.1*	Power of Attorney (included on signature page of Registration Statement).

* To be filed by amendment.

+ Indicates a management contract or compensatory plan.

† Registrant has requested confidential treatment for certain portions of this exhibit. This exhibit omits the information subject to this confidentiality request. Omitted portions have been filed separately with the Securities and Exchange Commission.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in Beltsville, Maryland, on this day of , 2019.

NEXTCURE, INC.

By: _____

Michael Richman
President and Chief Executive Officer

POWER OF ATTORNEY

Each person whose individual signature appears below hereby authorizes and appoints Michael Richman and Steven P. Cobourn and each of them, with full power of substitution and resubstitution and full power to act without the other, as his or her true and lawful attorney-in-fact and agent to act in his or her name, place and stead and to execute in the name and on behalf of each person, individually and in each capacity stated below, and to file any and all amendments to this registration statement, including any and all post-effective amendments and amendments thereto, and any subsequent registration statement relating to the same offering as this registration statement that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, ratifying and confirming all that said attorneys-in-fact and agents or any of them or their or his substitute or substitutes may lawfully do or cause to be done by virtue thereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this registration statement has been signed by the following persons in the capacities and on the dates indicated:

Signature	Title	Date
_____ Michael Richman	President, Chief Executive Officer and Director *(Principal Executive Officer)*	, 2019
_____ Steven P. Cobourn	Chief Financial Officer *(Principal Financial and Accounting Officer)*	, 2019
_____ David Kabakoff, Ph.D.	Chair of the Board	, 2019
_____ Elaine V. Jones, Ph.D.	Director	, 2019

Signature	Title	Date
_____ Chau Q. Khuong	Director	, 2019
_____ Judith J. Li	Director	, 2019
_____ Tim Shannon, M.D.	Director	, 2019
_____ Stella Xu, Ph.D.	Director	, 2019

Exhibit 3.3

EXECUTION VERSION
CONFIDENTIAL

SECOND AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
NEXTCURE, INC.

(Pursuant to Sections 242 and 245 of the
General Corporation Law of the State of Delaware)

NextCure, Inc., a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "**General Corporation Law**"),

DOES HEREBY CERTIFY:

1. That the name of this corporation is NextCure, Inc. (the "**Corporation**"), and that this corporation was originally incorporated pursuant to the General Corporation Law on September 3, 2015. The Amended and Restated Certificate of Incorporation of the Corporation was filed in the office of the Secretary of State of the State of Delaware on December 29, 2015. The First Certificate of Amendment of Amended and Restated Certificate of Incorporation of the Corporation was filed in the office of the Secretary of State of the State of Delaware on April 5, 2018. The Second Certificate of Amendment of Amended and Restated Certificate of Incorporation of the Corporation was filed in the office of the Secretary of State of the State of Delaware on July 24, 2018.

2. That the Board of Directors duly adopted resolutions proposing to amend and restate the Certificate of Incorporation of the Corporation, declaring said amendment and restatement to be advisable and in the best interests of this corporation and its stockholders, and authorizing the appropriate officers of this corporation to solicit the consent of the stockholders therefor, which resolution setting forth the proposed amendment and restatement is as follows:

RESOLVED, that the Certificate of Incorporation of the Corporation be amended and restated in its entirety to read as follows:

FIRST: The name of this corporation is NextCure, Inc. (the "**Corporation**").

SECOND: The address of the registered office of the Corporation in the State of Delaware shall be located at Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle, 19801. The name of its registered agent at such address is The Corporation Trust Company.

THIRD: The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law.

FOURTH: The total number of shares of all classes of stock which the Corporation shall have authority to issue is (i) 158,745,671 shares of Common Stock, $0.001 par value per share ("**Common Stock**") and (ii) 125,010,671 shares of Preferred Stock, $0.001 par value per share ("**Preferred Stock**").

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

A. COMMON STOCK

1. General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights, powers and preferences of the holders of the Preferred Stock set forth herein.

2. Voting. The holders of the Common Stock are entitled to one (1) vote for each share of Common Stock held at all meetings of stockholders (and in respect of written actions in lieu of meetings); provided, however, that, except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to the Certificate of Incorporation that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to the Certificate of Incorporation or pursuant to the General Corporation Law. There shall be no cumulative voting. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by (in addition to any vote of the holders of one or more series of Preferred Stock that may be required by the terms of the Certificate of Incorporation) the affirmative vote of holders of shares of capital stock of the Corporation representing a majority of the votes represented by all outstanding shares of capital stock of the Corporation entitled to vote, voting as a single class on an as-converted basis, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law.

B. PREFERRED STOCK

15,000,000 shares of the authorized and unissued Preferred Stock of the Corporation are hereby designated "**Series A-1 Preferred Stock**", 25,000,000 shares of the authorized and unissued Preferred Stock of the Corporation are hereby designated "**Series A-2 Preferred Stock**", 28,181,819 shares of the authorized and unissued Preferred Stock of the Corporation are hereby designated "**Series A-3 Preferred Stock**" (collectively, the "**Series A Preferred Stock**") and 15,052,117 shares of the authorized and unissued Preferred Stock of the Corporation are hereby designated "**Series B-1 Preferred Stock**", 34,276,735 shares of the authorized and unissued Preferred Stock of the Corporation are hereby designated "**Series B-2 Preferred Stock**" and 7,500,000 shares of the authorized and unissued Preferred Stock of the Corporation are hereby designated "**Series B-3 Preferred Stock**" (collectively, the "**Series B Preferred Stock**" and, together with the Series A Preferred Stock, the "**Preferred Stock**"), in each case, with the following rights, preferences, powers, privileges and restrictions, qualifications and limitations. Unless otherwise indicated, references to "sections" in this Part B of this Article Fourth refer to sections of Part B of this Article Fourth.

1. Dividends. In any calendar year, the holders of shares of Preferred Stock then outstanding shall be entitled to receive dividends, when, as and if declared by the Board of Directors of the Corporation (the "**Board of Directors**"), out of any assets at the time legally available therefor, at an annual rate of eight percent (8%) of the applicable Original Issue Price

per share (as defined below) (the "**Dividend Rate**") payable in preference and priority to any declaration or payment of any dividend on Common Stock in such calendar year. No dividends shall be made with respect to the Common Stock until all declared dividends on the Preferred Stock have been paid or set aside for payment to the holders of Preferred Stock. Payment of any dividends on Preferred Stock shall be on a pro rata, *pari passu* basis in proportion to the applicable Original Issue Price per share. No dividend may be declared or paid on the Common Stock unless any and all such dividends are distributed among all holders of Common Stock and Preferred Stock in proportion to the number of shares of Common Stock that would be held by each such holder if all shares of Preferred Stock were converted to Common Stock at the then effective applicable Conversion Rate (as defined below). The right to receive dividends on shares of Preferred Stock shall not be cumulative, and no right to such dividends shall accrue to holders of Preferred Stock by reason of the fact that dividends on said shares are not declared or paid in any calendar year.

2. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales.

2.1 Preferential Payments to Holders of Series B Preferred Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event (as defined below), the holders of shares of Series B Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation or proceeds of the Deemed Liquidation Event, as applicable, available for distribution to its stockholders before any payment shall be made to the holders of Series A Preferred Stock and holders of Common Stock by reason of their ownership thereof, an amount per share of Series B Preferred Stock held by each such holder equal to the applicable Series B Original Issue Price, plus any dividends declared but unpaid thereon (as determined in accordance with Section 1). If upon any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series B Preferred Stock the full amount to which they shall be entitled under this Section 2.1, the holders of shares of Series B Preferred Stock shall share ratably, on a pari passu basis in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full. The "**Series B Original Issue Price**" shall mean $1.59 per share with respect to shares of Series B-1 Preferred Stock and Series B-2 Preferred Stock and $2.00 per share with respect to shares of Series B-3 Preferred Stock, in each case, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series B Preferred Stock.

2.2 Preferential Payments to Holders of Series A Preferred Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event (as defined below), after the preferential payments described in Section 2.1 above, the holders of shares of Series A Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation or proceeds of the Deemed Liquidation Event, as applicable, available for distribution to its stockholders before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, an amount per share of Series A Preferred Stock held by each such holder equal to the applicable

Series A Original Issue Price, plus any dividends declared but unpaid thereon (as determined in accordance with Section 1). If upon any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series A Preferred Stock the full amount to which they shall be entitled under this Section 2.2, the holders of shares of Series A Preferred Stock shall share ratably, on a pari passu basis in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full. The "**Series A Original Issue Price**" shall mean $1.00 per share with respect to shares of Series A-1 Preferred Stock and Series A-2 Preferred Stock and $1.10 per share with respect to shares of Series A-3 Preferred Stock, in each case, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock. The "**Original Issue Price**" shall mean the applicable Series A Original Issue Price with respect to the Series A Preferred Stock or the applicable Series B Original Issue Price with respect to the Series B Preferred Stock.

2.3 Distribution of Remaining Assets. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, after the payment of all preferential amounts required to be paid to the holders of shares of Series B Preferred Stock pursuant to Section 2.1 and to the holders of shares of Series A Preferred Stock pursuant to Section 2.2, the remaining assets of the Corporation or proceeds of the Deemed Liquidation Event, as applicable, available for distribution to its stockholders shall be distributed among the holders of the shares of Preferred Stock and Common Stock, pro rata based on the number of shares held by each such holder, treating for this purpose all such securities as if they had been converted to Common Stock pursuant to the terms of the Certificate of Incorporation immediately prior to such liquidation, dissolution or winding up of the Corporation. With respect to each series of Series A Preferred Stock, the aggregate amount per share which a holder of a share of such series is entitled to receive under Sections 2.2 and 2.3 is hereinafter referred to as the "**Series A Liquidation Amount**." With respect to the Series B Preferred Stock, the aggregate amount per share which a holder of a share of such series is entitled to receive under Sections 2.1 and 2.3 is hereinafter referred to as the "**Series B Liquidation Amount**."

2.4 Deemed Liquidation Events.

2.4.1 Definitions. Each of the following events shall be considered a "**Deemed Liquidation Event**" unless each of (a) the holders of Series A Preferred Stock representing at least 70% of the outstanding shares of Series A Preferred Stock (the "**Series A Majority**"), (b) the holders of Series B Preferred Stock representing at least 66%of the then outstanding shares of Series B Preferred Stock, and (c) the holders of Series B-2 Preferred Stock representing at least 66% of the then outstanding shares of Series B-2 Preferred Stock (the "**Series B-2 Majority**", and (b) and (c) are together defined as the "**Series B Majority**", and (a), (b) and (c) together, the "**Required Majority**") elect otherwise by written notice sent to the Corporation at least fifteen (15) days prior to the effective date of any such event:

(a) a merger or consolidation in which

(i) the Corporation is a constituent party or

(ii) a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation,

except any such merger or consolidation involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation; or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation; or

(b) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole, or the sale or disposition (whether by merger, consolidation or otherwise) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation.

(c) an acquisition, sale or other similar transaction or series of related transactions which results in a person, or a group of related persons, holding shares representing more than fifty percent (50%) of the outstanding voting power of the Corporation.

For the avoidance of doubt, the issuance of shares of capital stock of the Corporation principally for bona fide equity financings shall not be considered a Deemed Liquidation Event if (i) such issuance does not result in a change of composition of a majority of the Board of Directors (or confer any person or group with the power to effect such a change of composition), and (ii) the senior management of the Corporation remains substantially unaltered for at least six (6) months following such issuance.

2.4.2 Effecting a Deemed Liquidation Event.

(a) The Corporation shall not have the power to effect a Deemed Liquidation Event unless the agreement or plan of merger or consolidation for such transaction (the "**Transaction Agreement**") provides that the consideration payable to the stockholders of the Corporation shall be allocated among the holders of capital stock of the Corporation in accordance with Sections 2.1, 2.2 and 2.3.

(b) In the event of a Deemed Liquidation Event referred to in Section 2.4.1(a)(ii) or 2.4.1(b), if the Corporation does not effect a dissolution of the Corporation under the General Corporation Law within ninety (90) days after such Deemed

Liquidation Event, then (i) the Corporation shall send a written notice to each holder of Preferred Stock no later than the ninetieth (90th) day after the Deemed Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause (ii) to require the redemption of such shares of Preferred Stock (the "**Redemption Right Notification**"), and (ii) if the holders of a Required Majority of the then outstanding shares of Preferred Stock so request in a written instrument delivered to the Corporation not later than one hundred twenty (120) days after such Deemed Liquidation Event (the "**Redemption Request**"), the Corporation shall use the consideration received by the Corporation for such Deemed Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the Board of Directors, including at least one (1) of the Series A Directors and one (1) of the Series B Directors), together with any other assets of the Corporation available for distribution to its stockholders, all to the extent permitted by the General Corporation Law governing distributions to stockholders (the "**Available Proceeds**"), on the one hundred fiftieth (150th) day after such Deemed Liquidation Event (the "**Liquidation Redemption Date**"), to redeem each outstanding share of Preferred Stock at a price per share equal to the applicable Series A Liquidation Amount or Series B Liquidation Amount, as applicable (the "**Redemption Price**"). Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, (1) if the Available Proceeds are not sufficient to redeem all outstanding shares of Series B Preferred Stock, the Corporation shall ratably redeem each holder's shares of Series B Preferred Stock to the fullest extent of such Available Proceeds and shall redeem the remaining shares of Series B Preferred Stock as soon as it may lawfully do so under Delaware law governing distributions to stockholders, and (2) if, after the redemption of all outstanding shares of Series B Preferred Stock, the Available Proceeds are not sufficient to redeem all outstanding shares of Series A Preferred Stock, the Corporation shall ratably redeem each holder's shares of Series A Preferred Stock to the fullest extent of such Available Proceeds and shall redeem the remaining shares of Series A Preferred Stock as soon as it may lawfully do so under Delaware law governing distributions to stockholders. On or before the Liquidation Redemption Date, each holder of shares of Preferred Stock to be redeemed on such Liquidation Redemption Date (excluding any holder that has exercised his, her or its right to convert such shares as provided in Section 4) shall surrender the certificate or certificates representing such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation, in the manner and at the place designated in the Redemption Right Notification, and thereupon the Redemption Price shall be payable to the order of the party whose name appears on such certificate or certificates as the owner thereof. In the event less than all of the shares of Preferred Stock represented by a certificate are redeemed, a new certificate representing the unredeemed shares of Preferred Stock shall promptly be issued to the applicable holder. If the Redemption Right Notification shall have been duly given by the Corporation and the Redemption Request duly received by the Corporation, and if on the Liquidation Redemption Date, the entire Redemption Price payable upon redemption of the shares of Preferred Stock to be redeemed on such Liquidation Redemption Date is paid or tendered for payment or deposited with an independent payment agent so as to be available therefor in a timely manner, then notwithstanding that the certificates evidencing any of the shares of Preferred Stock so called for redemption shall not have been surrendered, all rights

with respect to such shares shall forthwith after the Liquidation Redemption Date terminate, except only the right of the holders to receive the Redemption Price without interest upon surrender of their certificate or certificates therefor. Prior to the distribution or redemption provided for in this Section 2.4.2(b), the Corporation shall not expend or dissipate the consideration received for such Deemed Liquidation Event, except to discharge expenses incurred in connection with such Deemed Liquidation Event. If the Corporation does not comply with its obligations under this Section 2.4.2(b) to redeem the shares of Preferred Stock in connection with any Redemption Request, at the option and upon the declaration of the Required Majority, and subject to the General Corporation Law, until each share of Preferred Stock has been redeemed in accordance with this Section 2.4.2(b): (i) notwithstanding anything stated in Section 3.2, the Required Majority shall be entitled to elect all directors of the Corporation, and remove all directors of the Corporation not so elected by the Required Majority, (ii) without the Board of Directors' prior written consent, the Corporation shall not incur, pay or repay any expenditure or indebtedness, and (iii) the Required Majority may exercise any other right, power or remedy granted to it by law, either by suit in equity or by action at law, or both.

2.4.3 Amount Deemed Paid or Distributed. The amount deemed paid or distributed to the holders of capital stock of the Corporation upon any such Deemed Liquidation Event shall be the cash or the value of the property, rights or securities paid or distributed to such holders by the Corporation or the acquiring person, firm or other entity. The value of such property, rights or securities shall be determined in good faith by the Board of Directors, including at least one (1) of the Series A Directors and one (1) of the Series B Directors.

2.4.4 Allocation of Escrow and Contingent Consideration. In the event of a Deemed Liquidation Event, if any portion of the consideration payable to the stockholders of the Corporation is payable only upon satisfaction of one or more contingencies (the "**Additional Consideration**"), the Transaction Agreement shall provide that (a) the portion of such consideration that is not Additional Consideration (such portion, the "**Initial Consideration**") shall be allocated among the holders of capital stock of the Corporation in accordance with Sections 2.1, 2.2 and 2.3 as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation Event; and (b) any Additional Consideration which becomes payable to the stockholders of the Corporation upon satisfaction of such contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with Sections 2.1, 2.2 and 2.3 after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this Section 2.4.4, consideration placed into escrow or retained as holdback to be available for satisfaction of indemnification or similar obligations in connection with such Deemed Liquidation Event shall be deemed to be Additional Consideration.

3. Voting.

3.1 General. On any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written consent of stockholders in lieu of meeting), each holder of outstanding shares of Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Preferred Stock held by such holder are convertible

as of the record date for determining stockholders entitled to vote on such matter; provided, however, that if at any time the aggregate number of votes that Pfizer Inc. and its affiliates (collectively, "**Pfizer**") shall be entitled to cast in accordance with the foregoing shall exceed the Voting Threshold, then Pfizer shall be entitled to cast a number of votes equal to the Voting Threshold on such matter and the holders of all issued and outstanding capital stock of the Corporation not directly or indirectly held by Pfizer shall be entitled to cast a number of votes equal to 80.75% of the aggregate number of votes all stockholders of the Corporation shall be entitled to cast on such matter, with such votes allocated to each such share of capital stock held by such stockholders on a pro rata basis; and provided, further, that the foregoing voting limitation shall not apply with respect to any matter on which the capital stock held directly or indirectly by Pfizer is entitled to vote as part of a separate class or series (and not, for the avoidance of doubt, all capital stock of the Corporation). Except as provided by law or by the other provisions of the Certificate of Incorporation, holders of Preferred Stock shall vote together with the holders of Common Stock as a single class on an as-converted basis. For purposes of this Section 3.1, the term "**Voting Threshold**" means 19.25% of the aggregate number of votes all stockholders of the Corporation shall be entitled to cast hereunder on the applicable record date.

3.2 Election of Directors. The holders of record of the shares of Series B Preferred Stock, exclusively and as a separate class, shall be entitled to elect two (2) directors of the Corporation (the "**Series B Directors**"), the holders of record of the shares of Series A Preferred Stock, exclusively and as a separate class, shall be entitled to elect five (5) directors of the Corporation (the "**Series A Directors**"), the holders of record of the shares of Common Stock, exclusively and as a separate class, shall be entitled to elect (1) director of the Corporation, and the holders of record of the shares of Common Stock and Preferred Stock, as a single class, shall be entitled to elect one (1) director of the Corporation. Any director elected as provided in the preceding sentence may be removed without cause by, and only by, the affirmative vote of the holders of the shares of the class or series of capital stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders. If the holders of shares of Series B Preferred Stock, Series A Preferred Stock or Common Stock, as the case may be, fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors, voting exclusively and as a separate class, pursuant to the first sentence of this Section 3.2, then any directorship not so filled shall remain vacant until such time as the holders of the Series B Preferred Stock, Series A Preferred Stock or Common Stock, as the case may be, elect a person to fill such directorship by vote or written consent in lieu of a meeting; and no such directorship may be filled by stockholders of the Corporation other than by the stockholders of the Corporation that are entitled to elect a person to fill such directorship, voting exclusively and as a separate class. The holders of record of the shares of Common Stock and of any other class or series of voting stock (including the Preferred Stock), exclusively and voting together as a single class on an as-converted basis, shall be entitled to elect the balance of the total number of directors of the Corporation. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director. Except as otherwise provided in this Section 3.2, a vacancy in any directorship filled by the holders of any class or series shall be filled only by vote or written consent in lieu of a

meeting of the holders of such class or series or by any remaining director or directors elected by the holders of such class or series pursuant to this Section 3.2.

3.3 Preferred Stock Protective Provisions. At any time when shares of Preferred Stock are outstanding, the Corporation shall not (and shall not permit any of its subsidiaries to), either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of (a) the holders of Series A Preferred Stock representing at least 70% of the outstanding shares of Series A Preferred Stock, (b) the holders of Series B-1 Preferred Stock and Series B-2 Preferred Stock representing at least 66% of the then outstanding shares of Series B-1 Preferred Stock and Series B-2 Preferred Stock, voting together as a single class, and (c) the holders of Series B-2 Preferred Stock representing at least 66% of the then outstanding shares of Series B-2 Preferred Stock, given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

3.3.1 voluntarily liquidate, dissolve or wind-up the business and affairs of the Corporation, effect any merger or consolidation (other than a merger or consolidation (a) with a wholly owned subsidiary of the Corporation, provided that the surviving entity's organizational documents replicate in substance the provisions of the Certificate of Incorporation of the Corporation immediately prior to such transaction or (b) the sole purpose and effect of which is to change the Corporation's jurisdiction of organization) or any other Deemed Liquidation Event, or consent to any of the foregoing;

3.3.2 enter into any agreement regarding an asset transfer or license of intellectual property out of the ordinary course of business, unless approved by the Board (including at least one (1) Series A Director and one (1) Series B Director);

3.3.3 amend, alter or repeal any provision of the Certificate of Incorporation or Bylaws of the Corporation;

3.3.4 (a) create, or authorize the creation of, or issue or obligate itself to issue shares of, any class or series of capital stock of the Corporation (or any security convertible into or exercisable for any shares of any class or series of capital stock of the Corporation) (i) having rights, preferences or privileges senior to or on parity with those of the Preferred Stock (including with respect to dividends, liquidation or redemption), or (ii) having voting rights senior to those of the Preferred Stock, or (b) increase the authorized number of shares of Preferred Stock or Common Stock;

3.3.5 purchase or redeem any shares of capital stock of the Corporation prior to purchasing or redeeming all outstanding Preferred Stock, or pay or declare any dividend or make any distribution on any shares of capital stock of the Corporation, other than repurchases of stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any of its subsidiaries in connection with the cessation of such employment or service at the lower of the original purchase price paid

therefor or, with the approval of the Board (including at least one (1) Series A Director and one (1) Series B Director), the then-current fair market value thereof;

3.3.6 incur any indebtedness for borrowed money, or issue, or authorize the issuance of, any debt security, or create any lien or security interest (except for purchase money liens or statutory liens of landlords, mechanics, materialmen, workmen, warehousemen and other similar persons arising or incurred in the ordinary course of business), including but not limited to obligations and contingent obligations under guarantees, or permit any subsidiary to take any such action, for an aggregate amount that, when taken together with the principal amount of all other indebtedness for borrowed money, debt securities, liens and security interests then outstanding, exceeds $500,000, unless such indebtedness or debt securities are approved by the Board of Directors (including at least one (1) Series A Director and one (1) Series B Director);

3.3.7 create, or hold equity interests in, any entity that is not wholly-owned by the Corporation (either directly or through one or more other subsidiaries), or sell, transfer or otherwise dispose of (whether by merger, consolidation or otherwise) any equity interests of any direct or indirect subsidiary of the Corporation, or permit any direct or indirect subsidiary of the Corporation to sell, lease, transfer, exclusively license or otherwise dispose (in a single transaction or series of related transactions) of all or substantially all of the assets of such subsidiary (except where such sale, lease, transfer, exclusive license or other disposition is to the Corporation or another direct or indirect wholly-owned subsidiary of the Corporation);

3.3.8 increase or decrease the authorized number of directors constituting the Board of Directors;

3.3.9 amend or adopt any plan for issuance of capital stock or other equity interests in the Corporation as incentive compensation or otherwise, other than the equity incentive plan as of the date hereof (including any amendments thereto in effect prior to the date hereof);

3.3.10 reclassify, recapitalize, alter or amend any existing security of the Corporation, or any right, preference or privilege thereof;

3.3.11 issue any shares of Common Stock if such issuance would result in an insufficient number of authorized shares of Common Stock being available for conversion of the then outstanding Preferred Stock;

3.3.12 undertake, or authorize any action in regard to, an initial public offering of the capital stock of the Company or admitting the capital stock to trade on any stock exchange, other than a firmly underwritten public offering of shares of Common Stock pursuant to a registration statement under the Securities Act of 1933, as amended, on the NYSE, Nasdaq, SEHK or other internationally recognized stock exchange reasonably acceptable to the Required Majority, with total proceeds to the Company of not less than $75 million (net of underwriters commissions and expenses) (a "**Qualified IPO**");

3.3.13 enter into any transaction with any stockholder, director, officer, or employee of the Company or any "associate" (as defined in Rule 12b-2 promulgated

under the Exchange Act) of any such Person, unless approved by the Board of Directors (including a majority of the disinterested directors);

3.3.14 settle any material litigation, arbitration or legal disputes involving material intellectual property rights of the Corporation; or

3.3.15 authorize or agree to any of the foregoing.

4. Optional Conversion.

The holders of the Preferred Stock shall have conversion rights as follows (the "**Conversion Rights**"):

4.1 Right to Convert.

4.1.1 Right to Convert Series B Preferred Stock. Each share of Series B Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing the Series B Original Issue Price by the Series B Conversion Price (as defined below) in effect at the time of conversion. The "**Series B Conversion Price**" shall initially be equal to $1.59 with respect to shares of Series B-1 Preferred Stock and Series B-2 Preferred Stock and $2.00 with respect to shares of Series B-3 Preferred Stock. Such initial Series B Conversion Price and the rate at which shares of Series B Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

4.1.2 Right to Convert Series A Preferred Stock. Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing the applicable Series A Original Issue Price by the applicable Series A Conversion Price (as defined below) in effect at the time of conversion. The "**Series A Conversion Price**" shall initially be equal to $1.00 with respect to shares of Series A-1 Preferred Stock and Series A-2 Preferred Stock and $1.10 with respect to shares of Series A-3 Preferred Stock. Such initial Series A Conversion Prices, and the rate at which shares of Series A Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below. The "**Conversion Price**" shall mean the applicable Series A Conversion Price with respect to the Series A Preferred Stock or the Series B Conversion Price with respect to the Series B Preferred Stock.

4.1.3 Termination of Conversion Rights. In the event of a liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event, the Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of Preferred Stock.

4.2 Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Preferred Stock. In lieu of any fractional shares to which the

holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of a share of Common Stock as determined in good faith by the Board of Directors, including at least one (1) Series A Director and one (1) Series B Director. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of shares of Preferred Stock the holder is at the time converting into Common Stock and the aggregate number of shares of Common Stock issuable upon such conversion.

4.3 Mechanics of Conversion.

4.3.1 Notice of Conversion. In order for a holder of Preferred Stock to voluntarily convert shares of Preferred Stock into shares of Common Stock, such holder shall (a) provide written notice to the Corporation's transfer agent at the office of the transfer agent for the Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent) that such holder elects to convert all or any number of such holder's shares of Series B Preferred Stock, Series A-1 Preferred Stock, Series A-2 Preferred Stock and/or Series A-3 Preferred Stock, in each case specifying the number of shares (if any) of such series to be converted, and, if applicable, any event on which such conversion is contingent and (b), if such holder's shares are certificated, surrender the certificate or certificates for such shares of Preferred Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent). Such notice shall state such holder's name or the names of the nominees in which such holder wishes the shares of Common Stock to be issued. If required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such notice and, if applicable, certificates (or lost certificate affidavit and agreement) shall be the time of conversion (the "**Conversion Time**"), and the shares of Common Stock issuable upon conversion of the specified shares shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Conversion Time (i) issue and deliver to such holder of Preferred Stock, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof and a certificate for the number (if any) of the shares of Series B Preferred Stock, Series A-1 Preferred Stock, Series A-2 Preferred Stock and/or Series A-3 Preferred Stock, as applicable, represented by the surrendered certificate(s) that were not converted into Common Stock, (ii) pay in cash such amount as provided in Section 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and (iii) pay all declared but unpaid dividends on the shares of Preferred Stock converted.

4.3.2 Reservation of Shares. The Corporation shall at all times when the Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Preferred Stock,

such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to the Certificate of Incorporation. Before taking any action which would cause an adjustment reducing the applicable Conversion Price of any shares of Preferred Stock below the then par value of the shares of Common Stock issuable upon conversion of such shares of Preferred Stock, the Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and non-assessable shares of Common Stock at such adjusted Conversion Price with respect to such shares of Preferred Stock.

4.3.3 Effect of Conversion. All shares of Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Conversion Time, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor, to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion as provided in Section 4.2 and to receive payment of any dividends declared but unpaid thereon. Any shares of Preferred Stock so converted shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Preferred Stock accordingly.

4.3.4 No Further Adjustment. Upon any such conversion, no adjustment to the applicable Conversion Price shall be made for any declared but unpaid dividends on the Preferred Stock surrendered for conversion or on the Common Stock delivered upon conversion.

4.3.5 Taxes. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Preferred Stock pursuant to this Section 4. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

4.4 Adjustments to Conversion Price for Diluting Issues.

4.4.1 Special Definitions. For purposes of this Article Fourth, the following definitions shall apply:

(a) "**Option**" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

(b) "**Original Issue Date**" shall mean, with respect to the Series A-1 Preferred Stock, Series A-2 Preferred Stock, Series A-3 Preferred Stock or Series B Preferred Stock, respectively, the date on which the first share of such series of Preferred Stock was issued.

(c) "**Convertible Securities**" shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options.

(d) "**Additional Shares of Common Stock**" shall mean all shares of Common Stock issued (or, pursuant to Section 4.4.3 below, deemed to be issued) by the Corporation after the applicable Original Issue Date, other than (1) the following shares of Common Stock and (2) shares of Common Stock deemed issued pursuant to the following Options and Convertible Securities (clauses (1) and (2), collectively, "**Exempted Securities**"):

(i) shares of Common Stock, Options or Convertible Securities issued as a dividend or distribution on Preferred Stock;

(ii) shares of Common Stock, Options or Convertible Securities issued by reason of a dividend, stock split, split-up or other distribution on shares of Common Stock that is covered by Section 4.5, 4.6, 4.7 or 4.8;

(iii) Common Stock or Options issued to employees or directors of, or consultants or advisors to, the Corporation or any of its subsidiaries pursuant to a plan, agreement or arrangement approved by the Board of Directors and the Required Majority pursuant to Section 3.3.9; or

(iv) shares of Common Stock or Convertible Securities actually issued upon the exercise of Options or shares of Common Stock actually issued upon the conversion or exchange of Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security;

(v) shares of Common Stock, Options or Convertible Securities (in each case

exercisable for or convertible into Common Stock) issued to suppliers or third party service providers in connection with the provision of goods or services pursuant to transactions approved by the Board of Directors, including at least one (1) Series A Director and one (1) Series B Director;

(vi) shares of Common Stock, Options or Convertible Securities (in each case exercisable for or convertible into Common Stock) issued in connection with sponsored research, collaboration, technology license, development, OEM, marketing or other similar agreements or strategic partnerships approved by the Board of Directors, including at least one (1) Series A Director and one (1) Series B Director.

4.4.2 No Adjustment of Conversion Price. No adjustment to any Conversion Price shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from holders of a Required Majority of the then outstanding shares of Preferred Stock agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock.

4.4.3 Deemed Issue of Additional Shares of Common Stock.

(a) If the Corporation at any time or from time to time after the applicable Original Issue Date shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which are themselves Exempted Securities) or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

(b) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to any Conversion Price pursuant to the terms of Section 4.4.4, are revised as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of shares

of Common Stock issuable upon the exercise, conversion and/or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, the applicable Conversion Price computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with respect thereto) shall be readjusted to such Conversion Price as would have obtained had such revised terms been in effect upon the original date of issuance of such Option or Convertible Security. Notwithstanding the foregoing, no readjustment pursuant to this clause (b) shall have the effect of increasing such Conversion Price to an amount which exceeds the lower of (i) the applicable Conversion Price, as applicable, in effect immediately prior to the original adjustment made as a result of the issuance of such Option or Convertible Security, or (ii) the applicable Conversion Price that would have resulted from any issuances of Additional Shares of Common Stock (other than deemed issuances of Additional Shares of Common Stock as a result of the issuance of such Option or Convertible Security) between the original adjustment date and such readjustment date.

(c) If the terms of any Option or Convertible Security (excluding Options or Convertible Securities which are themselves Exempted Securities), the issuance of which did not result in an adjustment to a Conversion Price pursuant to the terms of Section 4.4.4 (either because the consideration per share (determined pursuant to Section 4.4.5) of the Additional Shares of Common Stock subject thereto was equal to or greater than such Conversion Price then in effect, or because such Option or Convertible Security was issued before the applicable Original Issue Date), are revised after the applicable Original Issue Date as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any decrease in the consideration payable to the Corporation upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended or adjusted, and the Additional Shares of Common Stock subject thereto (determined in the manner provided in Section 4.4.3(a)) shall be deemed to have been issued effective upon such increase or decrease becoming effective.

(d) Upon the expiration or termination of any unexercised Option or unconverted or unexchanged Convertible Security (or portion thereof) which resulted (either upon its original issuance or upon a revision of its terms) in an adjustment to a Conversion Price pursuant to the terms of Section 4.4.4, such Conversion Price shall be readjusted to such Conversion Price as would have obtained had such Option or Convertible Security (or portion thereof) never been issued.

(e) If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, is calculable at the time such Option or Convertible Security is issued or amended but is subject to adjustment based upon subsequent events, any adjustment to a Conversion Price provided for in this Section 4.4.3 shall be effected at the time of such issuance or amendment based on such number of shares or amount of consideration without regard to any provisions for subsequent

adjustments (and any subsequent adjustments shall be treated as provided in clauses (b) and (c) of this Section 4.4.3). If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, cannot be calculated at all at the time such Option or Convertible Security is issued or amended, any adjustment to a Conversion Price that would result under the terms of this Section 4.4.3 at the time of such issuance or amendment shall instead be effected at the time such number of shares and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming for purposes of calculating such adjustment to such Conversion Price that such issuance or amendment took place at the time such calculation can first be made.

4.4.4 Adjustment of Conversion Price Upon Issuance of Additional Shares of Common Stock. In the event the Corporation shall at any time after the applicable Original Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Section 4.4.3), without consideration or for a consideration per share less than any applicable Conversion Price in effect immediately prior to such issue, then such Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula:

$$CP_2 = CP_1 * (A + B) \div (A + C).$$

For purposes of the foregoing formula, the following definitions shall apply:

(a) "CP_2" shall mean the applicable Conversion Price in effect immediately after such issue of Additional Shares of Common Stock

(b) "CP_1" shall mean the applicable Conversion Price in effect immediately prior to such issue of Additional Shares of Common Stock;

(c) "A" shall mean the number of shares of Common Stock outstanding immediately prior to such issue of Additional Shares of Common Stock (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities (including the Preferred Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue);

(d) "B" shall mean the number of shares of Common Stock that would have been issued if such Additional Shares of Common Stock had been issued at a price per share equal to CP_1 (determined by dividing the aggregate consideration received by the Corporation in respect of such issue by CP_1); and

(e) "C" shall mean the number of such Additional Shares of Common Stock issued in such transaction.

4.4.5 Determination of Consideration. For purposes of this Section 4.4, the consideration received by the Corporation for the issue of any Additional Shares of Common Stock shall be computed as follows:

(a) Cash and Property: Such consideration shall:

(i) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation, excluding amounts paid or payable for accrued interest;

(ii) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors, including at least one (1) Series A Director and one (1) Series B Director; and

(iii) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (i) and (ii) above, as determined in good faith by the Board of Directors, including at least one (1) Series A Director and one (1) Series B Director.

(b) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Section 4.4.3, relating to Options and Convertible Securities, shall be determined by dividing:

(i) The total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

(ii) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities.

4.4.6 Multiple Closing Dates. In the event the Corporation shall issue on more than one date Additional Shares of Common Stock that are a part of one transaction or a series of related transactions and that would result in an adjustment to any Conversion Price pursuant to the terms of Section 4.4.4, then, upon the final such issuance, such Conversion Price shall be readjusted to give effect to all such issuances as if they occurred on the date of the first such issuance (and without giving effect to any additional adjustments as a result of any such subsequent issuances within such period).

4.5 Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the applicable Original Issue Date effect a subdivision of the outstanding Common Stock, each applicable Conversion Price in effect immediately before that subdivision shall be proportionately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding. If the Corporation shall at any time or from time to time after the applicable Original Issue Date combine the outstanding shares of Common Stock, each applicable Conversion Price in effect immediately before the combination shall be proportionately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the aggregate number of shares of Common Stock outstanding. Any adjustment under this section shall become effective at the close of business on the date the subdivision or combination becomes effective.

4.6 Adjustment for Certain Dividends and Distributions. In the event the Corporation at any time or from time to time after the applicable Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable on the Common Stock in additional shares of Common Stock, then and in each such event each applicable Conversion Price in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying such Conversion Price then in effect by a fraction:

(1) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(2) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution.

Notwithstanding the foregoing (a) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, such Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter such Conversion Price shall be adjusted pursuant to this section as of the time of actual payment of such dividends or distributions; and (b) that no such adjustment shall be made if the holders of Preferred Stock simultaneously receive a dividend or other distribution of shares of Common Stock in a number equal to the number of shares of Common Stock as they would have received if all outstanding shares of Preferred Stock had been converted into Common Stock on the date of such event.

4.7 Adjustments for Other Dividends and Distributions. In the event the Corporation at any time or from time to time after the applicable Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation (other than a distribution of shares of Common Stock in respect of outstanding shares of Common Stock) or in other property and the provisions of Section 1 do not apply to such dividend or distribution, then and in each such event the holders of Preferred Stock shall receive, simultaneously with the distribution to the holders of Common Stock, a dividend or other distribution of such securities or other property in an amount equal to the amount of such securities or other property as they would have received if all outstanding shares of Preferred Stock had been converted into Common Stock on the date of such event.

4.8 Adjustment for Merger or Reorganization, etc. Subject to the provisions of Section 2.3, if there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Corporation in which the Common Stock (but not the Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction covered by Sections 4.4, 4.6 or 4.7), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each share of Preferred Stock shall thereafter be convertible in lieu of the Common Stock into which it was convertible prior to such event into the kind and amount of securities, cash or other property which a holder of the number of shares of Common Stock of the Corporation issuable upon conversion of one share of Preferred Stock immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors, including at least one (1) Series A Director and one (1) Series B Director) shall be made in the application of the provisions in this Section 4 with respect to the rights and interests thereafter of the holders of the Preferred Stock, to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of each applicable Conversion Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of the Preferred Stock. For the avoidance of doubt, nothing in this Section 4.8 shall be construed as preventing the holders of Preferred Stock from seeking any appraisal rights to which they are

otherwise entitled under the General Corporation Law in connection with a merger triggering an adjustment hereunder, nor shall this Section 4.8 be deemed conclusive evidence of the fair value of the shares of Preferred Stock in any such appraisal proceeding.

4.9 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of any Conversion Price pursuant to this Section 4, the Corporation at its expense shall, as promptly as reasonably practicable but in any event not later than ten (10) days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each applicable holder of Preferred Stock a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which the applicable Preferred Stock is convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, as promptly as reasonably practicable after the written request at any time of any such holder of Preferred Stock (but in any event not later than ten (10) days thereafter), furnish or cause to be furnished to such holder a certificate setting forth (i) the applicable Conversion Price then in effect with respect to such shares of Preferred Stock, and (ii) the number of shares of Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the conversion of the applicable Preferred Stock.

4.10 Notice of Record Date. In the event:

(a) the Corporation shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of the Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(b) of any capital reorganization of the Corporation, any reclassification of the Common Stock of the Corporation, or any Deemed Liquidation Event; or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation,

then, and in each such case, the Corporation will send or cause to be sent to the holders of the Preferred Stock a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon the conversion of the Preferred Stock) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Preferred Stock and the Common Stock. Such notice shall be sent at least ten (10) days prior to the record date or effective date for the event specified in such notice.

5. Mandatory Conversion.

5.1 Preferred Stock Conversion.

5.1.1 Trigger Events. Upon either (a) the closing of a Qualified IPO or (b) the date and time, or the occurrence of an event, specified by vote or written consent of the Required Majority (the time of such closing or the date and time specified or the time of the event specified in such vote or written consent is referred to herein as the "**Mandatory Conversion Time**"), then (i) all outstanding shares of Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective applicable conversion rate as calculated pursuant to Section 4.1.1 and (ii) such shares may not be reissued by the Corporation.

5.1.2 Procedural Requirements. All holders of record of shares of Preferred Stock shall be sent written notice of the Mandatory Conversion Time and the place designated for mandatory conversion of all such shares of Preferred Stock pursuant to this Section 5.1. Such notice need not be sent in advance of the occurrence of the Mandatory Conversion Time. Upon receipt of such notice, each holder of shares of Preferred Stock in certificated form shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Preferred Stock converted pursuant to Section 5.1.1, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the Mandatory Conversion Time (notwithstanding the failure of the holder or holders thereof to surrender any certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of any certificate or certificates of such holders (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Section 5.1.2. As soon as practicable after the Mandatory Conversion Time and, if applicable, the surrender of any certificate or certificates (or lost certificate affidavit and agreement) for Preferred Stock, the Corporation shall (a) issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof and (b) pay cash as provided in Section 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and the payment of any declared but unpaid dividends on the shares of Preferred Stock converted. Such converted Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Preferred Stock accordingly.

5.2 Series B-2 Preferred Stock Conversion.

5.2.1 Trigger Events. Upon the transfer of any shares of Series B-2 Preferred Stock ("**Series B-2 Transfer Shares**") to any one or more holders of Series A

Preferred Stock or Common Stock (each, a "**Transferee**"), then (i) all such shares of Series B-2 Preferred Stock shall be converted into shares of Series B-1 Preferred Stock, at a rate of one-to-one (1:1) and (ii) such shares may not be reissued by the Corporation.

5.2.2 Procedural Requirements. Upon the transfer of the Series B-2 Transfer Shares to any one or more Transferee, such Transferees shall be sent written notice of the place designated for mandatory conversion of all such Series B-2 Transfer Shares pursuant to this Section 5.2. Such notice need not be sent in advance of the occurrence of the transfer of such Series B-2 Transfer Shares. Upon receipt of such notice, each Transferee shall surrender his, her or its certificate or certificates for all such Series B-2 Transfer Shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Series B-2 Transfer Shares converted pursuant to Section 5.2.1, including the rights, if any, to receive notices and vote (other than as a holder of Series B-1 Preferred Stock), will terminate at the transfer of such Series B-2 Transfer Shares (notwithstanding the failure of the holder or holders thereof to surrender any certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of any certificate or certificates of such Transferee(s) (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Section 5.2.2. As soon as practicable after such transfer of the Series B-2 Transfer Shares and, if applicable, the surrender of any certificate or certificates (or lost certificate affidavit and agreement) for the Series B-2 Transfer Shares, the Corporation shall issue and deliver to such Transferee, or to his, her or its nominees, a certificate or certificates for the number of full shares of Series B-1 Preferred Stock issuable upon such conversion in accordance with the provisions hereof. Such converted Series B-2 Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Series B-2 Preferred Stock accordingly.

6. Waiver. Any of the rights, powers, preferences and other terms of the Preferred Stock set forth herein may be waived on behalf of all holders of Preferred Stock by the affirmative written consent or vote of the holders of a Required Majority of the shares of Preferred Stock then outstanding.

7. Notices. Any notice required or permitted by the provisions of this Article Fourth to be given to a holder of shares of Preferred Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the General Corporation Law, and shall be deemed sent upon such mailing or electronic transmission.

FIFTH: Subject to any additional vote required by the Certificate of Incorporation or Bylaws, in furtherance and not in limitation of the powers conferred by statute,

the Board of Directors is expressly authorized to make, repeal, alter, amend and rescind any or all of the Bylaws of the Corporation.

SIXTH: The number of directors of the Corporation as of the date hereof shall be nine (9) and, subject to any additional vote required by the Certificate of Incorporation, shall hereafter be determined in the manner set forth in the Bylaws of the Corporation. Each director shall be entitled to one vote on each matter presented to the Board of Directors.

SEVENTH: Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

EIGHTH: Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

NINTH: To the fullest extent permitted by law, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the General Corporation Law or any other law of the State of Delaware is amended after approval by the stockholders of this Article Ninth to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law as so amended.

Any repeal or modification of the foregoing provisions of this Article Ninth by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of, or increase the liability of any director of the Corporation with respect to any acts or omissions of such director occurring prior to, such repeal or modification.

TENTH: To the fullest extent permitted by applicable law, the Corporation is authorized to provide indemnification of (and advancement of expenses to) directors, officers and agents of the Corporation (and any other persons to which General Corporation Law permits the Corporation to provide indemnification) through Bylaw provisions, agreements with such agents or other persons, vote of stockholders or disinterested directors or otherwise, in excess of the indemnification and advancement otherwise permitted by the General Corporation Law.

Any amendment, repeal or modification of the foregoing provisions of this Article Tenth shall not adversely affect any right or protection of any director, officer or other agent of the Corporation existing at the time of such amendment, repeal or modification.

ELEVENTH: The Corporation renounces, to the fullest extent permitted by law, any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An "**Excluded Opportunity**" is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of (i) any director of the Corporation who is not an officer or employee of the Corporation or any of its subsidiaries, or (ii) (A) any holder of Preferred Stock or Common Stock issued upon the conversion of Preferred Stock, other than a holder that is affiliated with an

officer or employee of the Corporation or any of its subsidiaries, or (B) any partner, member, director, stockholder, employee or agent of any such holder, excluding (x) any holder that is affiliated with an officer or employee of the Corporation or any of its subsidiaries, and (y) any officer or employee of the Corporation or any of its subsidiaries (the persons and entities being referred to in clauses (i) and (ii), collectively, "**Covered Persons**"), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person's capacity as a director of the Corporation.

TWELFTH: Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery in the State of Delaware shall be the sole and exclusive forum for any stockholder (including a beneficial owner) to bring (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation, its directors, officers or employees arising pursuant to any provision of the General Corporation Law or the Corporation's Certificate of Incorporation or Bylaws or (iv) any action asserting a claim against the Corporation, its directors, officers or employees governed by the internal affairs doctrine, except for, as to each of (i) through (iv) above, any claim as to which the Court of Chancery determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, or for which the Court of Chancery does not have subject matter jurisdiction. If any provision or provisions of this Article Twelfth shall be held to be invalid, illegal or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Article Twelfth (including, without limitation, each portion of any sentence of this Article Twelfth containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby.

* * *

3. That the foregoing amendment and restatement was approved by the holders of the requisite number of shares of this corporation in accordance with Section 228 of the General Corporation Law.

4. That this Second Amended and Restated Certificate of Incorporation, which restates and integrates and further amends the provisions of this Corporation's Certificate of Incorporation, has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, this Second Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on this **5th** day of November, 2018.

By: /s/ Michael Richman
Michael Richman
President & CEO

NEXTCURE, INC.
SIGNATURE PAGE TO SECOND AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

Exhibit 3.4

NEXTCURE, INC.

BYLAWS

Amended

as of

November 5, 2018

TABLE OF CONTENTS

BYLAWS

OF

NEXTCURE, INC.

1. OFFICES

1.1 Registered Office

The initial registered office of the Corporation shall be located at Corporation Trust Center, 1209 North Orange Street in the City of Wilmington, Delaware, County of New Castle, and the initial registered agent of the Corporation at such address shall be The Corporation Trust Company.

1.2 Other Offices

The Corporation may also have offices at such other places, both within and without the State of Delaware, as the Board of Directors may from time to time determine or as may be necessary or useful in connection with the business of the Corporation.

2. MEETINGS OF STOCKHOLDERS

2.1 Place of Meetings

All meetings of the stockholders shall be held at such place as may be fixed from time to time by the Board of Directors, the Chairperson or the President. Notwithstanding the foregoing, the Board of Directors may determine that the meeting shall not be held at any place, but may instead be held by means of remote communication.

2.2 Annual Meetings

Unless directors are elected by written consent in lieu of an annual meeting, the Corporation shall hold annual meetings of stockholders, commencing with the year 2016, on such date and at such time as shall be designated from time to time by the Board of Directors, the Chairperson or the President, at which stockholders shall elect a Board of Directors and transact such other business as may properly be brought before the meeting. If a written consent electing directors is less than unanimous, such action by written consent may be in lieu of holding an annual meeting only if all of the directorships to which directors could be elected at an annual meeting held at the effective time of such action are vacant and are filled by such action.

2.3 Special Meetings

Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the Board of Directors, the Chairperson or the President.

2.4 Notice of Meetings

Notice of any meeting of stockholders, stating the place, if any, date and hour of the meeting, the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, and (if it is a special meeting) the purpose or purposes for which the meeting is called, shall be given to each stockholder entitled to vote at such meeting not less than ten nor more than 60 days before the date of the meeting (except to the extent that such notice is waived or is not required as provided in the General Corporation Law of the State of Delaware (the "**Delaware General Corporation Law**") or these Bylaws). Such notice shall be given in accordance with, and shall be deemed effective as set forth in, Sections 222 and 232 (or any successor section or sections) of the Delaware General Corporation Law.

2.5 Waivers of Notice

Whenever the giving of any notice is required by statute, the Certificate of Incorporation or these Bylaws, a written waiver thereof signed by the person or persons entitled to said notice, or a waiver thereof by electronic transmission by the person entitled to said notice, delivered to the Corporation, whether before or after the event as to which such notice is required, shall be deemed equivalent to notice. Attendance of a stockholder at a meeting shall constitute a waiver of notice (a) of such meeting, except when the stockholder at the beginning of the meeting objects to holding the meeting or transacting business at the meeting, and (b) (if it is a special meeting) of consideration of a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice, unless the stockholder objects to considering the matter at the beginning of the meeting.

2.6 Business at Special Meetings

Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice (except to the extent that such notice is waived or is not required as provided in the Delaware General Corporation Law or these Bylaws).

2.7 List of Stockholders

After the record date for a meeting of stockholders has been fixed, at least ten days before such meeting, the officer who has charge of the stock ledger of the Corporation shall make a list of all stockholders entitled to vote at the meeting, arranged in alphabetical order and showing the address of each stockholder (but not the electronic mail address or other electronic contact information, unless the Board of Directors so directs) and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of at least ten days prior to the meeting: (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the principal place of business of the Corporation. If the meeting is to be held at a place, then such list shall also, for the duration of the meeting, be produced and kept open to the examination of any stockholder who is present at the time and place of the meeting. If the meeting is to be held solely by means of remote communication, then such list shall also be open

to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting.

2.8 Quorum at Meetings

Stockholders may take action on a matter at a meeting only if a quorum exists with respect to that matter. Except as otherwise provided by statute or by the Certificate of Incorporation, the holders of a majority of the shares entitled to vote at the meeting, and who are present in person or represented by proxy, shall constitute a quorum at all meetings of the stockholders for the transaction of business. Where a separate vote by a class or series or classes or series is required, a majority of the outstanding shares of such class or series or classes or series, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter. Once a share is represented for any purpose at a meeting (other than solely to object (a) to holding the meeting or transacting business at the meeting, or (b) (if it is a special meeting) to considering a particular matter at the meeting that is not within the purpose or purposes described in the meeting notice), it is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is or must be set for the adjourned meeting. The holders of a majority of the voting shares represented at a meeting, whether or not a quorum is present, may adjourn such meeting from time to time.

2.9 Voting and Proxies

Unless otherwise provided in the Delaware General Corporation Law or in the Corporation's Certificate of Incorporation, and subject to the other provisions of these Bylaws, each stockholder shall be entitled to one vote on each matter, in person or by proxy, for each share of the Corporation's capital stock that has voting power with respect to such matter and that is held by such stockholder. No proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A duly executed appointment of proxy shall be irrevocable if the appointment form states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. If authorized by the Board of Directors, and subject to such guidelines as the Board of Directors may adopt, stockholders and proxyholders not physically present at a meeting of stockholders may, by means of remote communication, participate in a meeting of stockholders and be deemed present in person and vote at such meeting whether such meeting is held at a designated place or solely by means of remote communication, provided that (a) the Corporation implements reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder, (b) the Corporation implements reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (c) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action is maintained by the Corporation.

2.10 Required Vote

When a quorum is present at any meeting of stockholders, all matters shall be determined, adopted and approved by the affirmative vote (which need not be by ballot) of the holders of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote with respect to the matter, unless the proposed action is one upon which, by express provision of statutes or of the Certificate of Incorporation, a different vote is specified and required, in which case such express provision shall govern and control with respect to that vote on that matter. If the Certificate of Incorporation provides for more or less than one vote for any share, on any matter, every reference in these Bylaws to a majority or other proportion of stock, voting stock or shares shall refer to a majority or other proportion of the votes of such stock, voting stock or shares. Where a separate vote by a class, classes or series is required, the affirmative vote of the holders of a majority of the shares of such class, classes or series present in person or represented by proxy at the meeting shall be the act of such class or series. Notwithstanding the foregoing, subject to the provisions of the Certificate of Incorporation, directors shall be elected by a plurality of the votes of the shares present in person or represented by proxy at the meeting and entitled to vote on the election of directors.

2.11 Action Without a Meeting

Any action required or permitted to be taken at a stockholders' meeting may be taken without a meeting, without prior notice and without a vote, if the action is taken by persons who would be entitled to vote at a meeting and who hold shares having voting power equal to not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting at which all shares entitled to vote were present and voted. The action must be evidenced by one or more written consents describing the action taken, signed by the stockholders entitled to take action without a meeting, and delivered to the Corporation in the manner prescribed by the Delaware General Corporation Law for inclusion in the minute book. No consent shall be effective to take the corporate action specified unless the number of consents required to take such action are delivered to the Corporation within 60 days of the delivery of the earliest-dated consent. A telegram, cablegram or other electronic transmission consenting to such action and transmitted by a stockholder or proxyholder, or by a person or persons authorized to act for a stockholder or proxyholder, shall be deemed to be written, signed and dated for the purposes of this Section 2.11, provided that any such telegram, cablegram or other electronic transmission sets forth or is delivered with information from which the Corporation can determine (a) that the telegram, cablegram or other electronic transmission was transmitted by the stockholder or proxyholder or by a person or persons authorized to act for the stockholder or proxyholder and (b) the date on which such stockholder or proxyholder or authorized person or persons transmitted such telegram, cablegram or electronic transmission. The date on which such telegram, cablegram or electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. Consent given by telegram, cablegram or other electronic transmission shall be deemed to have been delivered upon electronic receipt of such transmission by the Corporation. Written notice of the action taken shall be given in accordance with the Delaware General Corporation Law to all stockholders who do not participate in taking the action who would have been entitled to notice if such action had been taken at a meeting having a record date on the date that written consents signed by a sufficient number of holders to take the action were delivered to the Corporation.

3. DIRECTORS

3.1 Powers

The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors, which may exercise all such powers of the Corporation and do all such lawful acts and things, subject to any limitation set forth in the Certificate of Incorporation or as otherwise may be provided in the Delaware General Corporation Law.

3.2 Number and Election

The Board of Directors shall consist of a minimum of one director and a maximum of nine directors. Following the adoption of these Bylaws, the Board of Directors shall initially consist of eight directors. Thereafter, within the limits above specified and subject to any limitations set forth in the Certificate of Incorporation, the number of directors shall be determined by resolution of the Board of Directors. No decrease in the authorized number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

3.3 Nomination of Directors

Except as otherwise set forth in the Certificate of Incorporation, the Board of Directors shall nominate candidates to stand for election as directors, and other candidates also may be nominated by any Corporation stockholder, provided that such other nominations are submitted in writing to the Secretary of the Corporation no later than 90 days prior to the meeting of stockholders at which such directors are to be elected, together with the identity of the nominator and the number of shares of the Corporation's stock owned, directly or indirectly, by the nominator. Except as otherwise set forth in the Certificate of Incorporation or as provided in Section 3.4 hereof, the directors shall be elected at the annual meeting of the stockholders, and each director elected shall hold office until such director's successor is elected and qualified or until the director's earlier death, resignation or removal. Directors need not be stockholders.

3.4 Vacancies

Except as otherwise set forth in the Certificate of Incorporation, vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class may be filled by the stockholders, by the affirmative vote of a majority of the directors then in office, although fewer than a quorum, or by a sole remaining director. Except as otherwise set forth in the Certificate of Incorporation, whenever the holders of any class, classes or series of stock are entitled to elect one or more directors by the provisions of the Certificate of Incorporation, vacancies and newly created directorships of such class, classes or series may be filled by the stockholders of such class, classes or series, by the affirmative vote of a majority of the directors elected by such class, classes or series then in office, or by a sole remaining director so elected. Each director so chosen shall hold office until the next election of directors of the class or series to which such director was appointed, and until such director's successor is elected and qualified, or until the director's earlier death, resignation or removal. Except as otherwise set forth in the Certificate of Incorporation and in addition to the rights of stockholders to fill vacancies in the Board of Directors as set forth in this Section 3.4, in the event that one or more directors resign from the

Board, effective at a future date, a majority of the directors then in office (or in the case of a director elected by holders of any class, classes or series of stock, a majority of the directors then in office elected by such class, classes or series then in office), including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office until the next election of directors, and until such director's successor is elected and qualified, or until the director's earlier death, resignation or removal.

3.5 Meetings

3.5.1 Regular Meetings

Regular meetings of the Board of Directors may be held without notice at such time and at such place as shall from time to time be determined by the Board of Directors.

3.5.2 Special Meetings

Special meetings of the Board may be called by the Chairperson or President or by a majority of the members of the Board of Directors then in office on one day's notice to each director, either personally or by telephone, express delivery service (so that the scheduled delivery date of the notice is at least one day in advance of the meeting), telegram, facsimile transmission, electronic mail (effective when directed to an electronic mail address of the director), or other electronic transmission, as defined in Section 232(c) (or any successor section) of the Delaware General Corporation Law (effective when directed to the director), and on five days' notice by mail (effective upon deposit of such notice in the mail). The notice need not describe the purpose of a special meeting.

3.5.3 Telephone Meetings

Members of the Board of Directors may participate in a meeting of the Board by any communication by means of which all participating directors can simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

3.5.4 Action Without Meeting

Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if the action is taken by all members of the Board. The action must be evidenced by one or more consents in writing or by electronic transmission describing the action taken, signed by each director, and delivered to the Corporation for inclusion in the minute book.

3.5.5 Waiver of Notice of Meeting

A director may waive any notice required by statute, the Certificate of Incorporation or these Bylaws before or after the date and time stated in the notice. Except as set forth below, the waiver must be in writing, signed by the director entitled to the notice, or made by electronic transmission by the director entitled to the notice, and delivered to the Corporation

for inclusion in the minute book. Notwithstanding the foregoing, a director's attendance at or participation in a meeting waives any required notice to the director of the meeting unless the director at the beginning of the meeting objects to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting.

3.6 Quorum and Vote at Meetings

Except as may be otherwise specifically provided by the Certificate of Incorporation, at all meetings of the Board, a quorum of the Board of Directors consists of a majority of the members of the Board of Directors then in office. The vote of a majority of the directors present at any meeting at which there is a quorum shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by the Certificate of Incorporation or by these Bylaws.

3.7 Committees of Directors

The Board of Directors, by a unanimous vote or written consent, may designate one or more committees, each committee to consist of one or more directors. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. If a member of a committee shall be absent from any meeting, or disqualified from voting thereat, the remaining member or members present and not disqualified from voting, whether or not such member or members constitute a quorum, may, by unanimous vote, appoint another member of the Board of Directors to act at the meeting in the place of such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the Delaware General Corporation Law to be submitted to stockholders for approval or adopting, amending or repealing any bylaw of the Corporation; and unless the resolution designating the committee, these bylaws or the Certificate of Incorporation expressly so provide, no such committee shall have the power or authority to declare a dividend, to authorize the issuance of stock, or to adopt a certificate of ownership and merger pursuant to Section 253 of the Delaware General Corporation Law. Such committee or committees shall have such name or names as may be determined from time to time by resolution adopted by the Board of Directors. Each committee shall keep regular minutes of its meetings and report the same to the Board of Directors, when required. Unless otherwise specified in the Board resolution appointing the committee, all provisions of the Delaware General Corporation Law and these Bylaws relating to meetings, action without meetings, notice (and waiver thereof), and quorum and voting requirements of the Board of Directors apply, as well, to such committees and their members. Unless otherwise provided in the Certificate of Incorporation, these Bylaws, or the resolution of the Board of Directors designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

3.8 Compensation of Directors

The Board of Directors shall have the authority to fix the compensation of directors. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

4. OFFICERS

4.1 Positions

The officers of the Corporation shall be chosen by the Board of Directors and shall include a President, a Secretary and a Treasurer, and such other officers as the Board of Directors (or an officer authorized by the Board of Directors) from time to time may appoint, including a Chairperson. Each such officer shall exercise such powers and perform such duties as shall be set forth below and such other powers and duties as from time to time may be specified by the Board of Directors or by any officer(s) authorized by the Board of Directors to prescribe the duties of such other officers. Any number of offices may be held by the same person, except that in no event shall the President and the Secretary be the same person. As set forth below, each of the Chairperson and President may execute bonds, mortgages and other contracts under the seal of the Corporation, if required, except where required or permitted by law to be otherwise executed and except where the execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Corporation.

4.2 Chairperson

The Chairperson, if designated, shall (when present) preside at all meetings of the Board of Directors and stockholders and shall ensure that all orders and resolutions of the Board of Directors and stockholders are carried into effect. The Chairperson may execute bonds, mortgages and other contracts, under the seal of the Corporation, if required, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Corporation.

4.3 President

The President shall be the chief executive officer and chief operating officer of the Corporation and shall have full responsibility and authority for management of the operations of the Corporation. The President may execute bonds, mortgages and other contracts, under the seal of the Corporation, if required, except where required or permitted by law to be otherwise signed and executed and except where the signing and execution thereof shall be expressly delegated by the Board of Directors to some other officer or agent of the Corporation.

4.4 Secretary

The Secretary shall have responsibility for preparation of minutes of meetings of the Board of Directors and of the stockholders and for authenticating records of the Corporation. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of Directors. The Secretary may also attest all instruments signed

by any other officer of the Corporation. The Secretary shall have such other powers as are commonly incident to the office of the Secretary, or as the Board of Directors or the President may from time to time prescribe.

4.5 Treasurer

The Treasurer shall have responsibility for the custody of the corporate funds and securities and shall see to it that full and accurate accounts of receipts and disbursements are kept in books belonging to the Corporation. The Treasurer shall render to the Chairperson (if designated), the President, and the Board of Directors, upon request, an account of all financial transactions and of the financial condition of the Corporation.

4.6 Term of Office

The officers of the Corporation shall hold office until their successors are chosen and qualify or until their earlier resignation or removal. Any officer may resign at any time upon written notice to the Corporation. Any officer elected or appointed by the Board of Directors may be removed at any time, with or without cause, by the affirmative vote of a majority of the Board of Directors.

4.7 Compensation

The compensation of officers of the Corporation shall be fixed by the Board of Directors or by any officer(s) authorized by the Board of Directors to prescribe the compensation of such other officers.

4.8 Fidelity Bonds

The Corporation may secure the fidelity of any or all of its officers or agents by bond or otherwise.

5. CAPITAL STOCK

5.1 Certificates of Stock; Uncertificated Shares

The shares of the Corporation may be represented by certificates, provided that the Board of Directors may provide by resolution that some or all of any or all classes or series of the Corporation's stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Every holder of stock represented by certificates shall be entitled to have a certificate (representing the number of shares registered in certificate form) signed in the name of the Corporation by the Chairperson or President and by the Secretary or Treasurer of the Corporation. Any or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar whose signature or facsimile signature appears on a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue.

5.2 Lost Certificates

The Board of Directors, Chairperson, President or Secretary may direct a new certificate of stock to be issued in place of any certificate theretofore issued by the Corporation and alleged to have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the person claiming that the certificate of stock has been lost, stolen or destroyed. When authorizing such issuance of a new certificate, the Board or any such officer may, as a condition precedent to the issuance thereof, require the owner of such lost, stolen or destroyed certificate or certificates, or such owner's legal representative, to advertise the same in such manner as the Board or such officer shall require and/or to give the Corporation a bond or indemnity, in such sum or on such terms and conditions as the Board or such officer may direct, as indemnity against any claim that may be made against the Corporation on account of the certificate alleged to have been lost, stolen or destroyed or on account of the issuance of such new certificate or uncertificated shares.

5.3 Record Date

5.3.1 Actions by Stockholders

In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than 60 days nor less than 10 days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the determination of stockholders entitled to vote at the adjourned meeting and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for the determination of stockholders entitled to vote therewith at the adjourned meeting.

In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than ten days after the date upon which the resolution fixing the record date is adopted by the Board of Directors. If no record date has been fixed by the Board of Directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by the Delaware General Corporation Law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be

taken is delivered to the Corporation in the manner prescribed by Section 213(b) of the Delaware General Corporation Law. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by the Delaware General Corporation Law, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

5.3.2 Payments

In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

5.4 Stockholders of Record

The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, to receive notifications, to vote as such owner, and to exercise all the rights and powers of an owner. The Corporation shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person, whether or not it shall have express or other notice thereof, except as otherwise may be provided by the Delaware General Corporation Law.

6. INDEMNIFICATION; INSURANCE

6.1 Authorization of Indemnification

To the extent permitted by law, the Corporation shall fully indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (whether civil, criminal, administrative or investigative) by reason of the fact that such person is or was a director or officer of the Corporation, or is or was serving at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding (a "**Mandatory Claim**"). To the extent permitted by law, the Corporation may fully indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding (whether civil, criminal, administrative or investigative) by reason of the fact that such person is or was an employee or agent of the Corporation, or is or was serving at the request of the Corporation as an employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding (a "**Permissive Claim**"). The Corporation

may advance expenses (including attorneys' fees) incurred by a director or officer in defending any action, suit, or proceeding in advance of the final disposition of such action, suit or proceeding upon the receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that such director or officer is not entitled to indemnification (this, also, a "**Permissive Claim**"). The Corporation may advance expenses (including attorneys' fees) incurred by an employee or agent in defending any action, suit, or proceeding in advance of the final disposition of such action, suit or proceeding upon such terms and conditions, if any, as the Board deems appropriate.

6.2 Right of Claimant to Bring Action Against the Corporation

If a Mandatory Claim under Section 6.1 is not paid in full by the Corporation within 60 days after a written claim has been received by the Corporation, the claimant may at any time thereafter bring an action against the Corporation to recover the unpaid amount of the Mandatory Claim and, if successful in whole or in part, the claimant shall be entitled to be paid also the expense of prosecuting such action. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in connection with any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the Delaware General Corporation Law for the Corporation to indemnify the claimant for the amount claimed or is otherwise not entitled to indemnification under Section 6.1, but the burden of proving such defense shall be on the Corporation. The failure of the Corporation (in the manner provided under the Delaware General Corporation Law) to have made a determination prior to or after the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the Delaware General Corporation Law shall not be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct. Unless otherwise specified in an agreement with the claimant, an actual determination by the Corporation (in the manner provided under the Delaware General Corporation Law) after the commencement of such action that the claimant has not met such applicable standard of conduct shall not be a defense to the action, but shall create a presumption that the claimant has not met the applicable standard of conduct.

6.3 Non-exclusivity

The rights to indemnification and advance payment of expenses provided by Section 6.1 hereof shall not be deemed exclusive of any other rights to which those seeking indemnification and advance payment of expenses may be entitled under any bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office.

6.4 Survival of Indemnification

The indemnification and advance payment of expenses and rights thereto provided by, or granted pursuant to, Section 6.1 hereof shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee,

partner or agent and shall inure to the benefit of the personal representatives, heirs, executors and administrators of such person.

6.5 Insurance

The Corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee, partner (limited or general) or agent of another corporation or of a partnership, joint venture, limited liability company, trust or other enterprise, against any liability asserted against such person or incurred by such person in any such capacity, or arising out of such person's status as such, and related expenses, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of the Delaware General Corporation Law.

7. GENERAL PROVISIONS

7.1 Inspection of Books and Records

Any stockholder, in person or by attorney or other agent, shall, upon written demand under oath stating the purpose thereof, have the right during the usual hours for business to inspect for any proper purpose, and to make copies or extracts from: (a) the Corporation's stock ledger, a list of its stockholders, and its other books and records; and (b) other documents as required by law. A proper purpose shall mean a purpose reasonably related to such person's interest as a stockholder. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or such other writing which authorizes the attorney or other agent to so act on behalf of the stockholder. The demand under oath shall be directed to the Corporation at its registered office or at its principal place of business.

7.2 Dividends

The Board of Directors may declare dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation and the laws of the State of Delaware.

7.3 Reserves

The directors of the Corporation may set apart, out of the funds of the Corporation available for dividends, a reserve or reserves for any proper purpose and may abolish any such reserve.

7.4 Execution of Instruments

All checks, drafts or other orders for the payment of money, and promissory notes of the Corporation shall be signed by such officer or officers or such other person or persons as the Board of Directors may from time to time designate.

7.5 Fiscal Year

The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

7.6 Seal

The corporate seal shall be in such form as the Board of Directors shall approve. The seal may be used by causing it or a facsimile thereof to be impressed or affixed or otherwise reproduced.

* * * *

Exhibit 4.1

EXECUTION VERSION
CONFIDENTIAL

AMENDED AND RESTATED

INVESTORS' RIGHTS AGREEMENT

THIS AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (this "**Agreement**"), is made as of November 5, 2018, by and among NextCure, Inc., a Delaware corporation (the "**Company**"), the Investors listed on Schedule A hereto and any additional Investor that becomes a party to this Agreement in accordance with Section 6.10 hereof.

RECITALS

WHEREAS, certain of the Investors (the "**Existing Investors**") hold shares of the Company's Series A-1 Preferred Stock, $0.001 par value per share, Series A-2 Preferred Stock, $0.001 par value per share and Series A-3 Preferred Stock, $0.001 par value per share (collectively, the "**Series A Preferred Stock**"), and the Existing Investors possess registration rights, information rights, rights of first offer and other rights pursuant to the Investors' Rights Agreement dated as of December 29, 2015 between the Company and such Investors (the "**Prior Agreement**");

WHEREAS, the Company and certain of the Investors are parties to the Series B Preferred Stock Purchase Agreement of even date herewith (the "**Purchase Agreement**"), and it is a condition to the closing of the sale of the Company's Series B-1 Preferred Stock, Series B-2 Preferred Stock and Series B-3 Preferred Stock, each $0.001 par value per share (collectively, the "**Series B Preferred Stock**"), to such Investors that the parties hereto execute and deliver this Agreement;

WHEREAS, the Company and the Existing Investors desire to amend and restate the Prior Agreement on the terms set forth herein and, in order to induce the Company to enter into the Purchase Agreement and to induce certain of the Investors to purchase shares of the Series B Preferred Stock pursuant to the Purchase Agreement, the Investors and the Company hereby agree that this Agreement shall govern the rights of the Investors to cause the Company to register shares of Common Stock issuable to the Investors, to receive certain information from the Company, and to participate in future equity offerings by the Company, and shall govern certain other matters as set forth in this Agreement; and

WHEREAS, the undersigned include the holders of at least seventy percent (70%) of the shares of Common Stock, $0.001 par value per share (the "**Common Stock**") issuable upon conversion of the then outstanding shares of Series A Preferred Stock, as necessary to amend the Prior Agreement in accordance with Section 6.6 thereof.

NOW, THEREFORE, the parties hereby agree as follows:

1. Definitions. For purposes of this Agreement:

1.1 "**Affiliate**" means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including without limitation any general partner, managing member, officer or director

of such Person or any investment fund or other entity now or hereafter existing that is controlled by one or more general partners or managing members of, or directly or indirectly shares the same management company with, such Person. With respect to Hillhouse or Ping An, the term Affiliate shall include investment entities and investment funds directly or indirectly managed or advised by Hillhouse Capital Management, Ltd. or Ping An, respectively.

1.2 "**Board**" means the Company's Board of Directors.

1.3 "**Board Observer**" means a non-voting observer to the Board appointed pursuant to Section 3.3(a).

1.4 "**Competitor**" means any Person (other than the Company) that the Board (including at least one (1) Series A Director and one (1) Series B Director) reasonably determines is engaged, directly or indirectly, in whole or in part, in the same or similar business as the Company; provided, however, that C.P. Pharmaceuticals International, C.V. and Pfizer Inc. (collectively, "**Pfizer**") and their respective Affiliates shall be deemed to not be Competitors; provided, further, that no purchaser of Series B Preferred Stock under the Purchase Agreement shall be deemed a Competitor now or any time in the future for so long as such Investor is party to this Agreement; provided, further, that "Competitor" shall not include any financial investment firm or collective investment vehicle that, together with its Affiliates, (a) holds less than twenty percent (20%) of the outstanding equity of any Competitor and (b) does not, nor do any of its Affiliates, have a right to designate any members of the board of directors or similar governing body of such Competitor.

1.5 "**Damages**" means any loss, damage, claim or liability (joint or several) to which a party hereto may become subject under the Securities Act, the Exchange Act, or other federal or state law, insofar as such loss, damage, claim or liability (or any action in respect thereof) arises out of or is based upon: (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement of the Company, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto; (ii) an omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; or (iii) any violation or alleged violation by the indemnifying party (or any of its agents or Affiliates) of the Securities Act, the Exchange Act, any state securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act, or any state securities law.

1.6 "**Derivative Securities**" means any securities or rights convertible into, or exercisable or exchangeable for (in each case, directly or indirectly)**,** Common Stock, including options and warrants.

1.7 "**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

1.8 "**Excluded Registration**" means (i) a registration relating to the sale of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, or similar plan; (ii) a registration relating to an SEC Rule 145 transaction; (iii) a registration on any form that does not include substantially the same information as would be

required to be included in a registration statement covering the sale of the Registrable Securities; or (iv) a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered.

1.9 "**FOIA Party**" means a Person that, in the determination of the Board (including at least one (1) Series A Director and one (1) Series B Director), is reasonably likely to be subject to, and thereby required to disclose non-public information furnished by or relating to the Company under, the Freedom of Information Act, 5 U.S.C. 552 ("**FOIA**"), any state public records access law, any state or other jurisdiction's laws similar in intent or effect to FOIA, or any other similar statutory or regulatory requirement; provided, however, that no purchaser of Series B Preferred Stock under the Purchase Agreement shall be deemed a FOIA Party now or any time in the future for so long as such Investor is party to this Agreement.

1.10 "**Form S-1**" means such form under the Securities Act as in effect on the date hereof or any successor registration form under the Securities Act subsequently adopted by the SEC.

1.11 "**Form S-3**" means such form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the SEC that permits incorporation of substantial information by reference to other documents filed by the Company with the SEC.

1.12 "**Founders**" means Michael Richman and Dr. Lieping Chen.

1.13 "**GAAP**" means generally accepted accounting principles in the United States.

1.14 "**Hillhouse**" means HH NCure Holdings LLC and its successors and assigns.

1.15 "**Holder**" means any holder of Registrable Securities who is a party to this Agreement.

1.16 "**Immediate Family Member**" means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, including, adoptive relationships, of a natural person referred to herein.

1.17 "**Initiating Holders**" means, collectively, Holders who properly initiate a registration request under this Agreement.

1.18 "**Investors**" means the Persons named on Schedule A hereto, each Person to whom the rights of an Investor are assigned pursuant to Section 6.1, each Person who hereafter becomes a signatory to this Agreement pursuant to Section 6.9 and any one of them, as the context may require.

1.19 "**IPO**" means the Company's first underwritten public offering of its Common Stock under the Securities Act.

1.20 "**Major Investor**" means any Investor who has purchased at least $10,000,000 of Preferred Stock from the Company, each Person to whom any of the rights of any such Investor are assigned pursuant to Section 6.1, each Person who hereafter purchases at least $10,000,000 of Preferred Stock from the Company and becomes an Investor pursuant to Section 6.10 and any one of them, as the context may require; provided, however, that Taiho Ventures, LLC ("**Taiho**"), Citadel Multi-Strategy Equities Master Fund Ltd. ("**Surveyor**"), Bay City Capital GF Xinde International Life Sciences USD Fund, L.P. ("**Bay City**"), and any Person to whom any of the rights of Taiho, Surveyor or Bay City, respectively, are assigned pursuant to Section 6.1 shall each be deemed to be a Major Investor for so long as such Investor holds at least fifteen percent (15%) of the shares of Series B Preferred Stock purchased by such Investor pursuant to the terms of the Series B Preferred Stock Purchase Agreement, dated as of November 5, 2018 (the "**Series B Purchase Agreement**"); provided, further, that any such Person shall cease to be considered a "Major Investor" for purposes of this Agreement if such Person ceases to be an Investor.

1.21 "**New Securities**" means, collectively, equity securities of the Company, whether or not currently authorized, as well as rights, options, or warrants to purchase such equity securities, or securities of any type whatsoever that are, or may become, convertible or exchangeable into or exercisable for such equity securities.

1.22 "**Person**" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

1.23 "**Ping An**" means Full Succeed International Limited and its successors and assigns.

1.24 "**Preferred Directors**" means, collectively, the Series A Directors and the Series B Directors.

1.25 "**Preferred Stock**" means, collectively, the Series A Preferred Stock and the Series B Preferred Stock.

1.26 "**Registrable Securities**" means (i) the Common Stock issuable or issued upon conversion of the Preferred Stock; (ii) any Common Stock, or any Common Stock issued or issuable (directly or indirectly) upon conversion and/or exercise of any other securities of the Company**,** acquired by the Investors after the date hereof; and (iii) any Common Stock issued as (or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares referenced in clauses (i) and (ii) above; excluding in all cases, however, any Registrable Securities transferred by a Person in a transaction in which the applicable rights under this Agreement are not assigned pursuant to Section 6.1, and excluding for purposes of Section 2 any shares for which registration rights have terminated pursuant to Section 2.13 of this Agreement.

1.27 "**Registrable Securities then outstanding**" means the number of shares determined by adding the number of shares of outstanding Common Stock that are Registrable Securities and the number of shares of Common Stock issuable (directly or indirectly) pursuant to then exercisable and/or convertible securities that are Registrable Securities.

1.28 "**Restated Certificate**" means the Company's Second Amended and Restated Certificate of Incorporation, as amended from time to time.

1.29 "**Restricted Securities**" means the securities of the Company required to be notated with the legend set forth in Section 2.12(b) hereof.

1.30 "**SEC**" means the Securities and Exchange Commission.

1.31 "**SEC Rule 144**" means Rule 144 promulgated by the SEC under the Securities Act.

1.32 "**SEC Rule 145**" means Rule 145 promulgated by the SEC under the Securities Act.

1.33 "**Securities Act**" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

1.34 "**Selling Expenses**" means all underwriting discounts, selling commissions, and stock transfer taxes applicable to the sale of Registrable Securities, and fees and disbursements of counsel for any Holder, except for the fees and disbursements of the Selling Holder Counsel borne and paid by the Company as provided in Section 2.6.

1.35 "**Series A Director**" means any director of the Company that the holders of record of the Series A Preferred Stock are entitled to elect pursuant to the Restated Certificate.

1.36 "**Series B Director**" means any director of the Company that the holders of record of the Series B Preferred Stock are entitled to elect pursuant to the Restated Certificate.

1.37 "**Voting Agreement**" means the Amended and Restated Voting Agreement, dated as of the date hereof, among the Company, the Investors named on Schedule A hereto and certain other stockholders of the Company, as it may be amended and/or amended and restated from time to time.

2. Registration Rights. The Company covenants and agrees as follows:

2.1 Demand Registration.

(a) Form S-1 Demand. If at any time after the earlier of (i) five (5) years after the Closing (as defined in the Purchase Agreement) and (ii) six (6) months after the effective date of the registration statement for an IPO, the Company receives a request from Holders of at least twenty percent (20%) of the Registrable Securities then outstanding that the Company file a Form S-1 registration statement with respect to Registrable Securities then outstanding and if the anticipated aggregate offering price, net of Selling Expenses, would exceed $10 million), then the Company shall (x) within ten (10) days after the date such request is given, give notice thereof (the "**Demand Notice**") to all Holders other than the Initiating Holders; and (y) as soon as practicable, and in any event within sixty (60) days after the date such request is given by the Initiating Holders, file a Form S-1 registration statement under the

Securities Act covering all Registrable Securities that the Initiating Holders requested to be registered and any additional Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within twenty (20) days of the date the Demand Notice is given, and in each case, subject to the limitations of Sections 2.1(c) and 2.3.

(b) Form S-3 Demand. If at any time when it is eligible to use a Form S-3 registration statement, the Company receives a request from Holders of Registrable Securities that the Company file a Form S-3 registration statement with respect to outstanding Registrable Securities of such Holders having an anticipated aggregate offering price, net of Selling Expenses, of at least $1 million, then the Company shall (i) within ten (10) days after the date such request is given, give a Demand Notice to all Holders other than the Initiating Holders; and (ii) as soon as practicable, and in any event within forty-five (45) days after the date such request is given by the Initiating Holders, file a Form S-3 registration statement under the Securities Act covering all Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within twenty (20) days of the date the Demand Notice is given, and in each case, subject to the limitations of Sections 2.1(c) and 2.3.

(c) Notwithstanding the foregoing obligations, if the Company furnishes to Holders requesting a registration pursuant to this Section 2.1 a certificate signed by the Company's chief executive officer stating that in the good faith judgment of the Board it would be materially detrimental to the Company and its stockholders for such registration statement to either become effective or remain effective for as long as such registration statement otherwise would be required to remain effective, because such action would (i) materially interfere with a significant acquisition, corporate reorganization, or other similar transaction involving the Company; (ii) require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential; or (iii) render the Company unable to comply with requirements under the Securities Act or Exchange Act, then the Company shall have the right to defer taking action with respect to such filing, and any time periods with respect to filing or effectiveness thereof shall be tolled correspondingly, for a period of not more than ninety (90) days after the request of the Initiating Holders is given; provided, however, that the Company may not invoke this right more than once in any twelve (12) month period; and provided further that the Company shall not register any securities for its own account or that of any other stockholder during such ninety (90) day period.

(d) The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Section 2.1(a) (i) if the Company delivers written notice to the Holders requesting a registration pursuant to Section 2.1(a) within thirty (30) days of such demand registration request of its good faith intent to file a registration statement for an IPO within sixty (60) days; provided that the Company actively employs its good faith commercially reasonable efforts to file such registration statement within such time period and to become effective as promptly as practicable thereafter, (ii) during the one hundred eighty (180) day-period commencing on the effective date of the registration statement for an IPO; (iii) after the Company has effected two (2) registrations pursuant to Section 2.1(a); or (iv) if the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately

registered on Form S-3 pursuant to a request made pursuant to Section 2.1(b). The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Section 2.1(b) if the Company has effected two (2) registrations pursuant to Section 2.1(b) within the twelve (12) month period immediately preceding the date of such request. A registration shall be counted as "effected" for purposes of this Section 2.1(d) (i) if and when the applicable registration statement has been declared effective by the SEC and, subject to Section 2.3, such registration statement covers all of the Registrable Securities requested by Holders to be registered pursuant to Section 2.1 or (ii) the Initiating Holders withdraw their request for such registration, elect not to pay the registration expenses therefor, and forfeit their right to one demand registration statement pursuant to Section 2.6, unless prior to such withdrawal, the Initiating Holders shall have learned of a material adverse change in the condition, business, or prospects of the Company from that known to the Initiating Holders at the time of their request and have withdrawn the request with reasonable promptness after learning of such information.

2.2 Company Registration. If the Company proposes to register (including, for this purpose, a registration effected by the Company for stockholders other than the Holders) any of its securities under the Securities Act in connection with the public offering of such securities solely for cash (other than in an Excluded Registration), the Company shall, at such time, promptly give each Holder notice of such registration. Upon the request of each Holder given within twenty (20) days after such notice is given by the Company, the Company shall, subject to the provisions of Section 2.3, cause to be registered all of the Registrable Securities that each such Holder has requested to be included in such registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Section 2.2 before the effective date of such registration, whether or not any Holder has elected to include Registrable Securities in such registration. The expenses (other than Selling Expenses) of such withdrawn registration shall be borne by the Company in accordance with Section 2.6.

2.3 Underwriting Requirements.

(a) If, pursuant to Section 2.1, the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to Section 2.1, and the Company shall include such information in the Demand Notice. The underwriter(s) will be selected by the Company and shall be reasonably acceptable to a majority in interest of the Initiating Holders. In such event, the right of any Holder to include such Holder's Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in Section 2.4(e)) enter into an underwriting agreement in customary form with the underwriter(s) selected for such underwriting. Notwithstanding any other provision of this Section 2.3, if the managing underwriter(s) advise(s) the Initiating Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, then the Initiating Holders shall so advise all Holders of Registrable Securities that otherwise would be underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwriting shall be allocated among such Holders of Registrable Securities, including the Initiating Holders, in proportion (as

nearly as practicable) to the number of Registrable Securities owned by each Holder or in such other proportion as shall mutually be agreed to by all such selling Holders; provided, however, that the number of Registrable Securities held by the Holders to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting.

(b) In connection with any offering involving an underwriting of shares of the Company's capital stock pursuant to Section 2.2, the Company shall not be required to include any of the Holders' Registrable Securities in such underwriting unless the Holders accept the terms of the underwriting as agreed upon between the Company and its underwriters, and then only in such quantity as the underwriters in their sole discretion determine will not jeopardize the success of the offering by the Company. If the total number of securities, including Registrable Securities, requested by stockholders to be included in such offering exceeds the number of securities to be sold (other than by the Company) that the underwriters in their reasonable discretion determine is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, which the underwriters and the Company in their sole discretion determine will not jeopardize the success of the offering. If the underwriters determine that less than all of the Registrable Securities requested to be registered can be included in such offering, then the Registrable Securities that are included in such offering shall be allocated among the selling Holders in proportion (as nearly as practicable to) the number of Registrable Securities owned by each selling Holder or in such other proportions as shall mutually be agreed to by all such selling Holders. Notwithstanding the foregoing, in no event shall (i) the number of Registrable Securities included in the offering be reduced unless all other securities (other than securities to be sold by the Company or a stockholder invoking a demand registration) are first entirely excluded from the offering, or (ii) the number of Registrable Securities included in the offering be reduced below thirty percent (30%) of the total number of securities included in such offering, unless such offering is the IPO, in which case the selling Holders may be excluded further if the underwriters make the determination described above and no other stockholder's securities are included in such offering. For purposes of the provision in this Section 2.3(b) concerning apportionment, for any selling Holder that is a partnership, limited liability company, or corporation, the partners, members, retired partners, retired members, stockholders, and Affiliates of such Holder, or the estates and Immediate Family Members of any such partners, retired partners, members, and retired members and any trusts for the benefit of any of the foregoing Persons, shall be deemed to be a single "selling Holder," and any pro rata reduction with respect to such "selling Holder" shall be based upon the aggregate number of Registrable Securities owned by all Persons included in such "selling Holder," as defined in this sentence.

2.4 Obligations of the Company. Whenever required under this Section 2 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its commercially reasonable efforts to cause such registration statement to become effective and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to one hundred twenty (120) days or, if earlier, until the distribution contemplated in

the registration statement has been completed; provided, however, that such one hundred twenty (120) day period shall be extended for a period of time equal to the period the Holder refrains, at the request of an underwriter of Common Stock (or other securities) of the Company, from selling any securities included in such registration;

(b) prepare and file with the SEC such amendments and supplements to such registration statement, and the prospectus used in connection with such registration statement, as may be necessary to comply with the Securities Act in order to enable the disposition of all securities covered by such registration statement;

(c) furnish to the selling Holders such numbers of copies of a prospectus, including a preliminary prospectus, as required by the Securities Act, and such other documents as the Holders may reasonably request in order to facilitate their disposition of their Registrable Securities;

(d) use its commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or blue-sky laws of such jurisdictions as shall be reasonably requested by the selling Holders; provided that the Company shall not be required to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(e) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the underwriter(s) of such offering;

(f) furnish to each underwriter, if any, (i) a written legal opinion of the Company's outside legal counsel, dated the closing date of the offering, in form and substance as is customarily given in opinions of the Company's counsel to underwriters in underwritten registered offerings and (ii) on the date of the applicable prospectus, on the effective date of any post-effective amendment to the applicable registration statement and at the closing of the offering, dated the respective dates of delivery thereof, a "comfort" letter signed by the Company's independent certified public accountants in form and substance as is customarily given in accountants' letters to underwriters in underwritten registered offerings;

(g) use its commercially reasonable efforts to cause all such Registrable Securities covered by such registration statement to be listed on a national securities exchange or trading system and each securities exchange and trading system (if any) on which similar securities issued by the Company are then listed;

(h) provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Agreement and provide a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(i) promptly make available for inspection by the selling Holders, any managing underwriter(s) participating in any disposition pursuant to such registration statement, and any attorney or accountant or other agent retained by any such underwriter or selected by the

selling Holders, all financial and other records, pertinent corporate documents, and properties of the Company, and cause the Company's officers, directors, employees, and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant, or agent, in each case, as necessary or advisable to verify the accuracy of the information in such registration statement and to conduct appropriate due diligence in connection therewith;

(j) notify each selling Holder, promptly after the Company receives notice thereof, of the time when such registration statement has been declared effective or a supplement to any prospectus forming a part of such registration statement has been filed; and

(k) after such registration statement becomes effective, notify each selling Holder of any request by the SEC that the Company amend or supplement such registration statement or prospectus.

In addition, the Company shall ensure that, at all times after any registration statement covering a public offering of securities of the Company under the Securities Act shall have become effective, its insider trading policy shall provide that the Company's directors may implement a trading program under Rule 10b5-1 of the Exchange Act.

2.5 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 2 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as is reasonably required to effect the registration of such Holder's Registrable Securities.

2.6 Expenses of Registration. All expenses (other than Selling Expenses) incurred in connection with registrations, filings, or qualifications pursuant to Section 2, including all registration, filing, and qualification fees; printers' and accounting fees; fees and disbursements of counsel for the Company; and the reasonable fees and disbursements of one counsel for the selling Holders ("**Selling Holder Counsel**"), shall be borne and paid by the Company; provided, however, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Section 2.1 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all selling Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration), unless the Holders of a majority of the Registrable Securities agree to forfeit their right to one registration pursuant to Sections 2.1(a) or 2.1(b), as the case may be; provided further that if, at the time of such withdrawal, the Holders shall have learned of a material adverse change in the condition, business, or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness after learning of such information then the Holders shall not be required to pay any of such expenses and shall not forfeit their right to one registration pursuant to Sections 2.1(a) or 2.1(b). All Selling Expenses relating to Registrable Securities registered pursuant to this Section 2 shall be borne and paid by

the Holders pro rata on the basis of the number of Registrable Securities registered on their behalf.

2.7 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any registration pursuant to this Agreement as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

2.8 Indemnification. If any Registrable Securities are included in a registration statement under this Section 2:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each selling Holder, and the partners, members, officers, directors, and stockholders of each such Holder; legal counsel and accountants for each such Holder; any underwriter (as defined in the Securities Act) for each such Holder; and each Person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any Damages, and the Company will pay to each such Holder, underwriter, controlling Person, or other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Section 2.8(a) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, nor shall the Company be liable for any Damages to the extent that they arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of any such Holder, underwriter, controlling Person, or other aforementioned Person expressly for use in connection with such registration.

(b) To the extent permitted by law, each selling Holder, severally and not jointly, will indemnify and hold harmless the Company, and each of its directors, each of its officers who has signed the registration statement, each Person (if any), who controls the Company within the meaning of the Securities Act, legal counsel and accountants for the Company, any underwriter (as defined in the Securities Act), any other Holder selling securities in such registration statement, and any controlling Person of any such underwriter or other Holder, against any Damages, in each case only to the extent that such Damages arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of such selling Holder expressly for use in connection with such registration; and each such selling Holder will pay to the Company and each other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Section 2.8(b) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; and provided further that in no event shall the aggregate amounts payable by any Holder by way of indemnity or contribution under Sections 2.8(b) and 2.8(d)

exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of fraud or willful misconduct by such Holder.

(c) Promptly after receipt by an indemnified party under this Section 2.8 of notice of the commencement of any action (including any governmental action) for which a party may be entitled to indemnification hereunder, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Section 2.8, give the indemnifying party notice of the commencement thereof. The indemnifying party shall have the right to participate in such action and, to the extent the indemnifying party so desires, participate jointly with any other indemnifying party to which notice has been given, and to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such action. The failure to give notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of any liability to the indemnified party under this Section 2.8, to the extent that such failure materially prejudices the indemnifying party's ability to defend such action. The failure to give notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Section 2.8.

(d) To provide for just and equitable contribution to joint liability under the Securities Act in any case in which either: (i) any party otherwise entitled to indemnification hereunder makes a claim for indemnification pursuant to this Section 2.8 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case, notwithstanding the fact that this Section 2.8 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of any party hereto for which indemnification is provided under this Section 2.8, then, and in each such case, such parties will contribute to the aggregate losses, claims, damages, liabilities, or expenses to which they may be subject (after contribution from others) in such proportion as is appropriate to reflect the relative fault of each of the indemnifying party and the indemnified party in connection with the statements, omissions, or other actions that resulted in such loss, claim, damage, liability, or expense, as well as to reflect any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or allegedly untrue statement of a material fact, or the omission or alleged omission of a material fact, relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission; provided, however, that, in any such case (x) no Holder will be required to contribute any amount in excess of the public offering price of all such Registrable Securities offered and sold by such Holder pursuant to such registration statement, and (y) no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who was not guilty of such

fraudulent misrepresentation; and provided further that in no event shall a Holder's liability pursuant to this Section 2.8(d), when combined with the amounts paid or payable by such Holder pursuant to Section 2.8(b), exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of willful misconduct or fraud by such Holder.

(e) Unless otherwise superseded by an underwriting agreement entered into in connection with the underwritten public offering, the obligations of the Company and Holders under this Section 2.8 shall survive the completion of any offering of Registrable Securities in a registration under this Section 2, and otherwise shall survive the termination of this Agreement.

(f) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall prevail.

2.9 Reports Under Exchange Act. With a view to making available to the Holders the benefits of SEC Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company shall:

(a) make and keep available adequate current public information, as those terms are understood and defined in SEC Rule 144, at all times after the effective date of the registration statement filed by the Company for the IPO;

(b) use commercially reasonable efforts to file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after the Company has become subject to such reporting requirements); and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) to the extent accurate, a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after ninety (90) days after the effective date of the registration statement filed by the Company for the IPO), the Securities Act, and the Exchange Act (at any time after the Company has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after the Company so qualifies) and (ii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration (at any time after the Company has become subject to the reporting requirements under the Exchange Act) or pursuant to Form S-3 (at any time after the Company so qualifies to use such form).

2.10 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Required Majority (as defined in the Restated Certificate), enter into any agreement with any holder or prospective holder of any securities of the Company that would allow such holder or prospective

holder (a) to include such securities in any registration unless, under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of such securities will not reduce the number of the Registrable Securities of the Holders that are included; or (b) allow such holder or prospective holder to initiate a demand for registration of any securities held by such holder or prospective holder; provided that this limitation shall not apply to any additional Investor who becomes a party to this Agreement in accordance with Section 6.10.

2.11 "Market Stand-off" Agreement. Each Holder hereby agrees that it will not, if requested by the managing underwriter, during the period commencing on the date of the final prospectus relating to the IPO and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days, or such other period as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (1) the publication or other distribution of research reports, and (2) analyst recommendations and opinions, including, but not limited to, the restrictions contained in FINRA Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto), (i) lend; offer; pledge; sell; contract to sell; sell any option or contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Common Stock held immediately before the effective date of the registration statement for such offering or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash, or otherwise. The foregoing provisions of this Section 2.11 (a) shall apply only to the IPO, (b) shall not apply to (A) the sale of any shares to an underwriter pursuant to an underwriting agreement, to any shares purchased in the IPO or to the transfer of any shares to any trust for the direct or indirect benefit of the Holder or the Immediate Family Members of the Holder, provided that the trustee of the trust agrees to be bound in writing by the restrictions set forth herein, and provided further that any such transfer shall not involve a disposition for value, (B) transfer any shares owned by a Holder in the Company to its Affiliates, provided that the Affiliate of the Holder agrees to be bound in writing by the restrictions set forth herein, or (C) shares purchased by a Holder in the open market; and (c) shall be applicable to the Holders only if all officers and directors and stockholders individually owning one percent (1%) or more of the Company's outstanding Common Stock (after giving effect to the conversion into Common Stock of all outstanding Preferred Stock and the conversion, exercise or exchange of all outstanding Derivative Securities into or for Common Stock) are subject to the same restrictions. The underwriters in connection with such registration are intended third-party beneficiaries of this Section 2.11 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such registration that are consistent with this Section 2.11 or that are necessary to give further effect thereto. Any discretionary waiver or termination of the restrictions of any or all of such agreements by the Company or the underwriters shall apply pro rata to all Holders subject to such agreements, based on the number of shares subject to such agreements.

2.12 Restrictions on Transfer.

(a) The Preferred Stock and the Registrable Securities shall not be sold, pledged, or otherwise transferred, and the Company shall not recognize and shall issue stop-transfer instructions to its transfer agent with respect to any such sale, pledge, or transfer, except upon the conditions specified in this Agreement, which conditions are intended to ensure compliance with the provisions of the Securities Act. A transferring Holder will cause any proposed purchaser, pledgee, or transferee of the Preferred Stock and the Registrable Securities held by such Holder to agree to take and hold such securities subject to the provisions and upon the conditions specified in this Agreement.

(b) Each certificate, instrument, or book entry representing (i) the Preferred Stock, (ii) the Registrable Securities, and (iii) any other securities issued in respect of the securities referenced in clauses (i) and (ii), upon any stock split, stock dividend, recapitalization, merger, consolidation, or similar event, shall (unless otherwise permitted by the provisions of Section 2.12(c)) be notated with a legend substantially in the following form:

"THE SECURITIES REPRESENTED HEREBY HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. SUCH SHARES MAY NOT BE SOLD, PLEDGED, OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR A VALID EXEMPTION FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SAID ACT."

"THE SECURITIES REPRESENTED HEREBY MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY."

The Holders consent to the Company making a notation in its records and giving instructions to any transfer agent of the Restricted Securities in order to implement the restrictions on transfer set forth in this Section 2.12.

(c) The holder of such Restricted Securities, by acceptance of ownership thereof, agrees to comply in all respects with the provisions of this Section 2. Before any proposed sale, pledge, or transfer of any Restricted Securities, unless there is in effect a registration statement under the Securities Act covering the proposed transaction, the Holder thereof shall give notice to the Company of such Holder's intention to effect such sale, pledge, or transfer. Each such notice shall describe the manner and circumstances of the proposed sale, pledge, or transfer in sufficient detail and, if reasonably requested by the Company, shall be accompanied at such Holder's expense by either (i) a written opinion of legal counsel who shall, and whose legal opinion shall, be reasonably satisfactory to the Company, addressed to the Company, to the effect that the proposed transaction may be effected without registration under the Securities Act; (ii) a "no action" letter from the SEC to the effect that the proposed sale, pledge, or transfer of such Restricted Securities without registration will not result in a recommendation by the staff of the SEC that action be taken with respect thereto; or (iii) any other evidence reasonably satisfactory to counsel to the Company to the effect that the proposed

sale, pledge, or transfer of the Restricted Securities may be effected without registration under the Securities Act, whereupon the Holder of such Restricted Securities shall be entitled to sell, pledge, or transfer such Restricted Securities in accordance with the terms of the notice given by the Holder to the Company. The Company will not require such a legal opinion or "no action" letter (x) in any transaction in compliance with SEC Rule 144; (y) in any transaction in which such Holder distributes Restricted Securities to an Affiliate of such Holder for no consideration; or (z) in any internal transaction in which such Holder transfers Restricted Securities to an Affiliate of such Holder that is an entity and that is ultimately controlled by the same parent company as the Holder (or is the ultimate parent company of the Holder); provided that each transferee agrees in writing to be subject to the terms of this Section 2.12. Notwithstanding the foregoing, the Company shall be obligated to reissue promptly unlegended certificates at the request of any Holder thereof if the Company has completed its IPO and the Holder shall have obtained an opinion of counsel (which counsel may be counsel to the Company) reasonably acceptable to the Company to the effect that the securities proposed to be disposed of may lawfully be so disposed of without registration, qualification and legend, provided that the second legend listed above shall be removed only at such time as the Holder of such certificate is no longer subject to any restrictions hereunder. Each certificate, instrument, or book entry representing the Restricted Securities transferred as above provided shall be notated with, except if such transfer is made pursuant to SEC Rule 144, the appropriate restrictive legend set forth in Section 2.12(b), except that such certificate instrument, or book entry shall not be notated with such restrictive legend if, in the opinion of counsel for such Holder and the Company, such legend is not required in order to establish compliance with any provisions of the Securities Act.

2.13 Termination of Registration Rights. The right of any Holder to request registration or inclusion of Registrable Securities in any registration pursuant to Sections 2.1 or 2.2 shall terminate upon the earliest to occur of:

(a) the closing of a Deemed Liquidation Event, as such term is defined in the Restated Certificate;

(b) such time as SEC Rule 144 or another similar exemption under the Securities Act is available for the sale of all of such Holder's shares without limitation during a three-month period without registration; and

(c) the fifth anniversary of the IPO.

3. Information and Observer Rights.

3.1 Delivery of Financial Statements. The Company shall deliver to each Major Investor; provided that such Major Investor is not a Competitor of the Company:

(a) as soon as practicable, but in any event within ninety (90) days after the end of each fiscal year of the Company (i) a balance sheet as of the end of such year, (ii) statements of income and of cash flows for such year, and a comparison between (x) the actual amounts as of and for such fiscal year and (y) the comparable amounts for the prior year, and (iii) a statement of stockholders' equity as of the end of such year, all such financial statements audited and certified by an independent public accounting firm of nationally recognized standing

approved by the Board (including at least a majority of the Preferred Directors) and such financial statements of income and of cash flows shall be accompanied by a comparison between the actual amounts as of and for such fiscal year and the comparable amounts included in the Budget (as defined below) for such year, with an explanation of any material differences between such amounts and a schedule as to the sources and applications of funds for such year;

(b) as soon as practicable, but in any event within forty-five (45) days after the end of each of the first three (3) quarters of each fiscal year of the Company, unaudited statements of income and cash flows for such fiscal quarter, and an unaudited balance sheet and a statement of stockholders' equity as of the end of such fiscal quarter, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments; and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(c) as soon as practicable, but in any event within thirty (30) days after the end of each month, an unaudited income statement and statement of cash flows for such month, and an unaudited balance sheet as of the end of such month, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(d) as soon as practicable, but in any event thirty (30) days before the end of each fiscal year, a budget and operating plan for the next fiscal year (collectively, the "**Budget**"), approved by the Board and prepared on a monthly basis, including balance sheets, income statements, and statements of cash flow for such months and, promptly after prepared, any other budgets or revised budgets prepared by the Company;

(e) with respect to the financial statements called for in Section 3.1(a), Section 3.1(b) and Section 3.1(c), an instrument executed by the chief financial officer and chief executive officer of the Company certifying that such financial statements were prepared in accordance with GAAP consistently applied with prior practice for earlier periods (except as otherwise set forth in Section 3.1(b) and Section 3.1(c)) and fairly present the financial condition of the Company and its results of operation for the periods specified therein; and

(f) such other information relating to the financial condition, business, prospects, or corporate affairs of the Company as any Major Investor may from time to time reasonably request; provided, however, that the Company shall not be obligated under this Section 3.1 to provide information (i) that the Company reasonably determines in good faith to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in a form acceptable to the Company); or (ii) the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

If, for any period, the Company has any subsidiary whose accounts are consolidated with those of the Company, then in respect of such period the financial statements delivered pursuant to the foregoing sections shall be the consolidated and consolidating financial statements of the Company and all such consolidated subsidiaries.

Notwithstanding anything else in this Section 3.1 to the contrary, the Company may cease providing the information set forth in this Section 3.1 during the period starting with the date thirty (30) days before the Company's good-faith estimate of the date of filing of a registration statement if it reasonably concludes it must do so to comply with the SEC rules applicable to such registration statement and related offering; provided that the Company's covenants under this Section 3.1 shall be reinstated at such time as the Company is no longer actively employing its commercially reasonable efforts to cause such registration statement to become effective.

3.2 Inspection. The Company shall permit each Major Investor (provided that such Major Investor is not a Competitor of the Company), at such Major Investor's expense, to visit and inspect the Company's properties; examine its books of account and records; and discuss the Company's affairs, finances, and accounts with its officers, during normal business hours of the Company as may be reasonably requested by such Major Investor with reasonable prior notice; provided, however, that the Company shall not be obligated pursuant to this Section 3.2 to provide access to any information that it reasonably and in good faith considers to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in form acceptable to the Company) or the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

3.3 Observer Rights.

(a) As long as a Major Investor together with its Affiliates, owns, at least fifteen percent (15%) of the shares of Preferred Stock that such Major Investor or any of its Affiliates purchased pursuant to the terms of the Series A Preferred Stock Purchase Agreement, dated as of December 29, 2015 (the "**Series A Purchase Agreement**") and/or the Series B Purchase Agreement, as applicable, such Major Investor shall have the right to appoint one (1) individual as a Board Observer.

(b) Each Board Observer shall be entitled to attend all meetings of the Board and the Board shall send to each Board Observer all of the notices, information, minutes, consents and other materials that are distributed to the directors of the Board and shall provide each Board Observer with a notice and agenda of each meeting of the Board (and committees thereof), all at the same time and in the same manner as such notices, information, minutes, consents, agenda, information and other materials are provided to the members of the Board; provided, however, that each Board Observer shall agree to hold in strict confidence all information so provided and shall execute a confidentiality agreement with the Company to such effect; and provided further, that the Company reserves the right to withhold any information and to exclude a Board Observer from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of trade secrets or a conflict of interest, or if such Board Observer or the Investor that appointed such Board Observer is a Competitor of the Company. Each Board Observer shall be entitled to the identical expense reimbursement rights as non-employee members of the Board (including as set forth in Section 5.4 hereof).

(c) As long as Pfizer or any of its Affiliates owns at least twenty-five percent (25%) of the shares of Series A Preferred Stock that Pfizer or any of its Affiliates purchased pursuant to the terms of the Series A Purchase Agreement, Pfizer shall have the right to appoint one member of the Company's scientific advisory board (or other substantially equivalent advisory body that the Company may establish).

3.4 Termination of Information and Observer Rights. The covenants set forth in Section 3.1, Section 3.2, and Section 3.3 shall terminate and be of no further force or effect (a) immediately before the consummation of an IPO approved in accordance with the Restated Certificate, (b) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (c) upon a Deemed Liquidation Event, as such term is defined in the Restated Certificate, whichever event occurs first.

4. Rights to Future Stock Issuances.

4.1 Right of First Offer. Subject to the terms and conditions of this Section 4.1 and applicable securities laws, if the Company proposes to offer or sell any New Securities, the Company shall first offer such New Securities to each Major Investor. A Major Investor shall be entitled to apportion the right of first offer hereby granted to it in such proportions as it deems appropriate, among (i) itself and (ii) its Affiliates; provided that each such Affiliate (x) is not a Competitor or FOIA Party, unless such party's purchase of New Securities is otherwise consented to by the Board, and (y) agrees to enter into this Agreement and each of the Voting Agreement and Right of First Refusal and Co-Sale Agreement of even date herewith among the Company, the Investors and the other parties named therein, as an "**Investor**" under each such agreement (provided that any Competitor or FOIA Party shall not be entitled to any rights as a Major Investor under Sections 3.1, 3.2 and 4.1 hereof).

(a) The Company shall give notice (the "**Offer Notice**") to each Major Investor, stating (i) its bona fide intention to offer such New Securities, (ii) the number of such New Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Securities.

(b) By notification to the Company within twenty (20) days after the Offer Notice is given, each Major Investor may elect to purchase or otherwise acquire, at the price and on the terms specified in the Offer Notice, up to that portion of such New Securities which equals the proportion that the Common Stock then held by such Major Investor (including all shares of Common Stock then issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held by such Major Investor) bears to the total Common Stock of the Company then outstanding (assuming full conversion and/or exercise, as applicable, of all Preferred Stock and other Derivative Securities then outstanding). At the expiration of such twenty (20) day period, the Company shall promptly notify each Major Investor that elects to purchase or acquire all the shares available to it (each, a "**Fully Exercising Investor**") of any other Major Investor's failure to do likewise. During the ten (10) day period commencing after the Company has given such notice, each Fully Exercising Investor may, by giving notice to the Company, elect to purchase or acquire, in addition to the number of shares specified above, up to that portion of the New

Securities for which Major Investors were entitled to subscribe but that were not subscribed for by the Major Investors which is equal to the proportion that the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of Preferred Stock and any other Derivative Securities then held, by such Fully Exercising Investor bears to the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held, by all Fully Exercising Investors who wish to purchase such unsubscribed shares. The closing of any sale pursuant to this Section 4.1(b) shall occur within the latest of (i) ninety (90) days of the date that the Offer Notice is given, (ii) the date of initial sale of New Securities pursuant to Section 4.1(c), and (iii) the date on which all regulatory approvals necessary for the sale have been obtained.

(c) If all New Securities referred to in the Offer Notice are not elected to be purchased or acquired as provided in Section 4.1(b), the Company may, during the ninety (90) day period following the expiration of the periods provided in Section 4.1(b), offer and sell the remaining unsubscribed portion of such New Securities to any Person or Persons at a price not less than, and upon terms no more favorable to the offeree than, those specified in the Offer Notice. If the Company does not enter into an agreement for the sale of the New Securities within such period, or if such agreement is not consummated within thirty (30) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first reoffered to the Major Investors in accordance with this Section 4.1.

(d) The right of first offer in this Section 4.1 shall not be applicable to (i) Exempted Securities (as defined in the Restated Certificate); (ii) shares of Common Stock issued in an IPO and (iii) the issuance of shares of Series B Preferred Stock pursuant to the Purchase Agreement.

4.2 Right of First Offer for Debt Securities. Subject to the terms and conditions of this Article 4 and applicable securities laws, if the Company proposes to issue any indebtedness or offer or sell any debt securities that are not New Securities (collectively, "**Debt Securities**"), the Company shall first offer such Debt Securities to Hillhouse. Hillhouse shall be entitled to apportion the right of first offer hereby granted to it in such proportions as it deems appropriate, among itself and its Affiliates; provided that such Affiliate is not a Competitor or FOIA Party.

(a) The Company shall give notice (the "**Debt Offer Notice**") to Hillhouse, stating (i) its bona fide intention to offer such Debt Securities, (ii) the number of such Debt Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such Debt Securities. By notification to the Company within ten (10) days after the Debt Offer Notice is given, Hillhouse may elect to purchase or otherwise acquire, at the price and on the terms specified in the Debt Offer Notice, all or any portion of such Debt Securities.

(b) If all Debt Securities referred to in the Debt Offer Notice are not elected to be purchased or acquired as provided in Section 4.2(a), the Company may, during the ninety (90) day period following the expiration of the period provided in Section 4.2(a), offer

and sell the remaining unsubscribed portion of such Debt Securities to any Person or Persons at a price not less than, and upon terms no more favorable to the offeree than, those specified in the Debt Offer Notice; provided that the Company shall not sell any unsubscribed portion of such Debt Securities to a Third Party at a price less than, or upon terms materially more favorable to the offeree than, those specified in the Debt Offer Notice without providing Hillhouse the opportunity to match any offer provided by a Third Party for a period of thirty (30) days after being notified of any such offer.

(c) The right of first offer in this Section 4.2 shall not be applicable to indebtedness or debt securities that would be Exempted Securities (as defined in the Restated Certificate) if references to any Common Stock, Options or Convertible Securities (as defined in the Restated Certificate) in the definition of Exempted Securities were deemed to also include indebtedness or debt securities.

4.3 Termination. The covenants set forth in Section 4 shall terminate and be of no further force or effect (a) immediately before the consummation of an IPO approved in accordance with the Restated Certificate, (b) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (c) upon a Deemed Liquidation Event, as such term is defined in the Restated Certificate, whichever event occurs first.

4.4 Waiver. The right of first offer under Section 4.1 may be waived (either generally or in a particular instance and either retroactively or prospectively) with the written consent of the Required Majority.

5. Additional Covenants.

5.1 Insurance. The Company shall use its reasonable best efforts to maintain from financially sound and reputable insurers approved by the Board, Directors and Officers liability insurance and term "key person" insurance on each of the Founders, each in an amount and on terms and conditions satisfactory to the Board (including at least one (1) Series A Director and one (1) Series B Director). Notwithstanding any other provision of this Section 5.1 to the contrary, for so long as any Preferred Director is serving on the Board, the Company shall not cease to maintain a Directors and Officers liability insurance policy in an amount of at least $3,000,000 prior to the initiation by the Company of human clinical trials and $5,000,000 thereafter, in each case unless approved by all such Series A Directors and Series B Directors then serving on the Board, and the Company shall annually, within one hundred twenty (120) days after the end of each fiscal year of the Company, deliver to the Preferred Directors a certification that such a Directors and Officers liability insurance policy remains in effect. The Company shall add the Series B Directors to its current Directors and Officers liability insurance policy as promptly as practicable, and no later than thirty (30) days after the date hereof.

5.2 Employee Agreements. The Company will cause (a) each Founder and each other Person now or hereafter employed by the Company or by any subsidiary (or engaged by the Company or any subsidiary as a consultant/independent contractor) to enter into a nondisclosure and proprietary rights assignment agreement; and (b) each Founder and each other Person now or hereafter employed by the Company or by any subsidiary to enter into a

nonsolicitation agreement covering a period of one (1) year commencing on the day after the last day of such Founder's or Person's employment with the Company and its subsidiaries. Each of the above-referenced agreements shall be in a form reasonable and customary for businesses similar in nature to the Company and reasonably acceptable to the Investors. In addition, the Company shall not amend, modify, terminate, waive, or otherwise alter, in whole or in part, any of the above-referenced agreements or any restricted stock agreement between the Company and any Person, without the consent of at least a majority of the Preferred Directors (including at least one (1) Series B Director).

5.3 Employee Stock. Unless otherwise approved by the Board, including at least a majority of the Board (including at least one (1) Series A Director and one (1) Series B Director), all future employees and consultants of the Company who purchase, receive options to purchase, or receive awards of shares of the Company's capital stock after the date hereof shall be required to execute restricted stock or option agreements, as applicable, providing for (a) vesting of shares over a four (4) year period, with the first twenty-five percent (25%) of such shares vesting following twelve (12) months of continued employment or service, and the remaining shares vesting in equal monthly installments over the following thirty-six (36) months, and (b) a market stand-off provision substantially similar to that in Section 2.11. In addition, unless otherwise approved by the Board, including at least a majority of the Board (including at least one (1) Series A Director and one (1) Series B Director), the Company shall retain a "right of first refusal" on employee transfers until the Company's IPO and shall have the right to repurchase unvested shares at cost upon termination of employment of a holder of restricted stock.

5.4 Matters Requiring Investor Director Approval. So long as the holders of Preferred Stock are entitled to elect any Preferred Directors, the Company hereby covenants and agrees with each of the Investors that it shall not (and shall not permit any of its subsidiaries to), either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without approval of the Board, which approval must include the affirmative vote of at least one (1) Series A Director and one (1) Series B Director:

(a) approve or amend the annual budget or any capital expenditure plan or other deviation (including incurrence of indebtedness or expenditure) beyond the approved annual budget or any expenditure plan, in each case in excess of twenty percent (20%) in the aggregate during any fiscal year;

(b) acquire, sell, transfer, exclusively license, encumber or dispose of assets, individually or in the aggregate during any fiscal year, having a fair market value in excess of twenty (20%) of the then fair market value of the Company (in each case, other than transactions approved by the Required Majority pursuant to Article Fourth, Section B.3.3 of the Restated Certificate);

(c) hire or terminate any C-level executive officer of the Company, or increase the compensation of any C-level executive officer of the Company by more than twenty percent (20%) in the aggregate during any fiscal year;

(d) change the principal business of the Company and its subsidiaries, enter new lines of business, or exit the current line of business; or

(e) authorize or agree to do any of the foregoing.

5.5 Board Matters. Unless otherwise determined by the vote of a majority of the Preferred Directors then in office (including at least one (1) Series A Director and one (1) Series B Director), the Board shall meet at least quarterly in accordance with an agreed upon schedule. The Company shall reimburse the nonemployee directors for all reasonable out-of-pocket travel expenses incurred (consistent with the Company's travel policy) in connection with attending meetings of the Board. Except as otherwise approved by a majority of the Preferred Directors then in office (including at least one (1) Series A Director and one (1) Series B Director), each Board committee shall include at least one (1) of the Series A Directors and one (1) of the Series B Directors. The Company shall enter into an indemnification agreement, in substantially in the form of the Indemnification Agreement (as defined in the Purchase Agreement), with each Preferred Director designated pursuant to the Voting Agreement (covering such Preferred Director and any Affiliated funds or business entities) upon such Preferred Director's joining the Board.

5.6 Successor Indemnification. If the Company or any of its successors or assignees consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger, or transfers all or substantially all of its assets to any other Person, then to the extent necessary, proper provision shall be made so that the successors and assignees of the Company assume the obligations of the Company with respect to indemnification of members of the Board as in effect immediately before such transaction, whether such obligations are contained in the Company's Bylaws, the Restated Certificate, or elsewhere, as the case may be.

5.7 Indemnification Matters. The Company hereby acknowledges that one (1) or more of the directors nominated to serve on the Board by the Investors (each an "**Investor Director**") may have certain rights to indemnification, advancement of expenses and/or insurance provided by one or more of the Investors and certain of their affiliates (collectively, the "**Investor Indemnitors**"). The Company hereby agrees (a) that it is the indemnitor of first resort (*i.e.*, its obligations to any such Investor Director are primary and any obligation of the Investor Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by such Investor Director are secondary), (b) that it shall be required to advance the full amount of expenses incurred by such Investor Director and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement by or on behalf of any such Investor Director to the extent legally permitted and as required by the Company's Certificate of Incorporation or Bylaws of the Company (or any agreement between the Company and such Investor Director), without regard to any rights such Investor Director may have against the Investor Indemnitors, and, (c) that it irrevocably waives, relinquishes and releases the Investor Indemnitors from any and all claims against the Investor Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Investor Indemnitors on behalf of any such Investor Director with respect to any claim for which such Investor Director has sought

indemnification from the Company shall affect the foregoing and the Investor Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Investor Director against the Company. The Investor Directors and the Investor Indemnitors are intended third-party beneficiaries of this Section 5.7 and shall have the right, power and authority to enforce the provisions of this Section 5.7 as though they were a party to this Agreement.

5.8 Right to Conduct Activities. The Company hereby agrees and acknowledges that each Investor (together with its Affiliates) invests in numerous companies, some of which may be deemed competitive with the Company's business (as currently conducted or as currently propose to be conducted). The Company hereby agrees that, to the extent permitted under applicable law, such Investor shall not be liable to the Company for any claim arising out of, or based upon, (a) the investment by such Investor in any entity competitive with the Company, or (b) actions taken by any partner, officer or other representative of such Investor to assist any such competitive company, whether or not such action was taken as a member of the board of directors of such competitive company or otherwise, and whether or not such action has a detrimental effect on the Company; provided, however, that the foregoing shall not relieve such Investor (together with its Affiliates) from liability associated with the unauthorized disclosure of the Company's confidential information obtained pursuant to this Agreement or any director or officer of the Company from any liability associated with his or her fiduciary duties to the Company. In addition, certain of the Investors (together with their respective Affiliates) are professional investment funds or similar investment organizations (collectively, the "**Funds**"). The Company agrees that, notwithstanding anything to the contrary in this Agreement, no Fund or any of its Affiliates that is a professional investment fund or similar investment organization, nor any of their respective partners, officers, directors or representatives which manage or advise any such professional investment fund or similar investment organization, shall be considered a "Competitor" for purposes of this Agreement as a result of any investment, management or advisory activities, in each case, so long as no confidential information of the Company is shared with any portfolio company which otherwise constitutes a "Competitor" hereunder or any officer, director, employee or advisor of any such portfolio company.

5.9 FCPA Compliance. The Company shall not, and shall not permit any of its subsidiaries or any of its or their respective directors, officers, managers, employees, independent contractors, representatives or agents (collectively, "Representatives") to, promise, authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, any non-U.S. government official, in each case, in violation of the U.S. Foreign Corrupt Practices Act ("**FCPA**") or any other applicable anti-bribery or anti-corruption law. The Company shall, and shall cause each of its subsidiaries to, cease all of its or their respective activities, as well as remediate any actions taken by the Company, its subsidiaries or any of its or their respective Representatives in violation of the FCPA or any other applicable anti-bribery or anti-corruption law. The Company shall, and shall cause each of its subsidiaries to, maintain systems or internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) to ensure compliance with the FCPA or any other applicable anti-bribery or anti-corruption law.

5.10 Series B-2 Matters. So long as the holders of Series B Preferred Stock are entitled to designate one or more Series B Director, the Company hereby covenants and agrees that it shall not (and shall not permit any of its subsidiaries to), either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without approval of the Series B-2 Majority (as defined in the Restated Certificate):

(a) reclassify any shares of capital stock into shares of Series B-2 Preferred Stock; or

(b) issue any additional shares of Series B-2 Preferred Stock after the date hereof.

5.11 Termination. The covenants set forth in this Section 5, except for Sections 5.6, 5.7 and 5.8 shall terminate and be of no further force or effect (a) immediately before the consummation of an IPO approved in accordance with the Restated Certificate, (b) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (c) upon a Deemed Liquidation Event, as such term is defined in the Restated Certificate, whichever event occurs first.

6. Miscellaneous.

6.1 Successors and Assigns. The rights under this Agreement may be assigned (but only with all related obligations) by a Holder to a transferee of Registrable Securities that (a) is an Affiliate of a Holder or (b) is a Holder's Immediate Family Member or trust for the benefit of an individual Holder or one or more of such Holder's Immediate Family Members; provided, however, that (i) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee and the Registrable Securities with respect to which such rights are being transferred; and (ii) such transferee agrees in a written instrument delivered to the Company to be bound by and subject to the terms and conditions of this Agreement, including the provisions of Section 2.11. The terms and conditions of this Agreement inure to the benefit of and are binding upon the respective successors and permitted assignees of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assignees any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein. In connection with a permitted transfer or assignment of its shares of Preferred Stock, each Investor shall have the right to assign any rights under this Agreement to its transferees or assignees without the consent of any other Person (other than any required consent for such transfer); provided that nothing in this sentence shall supersede any restrictions on transfer of such shares set forth in this Agreement or any other agreement to which such Investor is a party.

6.2 Governing Law. This Agreement shall be governed by the internal law of the State of Delaware without regard to principles of conflicts of law.

6.3 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail

(including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

6.4 Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

6.5 Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or (a) personal delivery to the party to be notified; (b) when sent, if sent by electronic mail or facsimile during the recipient's normal business hours, and if not sent during normal business hours, then on the recipient's next business day; (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) one (1) business day after the business day of deposit with a nationally recognized overnight courier, freight prepaid, specifying next-day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their addresses as set forth on Schedule A hereto, or to the principal office of the Company and to the attention of the Chief Executive Officer, in the case of the Company, or to such email address, facsimile number, or address as subsequently modified by written notice given in accordance with this Section 6.5. If notice is given to the Company, a copy shall also be sent to Hogan Lovells US LLP, 100 International Drive, Suite 2000, Baltimore, Maryland 21202, Attention: Asher Rubin and if notice is given to Investors, a copy (which shall not constitute notice) shall also be sent to Goodwin Procter, One Exchange Square, Suite 2801, 8 Connaught Place, Central, Hong Kong.

6.6 Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of the Company and the Required Majority; provided that (i) Section 3.3(a) and (b), this Section 6.6(i) and the proviso in the following sentence shall not be amended or waived to the detriment of any Major Investor or any of their respective Affiliates without the consent of such Major Investor; (ii) Section 3.3(c) and this Section 6.6(ii) and the definition of "Competitor" may not be amended or waived without the written consent of Pfizer; (iii) no amendment or waiver to Section 5.1 that would allow the Company's Directors and Officers liability insurance policy coverage to be less than at least $3,000,000 prior to the initiation by the Company of human clinical trials or $5,000,000 thereafter may be effected without the prior written consent of Pfizer; (iv) the Company may in its sole discretion waive compliance with Section 2.12(c) (and the Company's failure to object promptly in writing after notification of a proposed assignment allegedly in violation of Section 2.12(c) shall be deemed to be a waiver); (v) Section 4.2, this Section 6.6(v) or the last sentence of the definition of "Affiliates" shall not be amended or waived without the written consent of Hillhouse to the extent that such amendment or waiver would adversely affect the rights of Hillhouse; (vi) Section 5.10 and this Section 6.6(vi) shall not be amended or waived without the written consent of the Series B-2 Majority; (vii) the first proviso of the definition of "Major Investor" and this Section 6.6(vii) may not be amended or waived as to Surveyor, Taiho or Bay City, as applicable, without the written consent of Surveyor, Taiho or Bay City, as applicable; and (viii) the definition of "Competitor" and this

Section 6.6(viii) may not be amended or waived as to a particular Investor without such Investor's written consent; and provided further that any provision hereof may be waived by any waiving party on such party's own behalf, without the consent of any other party. Notwithstanding the foregoing, this Agreement may not be amended or terminated and the observance of any term hereof may not be waived with respect to any Investor without the written consent of such Investor, unless such amendment, termination, or waiver applies to all Investors in the same fashion (it being agreed that a waiver of the provisions of Section 4 with respect to a particular transaction shall be deemed to apply to all Investors in the same fashion if such waiver does so by its terms, notwithstanding the fact that certain Investors may nonetheless, by agreement with the Company, purchase securities in such transaction; provided, however, that if, after giving effect to such waiver of Section 4 with respect to a particular transaction, a Major Investor purchases securities in such transaction or issuance, such waiver of the provisions of Section 4 shall be deemed to apply to each other Major Investor whose rights were waived or amended (each such Major Investor a "**Non-Waiving Investor**") only if such Non-Waiving Investor has been provided the opportunity to purchase its pro rata share of the New Securities being offered by the Company in such transaction based on the pro rata purchase right of such Non-Waiving Investor set forth in Section 4, subject to the notice and election periods set forth in Section 4). The Company shall give prompt written notice of any amendment or termination hereof or waiver hereunder to all parties hereto (and in any event within two (2) business days of such amendment, termination or waiver). Any amendment, termination, or waiver effected in accordance with this Section 6.6 shall be binding on all parties hereto, regardless of whether any such party has consented thereto. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision.

6.7 Severability. In case any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and such invalid, illegal, or unenforceable provision shall be reformed and construed so that it will be valid, legal, and enforceable to the maximum extent permitted by law.

6.8 Stock Split. All references to numbers of shares in this Agreement shall be appropriately adjusted to reflect any stock dividend, split, combination or other recapitalization affecting the Capital Stock occurring after the date of this Agreement.

6.9 Aggregation of Stock. All shares of Registrable Securities held or acquired by Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement and such Affiliated Persons may apportion such rights as among themselves in any manner they deem appropriate.

6.10 Additional Investors. Notwithstanding anything to the contrary contained herein, if the Company issues additional shares of the Company's Preferred Stock after the date hereof, any purchaser of such shares of Preferred Stock may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement, and thereafter shall be deemed an "Investor" for all purposes hereunder. No action or consent by the Investors shall be required for such joinder to this Agreement by such additional Investor, so

long as such additional Investor has agreed in writing to be bound by all of the obligations as an "Investor" hereunder.

6.11 Entire Agreement. This Agreement (including any Schedules and Exhibits hereto) constitutes the full and entire understanding and agreement among the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties is expressly canceled.

6.12 Dispute Resolution. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of Delaware and to the jurisdiction of the United States District Court for the District of Delaware for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state courts of Delaware or the United States District Court for the District of Delaware, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

WAIVER OF JURY TRIAL: EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS, THE SECURITIES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

Each party will bear its own costs in respect of any disputes arising under this Agreement. The prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled.

6.13 Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power, or remedy of such nonbreaching or nondefaulting party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of

any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

6.14 Acknowledgment. The Company acknowledges that the Investors are in the business of investing and therefore review the business plans and related proprietary information of many enterprises, including enterprises which may have products or services which compete directly or indirectly with those of the Company. Nothing in this Agreement shall preclude or in any way restrict the Investors from investing or participating in any particular enterprise whether or not such enterprise has products or services which compete with those of the Company.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

NEXTCURE, INC.

By: /s/ Michael Richman
Name: Michael Richman
Title: President & CEO

NEXTCURE, INC.
SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

ALEXANDRIA VENTURE INVESTMENTS, LLC, a Delaware limited liability company

By: ALEXANDRIA REAL ESTATE EQUITIES, INC., a Maryland corporation, its Managing Member

By: /s/ Aaron Jacobson
Name: Aaron Jacobson
Title: SVP — Venture Counsel

NEXTCURE, INC.
SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

CANAAN X L.P.

By: CANAAN PARTNERS X LLC,
its General Partner

By: /s/ Tim Shannon
Name: Tim Shannon
Title: General Partner

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

LILLY ASIA VENTURES FUND III, L.P.

By: /s/ Judith Li
Name: Judith Li
Title: Authorized Signatory

LAV BIOSCIENCES FUND III, L.P.

By: /s/ Judith Li
Name: Judith Li
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

ORBIMED PRIVATE INVESTMENTS VI, LP

By: ORBIMED CAPITAL GP VI LLC,
its General Partner

By: ORBIMED ADVISORS LLC,
its Managing Member

By: /s/ Jonathan Silverstein
Name: Jonathan Silverstein
Title: Member

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

C.P. PHARMACEUTICALS INTERNATIONAL C.V.

By: PFIZER MANUFACTURING LLC,
as General Partner for and on behalf of
C.P. PHARMACEUTICALS
INTERNATIONAL, C.V.

By: /s/ Colum Lane
Name: Colum Lane
Title: Senior Vice President

AND

By: PFIZER PRODUCTION LLC,
as General Partner for and on behalf of
C.P. PHARMACEUTICALS
INTERNATIONAL, C.V.

By: /s/ Brian McMahon
Name: Brian McMahon
Title: Senior Vice President

NEXTCURE, INC.
SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

PFIZER INC.

By: /s/ Barbara Dalton
Name: Barbara Dalton
Title: VP Pfizer Ventures, Worldwide Business Devel

NEXTCURE, INC.
SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

SOFINNOVA VENTURE PARTNERS IX, L.P.

By: SOFINNOVA MANAGEMENT IX, L.L.C., its General Partner

By: /s/ Mike Powell
Name: Mike Powell
Title: General Partner

NEXTCURE, INC.
SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

ELI LILLY AND COMPANY

By: /s/ David A. Ricks
Name: David A. Ricks
Title: Chairman, President and CEO

NEXTCURE, INC.
SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

TAIHO VENTURES, LLC

By: /s/ Sakae Asanuma
Name: Sakae Asanuma
Title: President

NEXTCURE, INC.
SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

CITADEL MULTI-STRATEGY EQUITIES MASTER FUND LTD.

By: Citadel Advisors LLC, its portfolio manager

By: /s/ Noah Goldberg
Name: Noah Goldberg
Title: Authorized Signatory

NEXTCURE, INC.
SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

Quan Venture Fund II, L.P.

By: **Quan Venture Partners II, L.L.C.**

Its: General Partner

By: /s/ Marietta Wu
Name: Marietta Wu
Title: Managing Director

NEXTCURE, INC.
SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

GBG-1 CORPORATION

By: /s/ Junkyu Park
Name: Junkyu Park
Title: Director

MERITZ NS GLOBAL BIO FUND
its co-managing partners

NS Investment Co., Ltd.

By: /s/ Tae-kyoung Sohn
Name: Tae-kyoung Sohn
Title: Managing Director

Meritz Securities Co., Ltd.

By: /s/ Min-kyu Song
Name: Min-kyu Song
Title: Deputy General Manager

Paratus Investment Co., Ltd.

By: /s/ Chan-ho Lee
Name: Chan-ho Lee
Title: Managing Director

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

Bay City Capital GF Xinde International Life Sciences USD Fund, L.P.

By: Bay City Capital GF XINDE Investment Management Co.
Its General Partner

By: /s/ Fred Craves
Name: Fred Craves
Title: Director

NEXTCURE, INC.
SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

ArrowMark Life Science Fund, LP
By: its General Partner
AMP Life Science GP, LLC

By: /s/ David Corkins
Name: David Corkins
Title: Managing Member

ArrowMark Fundamental Opportunity Fund, L.P.
By: its General Partner
ArrowMark Partners GP, LLC

By: /s/ David Corkins
Name: David Corkins
Title: Managing Member

Lookfar Investments, LLC

By: /s/ David Corkins
Name: David Corkins
Title: Managing Member

CF Ascent LLC

By: /s/ David Corkins
Name: David Corkins
Title: Managing Member

THB Iron Rose LLC
By: its Investment Adviser
ArrowMark Colorado Holdings LLC

By: /s/ David Corkins
Name: David Corkins
Title: Managing Member

Iron Horse Investment, LLC
By: its Investment Adviser
ArrowMark Colorado Holdings LLC

By: /s/ David Corkins
Name: David Corkins
Title: Managing Member

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

HH NCURE HOLDINGS LLC

By: /s/ Colm O'Connell
Name: Colm O'Connell
Title: Authorised Signatory

NEXTCURE, INC.
SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

Full Succeed International Limited

By: /s/ Le Yu
Name:
Title:

NEXTCURE, INC.
SIGNATURE PAGE TO AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

SCHEDULE A

Investors

HH NCure Holdings LLC
Suite 2202, 22nd Floor
Two International Finance Centre
8 Finance Street, Central
Hong Kong

with a copy (which shall not constitute notice) to:

Goodwin Procter
One Exchange Square
Suite 2801, 8 Connaught Place
Central, Hong Kong

Bay City Capital GF Xinde International Life Sciences USD Fund, L.P.
c/o Bay City Capital, LLC
750 Battery Street, Suite 400
San Francisco, CA 94111

Citadel Multi-Strategy Equities Master Fund Ltd.
c/o Citadel Advisors LLC
601 Lexington Avenue
New York, New York

Full Succeed International Limited
c/o Ping An Ventures
24F, Ping An Finance Tower
No. 1333 Luijazui Ring Road
Pudong New District, Shanghai, PRC

Quan Venture Fund II, L.P.
c/o Quan Capital
Jinchuang Plaza
4560 Jinke Rd., Bldg. 1N, Suite 401
Zhangjiang Hi-tech Park, Pudong New Area
Shanghai, China 201210

Taiho Ventures, LLC
2420 Sand Hill Road, Suite 203
Menlo Park, CA 94025

GBG-1 Corporation
c/o NS Investments
501 Taesung Bld., 22 Sejong-daero 21-gil, Jung-gu
Seoul 04519 Rep. of Korea

Meritz NS Global Bio Fund
c/o NS Investments
501 Taesung Bld., 22 Sejong-daero 21-gil, Jung-gu
Seoul 04519 Rep. of Korea

ArrowMark Life Science Fund, L.P.
c/o ArrowMark Partners
100 Fillmore Street, Suite 325
Denver, CO 80206

ArrowMark Fundamental Opportunity Fund, L.P.
c/o ArrowMark Partners
100 Fillmore Street, Suite 325
Denver, CO 80206

Lookfar Investments, LLC
c/o ArrowMark Partners
100 Fillmore Street, Suite 325
Denver, CO 80206

CF Ascent LLC
c/o ArrowMark Partners
100 Fillmore Street, Suite 325
Denver, CO 80206

THB Iron Rose, LLC
c/o ArrowMark Partners
100 Fillmore Street, Suite 325
Denver, CO 80206

Iron Horse Investments, LLC
c/o ArrowMark Partners
100 Fillmore Street, Suite 325
Denver, CO 80206

C.P. Pharmaceuticals International, C.V.
c/o its General Partners (Pfizer Manufacturing LLC and Pfizer Production LLC)
235 East 42nd Street
New York, NY 10017
United States of America
Attn: Senior Vice President and Associate General Counsel
Pfizer Legal Division
Business Transactions Group
Fax: +1 646 563 9611

Pfizer Inc.
235 East 42nd Street
New York, NY 10017
United States of America
Attn: Senior Vice President and Associate General Counsel
Pfizer Legal Division
Business Transactions Group
Fax: +1 646 563 9611

Canaan X L.P
285 Riverside Ave
Suite 250
Westport, CT 06880

Lilly Asia Ventures Fund III, LP
Unit 1109-10, Two Chinachem Central
26 Des Voeux Road Central, Hong Kong
Fax + 852 3951 9723

LAV Biosciences Fund III, LP
Unit 1109-10, Two Chinachem Central
26 Des Voeux Road Central, Hong Kong
Fax + 852 3951 9723

OrbiMed Private Investments VI, LP
c/o OrbiMed Advisors LLC
601 Lexington Avenue
54th Floor
New York, NY 10022
Attn: Chau Q. Khuong, Private Equity Partner
Fax: (212) 739-6444
Email: KhuongC@OrbiMed.com

Sofinnova Venture Partners IX, L.P.
3000 Sand Hill Road
Bldg. 4, Suite 250
Menlo Park, CA 94025
Fax: (650) 322-2037

Alexandria Venture Investments, LLC
385 E. Colorado Blvd.
Suite 299
Pasadena, CA 91101
Attn: Aaron Jacobson
Fax: (626) 578-0770

Eli Lilly and Company
Lilly Corporate Center
Indianapolis, IN 46285
Attention: Senior Vice-President of Business Development
With a copy to: General Counsel

Exhibit 10.1

[***] INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

Confidential Execution Version

LICENSE AGREEMENT

BY AND BETWEEN

YALE UNIVERSITY

AND

NEXTCURE, INC.

TABLE OF CONTENTS

[***] INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

LICENSE AGREEMENT

This License Agreement (the "**AGREEMENT**") by and between Yale University, a nonprofit corporation organized and existing under and by virtue of a charter granted by the general assembly of the Colony and State of Connecticut ("**YALE**"), and NextCure, Inc., a corporation organized and existing under the laws of the State of Delaware ("**LICENSEE**"), is effective as of December 29, 2015 ("**EFFECTIVE DATE**"). YALE and LICENSEE are each referred to herein, individually, as a "party" and, collectively, as the "parties."

1. BACKGROUND

1.1. In the course of research conducted under YALE auspices, Dr. Lieping Chen ("**CHEN**") in the Department of Immunobiology at YALE, has produced inventions concerning "GENOME-SCALE T CELL ACTIVITY ARRAY AND METHODS OF USE THEREOF" [***] and "SIGLEC 15, A NOVEL TARGET FOR IMMUNO-ONCOLOGY" [***] (collectively, the "**INVENTIONS**").

1.2. CHEN has assigned or is obligated to assign to YALE all of CHEN's right, title and interest in and to the INVENTIONS and any resulting patents.

1.3. YALE wishes to have the INVENTIONS and any resulting patents commercialized to benefit the public good.

1.4. To induce YALE to enter into this AGREEMENT, LICENSEE has agreed that it shall act diligently to develop and commercialize the LICENSED PRODUCTS (as defined below) for public use throughout the TERRITORY (as defined below) under this AGREEMENT, subject to the terms and conditions of this AGREEMENT.

1.5. YALE is willing to grant a license to LICENSEE, subject to the terms and conditions of this AGREEMENT.

1.6. In consideration of these statements and mutual promises, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, YALE and LICENSEE agree to the terms of this AGREEMENT.

2. DEFINITIONS

The following terms used in this AGREEMENT shall be defined as set forth below:

2.1. "**ACCOUNTING STANDARDS**" shall mean, with respect to LICENSEE, US GAAP (United States Generally Accepted Accounting Principles), as generally and consistently applied by LICENSEE, or such other internationally recognized accounting principles (e.g., IFRS, US GAAP, etc.) as may be applied by LICENSEE and notified to YALE.

2.2. "**AFFILIATE**" shall mean, with respect to a party, any entity or person that directly or indirectly controls, is controlled by or is under common control with such party. For purposes of this definition, "control" means possession of the power to direct the

management of such entity or person, whether through ownership of more than fifty percent (50%) of voting securities, by contract or otherwise.

2.3. "**ASSIGNEE**" is defined in Article 5.4.

2.4. "**CHANGE OF CONTROL**" shall mean, with respect to LICENSEE, the acquisition by an unaffiliated third party, or group of unaffiliated third parties, directly or indirectly, in a single transaction or series of related transactions, of beneficial ownership of more than fifty percent (50%) of the total voting power of the voting stock of LICENSEE, but, for the avoidance of doubt, not including any bona fide debt or equity financing of LICENSEE, including a SUCCESSFUL FINANCING or any equity financing involving a private placement of preferred stock. As used herein, "unaffiliated" means a person or entity who is not, prior to the transaction or transactions in question, directly or indirectly a beneficial owner of securities of LICENSEE.

2.5. "**CHEN**" is defined in Article 1.1.

2.6. "**CHEN LAB**" shall mean the laboratory of CHEN at YALE, which for purposes of this AGREEMENT shall include discovery, research and development activities at YALE conducted or supervised, directly or indirectly, by CHEN, or in which CHEN participates. For clarity, the "CHEN LAB" includes (a) YALE faculty and employees while conducting such activities and (b) VISITING SCIENTISTS to the extent of their activities at YALE.

2.7. "**CLAIMS**" is defined in Article 14.1

2.8. "**COMMERCIAL ENTITY**" shall mean any for-profit entity or organization, or its agents or employees, including any for-profit entity or consortium engaged, directly or indirectly, in the discovery, research, development, or manufacturing of pharmaceutical or biological products or therapies for purposes of commercialization, in each case, other than LICENSEE and its AFFILIATES.

2.9. "**COMMERCIAL PURPOSES**" shall mean the sale, lease, license, or other transfer to or by a COMMERCIAL ENTITY. "COMMERCIAL PURPOSES" shall also include uses by any organization, including any NONPROFIT ORGANIZATION, to perform contract research, to produce or manufacture VALID CLAIM PRODUCTS for general sale, or to conduct research activities that result in any sale, lease, license, or transfer of VALID CLAIM PRODUCTS to or by a COMMERCIAL ENTITY other than LICENSEE. However, industrially sponsored academic research shall not be considered a use for COMMERCIAL PURPOSES per se, unless any of the above conditions of this definition are met.

2.10. "**COMMERCIALLY REASONABLE EFFORTS**" shall mean with respect to LICENSEE and a LICENSED PRODUCT, efforts that are consistent with those utilized by companies of similar size, means and type in the development of products and therapies similar to the LICENSED PRODUCT (i.e., with similar product characteristics

and at a similar stage of research, development or commercialization), taking into account efficacy, safety, proprietary position of the product or therapy, including patent and regulatory exclusivity, regulatory structure involved including anticipated or approved labeling and anticipated or approved post-approval requirements, present and future market and commercial potential including competitive market conditions and probability of the profitability of the product or therapy in light of pricing and reimbursement issues, and all other relevant factors including technical, legal, scientific and/or medical factors and the unique nature of LICENSED PRODUCTS.

2.11. "**CONFIDENTIAL INFORMATION**" shall mean all information disclosed by one party to the other during the negotiation of or under this AGREEMENT in any manner, whether orally, visually or in tangible form, that relates to LICENSED PATENTS, LICENSED INFORMATION or the AGREEMENT itself, unless such information is subject to an exception described in Article 8.2; provided, however, that CONFIDENTIAL INFORMATION that is disclosed in tangible form shall be marked "Confidential" at the time of disclosure and CONFIDENTIAL INFORMATION that is disclosed orally or visually shall be identified as confidential at the time of disclosure and subsequently reduced to writing, marked "Confidential" and delivered to the other party within thirty (30) days of such disclosure. CONFIDENTIAL INFORMATION shall include, without limitation, materials, know-how and data, technical or non-technical, trade secrets, inventions, methods and processes, whether or not patentable.

2.12. "**EARNED ROYALTY**" is defined in Article 6.1.

2.13. "**EFFECTIVE DATE**" is defined in the introductory paragraph of this AGREEMENT.

2.14. "**EXECUTIVE OFFICERS**" shall mean (a) the chief executive officer of LICENSEE and (b) the Managing Director of the Office of Cooperative Research of YALE, or their respective designees with requisite decision-making authority with respect to matters under this AGREEMENT.

2.15. "**EXCLUDED TARGETS**" has the meaning set forth on Appendix C.

2.16. "**FEDERAL PATENT POLICY**" is defined in Article 3.2.

2.17. "**FDA**" means the U.S. Food and Drug Administration, or any successor thereto.

2.18. "**FIELD**" shall mean all preventative, therapeutic and diagnostic uses, except for any use involving or directed at an EXCLUDED TARGET.

For clarity, LICENSEE's field of use for the LICENSE and its rights with respect to LICENSED INFORMATION shall not be limited except with respect to the EXCLUDED TARGETS.

2.19. "**FIRST SALE**" shall mean with respect to a LICENSED PRODUCT and a country or region, the first commercial sale to a third party of such LICENSED PRODUCT in such country or region, or in any country or region, as applicable.

2.20. "**FORCE MAJEURE**" is defined in Article 18.10.

2.21. "**IND**" shall mean an investigational new drug application filed with the FDA prior to beginning clinical trials in humans in the United States or any comparable application filed with regulatory authorities in or for a country or group of countries other than the United States.

2.22. "**INITIAL TARGETS**" shall mean [***].

2.23. "**INITIATION**" is defined in Article 5.2.

2.24. "**INVENTION**" is defined in Article 1.1.

2.25. "**INVENTOR AGREEMENT**" shall mean a consulting or other agreement directly between LICENSEE and CHEN pursuant to which CHEN provides consultation, advice, or other services to LICENSEE or its AFFILIATES.

2.26. "**INSOLVENT**" shall mean that LICENSEE (i) has ceased to pay its debts in the ordinary course of business, (ii) has current assets that are insufficient to pay its current obligations, (iii) is insolvent as defined by the United States Federal Bankruptcy Law, as amended from time to time, or (iv) has commenced bankruptcy, reorganization, receivership or insolvency proceedings, or any other proceeding under any federal, state or other law for the relief of debtors.

2.27. "**LICENSE**" refers to the license granted under Article 3.1.

2.28. "**LICENSED INFORMATION**" shall mean all inventions, biological materials and reagents, patent applications, patents, concepts, processes, information, data, know-how and the like, in any form, whether or not patentable, that are useful for the discovery, development, manufacture, use, or sale of one or more LICENSED PRODUCTS, or for the practice of the LICENSED METHODS and are:

(a) owned or co-owned by YALE as of the EFFECTIVE DATE or during the TERM; and

(b) discovered or developed in or on behalf of (including, without limitation, by outsourced third parties and consultants) the CHEN LAB while CHEN is MEANINGFULLY INVOLVED with both YALE and LICENSEE;

in each case, to the extent disclosable and licensable (including on a non-exclusive basis as contemplated by this AGREEMENT) by YALE to LICENSEE without causing (i) YALE to be in contractual breach of an agreement between YALE and a third party either existing as of the EFFECTIVE DATE or entered into on or after the EFFECTIVE DATE without violating or being inconsistent with any of the requirements of this AGREEMENT or (ii) liability of YALE to a third party.

For the avoidance of doubt, LICENSED INFORMATION does not include any patents or patent applications included within the LICENSED PATENTS.

2.29. "**LICENSE MAINTENANCE ROYALTY**" or "**LMR**" is defined in Article 5.1.

2.30. "**LICENSED METHOD**" shall mean any method, procedure, service or process the practice of which is claimed by a VALID CLAIM of a LICENSED PATENT, or which uses or is useful for the discovery, development, manufacture, use, or sale of a LICENSED PRODUCT.

2.31. "**LICENSED PATENTS**" shall mean the United States or foreign patent application(s) and patents(s) (a) listed in Appendix A and (b) any patents or patent applications claiming priority to such patent application(s) and patent(s), in each case, owned or co-owned by YALE during the TERM, including any continuations, divisionals, and continuations-in-part, if the claims of any such patent or patent application are directed to subject matter described in the patents or patent applications described in Appendix A or under clause (b) above; any reissues, re-examinations, or extensions thereof, or substitutes therefor; and the relevant international equivalents of any of the foregoing. Appendix A sets forth the inventor(s), filing date(s), jurisdiction(s) and owner(s), as applicable, of each LICENSED PATENT. Appendix A is incorporated into this AGREEMENT and will be updated or amended by YALE or its patent counsel as necessary, including at the reasonable request of LICENSEE, during the TERM.

2.32. "**LICENSED PRODUCT**" shall mean VALID CLAIM PRODUCTS and MEANINGFULLY INVOLVED PRODUCTS, defined as follows:

(a) "**VALID CLAIM PRODUCT**" shall mean any product (including any apparatus or kit) or component part thereof, if the manufacture, use, sale, import, export or practice thereof is claimed by a VALID CLAIM of a LICENSED PATENT.

(b) "**MEANINGFULLY INVOLVED PRODUCT**" shall mean any product (including any apparatus or kit) or component part thereof, other than a VALID CLAIM PRODUCT, that in whole or in part:

(i) uses the LICENSED INFORMATION for its discovery, development, manufacture, use, or sale; or

(ii) is discovered or developed by LICENSEE or its AFFILIATES (including if such product or component is developed indirectly through SUBLICENSEES or other third parties, or in-licensed from a third party) while CHEN is MEANINGFULLY INVOLVED with both (A) LICENSEE and (B) YALE. For the avoidance of doubt, activities funded by LICENSEE under the SRA shall constitute research and development by LICENSEE for this purpose.

Notwithstanding the foregoing, if any product or component is in-licensed by LICENSEE or its AFFILIATES from a third party and developed by LICENSEE or its AFFILIATES without the use of LICENSED INFORMATION (including any materials provided by YALE to LICENSEE or its AFFILIATES), such product or component shall not be deemed to be a MEANINGFULLY INVOLVED PRODUCT hereunder; provided, that (A) if CHEN or the CHEN LAB generate any data or materials used in the research or development by LICENSEE or its AFFILIATES of any such in-licensed product or component, then such product or component shall be deemed to be a MEANINGFULLY INVOLVED PRODUCT hereunder, and (B) any combination of any such in-licensed product or component with a separate VALID CLAIM PRODUCT or MEANINGFULLY INVOLVED PRODUCT shall be a VALID CLAIM PRODUCT or a MEANINGFULLY INVOLVED PRODUCT, as applicable.

2.33. "**LICENSEE**" is defined in the introductory paragraph of this AGREEMENT.

2.34. "**LIQUIDATION EVENT**" shall mean:

(a) any consolidation, merger, combination, reorganization or other transaction in which LICENSEE is not the surviving entity, irrespective of whether LICENSEE is maintained as an AFFILIATE or subsidiary of the new controlling entity, or dissolved and absorbed into the new controlling entity (except for any transaction or series of related transactions not involving a CHANGE OF CONTROL, including transactions with AFFILIATES and transactions to change the type or jurisdiction of organization of LICENSEE);

(b) any CHANGE OF CONTROL transaction or series of related transactions in which the shares of stock or other equity interests of LICENSEE constituting in excess of fifty percent (50%) of the voting power of LICENSEE immediately prior to such transaction or series of related transactions are exchanged for or converted into other stock or securities, cash, and/or any other property;

(c) a sale or other disposition to an unaffiliated third party of all or substantially all of the assets of the LICENSEE and its AFFILIATES; or

(d) an "initial public offering" as that term is defined in the Securities Exchange Act of 1934, as amended, of LICENSEE's capital stock.

2.35. "[***] **MILESTONE**" is defined in Article 5.5.

2.36. "**MAJOR MARKET COUNTRY**" shall mean the United States, Canada, Japan, Italy, Spain, France, Germany and the United Kingdom.

2.37. "**MEANINGFULLY INVOLVED**" shall mean:

(a) With respect to LICENSEE as of a particular time, CHEN [***].

[***] INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

(b) With respect to YALE as of a particular time, CHEN is [***].

2.38. "**MINIMUM ROYALTY PAYMENTS**" or "**MRP**" is defined in Article 6.5.

2.39. "**NDA or BLA**" shall mean either a Biologics License Application or New Drug Application filed with the FDA to obtain marketing approval for a LICENSED PRODUCT in the United States, or any comparable application filed with regulatory authorities in or for a country or group of countries other than the United States.

2.40. "**NET SALES**" shall mean, with respect to a LICENSED PRODUCT, [***].

2.41. "**NONPROFIT ORGANIZATION**" shall mean a university or other institution of higher education or an organization of the type described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)) and exempt from taxation under section 501(a) of the Internal Revenue Code (26 U.S.C. 501(a)) or any nonprofit scientific or educational organization qualified under a state nonprofit organization statute. As used herein, the term "NONPROFIT ORGANIZATION" also includes government agencies, but shall not include any COMMERCIAL ENTITY.

2.42. "**PATENT CHALLENGE**" shall mean any legal (including administrative) action that challenges or opposes the validity, patentability, enforceability, or term of any of the LICENSED PATENTS.

2.43. "**PHASE I CLINICAL TRIAL**" shall mean a human clinical trial constituting the initial introduction of an investigational new drug into humans, as defined in 21 C.F.R. §312.21(a) and as practiced according to the standards of the pharmaceutical industry.

2.44. "**PHASE II CLINICAL TRIAL**" shall mean a human clinical trial conducted to evaluate the effectiveness of a drug for a particular indication in patients with a disease and to determine the common short-term side effects and risks associated with the drug as defined in 21 C.F.R. §312.21(b) and as practiced according to the standards of the pharmaceutical industry.

2.45. "**PHASE III CLINICAL TRIAL**" shall mean expanded controlled and uncontrolled human clinical trials performed after PHASE II CLINICAL TRIAL(S) evidence suggesting effectiveness of an investigational new drug, as defined by 21 C.F.R. §312.21(c), and as practiced according to the standards of the pharmaceutical industry for a Phase III clinical trial and prior to the filing of an NDA or BLA, or comparable request for marketing approval in territories outside of the United States.

2.46. "**PIVOTAL TRIAL**" shall mean a controlled human clinical trial to evaluate the safety and efficacy of a LICENSED PRODUCT in which data are sufficient to form the basis for the filing of an NDA or BLA. A PIVOTAL TRIAL may not necessarily be a PHASE III CLINICAL TRIAL.

2.47. "**PLAN**" is defined in Article 4.1.

2.48. "**QUALIFIED SUBLICENSEES**" shall mean any third party whose products or services primarily use pharmaceutical or biotechnology methods for their production, design or delivery, and whose [***].

2.49. "**SPONSORED RESEARCH AGREEMENT**" or "**SRA**" means the Sponsored Research Agreement entered into by the parties as of the EFFECTIVE DATE, as such agreement may be amended from time to time.

2.50. "**SUBLICENSEE**" shall mean any third party sublicensed by LICENSEE under this AGREEMENT to use or practice any LICENSED METHOD or LICENSED INFORMATION or to make, have made, use, sell, have sold, import or export any LICENSED PRODUCT.

2.51. "**SUBLICENSE INCOME**" shall mean consideration in any form received by LICENSEE or an AFFILIATE in connection with a grant to any third party or third parties of a sublicense, cross-license, or other license, privilege or immunity to use the LICENSED PATENTS or LICENSED INFORMATION to make, have made, use, sell, have sold, distribute, practice, import or export LICENSED PRODUCTS, but excluding consideration included in the calculation of EARNED ROYALTIES and consideration received for past or future research and development activities relating to LICENSED PRODUCTS. SUBLICENSE INCOME shall include, without limitation, any (i) license signing fee, option acquisition fee or other payment to obtain an option, (ii) license maintenance fee, (iii) unearned portion of any minimum royalty payment received by LICENSEE, (iv) the fair market value of any equity received in excess of any purchase price paid therefor, (v) distribution fee, joint marketing fee, or research and development funding in excess of LICENSEE's cost of performing or funding such research and development or services, and (vi) any consideration received for an equity interest in, extension of credit by, or other investment in, LICENSEE to the extent such consideration exceeds the fair market value of the equity or other interest. SUBLICENSE INCOME shall also include any sale or extension of credit to LICENSEE for less than fair market value. In the event an extension of credit or loan to LICENSEE by a third party is forgiven in whole or in part by the third party, and such amount is not otherwise attributable to an exclusion from SUBLICENSE INCOME, such amount shall constitute SUBLICENSE INCOME.

For the avoidance of doubt, "research and development" for purposes of this definition includes actual documented costs (whether past or future) incurred by LICENSEE or an AFFILIATE for: (a) patent filing and maintenance of the LICENSED PATENTS, (b) manufacturing activities (including pre-clinical and clinical manufacturing and testing) for the LICENSED PRODUCTS, and (c) regulatory activities and clinical trials for LICENSED PRODUCTS, and only consideration received by LICENSEE or an AFFILIATE therefor in excess of their costs for such activities shall be considered SUBLICENSE INCOME hereunder.

In the event LICENSEE receives consideration in connection with the grant of a license, sublicense, cross-license, or other license, privilege or immunity to use the LICENSED

PATENTS or LICENSED INFORMATION and any other intellectual property rights of LICENSEE (including intellectual property rights owned by LICENSEE or licensed to LICENSEE from a third party), whether granted in the same agreement as such other LICENSEE intellectual property rights or in separate agreements, only the portion of such consideration reasonably allocable to the LICENSED PATENTS and LICENSED INFORMATION shall be considered SUBLICENSE INCOME.

Any dispute between the parties related to the calculation or payment of SUBLICENSE INCOME, including the valuation of any equity or other consideration and the portion of any consideration reasonably allocable to the LICENSED PATENTS and LICENSED INFORMATION, shall be subject to resolution in accordance with the dispute resolution procedure set forth in Article 17.2.

2.52. "**SUCCESSFUL FINANCING**" shall mean the cumulative financing of LICENSEE equal to at least $[***], exclusive of any grants awarded to LICENSEE.

2.53. "**SUPPORT PERIOD**" shall mean the period commencing on the EFFECTIVE DATE and concluding [***] following the expiration or termination of the SRA.

2.54. "**TERM**" is defined in Article 3.6.

2.55. "**TERRITORY**" shall mean worldwide.

2.56. "**VALID CLAIM**" shall mean a claim pending for not more than eight (8) years from the EFFECTIVE DATE, or an issued and unexpired claim of a LICENSED PATENT, so long as such claim shall not have been irrevocably abandoned or declared to be invalid in a non-appealable decision of a court or other authority of competent jurisdiction through no fault or cause of LICENSEE or an AFFILIATE or SUBLICENSEE, and, further provided, that should such a claim subsequently issue after eight (8) years from the EFFECTIVE DATE, it shall once again become a VALID CLAIM.

2.57. "**VISITING SCIENTIST**" means any VISITING SCIENTIST under and pursuant to a VISITING SCIENTIST AGREEMENT.

2.58. "**VISITING SCIENTIST AGREEMENT**" means a Visiting Scientist Agreement with respect to a VISITING SCIENTIST (as defined therein) entered into by the parties in substantially the form mutually agreed between the parties as of the EFFECTIVE DATE,

and any subsequent Visiting Scientist Agreement between the parties in substantially the form thereof covering any other VISITING SCIENTISTS, as such agreements may be amended from time to time.

2.59. "**YALE**" is defined in the introductory paragraph of this AGREEMENT.

2.60. "**YALE INDEMNITEES**" is defined in Article 14.1

2.61. "**YALE POLICIES**" is defined in Article 16.1.

[***] INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

3. LICENSE GRANT AND TERM

3.1. Subject to all the terms and conditions of this AGREEMENT, and in connection with the execution and delivery by the parties of the SRA, YALE hereby grants to LICENSEE (a) an exclusive license, subject to the reservation of rights by YALE under Article 3.3, under the LICENSED PATENTS to research, develop, make, have made, use, sell, have sold, import, export, or practice LICENSED PRODUCTS within the FIELD in the TERRITORY (the "**LICENSE**"); and (b) a non-exclusive license to the LICENSED INFORMATION to research, develop, make, have made, use, sell, have sold, import, export, or practice LICENSED PRODUCTS within the FIELD in the TERRITORY.

3.2. To the extent that any invention included within the LICENSED PATENTS has been funded in whole or in part by the United States government, the United States government retains certain rights in such invention as set forth in 35 U.S.C. §200-212 and all regulations promulgated thereunder, as amended, and any successor statutes and regulations (the "**FEDERAL PATENT POLICY**"). As a condition of the license granted hereby, LICENSEE acknowledges and shall comply with all aspects of the FEDERAL PATENT POLICY applicable to the LICENSED PATENTS, including the obligation that LICENSED PRODUCTS used or sold in the United States be manufactured substantially in the United States. Nothing contained in this AGREEMENT obligates or shall obligate YALE to take any action that would conflict in any respect with its past, current or future obligations to the United States Government under the FEDERAL PATENT POLICY with respect to the LICENSED PATENTS.

3.3. Reservation of Rights.

(a) Subject to Article 3.4, the LICENSE is expressly made subject to YALE's reservation of the right, on behalf of itself and all other NONPROFIT ORGANIZATIONS, to make, use and practice the LICENSED PATENTS and LICENSED PRODUCTS for research, clinical or teaching purposes that do not constitute COMMERCIAL PURPOSES. For clarity, it is agreed and acknowledged that research, development, manufacturing or other activities in the CHEN LAB sponsored or funded by, or conducted in collaboration with or under the direction of, any COMMERCIAL ENTITY for COMMERCIAL PURPOSES, constitute COMMERCIAL PURPOSES.

(b) For clarity, except as expressly provided herein or in the SRA, the rights granted by YALE under Article 3.1 with respect to LICENSED INFORMATION are nonexclusive, and expressly made subject to YALE's reservation of the right to use and practice the LICENSED INFORMATION for any purpose.

3.4. Notwithstanding anything else contained herein to the contrary, without the prior written consent of LICENSEE:

(a) During the SUPPORT PERIOD:

(i) The CHEN LAB shall not, directly or indirectly, engage in, or enter into any agreement or arrangement for, any research, development, manufacturing or other activities in which the LICENSED PATENTS or LICENSED PRODUCTS are used (A) for COMMERCIAL PURPOSES or (B) with a COMMERCIAL ENTITY.

For clarity, YALE shall be permitted to engage in any such activities (subject to the exclusivity of the LICENSE granted by YALE hereunder); provided, that they do not involve CHEN or the CHEN LAB.

(ii) YALE shall not (A) enter into any agreement or arrangement with any COMMERCIAL ENTITY granting rights to use or practice, the LICENSED PATENTS or LICENSED PRODUCTS in the FIELD or (B) use or authorize the use of LICENSED PATENTS or LICENSED PRODUCTS in the FIELD for any COMMERCIAL PURPOSE.

For clarity, under (i) and (ii) above, except for LICENSEE or its AFFILIATES, or as permitted by LICENSEE under this AGREEMENT or the SRA.

(b) During the SUPPORT PERIOD, YALE shall not authorize another NONPROFIT ORGANIZATION to make, use or practice the LICENSED PATENTS or VALID CLAIM PRODUCTS (to the extent such NONPROFIT ORGANIZATION seeks YALE's authorization), without first entering into an inter-institutional or other agreement with such other NONPROFIT ORGANIZATION with respect to the ownership of inventions, discoveries or improvements arising out of such other NONPROFIT ORGANIZATION's use or practice of the LICENSED PATENTS or VALID CLAIM PRODUCTS in form and substance reasonably acceptable to LICENSEE (such acceptance not to be unreasonably withheld, conditioned or delayed).

(c) During the TERM and following the expiration of the SUPPORT PERIOD, to the extent that YALE authorizes another NONPROFIT ORGANIZATION to make, use or practice the LICENSED PATENTS or VALID CLAIM PRODUCTS for research, clinical or teaching purposes as permitted under Article 3.3 (to the extent another NONPROFIT ORGANIZATION seeks YALE's authorization), YALE shall enter into an inter-institutional or other agreement with such other NONPROFIT ORGANIZATION that provides LICENSEE with an exclusive option to obtain an exclusive license to the other NONPROFIT ORGANIZATION's rights in any invention, discovery or improvement arising out of such NONPROFIT ORGANIZATION's use or practice of the LICENSED PATENTS or VALID CLAIM PRODUCTS.

3.5. During the SUPPORT PERIOD, for each patent or patent application included within the LICENSED INFORMATION, LICENSEE will have the option, for a period of [***] from the date of disclosure thereof to LICENSEE (which period, for the avoidance of

doubt, may extend beyond the expiration of the SUPPORT PERIOD, provided such disclosure to LICENSEE occurs within the SUPPORT PERIOD), to add such patent or patent application to the LICENSE as a LICENSED PATENT hereunder, and obtain a royalty-bearing, exclusive, worldwide license to YALE's rights in such patent or patent application, including the right to sublicense, to make, have made, use, lease, sell, import and export LICENSED PRODUCTS, under the terms and conditions of this AGREEMENT; provided, that LICENSEE shall reimburse YALE for its documented expenses incurred for filing, prosecuting, and maintaining such patent or patent application within [***] of invoice by YALE, and provided, further, that the LICENSE with respect to any such patents or patent applications shall be subject to any obligations of YALE to third parties existing as of the disclosure of such patent or patent application to LICENSEE. YALE shall promptly notify LICENSEE of any such obligations, and, during the [***] period contemplated by this Article 3.5, provide LICENSEE with such information regarding any such obligations as LICENSEE may reasonably request. In the event that LICENSEE exercises such option, the relevant patent(s) or patent application(s) shall be added to Appendix A and shall be LICENSED PATENTS for all purposes hereunder effective as of the date of LICENSEE's election. If relevant, Appendix A shall also set forth in sufficient detail any limitations to the FIELD as applicable to such patent(s) or patent application(s) necessitated by any obligations of YALE to third parties existing as of the disclosure of such patent or patent application to LICENSEE.

3.6. Unless terminated earlier as provided in Article 13, the term of this AGREEMENT (the "**TERM**") shall commence on the EFFECTIVE DATE and shall automatically expire on the later of, on a country-by-country basis: (a) the date on which the last of the VALID CLAIMS of the LICENSED PATENTS in such country expires, lapses or is declared to be invalid by a non-appealable decision of a court or other authority of competent jurisdiction through no fault or cause of LICENSEE, or (b) ten (10) years after the FIRST SALE of a LICENSED PRODUCT in such country. Following expiration of this AGREEMENT on a country-by-country basis, the LICENSE and LICENSEE's rights with respect to LICENSED INFORMATION shall automatically become a fully paid up and royalty free non-exclusive license.

3.7. Except as expressly provided in this AGREEMENT, nothing in this AGREEMENT shall be construed to grant by implication, estoppel or otherwise any licenses under patents of YALE other than the LICENSED PATENTS. Except as expressly provided in this AGREEMENT, under no circumstances will LICENSEE, as a result of this AGREEMENT, obtain any interest in or any other right to any technology, know-how, patents, patent applications, materials or other intellectual or proprietary property of YALE.

4. DUE DILIGENCE

4.1. LICENSEE shall prepare and deliver to YALE a research and development plan for LICENSED PRODUCTS within [***] of the EFFECTIVE DATE, which shall include the scope of work under the SRA and reflect the results of such work under the SRA and

the information known to LICENSEE regarding LICENSED PRODUCTS at such time (the "**PLAN**"). Without limiting LICENSEE's obligations to use COMMERCIALLY REASONABLE EFFORTS under this AGREEMENT, LICENSEE shall have the right to amend the PLAN in its sole discretion; provided, that LICENSEE shall provide YALE with a copy of any amended PLAN within [***].

4.2. LICENSEE shall use COMMERCIALLY REASONABLE EFFORTS within [***] after the EFFECTIVE DATE to begin to implement the PLAN at its sole expense, and, thereafter, to the extent LICENSED PRODUCT candidates are identified and validated, continue the research and development of at least one (1) LICENSED PRODUCT, and, thereafter, to the extent any such LICENSED PRODUCT candidate receives marketing approval on a country-by-country basis, commercialize such LICENSED PRODUCT.

4.3. [***] after the EFFECTIVE DATE, and [***], LICENSEE shall provide YALE with an updated copy of the PLAN, with such amendments as are reasonably necessary, which shall indicate LICENSEE's progress to date in development and commercialization of LICENSED PRODUCTS and a forecast and estimated schedule of major events required to market the LICENSED PRODUCTS. Such updated PLAN shall identify LICENSEE's products that are expected to be LICENSED PRODUCTS, and which LICENSED PATENTS (if any) claim each such LICENSED PRODUCT, and what LICENSED INFORMATION (if any) has been utilized in the development and/or commercialization of such LICENSED PRODUCT.

(a) In the event LICENSEE assigns this AGREEMENT to any third party pursuant to Article 18.7, LICENSEE's assignee shall provide YALE with an updated copy of the PLAN, with such amendments as are reasonably necessary, within thirty (30) days following the assignment by LICENSEE.

(b) Without limiting LICENSEE's or such assignee's obligations to use COMMERCIALLY REASONABLE EFFORTS under this AGREEMENT, YALE shall review and may, by notice in writing to such assignee, approve or disapprove of such updated PLAN in good faith (such approval not to be unreasonably withheld, conditioned or delayed). In the event YALE disapproves of any such updated PLAN, (i) YALE's notice shall describe the basis for such disapproval in reasonable detail and propose such reasonable amendments to the PLAN that would make the PLAN acceptable to YALE, (ii) such assignee shall consider YALE's comments in good faith, (iii) YALE and such assignee shall negotiate in good faith and promptly agree on a mutually acceptable PLAN, and (iv) pending such mutual agreement, the PLAN in place immediately prior to such assignment shall remain in effect with such assignee as LICENSEE thereunder *mutatis mutandis*. For the avoidance of doubt, a disapproval by YALE of an updated PLAN under this Article 4.3(b) shall not affect the validity of an assignment made in accordance with this AGREEMENT.

(c) Each updated PLAN shall be substituted into this AGREEMENT as Appendix B.

4.4. LICENSEE shall immediately send YALE a notice of abandonment if at any time LICENSEE abandons or suspends (a) prior to the receipt of marketing approval, its research and development, or (b) following the receipt of marketing approval, the marketing of the LICENSED PRODUCTS, in either case, for a period exceeding ninety (90) days. Any such abandonment or suspension, other than for a bona fide health or safety concern, in the event of a FORCE MAJEURE (subject to the terms of Article 18.10), to mitigate damages in any legal action, or as required by applicable law, shall constitute a material breach, except to the extent any such abandonment or suspension is consistent with LICENSEE's obligations hereunder to use COMMERCIALLY REASONABLE EFFORTS to research, develop and commercialize the LICENSED PRODUCTS, which obligations shall continue to apply to LICENSEE.

4.5. LICENSEE agrees that YALE shall be entitled to terminate this AGREEMENT pursuant to Article 13.1(b) in the event (i) YALE terminates the SRA for cause pursuant to Section 10(c)(i) or (ii) of the SRA; or (ii) upon the occurrence of any of the following, subject to the notice and cure periods set forth in Article 13.1(b):

(a) LICENSEE has failed to:

i. Achieve a SUCCESSFUL FINANCING within [***] of the EFFECTIVE DATE; or

ii. Incur documented expenditures of a minimum of $[***] annually towards the discovery, development, manufacture, or sale of LICENSED PRODUCTS (including payments under the SRA) in any given year following the EFFECTIVE DATE; or

iii. Following the filing of an IND for a LICENSED PRODUCT, LICENSEE (together with its SUBLICENSEES or AFFILIATES) has failed to demonstrate ongoing clinical development of LICENSED PRODUCTS, which shall be evidenced by conducting at least one (1) of the following activities in any given [***] period starting from the date of the first IND filing for a LICENSED PRODUCT, either directly or indirectly through an AFFILIATE, SUBLICENSEE or third party:

1) having manufactured or procured the manufacture of LICENSED PRODUCT suitable for clinical trials under an approved IND;

2) having actively engaged in study preparation, implementation, results analysis or reporting of a Phase I, II, or III CLINICAL TRIAL with respect to a LICENSED PRODUCT, or the preparation of regulatory documents for filing;

3) having responded to regulatory requests or issues relating to a Phase I, II, or III CLINICAL TRIAL of a LICENSED PRODUCT;

4) having prepared documents for an NDA or BLA filing with respect to a LICENSED PRODUCT;

[***] INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

5) having filed an NDA or BLA for a LICENSED PRODUCT;

6) following NDA or BLA filing, having actively pursued NDA or BLA approval for a LICENSED PRODUCT; or

7) following NDA or BLA approval of a LICENSED PRODUCT, having launched, prepared for launch, or sold a LICENSED PRODUCT in the United States or another MAJOR MARKET COUNTRY; or

(b) LICENSEE has failed to:

1) Provide to YALE annual written progress reports, or

2) Implement the PLAN consistent with LICENSEE's obligations to use COMMERCIALLY REASONABLE EFFORTS to research and develop LICENSED PRODUCTS.

Notwithstanding the foregoing, if LICENSEE has not employed COMMERCIALLY REASONABLE EFFORTS in researching and developing, and following the receipt of marketing approval commercializing, LICENSED PRODUCTS in accordance with this AGREEMENT on a country-by-country basis within the TERRITORY for any reason (other than in the event of a FORCE MAJEURE as provided in Article 18.10), then YALE may, at its sole discretion subject to the notice and cure periods set forth in Article 13.1(b), terminate the LICENSE for material uncured breach pursuant to Article 13.1(b) on a country-by-country basis. Notwithstanding the foregoing, the parties agree and acknowledge that the scope of work under the SRA shall be sufficient to satisfy LICENSEE's obligation to use COMMERCIALLY REASONABLE EFFORTS to research and develop LICENSED PRODUCTS during the term of the SRA.

5. LICENSE MAINTENANCE ROYALTY; MILESTONE PAYMENTS

5.1. During the TERM, LICENSEE agrees to pay to YALE an annual license maintenance royalty ("**LICENSE MAINTENANCE ROYALTY**" or "**LMR**") commencing on the first (1st) anniversary of the EFFECTIVE DATE and on each anniversary thereafter until LICENSEE starts to pay MINIMUM ROYALTY PAYMENTS under Article 6.5, according to the following schedule:

Anniversaries of the EFFECTIVE DATE	LMR
[***]	[***]

5.2. LICENSEE shall pay the following milestone payments to YALE for each LICENSED PRODUCT developed by LICENSEE, its AFFILIATES or SUBLICENSEES upon the first occurrence of the corresponding milestone event with respect to the LICENSED PRODUCT:

Milestone Event		Payment
Upon first dosing of the first subject ("**INITIATION**") in a PHASE I CLINICAL TRIAL	$	[***]
Upon INITIATION of a PHASE II CLINICAL TRIAL	$	[***]
Upon INITIATION of a PHASE III CLINICAL TRIAL or PIVOTAL TRIAL	$	[***]
Upon FIRST SALE in the U.S.	$	[***]
Upon FIRST SALE in China, Japan, or a MAJOR MARKET COUNTRY in Europe	$	[***]

For the avoidance of doubt, each milestone payment set forth in this Article 5.2 shall be payable only once (upon first occurrence of the relevant milestone event) with respect to each LICENSED PRODUCT.

5.3. Neither the LMR pursuant to Article 5.1 nor the milestone payments set forth in Article 5.2 shall be credited against EARNED ROYALTIES payable under Article 6.1.

5.4. Participation in Future Private Equity Offerings: During the period commencing on the EFFECTIVE DATE and continuing until the earlier of (i) [***] anniversary thereof or (ii) the filing of a confidential S-1 with the U.S. Securities and Exchange Commission, if LICENSEE proposes to sell any equity securities or securities that are convertible into equity securities of LICENSEE, then YALE and/or its ASSIGNEE (as defined below) will have the right to purchase up to [***] of the securities issued in each such offering on the same terms and conditions in all material respects as are offered to the other purchasers in each such financing. For clarity, the foregoing applies to the material terms of purchase and sale, and shall not entitle YALE or its ASSIGNEES to all rights and privileges afforded other purchasers in such financing if such rights and privileges are afforded to holders of a greater number of securities of LICENSEE. For purposes hereof, the term "**ASSIGNEE**" means (a) any AFFILIATE of YALE to which YALE's participation rights under this Article 5.4 have been assigned either by YALE or another AFFILIATE of YALE, (b) any AFFILIATE of YALE, or (c) any other entity proposed by YALE and approved by LICENSEE (such approval not to be unreasonably withheld, conditioned or delayed). Except with respect to the specific percentage contemplated by this Article 5.4, YALE's participation rights shall be on the same terms and conditions in all material respects as participation rights granted to other investors in LICENSEE. YALE's right to purchase up to [***] of such securities under this Article 5.4 shall be reduced in part or wholly by, and shall not be in addition to, any participation or preemptive right of YALE and its ASSIGNEES to purchase equity securities of

LICENSEE under any other agreement between or among LICENSEE and YALE or its ASSIGNEES.

5.5. Within ten (10) business days of [***], YALE shall receive a [***] MILESTONE in the amount of $[***] (the "[*******] **MILESTONE**"); provided, that the [***] MILESTONE shall be reduced, in part or wholly, by [***], such that [***].

6. EARNED ROYALTIES; MINIMUM ROYALTY PAYMENTS

6.1. During the TERM, as partial consideration for the LICENSE and LICENSEE's rights with respect to LICENSED INFORMATION, LICENSEE shall pay to YALE an earned royalty on worldwide cumulative NET SALES of LICENSED PRODUCTS ("**EARNED ROYALTY**") according to the following schedule:

VALID CLAIM PRODUCTS	**MEANINGFULLY INVOLVED PRODUCTS**
[***]	[***]

During the TERM, the EARNED ROYALTY rate payable in accordance with this Article 6 shall not be reduced below [***].

6.2. In the event that (i) LICENSEE or any of its AFFILIATES or SUBLICENSEES brings a PATENT CHALLENGE anywhere in the world, or (ii) LICENSEE or any of its AFFILIATES or SUBLICENSEES materially assists another party in bringing a PATENT CHALLENGE anywhere in the world (except as required under a court order or subpoena), and (iii) YALE does not choose to exercise its rights to terminate this AGREEMENT pursuant to Article 13, then the following provisions shall apply.

(a) All payments due to YALE under this AGREEMENT other than patent costs shall be doubled during the pendency of the PATENT CHALLENGE and shall remain payable to YALE when due.

(b) If the PATENT CHALLENGE is inconclusive or results in a determination that at least one challenged claim is both valid and infringed, all payments due to YALE under this AGREEMENT other than patent costs shall be doubled for the remainder of the TERM of the AGREEMENT.

(c) LICENSEE shall promptly reimburse YALE for all documented legal fees and expenses incurred by YALE in YALE's defense against the PATENT CHALLENGE (provided, that the foregoing shall not prevent LICENSEE from seeking any legal or equitable relief to which it is otherwise entitled in any such PATENT CHALLENGE).

(d) In the event that such a PATENT CHALLENGE is successful, LICENSEE will have no right to recoup any payments made prior to the final, non-appealable

determination of a court of competent jurisdiction, except as may be set forth in such final, non-appealable determination of a court of competent jurisdiction. For clarity, nothing in this AGREEMENT shall prevent LICENSEE or its AFFILIATES or SUBLICENSEES from seeking recovery of any amounts paid subsequent to the filing of the action in any such action.

6.3. Neither LICENSEE nor any of its AFFILIATES or SUBLICENSEES shall bring a PATENT CHALLENGE without first providing YALE [***] written notice setting forth (a) in reasonable detail which claims and patents are being challenged, (b) a statement of the factual and legal basis for the challenge, and (c) an identification of material prior art and other matters known to LICENSEE believed to invalidate any claim of the LICENSED PATENT.

6.4. LICENSEE shall pay all EARNED ROYALTIES accruing to YALE within [***] from the end of each calendar quarter (March 31, June 30, September 30 and December 31), beginning after the first calendar quarter in which NET SALES occur. Unless YALE requests otherwise, LICENSEE shall report all EARNED ROYALTIES and other payments accruing to YALE on a quarterly basis, but shall defer payments accruing to YALE that do not, in total, exceed [***] in any given quarter until the earlier of (1) the end of the calendar year, or (2) the quarter upon which the cumulative accrued royalties and other payments exceed [***]

6.5. During the TERM, LICENSEE agrees to pay YALE annual minimum royalty payments ("**MINIMUM ROYALTY PAYMENTS**" or "**MRP**"), commencing on the first December 31 to occur after the date of the FIRST SALE that results in NET SALES; provided, such December 31 is at least [***] following the date of FIRST SALE, or, if not, the following December 31. The MRP shall be payable to YALE in the amounts indicated in the following schedule:

Years after FIRST SALE	**MRP**
[***]	[***]

6.7. LICENSEE shall continue to pay the MRP until the end of the TERM. Notwithstanding anything herein to the contrary, the MRP shall not be payable in any calendar year in which EARNED ROYALTIES exceed the MRP, and YALE shall fully credit each MRP actually paid against any EARNED ROYALTIES payable by LICENSEE for the same calendar year.

6.8. All EARNED ROYALTIES and other payments due under this AGREEMENT shall be paid to YALE in United States Dollars. In the event that conversion from foreign currency is required in calculating a payment under this AGREEMENT, the United States Dollar equivalent shall be calculated using LICENSEE's then-current standard exchange rate methodology as applied consistently for the conversion of foreign currency sales into United States Dollars. If overdue, the royalties and any other payments due

under this AGREEMENT shall bear interest until payment at a rate per annum [***], and YALE shall be entitled to recover documented and reasonable attorneys' fees related to the administration or enforcement of this AGREEMENT in respect of the collection of royalties or other payments following such failure to pay. The payment of such interest shall not foreclose YALE from exercising any other right it may have as a consequence of the failure of LICENSEE to make any payment when due.

6.9. To the extent requested by LICENSEE, YALE shall deliver an invoice to LICENSEE with respect to each payment due to YALE under Article 5 and Article 6 other than EARNED ROYALTIES, and such payments shall be due within [***] of LICENSEE's receipt of the applicable invoice.

7. SUBLICENSES

7.1. LICENSEE shall have the right to sublicense the rights granted to it under this AGREEMENT in the TERRITORY, including through multiple tiers, (a) to an AFFILIATE of LICENSEE or a QUALIFIED SUBLICENSEE without the prior written consent of YALE, and (b) to any other third party with the prior written consent of YALE (not to be unreasonably withheld, conditioned or delayed). For the avoidance of doubt, a QUALIFIED SUBLICENSEE may further sublicense such rights in accordance with the preceding sentence as if it were the LICENSEE.

7.2. Any sublicense granted by LICENSEE (or a QUALIFIED SUBLICENSEE) shall include substantially similar definitions and provisions as this AGREEMENT, and such other provisions as are reasonably necessary to enable LICENSEE to provide YALE the protections and benefits contemplated herein. Subject to redaction of any competitively sensitive information required under applicable confidentiality obligations, to the extent that such information is not required to demonstrate compliance with this AGREEMENT, LICENSEE will provide YALE with a copy of each sublicense agreement (and all amendments thereto) promptly after execution; provided, further, that in the case where YALE reasonably requests that information be un-redacted in order for YALE to determine compliance with this AGREEMENT, LICENSEE shall provide YALE such information or allow for such information to be reviewed by an independent reviewer (selected by YALE and reasonably acceptable to LICENSEE, such acceptance not to be unreasonably withheld, conditioned or delayed) on behalf of YALE, subject to a confidentiality agreement between LICENSEE and such independent reviewer. LICENSEE (and each QUALIFIED SUBLICENSEE) shall also include provisions in all sublicenses to provide that in the event that SUBLICENSEE brings a PATENT CHALLENGE anywhere in the world or materially assists another party in bringing a PATENT CHALLENGE anywhere in the world (except as required under a court order or subpoena) then LICENSEE shall immediately terminate the sublicense. LICENSEE shall remain responsible for the performance of all SUBLICENSEES under any such sublicense as if such performance were carried out by LICENSEE itself, including, without limitation, the payment of any royalties or other payments provided for hereunder, regardless of whether the terms of any sublicense provide for such amounts to

be paid by the SUBLICENSEE directly to YALE. A material breach of this provision shall constitute a material breach of this AGREEMENT that is subject to Article 13.1(b).

7.3. For clarity, LICENSEE shall pay royalties to YALE on NET SALES of SUBLICENSEES in accordance with this AGREEMENT based on the same royalty rate as apply to NET SALES by LICENSEE and its AFFILIATES, regardless of the royalty rates payable by SUBLICENSEES to LICENSEE under a sublicense agreement. In addition, LICENSEE shall pay to YALE a percentage of all SUBLICENSE INCOME not included in the calculation of EARNED ROYALTIES as follows:

Stage of development with respect to any LICENSED PRODUCT	**Percentage of SUBLICENSE INCOME**
[***]	[***]

7.4. LICENSEE agrees that it has sole responsibility to promptly:

(a) provide YALE with a copy of any amendments to sublicenses granted by LICENSEE under this AGREEMENT and to notify YALE of termination of any sublicense; and

(b) summarize and deliver copies of all reports provided to LICENSEE by SUBLICENSEES, subject to redaction of any competitively sensitive information required under applicable confidentiality obligations to the extent that such information is not required to demonstrate compliance with this AGREEMENT; provided, further, that in the case where YALE reasonably requests that information be un-redacted in order for YALE to determine compliance with this AGREEMENT, LICENSEE shall provide YALE such information or allow for such information to be reviewed by an independent reviewer (selected by YALE and reasonably acceptable to LICENSEE, such acceptance not to be unreasonably withheld, conditioned or delayed) on behalf of YALE, subject to a confidentiality agreement between LICENSEE and such independent reviewer.

8. CONFIDENTIALITY AND PUBLICITY

8.1. Subject to the parties' rights and obligations pursuant to this AGREEMENT, YALE and LICENSEE agree that during the TERM and for five (5) years thereafter, each of them:

(a) will keep confidential and will cause their AFFILIATES and, in the case of LICENSEE, its SUBLICENSEES, to keep confidential, CONFIDENTIAL INFORMATION disclosed to it by the other party, by taking such actions the party receiving the CONFIDENTIAL INFORMATION would take to preserve the confidentiality of its own CONFIDENTIAL INFORMATION, which in no event shall be less than reasonable care; and

[***] INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

(b) will only disclose the other party's CONFIDENTIAL INFORMATION to its officers, employees or agents, under requirements of confidentiality, for purposes of carrying out its rights and responsibilities under this AGREEMENT; and

(c) will not use the other party's CONFIDENTIAL INFORMATION other than as expressly permitted by this AGREEMENT or disclose the other party's CONFIDENTIAL INFORMATION to any third parties (other than to AFFILIATES, SUBLICENSEES or other agents under requirements of confidentiality) under any circumstance without advance written permission from the other party; and

(d) will, within sixty (60) days of termination of this AGREEMENT, return or destroy (with certification of such destruction) all the CONFIDENTIAL INFORMATION disclosed to it by the other party pursuant to this AGREEMENT except for one copy which may be retained by the recipient for monitoring compliance with this Article 8 and any surviving clauses.

8.2. The obligations of confidentiality described above shall not pertain to that part of the CONFIDENTIAL INFORMATION that:

(a) is shown to have been known to or developed by the recipient prior to the disclosure by the disclosing party; or

(b) is at the time of disclosure or has become thereafter publicly known through no fault or omission attributable to the recipient; or

(c) is rightfully given to the recipient from sources independent of the disclosing party; or

(d) is independently developed by the receiving party without use of or reference to the CONFIDENTIAL INFORMATION of the other party; or

(e) is required to be disclosed by law in the opinion of recipient's attorney, but only after the disclosing party is given prompt written notice and an opportunity to seek a protective order.

8.3. The financial terms of this AGREEMENT constitute CONFIDENTIAL INFORMATION of each party.

8.4. Notwithstanding anything to the contrary contained herein, during the term of the SRA, YALE and its employees, students and volunteers may publically disclose CONFIDENTIAL INFORMATION of either party to the extent permitted under, but subject to the terms and procedures set forth in, Article 6 of the SRA.

9. REPORTS, RECORDS AND INSPECTIONS

9.1. LICENSEE shall, within [***] after the calendar year in which NET SALES first occur, and within [***] after each calendar quarter (March 31, June 30, September 30 and December 31) thereafter, provide YALE with a written report setting forth in reasonable detail the information required by this Article 9.1, including the NET SALES during the preceding calendar quarter and calculating the payments due to YALE pursuant to Article 6. Each such report shall be signed by an officer of LICENSEE (or the officer's designee), and must include:

(a) the number or amount, as appropriate, of LICENSED PRODUCTS sold by LICENSEE, its AFFILIATES and SUBLICENSEES;

(b) a calculation of NET SALES for the applicable reporting period in each country, including the gross invoice prices charged for the LICENSED PRODUCTS and any permitted deductions made in accordance with the definition of NET SALES;

(c) a calculation of total royalties or other payment(s) due, including any exchange rates used for conversion, and, as applicable, the extent to which such royalties offset the MRP;

(d) names and addresses of all SUBLICENSEES and the type and amount of any SUBLICENSE INCOME received from each SUBLICENSEE; and

(e) identification of any INVENTOR AGREEMENT(S) in effect during the previous calendar quarter.

9.2. LICENSEE, its AFFILIATES and SUBLICENSEES shall keep and maintain books and records containing an accurate accounting of all data consistent with ACCOUNTING STANDARDS and in sufficient detail to enable verification of EARNED ROYALTIES and other payments due to YALE under this AGREEMENT. LICENSEE shall preserve such books and records for at least three (3) years after the calendar year to which they pertain. Such books and records shall be open to inspection by a nationally recognized independent certified public accountant selected by YALE and reasonably acceptable to LICENSEE, at YALE's expense, during normal business hours upon at least ten (10) business days' prior written notice, for the purpose of verifying the accuracy of the reports delivered to YALE under Article 9.1 and payments rendered by LICENSEE. Any auditor's report issued under this Article 9.2 shall be shared with LICENSEE. In the event LICENSEE underpaid the amounts due to YALE with respect to the audited period by more than [***], LICENSEE shall pay the reasonable cost of such examination, together with the deficiency not previously paid and interest from the due date of such payment, calculated at the rate set forth in Article 6.8, within thirty (30) days of receiving notice thereof from YALE. In the event LICENSEE overpaid the amounts due to YALE with respect to the audited period, then LICENSEE may reduce any subsequent payment to YALE by the amount of such overpayment.

9.3. On or before the [***] following the close of LICENSEE's fiscal year, LICENSEE shall provide YALE with LICENSEE's financial statements for the preceding fiscal year

[***] INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

certified by an officer of LICENSEE including, at a minimum, a balance sheet and an income statement; provided, that if LICENSEE's audited financial statements are not delivered to LICENSEE until after such [***], LICENSEE may deliver the certified financial statements contemplated by this Article 9.3 to YALE within [***] after the delivery to LICENSEE of such audited financial statements. Such financial statements and the contents thereof shall be CONFIDENTIAL INFORMATION of LICENSEE hereunder, and may be reasonably redacted by LICENSEE to preserve the confidentiality of any competitively sensitive information contained therein, to the extent that such information is not required to demonstrate compliance with this AGREEMENT; provided, that in the case where YALE reasonably requests that information be un-redacted in order for YALE to determine compliance with this AGREEMENT, LICENSEE shall provide YALE such information or allow for such information to be reviewed by an independent reviewer (selected by YALE and reasonably acceptable to LICENSEE, such acceptance not to be unreasonably withheld, conditioned or delayed) on behalf of YALE, subject to a confidentiality agreement between LICENSEE and such independent reviewer.

10. PATENT PROTECTION

10.1. LICENSEE shall be responsible for all documented past, present and future costs of filing, prosecution and maintenance of all United States patent applications and patents directly associated with the LICENSED PATENTS which have not otherwise been reimbursed, or that are not otherwise reimbursable, by another third party. Any and all such United States patent applications, and resulting issued patents, shall remain the property of YALE.

10.2. LICENSEE shall be responsible for all documented past, present and future costs of filing, prosecution and maintenance of all foreign patent applications and patents directly associated with the LICENSED PATENTS in the countries outside the United States in the TERRITORY selected by YALE and agreed to in writing by LICENSEE which have not otherwise been reimbursed, or that are not otherwise reimbursable, by another third party.

10.3. If, upon the request of YALE, LICENSEE fails to pay the expenses of filing, prosecuting or maintaining a patent application or patent in any country, then YALE may terminate this AGREEMENT to the extent permitted in accordance with Article 13.1(b).

10.4. With respect to the payment of costs payable by LICENSEE under Articles 10.2 and 10.3:

(a) LICENSEE shall pay all such documented patent expenses incurred prior to the EFFECTIVE DATE within thirty (30) days of its receipt of an invoice therefor; provided, that such expenses shall be consistent with such patent expenses as disclosed to LICENSEE prior to the EFFECTIVE DATE.

[***] INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

(b) LICENSEE shall pay all such documented patent expenses incurred on or following the EFFECTIVE DATE within sixty (60) days of its receipt of an invoice therefor.

10.5. The costs mentioned in Articles 10.2 and 10.3 shall include, but are not limited to, any past, present and future taxes, annuities, working fees, maintenance fees, renewal and extension charges. Payment of such costs shall be made, at YALE's sole discretion, either directly to patent counsel, or by reimbursement to YALE. In either case, LICENSEE shall make payment directly to the appropriate party within sixty (60) days of receiving its invoice. Failure of LICENSEE to pay such costs shall be grounds for termination by YALE under and to the extent permitted in accordance with Article 13.1(b).

10.6. Except as provided herein or in the SRA (including with respect to any patent application with respect to a JOINT INVENTION (as defined in the SRA), which shall be subject to the terms and conditions of the SRA), all patent applications under the LICENSED PATENTS shall be prepared, prosecuted, filed and maintained by independent patent counsel chosen by YALE and reasonably acceptable to LICENSEE. Said independent patent counsel shall be ultimately responsible to YALE. YALE shall instruct patent counsel to keep both YALE and LICENSEE fully informed of the progress of all patent applications and patents, and to give both YALE and LICENSEE reasonable opportunity to comment on the type and scope of useful claims and the nature of supporting disclosures. YALE will not abandon any patent application for which LICENSEE is bearing expenses without LICENSEE's consent. Notwithstanding the foregoing, YALE shall have no obligation to file, prosecute, or maintain any of the LICENSED PATENTS if LICENSEE has failed to make any payments required under, or is otherwise in material breach of, this AGREEMENT or any other agreement with YALE. YALE shall have no liability to LICENSEE for damages, whether direct, indirect or incidental, consequential or otherwise, allegedly arising from its good faith decisions, actions and omissions in connection with such prosecution. Notwithstanding anything to the contrary contained herein, should YALE elect not to file, prosecute or maintain any patent or patent application included within the LICENSED PATENTS or LICENSED INFORMATION, LICENSEE may do so at its own cost on behalf of YALE. YALE shall reasonably cooperate with LICENSEE, at LICENSEE's expense, in its attempt to secure patent rights to any such patent or patent application.

10.7. LICENSEE shall mark, and shall require its AFFILIATES and SUBLICENSEES to mark, all LICENSED PRODUCTS, that are tangible products, with the numbers of all patents included in LICENSED PATENTS that cover the LICENSED PRODUCTS. Without limiting the foregoing, all LICENSED PRODUCTS shall be marked in such a manner as to conform with the patent marking notices required by the law of any country where such LICENSED PRODUCTS are made, sold, used or shipped, including, but not limited to, the applicable patent laws of that country.

11. INFRINGEMENT AND LITIGATION

11.1. Each party shall promptly notify the other in writing in the event that it obtains knowledge of infringing activity by third parties, or is sued or threatened with an infringement suit, in any country in the TERRITORY as a result of activities that concern the LICENSED PATENTS, and shall supply the other party with documentation of the infringing activities that it possesses.

11.2. During the TERM:

(a) LICENSEE shall have the first right and obligation to defend the LICENSED PATENTS against infringement or interference in the FIELD and in the TERRITORY by third parties. This right and obligation includes bringing any legal action for infringement and defending any counter claim of invalidity or action of a third party for declaratory judgment for non-infringement or noninterference. If, in the reasonable opinion of both LICENSEE's and YALE's respective counsel, YALE is required to be a named party to any such suit for standing purposes, LICENSEE may join YALE as a party; provided, however, that (i) YALE shall not be the first named party in any such action, (ii) the pleadings and any public statements about the action shall state that the action is being pursued by LICENSEE and that LICENSEE has joined YALE as a party; and (iii) LICENSEE shall keep YALE reasonably apprised of all developments in any such action. LICENSEE may settle such suits solely in its own name and solely at its own expense and through counsel of its own selection; provided, however, that no settlement shall be entered without YALE's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed. Without limiting the foregoing, YALE may withhold its consent to any settlement that would in any manner constitute or incorporate an admission by YALE or require YALE to take or refrain from taking any action. LICENSEE shall bear the expense of such legal actions. Except for providing reasonable assistance, at the request and expense of LICENSEE, YALE shall have no obligation regarding the legal actions described in Article 11.2 unless required to participate by law. However, YALE shall have the right to participate in any such action through its own counsel and at its own expense. Any recovery shall first be applied to LICENSEE's out of pocket expenses and second shall be applied to YALE's out of pocket expenses, including legal fees. Any excess recovery over those expenses shall be treated as if it were SUBLICENSE INCOME with the applicable percentage under Article 7.3 payable to YALE and the balance retained by LICENSEE.

(b) In the event LICENSEE fails to initiate and pursue or participate in the actions described in Article 11.2(a) within sixty (60) days of (a) notification of infringement from YALE or (b) the date LICENSEE otherwise first becomes aware of an infringement, whichever is earlier, YALE shall have the right to initiate legal action such as that described in Article 11.2(a) at its own expense and YALE may use the name of LICENSEE as party plaintiff to uphold the LICENSED PATENTS. In such case, LICENSEE shall provide reasonable assistance to YALE if requested to do so. YALE may settle such actions solely

through its own counsel. Any recovery shall first be applied to YALE's out of pocket expenses and second shall be applied to LICENSEE's out of pocket expenses, including legal fees. Any excess recovery over those expenses shall be allocated as follows: [***] shall be paid to LICENSEE and [***] shall be retained by YALE.

(c) In the event LICENSEE is permanently enjoined from exercising its LICENSE under this AGREEMENT pursuant to an infringement action brought by a third party, or if both LICENSEE and YALE elect not to undertake the defense or settlement of a suit alleging infringement for a period of twelve (12) months from notice of such suit, then either party shall have the right to terminate this AGREEMENT in the country where the suit was filed with respect to the licensed patent following thirty (30) days' written notice to the other party in accordance with the terms of Article 13.

(d) Notwithstanding the foregoing, neither LICENSEE nor YALE shall take any action to enforce the LICENSED PATENTS against any third party engaged in providing global access to affordable pharmaceutical products in low- or lower-middle-income countries, as designated by the Word Bank, in any such countries, where such action is intended to prevent the sale of LICENSED PRODUCTS in any such countries at prices below prices in those countries that are not low- or lower-middle income countries. However, LICENSEE and/or YALE may take such action in any such country if such action is intended to prevent the sale or manufacturing of LICENSED PRODUCTS in such countries for commercialization in countries that are not low- or lower-middle-income countries.

12. USE OF YALE'S NAME

LICENSEE shall not use the name "Yale" or "Yale University," nor any variation or adaptation thereof, nor any trademark, tradename or other designation owned by YALE, nor the names of any of its trustees, officers, faculty, students, employees or agents, for any purpose without the prior written consent of YALE in each instance, such consent to be granted or withheld by YALE in its sole discretion, except that LICENSEE may state that it has licensed from YALE one or more of the patents and/or patent applications comprising the LICENSED PATENTS.

13. TERMINATION

13.1. YALE shall have the right to terminate this AGREEMENT upon written notice to LICENSEE in the event LICENSEE:

(a) fails to make any payment whatsoever due and payable pursuant to this AGREEMENT unless LICENSEE shall make all such payments (and all interest due on such payments under Article 6.4) within the thirty (30) day period after receipt of written notice from YALE;

(b) commits a material breach of any other provision of this AGREEMENT which is not cured within the sixty (60) day period after receipt of written notice thereof from YALE;

(c) fails to obtain or maintain adequate insurance as described in Article 14.2, unless LICENSEE shall restore such insurance (without a gap in coverage) within the thirty (30) day period after receipt of written notice from YALE;

(d) if LICENSEE or any of its AFFILIATES brings a PATENT CHALLENGE against YALE, or materially assists others in bringing a PATENT CHALLENGE against YALE (except as required under a court order or subpoena), whereupon YALE may terminate this AGREEMENT upon written notice to LICENSEE; or

(e) if a SUBLICENSEE brings a PATENT CHALLENGE or materially assists another party in bringing a PATENT CHALLENGE (except as required under a court order or subpoena), then YALE may send a written demand to LICENSEE to terminate such sublicense; if LICENSEE fails to so terminate such sublicense within thirty (30) days after YALE's demand, YALE may terminate this AGREEMENT upon written notice to LICENSEE.

To the extent YALE has a right to terminate this AGREEMENT for a material uncured breach under Article 13.1(b), except in the case of any breach of a payment obligation, if the material uncured breach giving rise to such right to terminate is limited to specific product(s) or country(ies), YALE's right to terminate this AGREEMENT shall be on a product-by-product and country-by-country basis, and apply to the relevant product(s) and country(ies); *provided*, that this clause shall not limit YALE's right to terminate this AGREEMENT in its entirety, subject to Article 13.1(b), in the event of a material uncured breach relating to the LICENSED PRODUCTS, generally.

13.2. This AGREEMENT shall terminate automatically without any notice to LICENSEE in the event LICENSEE shall cease to carry on its business or becomes INSOLVENT, or a petition in bankruptcy is filed against LICENSEE and is consented to, acquiesced in or remains undismissed for sixty (60) days, or LICENSEE makes a general assignment for the benefit of creditors, or a receiver is appointed for LICENSEE.

13.3. LICENSEE shall have the right to terminate this AGREEMENT upon written notice to YALE:

(a) at any time on six (6) months' notice to YALE, provided LICENSEE is not in material breach and upon payment of all amounts due YALE through the effective date of termination; or

(b) in the event YALE commits a material breach of any of the provisions of this AGREEMENT and such breach is not cured within the sixty (60) day period after receipt of written notice thereof from LICENSEE.

13.4. Subject to Article 3.5, upon termination of this AGREEMENT (but not expiration), for any reason, all rights and licenses granted to LICENSEE under the terms of this AGREEMENT are terminated and YALE has the option, in its discretion, to terminate any sublicense granted by LICENSEE. Upon such termination, LICENSEE shall cease to make, have made, use, sell, have sold, distribute, practice, import or export LICENSED PRODUCTS. Within sixty (60) days of the effective date of termination LICENSEE shall:

(a) destroy or return to YALE all materials relating to or containing the LICENSED PATENTS, LICENSED PRODUCTS or CONFIDENTIAL INFORMATION disclosed by YALE;

(b) deliver to YALE the last report required under Article 4 or Article 9; and

(c) make all payments to YALE incurred up to the effective date of termination.

13.5. Termination of this AGREEMENT shall not affect any rights or obligations accrued prior to the effective date of such termination and specifically LICENSEE's obligation to pay all royalties and other payments due and owing under Article 5 and Article 6 as of the effective date of such termination. Notwithstanding anything contained herein to the contrary, the following provisions shall survive any termination: Article 2 (to the extent necessary to interpret surviving provisions hereof), Article 3.2, Article 3.7, Article 8, Article 9 (for the time periods provided therein), Article 11.2 (to the extent of any litigation initiated prior to such termination), Article 12, Article 13.4, this Article 13.5, Article 13.6, Article 13.8, Article 14, Article 15, Article 17 and Article 18. For the avoidance of doubt, the foregoing shall not limit Article 3.6 in the event of any expiration of the TERM of this AGREEMENT. The parties agree that claims giving rise to indemnification may arise after the expiration or termination of the LICENSE granted herein.

13.6. The rights provided in this Article 13 shall be in addition and without prejudice to any other rights, whether at law or in equity, which the parties may have with respect to any default or breach of the provisions of this AGREEMENT.

13.7. Waiver by either party of one or more defaults or breaches shall not deprive such party of the right to terminate because of any subsequent default or breach.

13.8. [***]

14. INDEMNIFICATION; INSURANCE; DISCLAIMER OF WARRANTIES

14.1. LICENSEE shall indemnify, defend, and hold harmless YALE and its trustees, officers, students, volunteers and employees (collectively, "**YALE INDEMNITEES**"), from and against any claim, liability, cost, expense, damage, deficiency, loss, or obligation, of any kind or nature (including, without limitation, reasonable attorneys' fees and other costs and expenses of defense) (collectively, "**CLAIMS**"), based upon, arising out of or

otherwise relating to this LICENSE, including, without limitation, any cause of action relating to product liability, or any theory of liability (including, without limitation, tort, warranty, or strict liability) or the death, personal injury, or illness of any person or out of damage to any property related in any way to the rights granted under this AGREEMENT; or resulting from the production, manufacture, sale, use, lease, or other disposition or consumption or advertisement of the LICENSED PRODUCTS by LICENSEE, its AFFILIATES, SUBLICENSEES or any other transferees; or in connection with any statement, representation or warranty of LICENSEE, its AFFILIATES, SUBLICENSEES or any other transferees with respect to the LICENSED PRODUCTS, except, in each case, to the extent such CLAIM arose out of or resulted from or is attributable to the gross negligence or wrongful intentional acts or omissions of YALE or its AFFILIATES, or their respective trustees, officers, students, volunteers or employees. In the event a YALE INDEMNITEE is seeking indemnification under this Article 14.1 for a third party CLAIM, YALE will inform LICENSEE of such CLAIM as soon as reasonably practicable after it receives notice of the CLAIM; provided, that the failure to give notice of a CLAIM will not relieve LICENSEE of its indemnification obligation under this AGREEMENT except to the extent that it is actually and materially prejudiced as a result of such failure to give notice. The YALE INDEMNITEE(S) will permit LICENSEE to assume direction and control of the defense of the third party CLAIM using counsel selected by LICENSEE and reasonably acceptable to YALE (such acceptance not to be unreasonably withheld, conditioned or delayed), and, at LICENSEE's expense, will cooperate as reasonably requested in the defense of the CLAIM. The YALE INDEMNITEE will have the right to retain its own counsel at its own expense. LICENSEE shall not settle or compromise the CLAIM without the prior written consent of YALE, such consent not to be unreasonably withheld, conditioned or delayed. Without limiting the foregoing, YALE may withhold its consent to any settlement or compromise that would in any manner constitute or incorporate an admission by YALE or require YALE to take or refrain from taking any action.

14.2. LICENSEE shall purchase and maintain in effect and shall require its SUBLICENSEES to purchase and maintain in effect a policy of commercial, general liability insurance to protect YALE with respect to events described in Article 14.1. Such insurance shall:

(a) list "YALE, its trustees, directors, officers, students, volunteers and employees" as additional insureds under the policy;

(b) provide that such policy is primary and not excess or contributory with regard to other insurance YALE may have;

(c) be endorsed to include product liability coverage in amounts no less than $1,000,000 per incident and $10,000,000 annual aggregate;

(d) be endorsed to include contractual liability coverage for LICENSEE's indemnification under Article 14.1; and

(e) by virtue of the minimum amount of insurance coverage required under Article 14.2(c), not be construed to create a limit of LICENSEE's liability with respect to its indemnification under Article 14.1.

14.3. By signing this AGREEMENT, LICENSEE certifies that the requirements of Article 14.2 will be met on or before the earlier of (a) the date of FIRST SALE of any LICENSED PRODUCT or (b) the date any LICENSED PRODUCT is tested or used on or in humans, and will continue to be met thereafter. Upon YALE's request, LICENSEE shall furnish a certificate of insurance and a copy of its current insurance policy to YALE. LICENSEE shall secure agreement from its insurer to give written notice to YALE prior to any cancellation of or material change to the policy.

14.4. YALE hereby represents, warrants and covenants to LICENSEE as of the EFFECTIVE DATE:

(i) YALE has the right to grant to LICENSEE the rights and licenses under the LICENSED PATENTS and LICENSED INFORMATION that it purports to grant hereunder and has not granted any third party rights that would otherwise interfere or conflict with the rights granted by YALE to LICENSEE hereunder or under the SRA;

(ii) it is not a party to any agreement or commitment that would prevent it from granting the rights granted or intended to be granted to LICENSEE under this AGREEMENT or the SRA or performing its obligations under this AGREEMENT or the SRA; and

(iii) without the prior approval of LICENSEE, YALE will not use or practice, in its conduct of the RESEARCH (as defined in the SRA), or in any other research or development of the LICENSED PRODUCTS or the INITIAL TARGETS by YALE (if any), any (A) patent right or, (B) to the best of YALE's knowledge, know-how, in the case of (A) and (B), exclusively licensed by YALE to a third party, or with respect to which a third party has an option to obtain an exclusive license from YALE. For purposes of this Article 14.4(iii), (1) "YALE's knowledge" means the knowledge of CHEN and the actual knowledge of YALE's Office of Cooperative Research following reasonable investigation, and (2) "know-how" means inventions, biological materials, reagents, concepts, processes, information, data, know-how and the like, in any form.

Except as expressly stated in Article 14.4:

(a) YALE MAKES NO, AND EXPRESSLY DISCLAIMS ALL, REPRESENTATIONS OR WARRANTIES THAT ANY CLAIMS OF THE LICENSED PATENTS, ISSUED OR PENDING, ARE VALID, OR THAT THE MANUFACTURE, USE, PRACTICE, SALE OR OTHER DISPOSAL OF THE LICENSED PRODUCTS DOES NOT OR WILL NOT INFRINGE UPON ANY PATENT OR OTHER RIGHTS NOT VESTED IN YALE.

(b) YALE MAKES NO, AND EXPRESSLY DISCLAIMS ALL, REPRESENTATIONS AND WARRANTIES WHATSOEVER WITH RESPECT TO THE LICENSED PATENTS AND LICENSED PRODUCTS, EITHER EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

(c) LICENSEE SHALL MAKE NO STATEMENTS, REPRESENTATION OR WARRANTIES WHATSOEVER TO ANY THIRD PARTIES THAT ARE INCONSISTENT WITH THE DISCLAIMERS BY YALE IN ARTICLE 14.4(a) AND (b).

(d) IN NO EVENT SHALL EITHER PARTY, OR ITS TRUSTEES, DIRECTORS, OFFICERS, EMPLOYEES AND AFFILIATES BE LIABLE FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL OR INDIRECT DAMAGES OF ANY KIND, INCLUDING ECONOMIC DAMAGE OR INJURY TO PROPERTY AND LOST PROFITS, REGARDLESS OF WHETHER SUCH PARTY SHALL BE ADVISED, SHALL HAVE OTHER REASON TO KNOW, OR IN FACT SHALL KNOW OF THE POSSIBILITY OF THE FOREGOING.

(e) IN NO EVENT SHALL YALE, OR ITS TRUSTEES, DIRECTORS, OFFICERS, EMPLOYEES AND AFFILIATES, BE LIABLE FOR DAMAGES IN EXCESS OF AMOUNTS YALE HAS RECEIVED FROM LICENSEE UNDER THIS LICENSE.

(f) Notwithstanding anything to the contrary contained in this AGREEMENT or the SRA, in the event of a claim by LICENSEE against YALE for breach of contract by YALE, LICENSEE's recourse against YALE in respect of any third party claim against LICENSEE resulting from such breach by YALE, shall (instead of the limitations set forth herein or in the SRA, including under Articles 14.4(d) and 14.4(e) hereof), be subject to the extent of applicable liability cap(s) under applicable YALE insurance policies providing coverage for YALE in the event of breach of contract claims (e.g., YALE's then-applicable commercial, general liability insurance and any applicable umbrella policies, etc.) such that YALE does not experience an uninsured loss in respect thereof; provided, that if LICENSEE's liability with respect to any such third party claim exceeds such YALE liability cap(s), LICENSEE may offset any such unrecovered excess against future payments to YALE under Articles 5.2, 6 or 7 of this AGREEMENT (i.e., reduce such payments by the amount of any such unrecovered excess not previously offset against payments to YALE). For the avoidance of doubt, in no event shall LICENSEE be permitted under this Article 14.4(f) to offset or reduce payments to YALE: (i) under Article 5.1 for the LMR; (ii) under this AGREEMENT or the SRA in respect of patent costs or expenses; or (iii) under the SRA in respect of RESEARCH (as defined in the SRA) performed by YALE thereunder. During the TERM, Yale shall maintain insurance providing coverage for YALE in the event of breach of contract claims against YALE with respect to

this AGREEMENT and the SRA consistent with YALE policies and standard practices applicable to YALE licensing and sponsored research arrangements, generally.

14.5. For the avoidance of doubt, except as expressly provided in this AGREEMENT or in the SRA, LICENSEE makes no representations or warranties, express or implied, with respect to any product. Further, the parties acknowledge and agree that nothing in this AGREEMENT, the PLAN or any report delivered hereunder shall be construed as a representation or warranty with respect to any estimate or projection of the research, development or sales of any product. Neither party makes any representation or warranty, either express or implied, that either party will be able to successfully research, develop, manufacture or commercialize any product, regarding the likelihood of success of any application for regulatory approval relating to any product or, if commercialized, that any particular sales of such product will be achieved.

15. NOTICES

Any monetary payment, notice or other communication required by this AGREEMENT (a) shall be in writing, (b) may be (i) delivered personally, (ii) sent by reputable overnight courier, postage prepaid, with written verification of receipt, (iii) sent by registered or certified first class United States Mail, postage prepaid, return receipt requested, or (iv) delivered by confirmed facsimile or e-mail transmission (provided any notice of breach, default, or termination shall be followed immediately by an additional notice pursuant to clause (i) or (ii) above), (c) shall be sent to the following addresses or to such other address or facsimile number as such party shall designate by written notice to the other party, and (d) shall be effective upon receipt (or in the case of facsimile or email transmission, upon confirmed receipt during normal business hours of the recipient, or on the following business day):

FOR YALE:

Managing Director
Yale University
Office of Cooperative Research
433 Temple Street
New Haven, CT 06511
E-mail: [***]

FOR LICENSEE:

Chief Executive Officer
NextCure, Inc.
[***]

E-mail: [***]

16. INVENTOR AGREEMENTS

If LICENSEE and CHEN enter (or have entered) into an INVENTOR AGREEMENT while CHEN is MEANINGFULLY INVOLVED with YALE, LICENSEE shall so notify YALE in writing within thirty (30) days. The LICENSEE acknowledges that as of the EFFECTIVE DATE: (i) CHEN is a faculty member of YALE; (ii) CHEN is subject to certain policies of YALE, as such policies may be revised from time to time, including policies concerning consulting, conflicts of interest, and

intellectual property ("**YALE POLICIES**"); and (iii) to the extent any provision of the INVENTOR AGREEMENT conflicts with YALE POLICIES, or imposes obligations or responsibilities compliance with which would require CHEN to act in violation of YALE POLICIES, to the extent of any such conflict with applicable YALE POLICIES, such provision shall be void. Upon reasonable request by LICENSEE, YALE shall notify LICENSEE of applicable YALE POLICIES and any material changes thereto. CHEN is a third party beneficiary of this paragraph.

17. LAWS, FORUM; DISPUTE RESOLUTION

17.1. Any matter arising out of or related to this AGREEMENT shall be governed by and in accordance with the substantive laws of the State of New York, without regard to any conflict of law principle that would result in the application of the law of any other jurisdiction, except where the federal laws of the United States are applicable and have precedence. Except as provided in Article 17.2, any dispute arising out of or related to this AGREEMENT shall be brought exclusively in the United States District Court for the Southern District of New York or if such suit, action or other proceeding may not be brought in such court for jurisdictional reasons, in the Supreme Court of the State of New York, New York County, and the parties hereby irrevocably submit to the jurisdiction of such courts.

17.2. Notwithstanding anything else herein to the contrary, in the event of a dispute between the parties relating to the calculation or payment of SUBLICENSE INCOME, including the valuation of any equity or other consideration and the portion of any consideration reasonably allocable to the LICENSED PATENTS and LICENSED INFORMATION, the matter shall be resolved pursuant to this Article 17.2.

(a) The parties shall use all reasonable efforts to resolve any such dispute by good faith negotiation and discussion. In the event that the parties are unable to resolve any such dispute within ten (10) business days, either party may submit the dispute to the EXECUTIVE OFFICERS for resolution by written notice to the other party specifying the nature of the dispute and providing sufficient information to permit adequate consideration by the EXECUTIVE OFFICERS.

(b) The EXECUTIVE OFFICERS shall diligently and in good faith attempt to resolve the referred dispute within ten (10) business days following delivery of such written notification to the recipient. In the event the EXECUTIVE OFFICERS are unable to resolve the dispute within such ten (10) business day period, or such longer period as may be agreed in writing between the EXECUTIVE OFFICERS, the dispute shall be resolved in accordance with Article 17.2(c).

(c) Any dispute subject to resolution under this Article 17.2(c) shall be resolved by binding appraisal of an independent appraiser who shall be an independent expert in the pharmaceutical or biotechnology industry mutually acceptable to the parties. The parties shall use their reasonable best efforts to mutually agree upon

one (1) appraiser; provided, that if the parties have not done so within ten (10) business days after initiation of the appraisal process under this Article 17.2(c), or such longer period of time as the parties may agree in writing, then such appraiser shall be an independent expert as described in the preceding sentence selected by the New York office of the American Arbitration Association. Such appraisal process shall be limited to determining the amount or percentage of SUBLICENSE INCOME payable to YALE. In connection therewith, each party shall submit to the appraiser in writing its position on and desired resolution of such dispute. Such submission shall be made within ten (10) business days of the selection or appointment of the appraiser, and the appraiser shall rule on the matter within ten (10) business days of receipt of the written submissions by both parties. The appraiser shall select one of the parties' positions as his or her decision, and shall not have authority to render any substantive decision other than to so select the position of either party. Except as provided in the preceding sentence, such appraisal process shall be conducted in accordance with the then-current Commercial Arbitration Rules of the American Arbitration Association. The appraiser's ruling shall be final and binding upon the parties, and shall be the sole and exclusive remedy of the parties with respect to the subject matter of the dispute. The parties hereby expressly agree to waive the right to appeal from the decision of the appraiser, and there shall be no appeal to any court or other authority (government or private) from the decision of the appraiser. Judgment on the award rendered by the appraiser may be enforced in any court having competent jurisdiction, subject only to it being vacated on grounds of fraud or clear bias on the part of the appraiser, as demonstrated by clear and convincing evidence. The costs of any appraisal process conducted pursuant to this Article 17.2(c) (not including legal fees of the parties) shall be borne equally by the parties. The parties shall use diligent efforts to cause the completion of any such appraisal process within sixty (60) days following the initiation thereof.

17.3. LICENSEE shall comply, and shall cause its AFFILIATES and SUBLICENSEES to comply, with all foreign and United States federal, state, and local laws, regulations, rules and orders applicable to the testing, production, transportation, packaging, labeling, export, practice, sale and use of the LICENSED PRODUCTS. In particular, LICENSEE shall be responsible for assuring compliance with all United States export laws and regulations applicable to this LICENSE and LICENSEE's activities under this AGREEMENT.

18. MISCELLANEOUS

18.2 This AGREEMENT shall be binding upon and inure to the benefit of the parties and their respective legal representatives, successors and permitted assigns.

18.3 This AGREEMENT, together with the SRA (including any material transfer agreement entered into thereunder) and VISITING SCIENTIST AGREEMENT, constitute the entire agreement of the parties relating to the LICENSED PATENTS and LICENSED

[***] INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

PRODUCTS, and all prior representations, agreements and understandings, written or oral, are merged into it and are superseded thereby.

18.4 The provisions of this AGREEMENT shall be deemed separable. If any part of this AGREEMENT is rendered void, invalid, or unenforceable by a court of competent jurisdiction, such determination shall not affect the validity or enforceability of the remainder of this AGREEMENT unless the part or parts which are void, invalid or unenforceable shall substantially impair the value of the entire AGREEMENT as to either party, in which case the parties shall negotiate in good faith and reasonably agree upon a valid and enforceable provision which shall be a reasonable substitute for such part or parts in light of the intent of this AGREEMENT.

18.5 Article, Section and paragraph headings are inserted for convenience of reference only and do not form a part of this AGREEMENT.

18.6 Except as expressly provided with respect to CHEN in Article 16, no person not a party to this AGREEMENT, including any employee of any party to this AGREEMENT, shall have or acquire any rights by reason of this AGREEMENT. Nothing contained in this AGREEMENT shall be deemed to constitute the parties partners or joint venturers with each other or any third party, and neither party shall be deemed the agent of the other.

18.7 This AGREEMENT may not be amended or modified except by written agreement executed by each of the parties. Except as provided in Article 5.4, this AGREEMENT shall not be assigned by YALE without the prior written consent of LICENSEE (not to be unreasonably withheld, conditioned or delayed). This AGREEMENT is personal to LICENSEE and shall not be assigned by LICENSEE without the prior written consent of YALE (not to be unreasonably withheld, conditioned or delayed); provided, that LICENSEE may assign this AGREEMENT, in whole or in part, without YALE's prior written consent to any AFFILIATE of LICENSEE or to any acquirer of LICENSEE or all or substantially all of the business of LICENSEE to which this AGREEMENT relates. LICENSEE shall notify YALE of any assignment under this Article 18.6 within thirty (30) days thereof. Any attempted assignment in contravention of this Article 18.7 shall be null and void and shall constitute a material breach of this AGREEMENT.

18.8 LICENSEE, or any SUBLICENSEE or assignee, will not create, assume or permit to exist any lien, pledge, security interest or other similar encumbrance on this AGREEMENT or any sublicense, and any attempt to create, assume or permit such an encumbrance shall be void.

18.9 The failure of any party hereto to enforce at any time, or for any period of time, any provision of this AGREEMENT shall not be construed as a waiver of either such provision or of the right of such party thereafter to enforce each and every provision of this AGREEMENT.

18.10 Notwithstanding anything contained herein to the contrary, LICENSEE shall not be liable for failure of or delay in performing obligations set forth in this AGREEMENT, and shall

not be deemed in breach of its obligations, and no right of termination shall arise, if such failure or delay is due to any occurrence beyond the reasonable control of LICENSEE, its AFFILIATES or SUBLICENSEES that (a) prevents or substantially interferes with the performance by LICENSEE of any of its obligations hereunder and (b) occurs by reason of any act of God, flood, fire, explosion, earthquake, storm or like catastrophe, strike, lockout, labor dispute, casualty or accident, war (whether or not declared), revolution, civil commotion, act of terrorism, blockage or embargo, epidemic, failure or default of public utilities or common carriers, failure of plant or machinery (provided that such failure would not have been prevented by the exercise of skill, diligence, and prudence that would be reasonably and ordinarily expected from a skilled and experienced person engaged in the same type of undertaking under the same or similar circumstances), or any injunction, law, order, proclamation, regulation, ordinance, demand or requirement of any government or of any subdivision, authority or representative of any such government (a "**FORCE MAJEURE**"). In event of a FORCE MAJEURE, LICENSEE shall use reasonable efforts to cure or overcome the same and resume performance of its obligations hereunder. If a FORCE MAJEURE persists for more than ninety (90) days, then the parties will discuss in good faith a modification of the parties' obligations under this AGREEMENT in order to mitigate the delays caused by such FORCE MAJEURE, but, at YALE's discretion and upon written notice to LICENSEE, such FORCE MAJEURE shall no longer be deemed to excuse LICENSEE's performance hereunder. For clarity, the duration of any FORCE MAJEURE prior to LICENSEE's receipt of such notice shall not count toward any termination notice or cure period otherwise provided under this AGREEMENT.

18.11 The parties agree and acknowledge that each party and its counsel reviewed and negotiated the terms and provisions of this AGREEMENT and have contributed to its revision and, therefore, no rule of construction to the effect that any ambiguities are resolved against the drafting party shall be employed in the interpretation of this AGREEMENT. In addition, unless the context otherwise requires, wherever used in this AGREEMENT: (a) the singular shall include the plural, and the plural the singular; (b) the use of any gender shall be applicable to all genders; (c) the word "notice" shall require notice in writing (whether or not specifically stated); (d) the words "will" and "shall" have the same meaning and effect; (e) the word "including" and words of similar import are used without limitation and shall mean "including without limitation;" (f) references to "this AGREEMENT" are to this entire AGREEMENT, including any Schedules, Exhibits, Annexes or Appendices attached hereto; (g) the words "hereof," "hereto" and words of similar import refer to this entire AGREEMENT; (h) the words "day," "year" and "quarter" shall refer to calendar days, years and quarters, respectively, unless otherwise specified; and (i) "business day" shall refer to any day other than a Saturday or Sunday or a day on which banks in New York, New York are authorized or required by law to close, or on which YALE's business offices are closed.

18.12 This AGREEMENT may be executed in any number of counterparts and any party may execute any such counterpart, each of which when executed and delivered by facsimile or by electronic scanned copy (including .pdf) exchanged by electronic transmission, shall

be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument.

[*Signature Page Follows*]

[***] INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

IN WITNESS WHEREOF, the parties have caused this License Agreement to be executed by their duly authorized representatives as of the EFFECTIVE DATE.

YALE UNIVERSITY		NEXTCURE, INC.	
By:	/s/ E. Jonathan Soderstrom	By:	/s/ Michael Richman
Name:	E. Jonathan Soderstrom, Ph.D.	Name:	Michael Richman
Title:	Managing Director Office of Cooperative Research	Title:	President and CEO

[NextCure — Signature Page to License Agreement]

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Appendix A

LICENSED PATENTS

[***]

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Appendix B

PLAN

PLAN to be provided by LICENSEE [***].

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Appendix C

EXCLUDED TARGETS

[***]

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Exhibit 10.2

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Confidential Execution Version

YALE UNIVERSITY
CORPORATE SPONSORED RESEARCH AGREEMENT

This CORPORATE SPONSORED RESEARCH AGREEMENT (this "**AGREEMENT**") is effective as of December 29, 2015 (the "**EFFECTIVE DATE**"), by and between YALE UNIVERSITY, a non-profit corporation organized and existing under and by virtue of a special charter granted by the general assembly of the Colony and State of Connecticut (the "**UNIVERSITY**"), and NEXTCURE, INC., a Delaware corporation (the "**SPONSOR**"). UNIVERSITY and SPONSOR are each referred to herein individually, as a "party" and, collectively, as the "parties."

W I T N E S S E T H:

WHEREAS, in pursuit of its educational purposes, which include research and training, the UNIVERSITY undertakes scholarly, research, and experimental activities in a variety of academic disciplines;

WHEREAS, the SPONSOR wishes to fund and desires that the UNIVERSITY undertake a research program in the field of discovery of targets for human diagnostics, therapeutics and vaccines as described more fully in Exhibit A attached hereto upon the terms and conditions set forth below; and

WHEREAS, in furtherance of its scholarly, research, and instructional interests, the UNIVERSITY is willing to undertake such research upon the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Scope of Research. During the term of this AGREEMENT, the UNIVERSITY shall use its reasonable best efforts consistent with its nonprofit status to perform the research program funded and described in Exhibit A attached hereto and which hereby is incorporated herein (the "**RESEARCH**"). Notwithstanding the foregoing, the UNIVERSITY makes no warranties or representations regarding its ability to achieve, nor shall it be bound hereby to accomplish, any particular research objective or results.

2. Personnel.

(a) The RESEARCH shall be performed by and under the supervision and direction of Dr. Lieping Chen, while employed by the UNIVERSITY, who shall be designated the principal investigator ("**PRINCIPAL INVESTIGATOR**"), together with such additional personnel as may be assigned by the UNIVERSITY. Without limiting the foregoing, the activities at the UNIVERSITY of any VISITING SCIENTIST under a VISITING SCIENTIST AGREEMENT (as such terms are defined in the LICENSE AGREEMENT) shall be performed

under the supervision and direction of the PRINCIPAL INVESTIGATOR and such activities shall constitute RESEARCH hereunder. If the PRINCIPAL INVESTIGATOR shall for any reason become unavailable to continue to work on, or to otherwise devote sufficient professional time to, the RESEARCH, the UNIVERSITY shall promptly notify SPONSOR and propose a substitute principal investigator with the scientific background and experience necessary to supervise the RESEARCH (who, if approved by SPONSOR, which approval may be given or withheld in SPONSOR's sole discretion, shall thereafter be serve as the PRINCIPAL INVESTIGATOR). If a mutually acceptable substitute is not found within thirty (30) days following UNIVERSITY's notice, this AGREEMENT may be terminated by either party pursuant to Section 10(b) hereof upon at least thirty (30) days' prior written notice. In the event that the parties agree on a mutually acceptable substitute PRINCIPAL INVESTIGATOR, the parties shall negotiate in good faith and enter into appropriate amendments to the LICENSE AGREEMENT reflecting the substitution of the PRINCIPAL INVESTIGATOR, including as may be reasonably necessary to preserve intellectual property rights granted to SPONSOR under the LICENSE AGREEMENT prior to such substitution.

(b) Without limiting the terms and conditions of the LICENSE AGREEMENT, it is understood that the UNIVERSITY and the personnel performing the RESEARCH hereunder may be involved in other activities and projects which entail pre-existing commitments to other sponsors. The UNIVERSITY will use reasonable efforts to avoid conflicts with the terms of this AGREEMENT; however, it is agreed that unless provided to the contrary herein or in the LICENSE AGREEMENT, this AGREEMENT is subject to the UNIVERSITY's pre-existing (i.e., existing as of the EFFECTIVE DATE) commitments to such other sponsors. The PRINCIPAL INVESTIGATOR and UNIVERSITY have notified SPONSOR of any such pre-existing commitments of which he or it are aware (following reasonable inquiry) prior to the date hereof, and shall promptly notify SPONSOR of any such conflicts during the term of this AGREEMENT. Without limiting the foregoing, the RESEARCH shall not include the discovery, research, development or manufacture of EXCLUDED TARGETS (as defined in the LICENSE AGREEMENT) or products directed thereat.

3. University Policies and Procedures. All RESEARCH conducted hereunder shall be performed in accordance with established UNIVERSITY policies and procedures, including, but not limited to, policies and procedures applicable to research involving human subjects, laboratory animals, and conflicts of interest. Upon reasonable request by SPONSOR, UNIVERSITY shall notify SPONSOR of applicable UNIVERSITY policies and procedures, and any material changes thereto.

4. Reimbursement of Budgeted Costs.

(a) The SPONSOR shall reimburse the UNIVERSITY for direct and indirect costs incurred by the UNIVERSITY in connection with the RESEARCH performed under this AGREEMENT (including in connection with any activities performed at UNIVERSITY by VISITING SCIENTISTS), in each case, in accordance with, and to the extent set forth in, the budget attached hereto as Exhibit B (the "**BUDGET**"), and which hereby is incorporated herein; provided, however, that the UNIVERSITY may submit to SPONSOR at any time, and SPONSOR may at its discretion approve in writing, a revised BUDGET requesting additional

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funds. For clarity, any revised BUDGET or BUDGET amendment shall require SPONSOR's prior written approval, and the BUDGET for purposes of the AGREEMENT shall be the last BUDGET approved in writing by SPONSOR. Any proposed BUDGET or amendment thereto submitted by UNIVERSITY shall be a good faith estimate of UNIVERSITY's costs to be incurred in connection with the RESEARCH.

(b) The SPONSOR shall make quarterly advance payments to the UNIVERSITY to fund reimbursable costs as set forth in the SPONSOR-approved BUDGET. All checks shall be made payable to Yale UNIVERSITY, shall include reference to the PRINCIPAL INVESTIGATOR, and shall be sent to:

Yale University
Office of Sponsored Projects
P.O. Box 1873
New Haven, CT 06508-1873

Or wired to:

[***]

5. Research Reports. The UNIVERSITY shall furnish to SPONSOR during the term of this AGREEMENT informal updates and quarterly reports regarding the progress of the RESEARCH in a form or forms mutually agreed by the parties. Upon mutual agreement between SPONSOR and PRINCIPAL INVESTIGATOR, UNIVERSITY shall provide additional reports to SPONSOR regarding the progress of the RESEARCH containing such information as SPONSOR may reasonably request. An annual report setting forth the significant research findings shall be prepared by the UNIVERSITY and submitted to SPONSOR within a reasonable period (not to exceed forty-five (45) days) following (a) the end of each calendar year, with the first report deliverable following December 31, 2016, and (b) in the final year of this AGREEMENT, following the expiration of the term. Such reports shall be held in confidence in accordance with Sections 6 and 7 of this AGREEMENT, to the extent applicable, to provide an opportunity for the PRINCIPAL INVESTIGATOR's publication or presentation of the project results and the filing of patent applications by UNIVERSITY and/or SPONSOR.

6. Publication.

(a) Part of the UNIVERSITY's mission is to publish and disseminate research results developed under sponsored research projects. Consistent with this AGREEMENT, UNIVERSITY, PRINCIPAL INVESTIGATOR and other UNIVERSITY employees and/or students may disseminate or publish the results of the RESEARCH in accordance with the AGREEMENT. Should UNIVERSITY, PRINCIPAL INVESTIGATOR or any other UNIVERSITY employee and/or student desire to disclose publicly or to third parties, in writing

or oral presentation, the results of the RESEARCH or any INVENTION, UNIVERSITY shall notify SPONSOR in writing of its intention at least [***] before such disclosure. YALE shall include with such notice a written description of the oral presentation, or in the case of a manuscript or other proposed written disclosure, a current draft of such written disclosure (provided that a final version is provided to SPONSOR at least [***] in advance of publication). The SPONSOR shall determine whether any of its CONFIDENTIAL INFORMATION is included in the proposed publication. The SPONSOR may reasonably require that any of its CONFIDENTIAL INFORMATION be removed from the proposed publication. The SPONSOR may request that UNIVERSITY file a patent application, copyright or other filing related to such INVENTION, and the SPONSOR may reasonably require that publication be delayed to permit the filing of patent applications. The SPONSOR shall make such determinations within [***] of receipt of UNIVERSITY's notice, or within [***] of receipt of a final version of a proposed written publication, if later. Publication shall not be delayed more than [***] after receipt of the proposed publication, or final version, by the SPONSOR. If UNIVERSITY desires to disseminate, publish or publicize the results of RESEARCH or any INVENTION that result from VISITING SCIENTIST's activities and that is not patentable, and the SPONSOR objects to such proposed disclosure within the time period specified above, UNIVERSITY and SPONSOR will negotiate in good faith to determine whether the proposed disclosure can be modified or delayed, consistent with the objectives of each party. In no event shall YALE be prohibited from proceeding with any such publication for more than a total of [***] calendar days. VISITING SCIENTIST may publish or publicize the results of RESEARCH that result from VISITING SCIENTIST's activities only with the prior written permission of the HOSTING FACULTY MEMBER.

(b) The SPONSOR at its election shall be entitled to receive an acknowledgment of its sponsorship of the RESEARCH in any such publication.

(c) The UNIVERSITY shall have the final authority to determine the scope and content of any publications or presentations made by its students and employees in accordance with the limitations of this section.

7. Confidential Information.

(a) "**CONFIDENTIAL INFORMATION**" of either party consists of information that has been reduced to writing and marked "Confidential," or, if disclosed orally, has been reduced to writing and marked "Confidential" within thirty (30) days of oral disclosure. "CONFIDENTIAL INFORMATION shall not include the name of the Principal Investigator nor the name of the SPONSOR. The financial terms of this AGREEMENT and the RESEARCH plan hereunder constitute CONFIDENTIAL INFORMATION of each party; provided, that for purposes of the foregoing, "financial terms" shall not include the amount of funding provided by SPONSOR to UNIVERSITY pursuant to the terms of this AGREEMENT. Subject to the following exceptions, all CONFIDENTIAL INFORMATION of either party disclosed by it to the other party in connection with the RESEARCH hereunder will be treated as and kept confidential throughout the term hereof and for [***] thereafter, or, for the RESEARCH plan, the term hereof and either [***] thereafter or the term of the LICENSE AGREEMENT,

whichever is shorter. Each party (i) will use reasonable efforts to safeguard the confidentiality of the other party's CONFIDENTIAL INFORMATION, by taking such actions the party receiving the CONFIDENTIAL INFORMATION would take to preserve the confidentiality of its own CONFIDENTIAL INFORMATION, which in no event shall be less than reasonable care, (ii) will not use the other party's CONFIDENTIAL INFORMATION other than as permitted by this AGREEMENT or permitted under the LICENSE AGREEMENT, and (iii) will require its employees, students, associates and agents to adhere to such obligation of confidentiality. The obligations of confidentiality described above shall not pertain to that part of the CONFIDENTIAL INFORMATION that:

(i) is shown to have been previously known or developed by the receiving party prior to the disclosure by the disclosing party;

(ii) is revealed by third parties through no fault of the receiving party;

(iii) is at the time of disclosure or has thereafter become publicly known through no fault or omission attributable to the receiving party;

(iv) information that is independently developed by the receiving party without the use of the disclosing party's CONFIDENTIAL INFORMATION; or

(v) is required to be disclosed by law in the opinion of recipient's attorney, but only after the disclosing party is given prompt written notice and an opportunity to seek a protective order.

(b) Neither party shall knowingly convey CONFIDENTIAL INFORMATION to the other party that is subject to federal export control restrictions under the EAR or the ITAR without first so disclosing to the other party and providing the other party the opportunity to decline receiving such information.

(c) If the receiving party becomes aware of any disclosure of CONFIDENTIAL INFORMATION of the other party not authorized hereunder or otherwise not permitted by the disclosing party, the receiving party agrees to notify the disclosing party and take reasonable steps to prevent any further disclosure or unauthorized use; provided, that such notification shall not be deemed an admission of any wrongdoing or breach of this AGREEMENT, nor shall such notification or other such communication be admitted against the notifying party in any action, proceeding, claim or controversy.

(d) The restrictions on disclosure in this Section 7 shall not apply to the extent that the receiving party is obligated to produce information pursuant to an order of a court of competent jurisdiction or a facially valid administrative, Congressional or other subpoena; provided, that the receiving party subject to the order or subpoena shall to the extent reasonably possible (i) promptly notify the disclosing party, and (ii) cooperate reasonably with the disclosing party's efforts to contest or limit the scope of such order or subpoena. The parties acknowledge that certain federal and state laws require pharmaceutical and medical device companies to disclose information on compensation, gifts or other remuneration provided to

physicians and other health care professionals. SPONSOR may report information about remuneration provided under this AGREEMENT, as required by law which, once reported, may be publically accessible.

8. Intellectual Property.

(a) **Definition of Invention.** "**INVENTION**" shall mean any discovery, invention, development, know-how, concept or idea, whether or not patentable, conceived or first reduced to practice in whole or in part in performance of the RESEARCH. For purposes of this AGREEMENT, "INVENTION" shall also include any software written, created, and utilized each in performance of the RESEARCH.

(b) **Ownership of Inventions.** The UNIVERSITY shall own any INVENTIONS that are invented solely by its employees, students, or agents in the performance of the RESEARCH ("**UNIVERSITY INVENTIONS**"). SPONSOR shall own any INVENTIONS that are invented solely by SPONSOR's employees or agents ("**SPONSOR INVENTIONS**"). INVENTIONS invented jointly by UNIVERSITY employees, students or agents and SPONSOR employees or agents shall be owned jointly by UNIVERSITY and SPONSOR ("**JOINT INVENTIONS**"). Inventorship shall be determined in accordance with United States patent law. Notwithstanding anything else herein to the contrary, for purposes of any determination of inventorship or authorship, VISITING SCIENTISTS (as defined in the LICENSE AGREEMENT) shall be deemed to be agents of UNIVERSITY (and not employees of SPONSOR) in connection with their performance of the RESEARCH.

(c) **Option.** For each patent or patent application that is a UNIVERSITY INVENTION or JOINT INVENTION, the SPONSOR will have the option, for a period of [***] from the date of disclosure to SPONSOR, to add such UNIVERSITY INVENTION or JOINT INVENTION to the License Agreement attached hereto as Exhibit C (the "**LICENSE AGREEMENT**") as a LICENSED PATENT thereunder, and obtain a royalty-bearing, exclusive, world-wide license to UNIVERSITY's rights in such UNIVERSITY INVENTION or JOINT INVENTION, including the right to sublicense , to make, have made, use, lease, sell, import and export products embodying or produced through the use of UNIVERSITY INVENTION or JOINT INVENTION under the same terms as in the LICENSE AGREEMENT. In the event that SPONSOR exercises such option, the UNIVERSITY INVENTION or JOINT INVENTION shall be added to Appendix A to the LICENSE AGREEMENT and shall be a LICENSED PATENT under the LICENSE AGREEMENT effective as of the date of SPONSOR's election for all purposes thereunder. In the event that the SPONSOR does not elect to add to such UNIVERSITY INVENTION or JOINT INVENTION to the LICENSE AGREEMENT after the [***] period, the UNIVERSITY may enter into an agreement relating to such patent or patent application with any third party (subject to the terms and conditions of the LICENSE AGREEMENT); provided, that such UNIVERSITY INVENTION or JOINT INVENTION shall be LICENSED INFORMATION under the LICENSE AGREEMENT to the extent it falls within the definition thereof.

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(d) **Ownership of Data.** UNIVERSITY will retain ownership of the data and information arising out of the RESEARCH that UNIVERSITY generates ("**RESEARCH RESULTS**") provided those RESEARCH RESULTS are subject to license as LICENSED INFORMATION under the LICENSE AGREEMENT. Subject to other provisions of this AGREEMENT and the LICENSE AGREEMENT, including those pertaining to CONFIDENTIAL INFORMATION, indemnification and intellectual property, SPONSOR will have access to the data and may use such data in connection with its research and product development efforts.

(e) **Disclosure and Right to Patent Inventions.** The UNIVERSITY and SPONSOR shall promptly disclose to each other in writing any INVENTION (i) conceived or first reduced to practice in the performance of the RESEARCH and (ii) reported to the UNIVERSITY's Office of Cooperative Research ("**OCR**") or SPONSOR's Intellectual Property Authority ("**IPA**") (see Section 11 "Notices"), respectively. Such disclosure shall be considered CONFIDENTIAL INFORMATION of the disclosing party. The UNIVERSITY may elect to file and prosecute a patent application on any UNIVERSITY INVENTION described in any such invention disclosure. The UNIVERSITY shall provide SPONSOR a reasonable opportunity to review and comment on its efforts to prepare and file such patent applications, and instruct its patent counsel to keep both UNIVERSITY and SPONSOR fully informed of the progress of all patent applications and patents, and to give both UNIVERSITY and SPONSOR reasonable opportunity to comment on the type and scope of useful claims and the nature of supporting disclosures. UNIVERSITY will not abandon any patent application for which SPONSOR is bearing expenses without SPONSOR's consent. Should the UNIVERSITY elect not to prepare and file any patent application, the SPONSOR may at its own cost file and prosecute any such patent application on behalf of the UNIVERSITY. The UNIVERSITY shall reasonably cooperate with SPONSOR in its attempt to secure patent rights to such patents or patent applications at SPONSOR's expense. The SPONSOR shall have the sole right to file and prosecute a patent application on any SPONSOR INVENTION and any JOINT INVENTION. Should SPONSOR elect not to file and prosecute a patent application on a JOINT INVENTION, the UNIVERSITY may at its own cost file and prosecute any such patent application on behalf of the UNIVERSITY and the SPONSOR. In such event, the SPONSOR shall reasonably cooperate with UNIVERSITY in its attempt to secure patent rights to such patents or patent applications at UNIVERSITY's expense. In the event of any conflict between the terms and conditions of this AGREEMENT and the terms and conditions of the LICENSE AGREEMENT with respect to the prosecution and maintenance of patents or patent applications, the terms and conditions of the LICENSE AGREEMENT shall govern and control with respect to LICENSED PATENTS thereunder, and the terms and conditions of this AGREEMENT shall govern and control with respect to all INVENTIONS, including those related to JOINT INVENTIONS hereunder.

(f) **Materials.**

(i) To the extent that UNIVERSITY may legally and practically do so, upon request by SPONSOR, UNIVERSITY shall transfer a reasonable portion of any materials generated under this AGREEMENT (including materials that are also TANGIBLE RESEARCH

PROPERTY) to SPONSOR using the sample material transfer agreement provided in Exhibit D (each such material transfer agreement, a "**UNIVERSITY MTA**").

(ii) To facilitate the RESEARCH, SPONSOR may provide to UNIVERSITY certain biological materials or chemical compounds, such as antibodies, cell-based assays or research tools owned by or licensed to SPONSOR (such materials or compounds provided hereunder, including any progeny or modified or unmodified derivatives thereof, are referred to herein, collectively, as "**SPONSOR MATERIALS**") for use by UNIVERSITY. All transfers of such SPONSOR MATERIALS by SPONSOR to UNIVERSITY shall be documented in writing (the "**TRANSFER RECORD**"), which TRANSFER RECORD shall set forth the type and name of the SPONSOR MATERIAL transferred, the amount of the SPONSOR MATERIAL transferred, the date of the transfer of such SPONSOR MATERIAL and the purpose(s) for which such SPONSOR MATERIAL may be used by UNIVERSITY (the "**PURPOSES**"). Such PURPOSES may be in furtherance of the RESEARCH, generally, or alternatively such PURPOSES may be narrower due to restrictions and obligations imposed by third parties on the use of such SPONSOR MATERIALS, or otherwise. Except as otherwise agreed in writing, all such SPONSOR MATERIALS delivered by SPONSOR to UNIVERSITY shall remain the sole property of SPONSOR, and shall only be used by UNIVERSITY for the PURPOSES. UNIVERSITY shall not cause or permit the SPONSOR MATERIALS to be used by or delivered to or for the benefit of any third party (including any non-profit academic or research institution) without the prior written consent of SPONSOR. Further, UNIVERSITY may not use the SPONSOR MATERIALS in research or testing involving human subjects unless expressly agreed by SPONSOR in writing, and where such research and testing is undertaken in accordance with all applicable laws. UNIVERSITY assumes all liability for losses which may arise from its use, storage or disposal of the SPONSOR MATERIALS. SPONSOR shall not be liable for any loss or claim made by UNIVERSITY, or made against UNIVERSITY by any third party, due to or arising from the use of the SPONSOR MATERIALS, except to the extent caused by the gross negligence or willful misconduct of SPONSOR. If requested by SPONSOR, UNIVERSITY and SPONSOR shall enter into a material transfer agreement in a form mutually agreed governing the transfer and use by UNIVERSITY of any SPONSOR MATERIALS.

(g) **Tangible Research Property.** Subject to the terms and conditions of any UNIVERSITY MTA, UNIVERSITY shall retain ownership of property that is developed solely by UNIVERSITY's employees, students, and agents, including, but not limited to, prototypes, biogenic materials, samples, lab notebooks graphs, maps, drawings, and documents created or acquired under this AGREEMENT (collectively, "**TANGIBLE RESEARCH PROPERTY**"); provided, that UNIVERSITY shall not retain ownership of TANGIBLE RESEARCH PROPERTY that is a deliverable to SPONSOR under this AGREEMENT. Subject to the terms and conditions of this AGREEMENT and the LICENSE AGREEMENT, UNIVERSITY shall retain the right to use and distribute copies of all deliverables for educational and/or research purposes.

(h) **Copyrightable Material.** As between UNIVERSITY and SPONSOR, UNIVERSITY shall own all right, title and interest in and to any and all copyrights and copyrightable materials, including data and excluding software, that is created solely by

UNIVERSITY employees, students or agents in performance of the RESEARCH (collectively "**UNIVERSITY COPYRIGHTS**"). As between UNIVERSITY and SPONSOR, SPONSOR shall own all right, title and interest in and to any and all copyrights and copyrightable materials, including data, created solely by SPONSOR employees or agents in performance of the RESEARCH (collectively, "**SPONSOR COPYRIGHTS**"). As between UNIVERSITY and SPONSOR, UNIVERSITY and SPONSOR shall jointly own all right, title and interest in and to any and all copyrights and copyrightable materials, including data, created jointly by UNIVERSITY employees, students, or agents and SPONSOR employees or agents in performance of this AGREEMENT (collectively, "**JOINT COPYRIGHTS**"). UNIVERSITY shall have the sole right to determine the disposition of UNIVERSITY COPYRIGHTS; provided, that SPONSOR shall have option rights, in accordance with Section 8, in computer software developed and delivered in performance of the RESEARCH.

(i) **Background IP.** Without limiting the LICENSE AGREEMENT, neither party shall, by virtue of this AGREEMENT, acquire rights to inventions, copyrights, technical information, or tangible property concurrently created or acquired by either party outside of this AGREEMENT or that are owned by the other party prior to entering into this AGREEMENT, including any background technology required to practice INVENTIONS. Such rights held by UNIVERSITY may or may not be available for licensing.

(j) **Existing Materials and Unpublished Information.** Certain existing materials and unpublished information owned or controlled by UNIVERSITY and expected to be used in RESEARCH are listed in Exhibit E attached hereto and which hereby is incorporated herein (the "**EXISTING MATERIAL AND UNPUBLISHED INFORMATION**"). SPONSOR shall have access to the EXISTING MATERIAL AND UNPUBLISHED INFORMATION for research and product development purposes. The EXISTING MATERIAL AND UNPUBLISHED INFORMATION shall be licensed to SPONSOR under the LICENSE AGREEMENT as LICENSED INFORMATION upon the EFFECTIVE DATE.

(k) **Transfer of Information.** Subject to UNIVERSITY's legal and contractual obligations to third parties existing as of the EFFECTIVE DATE or entered into during the term of this AGREEMENT and not in violation of the LICENSE AGREEMENT, during the term of this AGREEMENT, SPONSOR shall have the right to request that UNIVERSITY commence a transfer to or sharing with SPONSOR or its designee of LICENSED INFORMATION (as defined in the LICENSE AGREEMENT), RESEARCH RESULTS or other information and technology that are owned or controlled by UNIVERSITY and reasonably necessary for the establishment by SPONSOR of a system for the screening and identification of targets as described in Exhibit A. The details of such transfer or sharing shall be set forth in a plan, budget and an appropriate agreement governing the process and coordination of such transfer or sharing and reimbursement of UNIVERSITY expenses ("**TRANSFER AGREEMENT**") to be negotiated in good faith and mutually agreed upon by the parties in writing as promptly as practicable following SPONSOR's request, with all costs incurred by UNIVERSITY in connection with such transfer or sharing to be borne by SPONSOR. UNIVERSITY shall provide reasonable access to UNIVERSITY facilities to SPONSOR and its representatives and provide such support and training, in each case, as are reasonably necessary for SPONSOR to

establish and operate such system, including by providing support and information pursuant to this paragraph as may be reasonably requested by SPONSOR, to the extent such access, support and training are reasonably available. The details of such support and training shall be set forth in a plan, budget and appropriate TRANSFER AGREEMENT, with all costs incurred by UNIVERSITY in connection with such transfer or sharing to be borne by SPONSOR. UNIVERSITY makes no representations that the information and technology transferred or shared pursuant to this paragraph shall be sufficient to enable SPONSOR to establish or operate such system. To the extent SPONSOR has requested a transfer or sharing under this Section 8(k) prior to the expiration or termination of this AGREEMENT, UNIVERSITY's obligations under this section with respect to such transfer or sharing shall survive any such expiration or termination for a period not to exceed six (6) months. For the avoidance of doubt, it is agreed and acknowledged that an appropriate TRANSFER AGREEMENT will provide for the reimbursement of UNIVERSITY's costs incurred in connection with the transfer or sharing, but not additional consideration (whether milestone payments, royalties, or otherwise) for the use of such information, which shall be subject to the terms of the LICENSE AGREEMENT.

9. Ownership of Property. Title to any equipment purchased or created in the performance of the RESEARCH funded under this AGREEMENT shall vest in the UNIVERSITY. UNIVERSITY shall use the equipment for purposes of this RESEARCH while the funded activities are ongoing. During that time, UNIVERSITY may, subject to the terms of the LICENSE AGREEMENT, make the equipment available for incidental use on other projects or programs if such other use will not interfere with the RESEARCH under the AGREEMENT. When no longer needed for AGREEMENT activities, UNIVERSITY may use the equipment in connection with its other charitable purposes, without need for accounting.

10. Term and Termination.

(a) This AGREEMENT shall be effective from the EFFECTIVE DATE through December 31, 2020, the conclusion of the BUDGET term as set forth in Exhibit B, and may be extended thereafter by mutual agreement of the parties in writing; provided, however, that the expiration or termination of this AGREEMENT shall not relieve either party of any obligation of such party accrued prior to such expiration or termination hereunder. In particular, Section 14 ("Indemnification"), the provisions hereof relating to rights in patents and ownership of property shall survive such termination.

(b) Notwithstanding the foregoing, following the second (2nd) anniversary of the EFFECTIVE DATE this AGREEMENT may be terminated upon ninety (90) days' advance written notice to the other party (i) by SPONSOR at any time, and (ii) by UNIVERSITY (A) if a FORCE MAJEURE precluding continuation of the RESEARCH persists for more than ninety (90) days (provided, that if prior to the effective date of such termination, such FORCE MAJEURE is resolved or the parties mutually agree on modifications of their rights and obligations under Section 17 such that the RESEARCH can continue, UNIVERSITY shall not have a right to terminate with respect to such FORCE MAJEURE, notwithstanding any termination notice with respect thereto previously delivered), or (B) following the occurrence of a MATERIAL EVENT (as defined below). In connection with any termination of this

AGREEMENT, including upon receipt of notice of early termination by SPONSOR, the UNIVERSITY shall use reasonable efforts promptly to limit or terminate any outstanding commitments prior to the effective termination date. All allowable costs associated with such termination and up through the date of termination shall be reimbursed by SPONSOR in accordance with the BUDGET, including any non-cancelable commitments, such as, where applicable, legally committed salary and benefits; provided, that SPONSOR shall have no obligation with respect to such costs following the date of termination if UNIVERSITY terminates the AGREEMENT for other than cause. Upon SPONSOR's reasonable request, UNIVERSITY shall provide documentation to SPONSOR that such expenses have been paid and cannot be canceled or recovered. For purposes of this Section 10(b), "**MATERIAL EVENT**" means SPONSOR or one of more of its executive officers has been (1) charged, indicted, or convicted of a felony involving moral turpitude, deceit, or dishonesty, (2) committed embezzlement or fraud, (3) shown to have made an unlawful payment, kickback or bribe to any governmental official, or (4) debarred by the FDA (or subject to a similar sanction of a foreign equivalent), or convicted of a crime for which an individual or entity could be debarred under 21 U.S.C. § 335a (or its foreign equivalent), except, in the case of any charge, allegation or indictment referred to in clauses (1)-(4) above, to the extent SPONSOR or such executive officer(s) are in good faith challenging such charge, allegation or indictment; provided, that any conviction therefor shall constitute a "MATERIAL EVENT."

(c) If SPONSOR (i) breaches its obligation to make an undisputed payment and fails to remedy such breach within thirty (30) days after receipt of notice in writing of such breach, (ii) materially breaches any other of its obligations under this AGREEMENT and fails to remedy such breach within thirty (30) days after receipt of notice in writing of such breach, or (iii) materially breaches its diligence obligations in Article 4 of the LICENSE AGREEMENT and fails to remedy such breach within sixty (60) days after receipt of notice in writing of such breach, in the case of (i), (ii) or (iii), the UNIVERSITY may, in addition to any other remedies that the UNIVERSITY may have in law or in equity, terminate this AGREEMENT by sending written notice of termination to SPONSOR (provided, that this AGREEMENT shall only be terminable under clause (iii) above if the LICENSE AGREEMENT is terminated or terminable in its entirety (and not solely with respect to certain LICENSED PRODUCT(s) (as defined in the LICENSE AGREEMENT)). Without limiting the cure periods provided above, termination for material breaches will be effective from date of notice to SPONSOR and shall not limit any of UNIVERSITY's other rights under this AGREEMENT.

11. Notices. Any notices given under this AGREEMENT (a) shall be in writing, (b) may be (i) delivered personally, (ii) sent by reputable overnight courier, postage prepaid, with written verification of receipt, (iii) sent by registered or certified first class United States mail, postage prepaid, return receipt requested, or (iv) delivered by confirmed facsimile or e-mail transmission (provided any notice of breach, default, or termination shall be followed immediately by an additional notice pursuant to clause (i) or (ii) above), (c) shall be addressed to the parties as follows (or at such other addresses or facsimile number as the parties may notify each other in writing), and (d) shall be deemed delivered upon receipt (or in the case of facsimile or e-mail transmission, upon confirmed receipt during normal business hours of the recipient, or on the following business day):

UNIVERSITY	**SPONSOR**
[***] Office of Sponsored Projects P.O. Box 208327 New Haven, CT 06520-8327 E-Mail: [***] with a copy to: E-mail: [***]	NextCure, Inc. [***] Attn: Chief Executive Officer E-mail: [***]

Provided, however, that invention disclosures shall be addressed to the parties as follows:

UNIVERSITY OCR	**SPONSOR IPA**
Yale University Office of Cooperative Research Attn: Director of Intellectual Property 433 Temple Street New Haven, CT 06511 E-mail: [***] Phone: [***]	NextCure, Inc. [***] Attn: Chief Executive Officer E-mail: [***]

12. **Use of Name.** Except as expressly permitted under the LICENSE AGREEMENT, neither party shall employ or use the name of the other party in any promotional materials or advertising without the prior express written permission of the other party.

13. **Relationship of the Parties.** The relationship of SPONSOR and UNIVERSITY established by this AGREEMENT is that of independent contractors. Nothing in this AGREEMENT shall be construed to create a relationship of employment or agency, nor shall either party's employees, servants, agents, or representatives be considered the employees, servants, agents, or representatives of the other except as expressly provided herein or in the VISITING SCIENTIST AGREEMENT with respect to VISITING SCIENTISTS. Nothing in this AGREEMENT shall be construed to constitute the parties as partners or joint venturers, or allow either of the parties to create or assume any obligation on behalf of the other party.

14. **Indemnification.** The following indemnification obligation applies only to the extent of SPONSOR's use of the RESEARCH or any UNIVERSITY intellectual property, data, materials or RESEARCH RESULTS. The SPONSOR shall defend, indemnify and hold harmless UNIVERSITY, the PRINCIPAL INVESTIGATOR, and any of UNIVERSITY's faculty, students, employees, trustees, volunteers and officers, (hereinafter referred to collectively as the "**INDEMNIFIED PERSONS**") from and against any and all liability, claims, lawsuits, losses, damages, costs or expenses (including attorneys' fees) (hereinafter referred to

collectively as the "**LOSSES**") to the extent arising out of third party claims or arising out of SPONSOR's use of the RESEARCH, UNIVERSITY intellectual property, data, materials, RESEARCH RESULTS or INVENTIONS, which the INDEMNIFIED PERSONS may hereafter incur, or be required to pay. If such LOSSES arise in whole or in part from the INDEMNIFIED PERSONS' illegal conduct, gross negligence, fraud or intentional misconduct or intentional inaction, then the amount of the LOSSES that SPONSOR shall indemnify INDEMNIFIED PERSONS for shall be reduced by an amount in proportion to the percentage of the INDEMNIFIED PERSONS responsibilities for such LOSSES as determined by a court of competent jurisdiction in a final and non-appealable decision or in a binding settlement between the parties. UNIVERSITY shall notify SPONSOR upon learning of the institution or threatened institution of any such liability, claims, lawsuits, losses, damages, costs and expenses and UNIVERSITY shall cooperate with SPONSOR in every proper way in the defense or settlement thereof at SPONSOR's request and expense. SPONSOR shall not dispose or settle any claim admitting liability on the part of the UNIVERSITY without UNIVERSITY's prior written consent.

15. **DISCLAIMER OF WARRANTIES.** THE UNIVERSITY MAKES NO WARRANTIES UNDER THIS AGREEMENT, EITHER EXPRESS OR IMPLIED, AS TO ANY MATTER, INCLUDING, WITHOUT LIMITATION, THE RESULTS OF THE RESEARCH OR ANY INVENTIONS OR PRODUCT, TANGIBLE OR INTANGIBLE, CONCEIVED, DISCOVERED, OR DEVELOPED UNDER THIS AGREEMENT; OR THE OWNERSHIP, MERCHANTABILITY, OR FITNESS FOR A PARTICULAR PURPOSE OF THE RESEARCH RESULTS OR OF ANY SUCH INVENTION OR PRODUCT. Neither party shall be liable for any special, incidental, indirect or consequential damages of any kind, including lost profits suffered by the other party or by any licensee or any others resulting from the use of the RESEARCH RESULTS, including any invention, program, or product, or otherwise under this AGREEMENT.

16. **Export Controls.** The UNIVERSITY complies with all applicable laws and regulations, including, where applicable, federal export control regulations. Many of the UNIVERSITY employees (faculty and staff) and students are residents of foreign countries, including individuals who may work on the RESEARCH and/or have access to information conveyed to the UNIVERSITY pursuant hereto. The UNIVERSITY does not screen its employees or students based on nationality. In most situations, the UNIVERSITY relies on the fundamental research exclusion from export control laws, but makes no representation as to whether SPONSOR's conveyance of information or material to the UNIVERSITY pursuant hereto would be covered by the export control laws. Each party agrees that before knowingly providing the other with export-controlled materials or data, it will provide written notice, including a description of the materials or data, and, if known, the appropriate ECCN or MCL designation. No such materials or data shall knowingly be shared without prior written approval.

17. **Force Majeure.** Other than with respect to SPONSOR's obligations to make payments under this AGREEMENT, neither party shall be liable for any failure to perform as required by this AGREEMENT, to the extent such failure to perform is caused by any reason

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beyond such party's reasonable control, or by reason of any of the following to the extent beyond such party's reasonable control: labor disturbances or disputes of any kind, failure of any required governmental approval, civil disorders, acts of war or terrorism, acts of God, energy or other conservation measures, failure of utilities, mechanical breakdowns or material shortages (to the extent not reasonably controlled), disease, or similar occurrences. (a "**FORCE MAJEURE**"). In event of a FORCE MAJEURE, the affected party shall use reasonable efforts to cure or overcome the same and resume performance of its obligations hereunder. If a FORCE MAJEURE persists for more than ninety (90) days, then the parties will discuss in good faith a modification of the parties' rights and obligations under this AGREEMENT in order to mitigate the delays caused by such FORCE MAJEURE, but, at the discretion of the party not affected by FORCE MAJEURE and upon written notice to the other party, such FORCE MAJEURE shall no longer be deemed to excuse the affected party's performance hereunder. For clarity, the duration of any FORCE MAJEURE prior to a party's receipt of such notice or a termination notice under Section 10(b) shall not count toward any termination notice or cure period otherwise provided under this AGREEMENT.

18. **Assignment.** Neither the UNIVERSITY nor the SPONSOR shall assign this AGREEMENT to any other person without the prior written consent of the other (not to be unreasonably withheld, conditioned or delayed), except SPONSOR may, without UNIVERSITY consent, assign its rights and transfer its duties hereunder to any affiliate or acquirer of SPONSOR or any assignee of all or substantially all of its business (or that portion thereof to which this AGREEMENT relates) or in the event of its merger or consolidation or similar transaction. Any assignment or transfer in contravention of the foregoing shall be void.

19. **Severability.** The provisions of this AGREEMENT shall be deemed separable. If any part of this AGREEMENT is rendered void, invalid, or unenforceable by a court of competent jurisdiction, such determination shall not affect the validity or enforceability of the remainder of this AGREEMENT unless the part or parts which are void, invalid or unenforceable shall substantially impair the value of the entire AGREEMENT as to either party, in which case the parties shall negotiate in good faith and reasonably agree upon a valid and enforceable provision which shall be a reasonable substitute for such part or parts in light of the intent of this AGREEMENT.

20. **Headings.** The headings of the sections and paragraphs in this AGREEMENT are provided only as a matter of convenience and for ease of reference and in no way are intended to define, limit, describe or otherwise affect the interpretation, meaning, substance or scope of any provision contained in this AGREEMENT.

21. **Waiver.** The waiver by any party of a breach of any provision of this AGREEMENT will not be construed as a waiver of a subsequent breach of the same provision by that party or the breach of any other provision of this AGREEMENT. The delay or failure of a party to exercise any right or remedy under this AGREEMENT will not constitute a waiver by that party of any breach of this AGREEMENT. Any waiver of any breach under this AGREEMENT must be in writing.

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22. **Counterparts.** This AGREEMENT may be executed by facsimile or by electronic scanned copy (including .pdf) exchanged by electronic transmission.

23. **Entire Agreement; Amendments.** This AGREEMENT, together with any material transfer agreement entered into hereunder, the LICENSE AGREEMENT and the VISITING SCIENTIST AGREEMENT as defined therein, and the Exhibits attached hereto and thereto contain the entire agreement between the parties with respect to the subject matter hereof and thereof. No amendments or modifications to this AGREEMENT shall be effective unless made in writing and signed by authorized representatives of both parties.

24. **Similar Research.** Without limiting the terms and conditions of the LICENSE AGREEMENT, nothing in this AGREEMENT shall be construed to limit the freedom of the UNIVERSITY or of its researchers who are not participants in the RESEARCH, from engaging in similar research made under other grants, contracts or agreements with parties other than the SPONSOR.

25. **Governing Law.** This AGREEMENT shall be governed by and construed in accordance with the laws of the State of New York without regard to any conflict of laws principle that would result in the application of the laws of another jurisdiction.

[*signature page follows*]

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IN WITNESS WHEREOF, the parties hereto have executed this Corporate Sponsored Research Agreement by their duly authorized officers or representatives as of the EFFECTIVE DATE.

YALE UNIVERSITY

By /s/ Donald T. Deyo

Name Donald T. Deyo

Title Director, Corporate Contracts, Yale University, Office Of Sponsored Projects

12/23/2015

SPONSOR

By /s/ Michael Richman

Name Michael Richman

Title President and CEO

Read and acknowledged:

PRINCIPAL INVESTIGATOR

/s/ Lieping Chen

LIEPING CHEN, M.D., PH.D.

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Exhibit A — Research Plan / Statement of Work

[***] [1.5 pages redacted]

The research plan/scope of work outlined below addresses the steps and overall process that will be required for identifying, characterizing and developing novel lead targets.

Scope of Work:
Overall Goal: [***]

Key stages of development and timing over the next four years:
Overview: [***]

Work Plan and Timing
[***] [2 pages redacted]

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Exhibit B — BUDGET

Next Cure Lab New Discovery Program Budget

See attached.

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Exhibit B

Next Cure Lab New Discovery Program Budget

[***]

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Exhibit C — License Agreement

See attached.

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Exhibit D — Sample Material Transfer Agreement

MATERIAL TRANSFER AGREEMENT

This Material Transfer Agreement ("**MTA**"), effective as of ("**EFFECTIVE DATE**"), by and between YALE UNIVERSITY, a non-profit corporation organized and existing under and by virtue of a special charter granted by the General Assembly of the Colony and State of Connecticut (the "**UNIVERSITY**"), and NEXTCURE, INC., a Delaware corporation (the "**RECIPIENT**"). UNIVERSITY and RECIPIENT are each referred to herein individually, as a "party" and, collectively, as the "parties."

DEFINITIONS:

MATERIAL: ORIGINAL MATERIAL (as defined in Section 1 below) plus PROGENY and UNMODIFIED DERIVATIVES. The MATERIAL shall not include (i) MODIFICATIONS or (ii) other substances created by RECIPIENT through the use of the MATERIAL or PROGENY or UNMODIFIED DERIVATIVES that are not PROGENY or UNMODIFIED DERIVATIVES.

MODIFICATIONS: substances created by or on behalf of RECIPIENT which contain or incorporate the MATERIAL or UNMODIFIED DERIVATIVES thereof.

PROGENY: any unmodified descendant from the MATERIAL, such as virus from virus, cell from cell, or organism from organism.

UNMODIFIED DERIVATIVES: substances created by RECIPIENT that constitute an unmodified functional sub-unit or an expression product of the ORIGINAL MATERIAL. Some examples include: subclones of unmodified cell lines, purified or fractionated sub-sets of the ORIGINAL MATERIAL, proteins expressed by DNA/RNA supplied by UNIVERSITY, monoclonal antibodies secreted by a hybridoma cell line, sub-sets of the ORIGINAL MATERIAL such as novel plasmids or vectors.

The parties agree to the following:

1. UNIVERSITY will transfer the MATERIALS listed in Appendix A to RECIPIENT ("**ORIGINAL MATERIAL**").

2. RECIPIENT will pay all shipping costs.

3. RECIPIENT agrees to use the MATERIAL in compliance with all applicable statutes and regulations including, for example, those relating to research involving the use of animals or recombinant DNA.

4. RECIPIENT acknowledges that all MATERIALS it receives from UNIVERSITY are provided (i) "AS IS"; (ii) are experimental in nature; and (iii) WITHOUT WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR ANY OTHER WARRANTY, EXPRESS OR IMPLIED. UNIVERSITY MAKES NO

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REPRESENTATION THAT THE USE OF ITS MATERIALS WILL NOT INFRINGE ANY PATENT, COPYRIGHT, TRADEMARK OR OTHER PROPRIETARY RIGHT.

5. Ownership and all related intellectual property rights of the MATERIALS shall be subject to the License Agreement executed between the parties on December 29, 2015 ("**LICENSE AGREEMENT**"). The MATERIALS and MODIFICATIONS shall constitute LICENSED INFORMATION (as such term is defined in the LICENSE AGREEMENT). RECIPIENT is free to file patent applications claiming inventions made by RECIPIENT through the use of the MATERIALS but agrees to notify UNIVERSITY upon filing a patent application claiming MODIFICATIONS or uses of the MATERIALS.

6. RECIPIENT shall not transfer or disseminate the MATERIAL to third parties without the written permission of UNIVERSITY, such permission not to be unreasonably withheld, conditioned or delayed; provided, that the foregoing requirement to obtain the written permission of UNIVERSITY shall not apply to a transfer or dissemination by RECIPIENT to its affiliates, sublicensees or subcontractors.

7. Confidential and proprietary information provided by each party to the other shall be governed by the Corporate Sponsored Research Agreement executed between the parties on December 29, 2015 (the "**SRA**").

8. RECIPIENT shall own all results that it generates and creates through use of MATERIALS and MODIFICATIONS. Results shall be considered CONFIDENTIAL INFORMATION of RECIPIENT.

9. This MTA shall not be interpreted to prevent or delay publication of research resulting from the use of the MATERIALS or MODIFICATIONS. RECIPIENT agrees to provide appropriate acknowledgment of the source of the MATERIALS in all publications and agrees to send UNIVERSITY a copy of any such publications at the time of submission for publication.

10. This MTA will terminate on thirty (30) days' written notice by RECIPIENT to UNIVERSITY. Upon termination, RECIPIENT will discontinue its use of the ORIGINAL MATERIAL and will, upon written direction of UNIVERSITY, return or destroy any remaining ORIGINAL MATERIAL.

11. The provisions of Section 10 ("Export Control") and Section 14 ("Indemnification") of the SRA shall apply to this MTA.

12. Both parties agree that should this MTA be breached, money damages would be inadequate to remedy any such breach. As a result, the non-breaching party may be entitled to seek, and a court of competent jurisdiction may grant specific performance and injunctive or other equitable relief as a remedy of any breach of this MTA. Such remedy may be in addition to all other remedies, including money damages, available to a non-breaching party at law or in equity.

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13. Neither the UNIVERSITY nor the RECIPIENT shall assign this MTA to any other person without the prior written consent of the other (not to be unreasonably withheld, conditioned or delayed), except RECIPIENT may, without UNIVERSITY's consent, otherwise assign its respective rights and transfer its respective duties to any affiliate or acquirer of RECIPIENT or assignee of all or substantially all of its business (or that portion thereof to which this MTA relates) or in the event of its merger or consolidation or similar transaction. Any assignment or transfer in contravention of the foregoing shall be void.

14. Sections 4, 5, 7, 8, 9, 10, 11 and 12 shall survive termination of the MTA.

15. This MTA, together with the SRA and the LICENSE AGREEMENT and VISITING SCIENTIST AGREEMENT (as defined therein), constitute the entire agreement of the parties with respect to the subject matter hereof and supersedes any and all prior agreements, written or oral, between RECIPIENT and UNIVERSITY relating to the subject matter of this MTA and may not be amended unless agreed to in writing by both parties.

16. In the event that a court of competent jurisdiction holds any provision of this MTA to be invalid, such holding shall have no effect on the remaining provisions of this MTA, and they shall continue in full force and effect.

17. The headings of the sections and paragraphs in this MTA are provided only as a matter of convenience and for ease of reference and in no way is intended to define, limit, describe or otherwise affect the interpretation, meaning, substance or scope of any provision contained in this MTA.

18. The waiver by any party of a breach of any provision of this MTA will not be construed as a waiver of a subsequent breach of the same provision by that party or the breach of any other provision of this MTA. The delay or failure of a party to exercise any right or remedy under this MTA will not constitute a waiver by that party of any breach of this MTA. Any waiver of any breach under this MTA must be in writing.

19. This MTA may be executed by facsimile or by electronic scanned copy (including .pdf) exchanged by electronic transmission.

20. This MTA shall be governed by and construed in accordance with the laws of the State of New York without regard to any conflict of laws principle that would result in the application of the laws of another jurisdiction.

[*signature page follows*]

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IN WITNESS WHEREOF, the parties hereto have executed this Material Transfer Agreement by their duly authorized officers or representatives as of the EFFECTIVE DATE.

UNIVERSITY		**RECIPIENT**	
By	_____	By	_____
Name	_____	Name	_____
Title	_____	Title	_____

Read and acknowledged:

PRINCIPAL INVESTIGATOR

_____
Lieping Chen, M.D., Ph.D.

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Exhibit E — EXISTING MATERIAL AND UNPUBLISHED INFORMATION

[***]

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Exhibit 10.3

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CONFIDENTIAL

EXECUTION VERSION

RESEARCH AND DEVELOPMENT COLLABORATION AGREEMENT

between

NEXTCURE, INC.

and

ELI LILLY AND COMPANY

This **RESEARCH AND DEVELOPMENT COLLABORATION AGREEMENT** (this "**Agreement**") is effective as of November 2, 2018 (the "**Effective Date**"), and is entered into by and between:

NEXTCURE, INC., a Delaware corporation ("**NextCure**"), having a place of business at 9000 Virginia Manor Road, Suite 200, Beltsville, MD 20705;

and

ELI LILLY AND COMPANY, an Indiana corporation ("**Lilly**"), having a place of business at Lilly Corporate Center, Indianapolis, Indiana 46285.

INTRODUCTION

A. WHEREAS, NextCure is engaged in discovering and developing next generation first-in-class immunotherapy-based biologics for cancer and other diseases, and leverages its FIND-IO™ Technology (defined below) to discover, validate and build a pipeline of novel immunotherapy targets.

B. WHEREAS, Lilly is engaged in the research, development, marketing, manufacturing and distribution of pharmaceutical products for use in humans and animals.

C. WHEREAS, the Parties desire to enter into an exclusive arrangement for a research and development collaboration, pursuant to which NextCure will apply its FIND-IO™ Technology to identify novel Oncology Targets (defined below) within the Collaboration Field (defined below) for additional research and drug discovery by the Parties (the "**Collaboration**"), which targets, if products are successfully developed therefrom, would be commercialized, all subject to the terms and conditions set forth herein.

D. WHEREAS, concurrently with the execution and delivery of this Agreement, the Parties are entering into a stock purchase agreement providing for the issuance to Lilly of preferred stock of NextCure.

NOW THEREFORE, in consideration of the foregoing premises and the following mutual covenants and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1
DEFINITIONS

Unless otherwise specifically provided herein, the following terms shall have the following meanings:

1.1 "**Accountant**" means, as applicable, one of the internationally recognized accounting firms known as KPMG, Deloitte, PricewaterhouseCoopers or Ernst & Young as of the Effective Date, or any successor firm thereto as defined at the applicable time thereafter.

1.2 "**Action**" has the meaning set forth in Section 9.2.

1.3 "**Acquiring Entities**" has the meaning set forth in Section 1.26.

1.4 "**Adverse Event**" means any untoward medical occurrence in a human patient or subject who is administered a pharmaceutical product, including any undesired sign (including abnormal laboratory findings of clinical concern), symptom or disease temporally associated with the use of such pharmaceutical product, whether or not considered related to such pharmaceutical product.

1.5 "**Affiliate**" means any corporation or other entity that controls, is controlled by, or is under common control with a Party. A corporation or other entity will be regarded as under the control of another corporation or entity if the latter corporation or entity owns or directly or indirectly controls more than fifty percent (50%) of the voting stock or other ownership interest of the former corporation or other entity, or if the latter corporation or entity possesses, directly or indirectly, the power to direct or cause the direction of the management and policies of the former corporation or other entity or the power to elect or appoint fifty percent (50%) or more of the members of the governing body of the former corporation or other entity.

1.6 "**Agreement**" has the meaning set forth in the Preamble.

1.7 "**Alliance Manager**" has the meaning set forth in Section 2.4.

1.8 "**Antibody**" means (a) any antibody, antibody form (such as a fragment, alternative scaffold, domain antibody and the like), (b) any modified or derivatized version of such antibody or antibody form or (c) the coding sequence of any of the foregoing in clause (a) or (b).

1.9 "**Applicable Law**" means any applicable national, federal, state, local, foreign, international, or multinational law (including data protection and privacy laws), statute, standard, ordinance, code, rule, regulation, resolution, or promulgation, or any order, writ, judgment, injunction, decree, stipulation, ruling, determination, or award entered by or with any governmental authority, or any license, franchise, permit, or similar right granted under any of the foregoing, or any similar provision having the force or effect of law. For the avoidance of doubt, any specific references to any Applicable Law or any portion thereof, shall be deemed to include all then-current amendments thereto or any replacement or successor law, statute,

standard, ordinance, code, rule, regulation, resolution, order, writ, judgment, injunction, decree, stipulation, ruling, or determination thereto.

1.10 "**BLA**" means (a) a Biologics License Application (or, if applicable, New Drug Application (NDA) or 505(b)(2)) submitted and filed with the FDA, and all supplements and amendments that may be submitted with respect to the foregoing or (b) the equivalent application submitted to the applicable Regulatory Agency in a country outside the United States.

1.11 "**Calendar Quarter**" means each successive period of three months ending on March 31, June 30, September 30 and December 31 of each Calendar Year; provided that the first Calendar Quarter under this Agreement will be the period beginning on the Effective Date and ending on the end of the Calendar Quarter in which the Effective Date is encompassed and the last Calendar Quarter of the Term will be the period beginning on March 31, June 30, September 30 or December 31, as applicable, and ending on the effective date of expiration or termination of this Agreement.

1.12 "**Calendar Year**" means each successive period of 12 months commencing on January 1 and ending on December 31; provided that the first Calendar Year under this Agreement will be the period beginning on the Effective Date and ending on the end of the Calendar Year in which the Effective Date is encompassed and the last Calendar Year of the Term will be the period beginning on January 1 and ending on the effective date of expiration or termination of this Agreement.

1.13 "**CDA**" has the meaning set forth in Section 13.9.

1.14 "**Collaboration**" has the meaning set forth in the Introduction.

1.15 "**Collaboration Compound**" means a compound or Antibody which is selected, created, designed or conceived of under a Project Plan by either of the Party's Research Collaboration teams and Directed to a particular Collaboration Target, in each case, solely as discovered during the Research Term.

1.16 "**Collaboration Field**" means all oncology applications and oncology uses.

1.17 "**Collaboration Target**" means a Proposed Collaboration Target that the Parties through the JSC advance to a Compound Discovery Program as a "Collaboration Target" in accordance with Section 3.3.2.

1.18 "**Collaboration Technology**" means the Lilly Collaboration Technology and/or the NextCure Collaboration Technology, as applicable.

1.19 "**Combination Product**" has the meaning set forth in the definition of Net Product Sales.

1.20 "**Commercializing Party**" means (a) NextCure, with respect to Products Directed to a NextCure Target to which NextCure has exercised its Option pursuant to Article 4, and (b)

Lilly, with respect to Products Directed to a Lilly Target to which Lilly has exercised its Option pursuant to Article 4.

1.21 "**Commercially Reasonable Efforts**" means effort, expertise and resources normally used by the Party in the development and/or commercialization of a comparable pharmaceutical product owned by such Party (or to which it has rights) which is of similar market potential at a similar stage of development or commercialization in light of issues of safety and efficacy, product profile, the competitiveness of the marketplace, the proprietary position of the compound, Antibody or product, the regulatory pathway involved for approval, the profitability of the applicable products (including any payments required under this Agreement), product reimbursement, proprietary position, and other relevant strategic and commercial factors normally considered by the Party in making product portfolio decisions. For purposes of clarity, Commercially Reasonable Efforts will be determined on a country-by-country basis within the Territory, and it is anticipated that the level of effort may be different for different countries and may change over time, reflecting changes in the status of the Product and the country(ies) involved.

1.22 "**Compound Discovery**" mean activities for the discovery of a Collaboration Compound, including assay development, protein expression, immunization, Antibody engineering, creation of reagents, screening of Antibodies, and other related activities.

1.23 "**Compound Discovery Plan**" has the meaning set forth in Section 3.4.1.

1.24 "**Compound Discovery Program**" has the meaning set forth in Section 2.1.3.

1.25 "**Confidential Information**" means all Know-How, trade secrets, technical information, specifications, data, formulae, intellectual property, software or other information of a Party that is confidential or Proprietary and is disclosed by such Party to the other Party or otherwise received or accessed by the other Party in the course of performing its obligations or exercising its rights under this Agreement, including:

1.25.1 all communications between the Parties or information of whatever kind whether recorded or not and, if recorded, in whatever medium, relating to or arising out of this Agreement, whether disclosed prior to or after entering into this Agreement;

1.25.2 any information that the Party indicates in writing is information of a confidential nature or which is marked "confidential"; and

1.25.3 all copies and excerpts of the communications, information, notes, reports and documents in whatever form referred to in Section 1.25.1 or 1.25.2 of this definition.

For purposes of the confidentiality obligations set forth herein, (a) Lilly Collaboration Know-How and Lilly Materials shall be deemed Confidential Information of Lilly; (b) NextCure Collaboration Know-How and NextCure Materials shall be deemed Confidential Information of NextCure; (c) all Know-How generated under a Project Plan by an employee, contractor or agent of either Party pursuant to this Agreement with respect to Proposed Collaboration Targets, Collaboration Targets shall be deemed the Confidential Information of both Parties (the "**Joint**

Collaboration Target Confidential Information") (provided, however, that, in the case of the foregoing clause (c), in the event a Party exercises its Option to a Collaboration Target (enabling development of a Collaboration Compound), the other Party shall and hereby does assign, and cause any of its employees, contractors or agents to assign, all of its right, title and interest in and to any such Joint Collaboration Target Confidential Information to the extent relating to such Collaboration Target to the Option-exercising Party, and thereafter such portion of such Joint Collaboration Target Confidential Information shall be deemed the Confidential Information solely owned by the Option-exercising Party (and the Option-exercising Party the disclosing party, and the other Party the receiving party, with respect thereto and regardless of the Party initially disclosing the same)); (d) Confidential Information Controlled by NextCure or any of its Affiliates that is generated under a Project Plan relating solely to one or more Lilly Compounds or Lilly Products or the Exploitation thereof (the "**Lilly Product Information**") shall upon the exercise of the applicable Lilly Option be deemed Confidential Information of Lilly (and Lilly the disclosing party, and NextCure the receiving party, with respect thereto and regardless of the Party initially disclosing the same) and NextCure shall and hereby does assign, and cause any of its employees, contractors or agents to assign, all of its right, title and interest in and to any such Lilly Product Information to Lilly; and (e) subject to the foregoing subclause (d) (i.e., excluding Lilly Product Information), Confidential Information Controlled by Lilly or any of its Affiliates that is generated under a Project Plan relating solely to one or more NextCure Compounds or NextCure Products or the Exploitation thereof (the "**NextCure Product Information**") shall upon the exercise of the applicable NextCure Option be deemed Confidential Information of NextCure (and NextCure the disclosing party, and Lilly the receiving party, with respect thereto and regardless of the Party initially disclosing the same) and Lilly shall and hereby does assign, and cause any of its employees, contractors or agents to assign, all of its right, title and interest in and to any such NextCure Product Information to NextCure.

1.26 "**Control**" means, with respect to any material, information or intellectual property right, that a Party and/or its Affiliates (a) owns such material, information or intellectual property right, or (b) has a license to, right to use, or grant access to such material, information or intellectual property right to a third party, in each case of (a) or (b), without violating the terms of any agreement or other arrangement with a Third Party. "**Controlled**" and "**Controlling**" shall have corresponding meanings. Notwithstanding anything to the contrary in this Agreement, in the event that a Third Party acquires (including by merger or consolidation) a Party or an Affiliate of a Party, or a Party or an Affiliate of a Party transfers to a Third Party all or substantially all of its assets to which this Agreement relates (such Third Party and its Affiliates immediately prior to such acquisition or transfer, collectively, the "**Acquiring Entities**"), then any material, information or intellectual property owned or controlled by any Acquiring Entities shall not be deemed to be Controlled by a Party hereunder.

1.27 "**Courts**" has the meaning set forth in Section 13.7.

1.28 "**Data Package**" has the meaning set forth in Section 4.1.

1.29 "**Directed to**" means, with respect to a compound, Antibody or product that has at least one domain that binds to or interacts with a Collaboration Target, that the primary

mechanism of action of such compound, Antibody or product is to inhibit, activate or otherwise modulate the biological function of such Collaboration Target.

1.30 "**Dispute**" has the meaning set forth in Section 14.1.

1.31 "**Effective Date**" has the meaning set forth in the Preamble.

1.32 "**Eli Lilly and Company Animal Care and Use Requirement for Animal Researchers and Suppliers**" has the meaning set forth in Section 3.6.

1.33 "**Eli Lilly and Company Good Research Practices**" has the meaning set forth in Section 3.6.

1.34 "**EMA**" has the meaning set forth in the definition of Regulatory Agency.

1.35 "**EU**" means the member states of the European Union, or any successor entity thereto performing similar functions.

1.36 "**Excluded Targets**" mean those certain Oncology Targets set forth on Exhibit B that shall be excluded from the Collaboration.

1.37 "**Executive Officers**" has the meaning set forth in Section 14.1.

1.38 "**Exploit**" means to make, have made, import, use, have used, sell, offer for sale and have sold, including to research, develop, commercialize, register, manufacture, have manufactured, hold or keep (whether for disposal or otherwise), import, export, transport, distribute, promote, market or otherwise dispose of. "**Exploitation**" shall have a corresponding meaning.

1.39 "**Extension Period**" has the meaning set forth in the definition of Research Term.

1.40 "**FDA**" has the meaning set forth in the definition of Regulatory Agency.

1.41 "**Field**" means the diagnosis, prevention, control, treatment or amelioration, in humans and other animals, of any and all diseases or conditions.

1.42 "**FIND-IO™ Technology**" means Functional, Integrated, NextCure Discovery in Immuno Oncology, NextCure's proprietary technology platform, which uses a functional screening approach for the identification of novel targets by examining novel molecular interactions that drive functional immune responses in the tumor microenvironment, including any modification, enhancement, improvement and/or successor thereto.

1.43 "**First Commercial Sale**" means, with respect to a Product, the first sale in a country to a Third Party of such Product intended for use by an end-user customer of such Product in such country.

1.44 "**Force Majeure**" has the meaning set forth in Section 13.3.

1.45 "**Generic Competition**" has the meaning set forth in Section 6.7.3(c).

1.46 "**Generic Product**" has the meaning set forth in Section 6.7.3(b).

1.47 "**Good Clinical Practices**" or "**cGCP**" means the then-current Good Clinical Practice standards, practices and procedures for the design, conduct, performance, monitoring, auditing, recording, analyses and reporting of Clinical Trials, including, as applicable, (a) as set forth in the International Conference on Harmonisation of Technical Requirements for Registration of Pharmaceuticals for Human Use ("**ICH**") Harmonised Tripartite Guideline for Good Clinical Practice (CPMP/ICH/135/95), (b) the Declaration of Helsinki (2004) as last amended at the 52nd World Medical Association in October 2000, (c) those promulgated and endorsed by the FDA as set forth in 21 C.F.R. 50, 56 and 312, and (d) comparable regulatory standards, practices and procedures promulgated by any Regulatory Agency in any country in which a Product is intended to be sold, each as may be amended and applicable from time to time.

1.48 "**Good Laboratory Practices**", "**cGLP**" or "**GLP**" means the then-current Good Laboratory Practices standards, practices and procedures for laboratory activities for pharmaceuticals, including, as applicable (a) those promulgated or endorsed by the FDA as set forth in 21 C.F.R. Part 58 (or any successor statute or regulation), including related regulatory requirements imposed by the FDA and (b) comparable regulatory standards, practices and procedures promulgated by any other Regulatory Agency, including the Good Laboratory Practice principles of the Organization for Economic Co-Operation and Development, in any country in which a Product is intended to be sold, each as may be amended and applicable from time to time.

1.49 "**Good Manufacturing Practices**" means the then-current Good Manufacturing Practices standards, practices and procedures for the manufacture, testing, quality assurance and quality control of pharmaceutical products including, as applicable, (a) those promulgated and endorsed by the FDA as set forth in 21 C.F.R. Parts 4, 210, 211, 601, 610 and 820, (b) European Directive 2003/94/EC and Eudralex 4, (c) the principles detailed in the WHO TRS 986 Annex 2, TRS 961 Annex 6 and TRS 957 Annex 2, (d) ICH Q7 guidelines and (e) comparable regulatory standards, practices and procedures promulgated by any other Regulatory Agency in any country in which a Product is intended to be sold, each as may be amended and applicable from time to time.

1.50 "**Good Research Practices**" means the then-current Good Research Practices standards, practices and procedures including, as applicable, (a) the Research Quality Association (RQA), 2014 Quality in Research Guidelines for Working in Non-Regulated Research, (b) the WHO Quality Practices in Basic Biomedical Research Guidelines and (c) comparable regulatory standards, practices and procedures promulgated by any other Regulatory Agency in any country in which a Product is intended to be sold , each as may be amended and applicable from time to time.

1.51 "**Government Official**" has the meaning set forth in Section 11.6.2.

1.52 "**GxP**" means compliance with all relevant Regulatory Agency requirements or guidance for Good Clinical Practices, Good Laboratory Practices, Good Manufacturing Practices and Good Research Practices.

1.53 "**ICH**" has the meaning set forth in the definition of Good Clinical Practices.

1.54 "**Indication**" means, with respect to a particular Product, the use of such Product for treating a separate and distinct disease or medical condition.

1.55 "**Internal Compliance Codes**" has the meaning set forth in Section 11.6.4.

1.56 "**Joint Collaboration Target Confidential Information**" has the meaning set forth in the definition of Confidential Information.

1.57 "**JNDA**" means (a) the single application or set of applications for approval and/or pre-market approval to manufacture and commercialize in Japan a biologic or pharmaceutical or product filed with the MHLW, and any related registrations with or notifications to the MHLW, and (b) all supplements and amendments that may be filed with respect to any of the foregoing.

1.58 "**JPC**" has the meaning set forth in Section 2.6.

1.59 "**JSC**" has the meaning set forth in Section 2.2.

1.60 "**Know-How**" means any and all information, know-how, trade secrets and data, including all technical, scientific, pre-clinical, clinical, regulatory, safety, manufacturing, quality control, marketing, financial and commercial data (including pharmacological, toxicological and other test data and results) and other information, whether communicated in writing or orally or by any other method, including written specifications, biological and other tangible materials, sketches, designs, drawings, schematics, prototypes, methods, protocols, inventions, knowledge, means, processes, practices, formulae, instructions, skills, techniques, procedures, biological and other methodology, expressed ideas and technical assistance regulatory submissions or other intellectual property of any kind, but excluding Patent Rights, which is provided by one Party to the other Party in connection with this Agreement.

1.61 "**Knowledge**" means all such facts, circumstances or other information, of which, (a) with respect to Lilly, [***] and/or (b), with respect to NextCure, [***], are actually aware following reasonable inquiry of personnel of such Party who reasonably would be expected to have knowledge with respect to the subject matter of the relevant representation.

1.62 "**Lilly**" has the meaning set forth in the Preamble.

1.63 **[**[***]

1.64 "**Lilly Collaboration Know-How**" means Know-How Controlled by Lilly and/or its Affiliates (excluding NextCure Collaboration Know-How) that is necessary to Exploit (but

not to manufacture) a Collaboration Target, Collaboration Compound or Product. Notwithstanding the foregoing, Lilly Collaboration Know-How shall expressly exclude [***].

1.65 "**Lilly Collaboration Patent Rights**" means any and all Patent Rights Controlled by Lilly and/or its Affiliate(s) during the Term that either (a) claim Lilly Collaboration Know-How or (b) are necessary to Exploit [***] a Collaboration Target, Collaboration Compound or Product.

1.66 "**Lilly Collaboration Technology**" means the Lilly Collaboration Know-How and the Lilly Collaboration Patent Rights.

1.67 "**Lilly Compounds**" has the meaning set forth in Section 4.2.3.

1.68 "**Lilly Indemnified Parties**" has the meaning set forth in Section 11.2.

1.69 "**Lilly Materials**" means any Antibodies, compounds, assays, reference standards, or other materials that are Proprietary to Lilly, that are transferred to NextCure hereunder for the conduct of the Target Discovery Program, any Target Validation Program or any Compound Discovery Program. Lilly Materials shall not include [***].

1.70 "**Lilly Option**" has the meaning set forth in Section 4.2.1.

1.71 "**Lilly Option Period**" has the meaning set forth in Section 4.2.2.

1.72 "**Lilly Product Information**" has the meaning set forth in the definition of Confidential Information.

1.73 "**Lilly Products**" has the meaning set forth in Section 4.2.3.

1.74 "**Lilly Research Collaboration Technology**" has the meaning set forth in Section 8.3.2.

1.75 "**Lilly Responsibility Patents**" has the meaning set forth in Section 8.5.

1.76 "**Lilly Target**" has the meaning set forth in Section 4.2.1.

1.77 "**Losses**" has the meaning set forth in Section 11.1.

1.78 "**MAA**" means an application for the authorization to market a Product in any particular country or regulatory jurisdiction, as defined in the Applicable Laws and filed with the applicable Regulatory Agency of such country or regulatory jurisdiction.

1.79 "**Major European Markets**" means the United Kingdom, France, Germany, Spain and Italy.

1.80 "**Materials**" means the NextCure Materials and/or the Lilly Materials, as applicable.

1.81 "**Materials Transfer Letter**" has the meaning set forth in Section 3.10.1.

1.82 "**MHLW**" has the meaning set forth in the definition of Regulatory Agency.

1.83 "**Net Product Sales**" means, with respect to a particular Product, the gross amount invoiced by the Commercializing Party (including any Affiliate of the Commercializing Party) or any sublicensee thereof (including any Affiliate of any sublicensee) to unrelated Third Parties, excluding any sublicensee, for such Product in the Territory, less (without duplication or double-counting):

1.83.1 Trade, quantity and cash discounts allowed for such Product;

1.83.2 Discounts, refunds, rebates, chargebacks, retroactive price adjustments, and any other allowances which effectively reduce the net selling price of such Product;

1.83.3 Returns and allowances of such Product;

1.83.4 That portion of the sales value reasonably attributable to drug delivery systems, as mutually agreed by the Parties;

1.83.5 Any tax imposed on the production, sale, delivery or use of such Product, including sales, use, excise or value added taxes, or the annual fee imposed on pharmaceutical manufacturers by the U.S. government;

1.83.6 Wholesaler inventory management fees for such Product, to the extent permitted in accordance with U.S. Generally Accepted Accounting Principles ("**U.S. GAAP**");

1.83.7 Allowance for distribution expenses for such Product, which shall be no greater than seventy-five hundredths percent (0.75%) of the gross amount invoiced by the Commercializing Party (including any Affiliate of the Commercializing Party) or any sublicensee thereof (including any Affiliate of any sublicensee) to unrelated Third Parties, excluding any sublicensee, for such Product; and

1.83.8 Any other similar and customary deductions which are in accordance with U.S. GAAP.

Such amounts and deductions therefrom shall be determined in accordance with U.S. GAAP or, in the case of Affiliates or sublicensees, such similar accounting principles, consistently applied, from the books and records of the Commercializing Party (or Affiliate or sublicensee) maintained in accordance with U.S. GAAP or, in the case of Affiliates or sublicensees, such similar accounting principles, consistently applied, in all cases across such party's product portfolio. Subject to the foregoing sentence, the Commercializing Party further agrees in determining such amounts, it will use the Commercializing Party's then current standard procedures and methodology consistently and strictly applied throughout its product portfolio, including the Commercializing Party's then current standard exchange rate methodology for the translation of foreign currency sales into U.S. Dollars or, in the case of Affiliates or sublicensees, such similar methodology, consistently applied.

In the event that the Product is sold as part of a Combination Product (where "**Combination Product**" means any pharmaceutical product which comprises a Product and any other active compound(s), provided that the licenses and rights granted hereunder shall not include any licenses to any active compound of the applicable licensor other than a Collaboration Compound), the Net Product Sales of the Product, for the purposes of determining royalty payments, shall be determined by multiplying the Net Product Sales of the Combination Product by the fraction, A / (A+B) where A is the weighted average sale price of the Product when sold separately for the same dosage as contained in the Combination Product in finished form, and B is the weighted average sale price of the other active compound(s) sold separately in finished form.

In the event that the weighted average sale price of the Product can be determined but the weighted average sale price of the other product(s) cannot be determined, Net Product Sales for purposes of determining royalty payments shall be calculated by multiplying the Net Product Sales of the Combination Product by the fraction A / C where A is the weighted average sale price of the Product when sold separately in finished form and C is the weighted average sale price of the Combination Product.

In the event that the weighted average sale price of the other product(s) can be determined but the weighted average sale price of the Product cannot be determined, Net Product Sales for purposes of determining royalty payments shall be calculated by multiplying the Net Product Sales of the Combination Product by the following formula: one (1) minus (B / C) where B is the weighted average sale price of the other product(s) when sold separately in finished form and C is the weighted average sale price of the Combination Product.

In the event that the weighted average sale price of both the Product and the other product(s) in the Combination Product cannot be determined, the Net Product Sales of the Product shall be deemed to be equal to fifty percent (50%) of the Net Product Sales of the Combination Product.

Solely for the purposes of determining the price of the Product in the context of a Combination Product, the weighted average sale price for a Product, other product, or Combination Product shall be calculated once each Calendar Year and such price shall be used during all applicable royalty reporting periods for the entire following Calendar Year. When determining the weighted average sale price of a Product, other product or Combination Product, the weighted average sale price shall be calculated by dividing the sales dollars (translated into U.S. dollars) by the units of active ingredient sold during the twelve (12) months (or the number of months sold in a partial Calendar Year) of the preceding Calendar Year for the respective Product, other product or Combination Product. In the initial Calendar Year, a forecasted weighted average sale price will be used for the Product, other product, or Combination Product. Any over or under payment in the initial year due to a difference between forecasted and actual weighted average sale prices will be paid or credited in the first royalty payment of the following Calendar Year.

1.84 "**NextCure**" has the meaning set forth in the Preamble.

1.85 "**NextCure Collaboration Know-How**" means Know-How Controlled by NextCure and/or its Affiliates (excluding Lilly Collaboration Know-How) that is necessary to Exploit a Collaboration Target, Collaboration Compound or Product. Notwithstanding the foregoing, NextCure Collaboration Know-How shall expressly exclude any FIND-IO™ Technology.

1.86 "**NextCure Collaboration Patent Rights**" means any and all Patent Rights Controlled by NextCure and/or its Affiliate(s) during the Term that either (a) claim NextCure Collaboration Know-How or (b) are necessary to Exploit a Collaboration Target, Collaboration Compound or Product, including the Lilly Responsibility Patents set forth on Schedule 8.5.

1.87 "**NextCure Collaboration Technology**" means the NextCure Collaboration Know-How and the NextCure Collaboration Patent Rights.

1.88 "**NextCure Compound**" has the meaning set forth in Section 4.4.3.

1.89 "**NextCure Indemnified Parties**" has the meaning set forth in Section 11.1.

1.90 "**NextCure Materials**" means any compounds, assays or other materials that are Proprietary to NextCure that are disclosed or otherwise made available to Lilly hereunder for the conduct of the Target Discovery Program, any Target Validation Program or any Compound Discovery Program.

1.91 "**NextCure Option**" has the meaning set forth in Section 4.4.1.

1.92 "**NextCure Option Period**" has the meaning set forth in Section 4.4.2.

1.93 "**NextCure Potential Target**" has the meaning set forth in Section 4.4.1.

1.94 "**NextCure Product Information**" has the meaning set forth in the definition of Confidential Information.

1.95 "**NextCure Products**" has the meaning set forth in Section 4.4.3.

1.96 "**NextCure Research Collaboration Technology**" has the meaning set forth in Section 8.3.1.

1.97 "**NextCure Responsibility Patents**" has the meaning set forth in Section 8.5.

1.98 "**NextCure Target**" has the meaning set forth in Section 4.4.1.

1.99 "**New TA Indication**" has the meaning set forth in Section 6.5.2(b).

1.100 "**Non-Publishing Party**" has the meaning set forth in Section 10.5.

1.101 "**Notice**" has the meaning set forth in Section 13.5.

1.102 "**Notices and Consents**" has the meaning set forth in Section 11.3.8.

1.103 "**Oncology Target**" means a protein and any structural or other variant, subunit, fragment or derivative thereof that is identified by or on behalf of NextCure with the NextCure Collaboration Technology, NextCure Materials and/or FIND-IO™ Technology under the Research Collaboration.

1.104 "**Oncology Target List**" has the meaning set forth in Section 3.2.1.

1.105 "**Option**" means a Lilly Option or NextCure Option, as applicable.

1.106 "**Other Action**" has the meaning set forth in Section 9.3.

1.107 "**Parties**" means NextCure and Lilly.

1.108 "**Party**" means NextCure or Lilly.

1.109 "**Party Specific Regulations**" has the meaning set forth in Section 11.6.3.

1.110 "**Patent Rights**" means rights under all patents and patent applications, including provisional and non-provisional applications, and including all reissues, extensions, substitutions, confirmations, re-registrations, re-examinations, re-validations, patents of addition, supplementary protection certificates or the equivalents thereof, continuations, continuations-in-part and divisionals thereof and all foreign counterparts of any of the foregoing.

1.111 "**Person**" means an individual, firm, company, corporation, association, trust, estate, state or agency of a state, government or government department or agency, municipal or local authority and any other entity, whether or not incorporated and whether or not having a separate legal personality.

1.112 "**Phase I Study**" means a human clinical trial of a compound or product, the principal purpose of which is to establish an initial safety profile and to determine the metabolism, pharmacokinetics, pharmacodynamics and pharmacologic actions of the compound or product in humans, the side effects associated with increasing doses and, if possible, to gain early evidence of effectiveness, as more fully defined in 21 C.F.R. § 312.21(a), or its foreign equivalent.

1.113 "**Phase II Study**" means a human clinical trial of at least twelve (12) weeks of a compound or product for an indication, the principal purpose of which is to achieve a statistically significant efficacy signal and expanded safety information for such indication in a target patient population over a range of doses, as more fully defined in 21 C.F.R. § 312.21(b), or its foreign equivalent.

1.114 "**Phase III Study**" means a human clinical trial of a compound or product for an indication on a sufficiently large number of subjects that is designed to establish that the compound or product is efficacious at a statistically significant level and safe for its intended use, and to determine warnings, precautions, and adverse reactions that are associated with the compound or product in the dosage range prescribed, and to support or to meet the requirements

for Regulatory Approval of the compound or product for such indication, as more fully defined in 21 C.F.R. § 312.21(c), or its foreign equivalent.

1.115 "**Pre-Existing Targets**" has the meaning set forth in Section 3.2.1.

1.116 "**Product**" means, collectively or individually, as applicable, any pharmaceutical or biological product incorporating a Collaboration Compound.

1.117 "**Project Plan**" means individually or collectively as the context requires, the Target Discovery Plan, Target Validation Plan and/or the Compound Discovery Plan.

1.118 "**Proprietary**" means Controlled by a particular Person and not available to the public for general use.

1.119 "**Proposed Collaboration Target**" has the meaning set forth in Section 3.2.2.

1.120 "**Publishing Party**" has the meaning set forth in Section 10.5.

1.121 "**Reasonable Efforts Period**" has the meaning set forth in Section 5.4.3.

1.122 "**Receiving Party**" has the meaning set forth in Section 3.10.1.

1.123 "**Regulatory Agency**" means any national or supranational governmental authority, including the UK Medicines and Healthcare products Regulatory Agency in the United Kingdom (and any successor entity thereto), the U.S. Food and Drug Administration (and any successor entity thereto) (the "**FDA**") in the U.S., the European Medicines Agency (and any successor entity thereto) (the "**EMA**") the in EU and the Ministry of Health, Labour and Welfare of Japan, or the Pharmaceuticals and Medical Devices Agency of Japan (or any successor to either of them) as the case may be (the "**MHLW**") in Japan, or any health regulatory authority in any country or region in the Territory that is a counterpart to the foregoing agencies, in each case, that holds responsibility for development and commercialization of, and the granting of Regulatory Approval for, a biological or pharmaceutical product, as applicable, in such country or region.

1.124 "**Regulatory Approval**" means any and all approvals (including supplements, amendments, pre- and post-approvals, pricing and reimbursement approvals), licenses, registrations or authorizations (including marketing and labeling authorizations) of any national, supra-national (e.g., the European Commission or the Council of the EU), regional, state or local Regulatory Agency, department, bureau, commission, council or other governmental entity, that are necessary for the manufacture, distribution, use or sale of a Product in a given jurisdiction.

1.125 "**Research Collaboration**" has the meaning set forth in the definition of Research Term.

1.126 "**Research Collaboration Inventions**" means any and all inventions, ideas and/or discoveries, whether or not patentable, (a) discovered, made, conceived and/or reduced to practice under or arising out of a Project Plan during the Research Term, and (b) by one or more

employee(s), contractor(s) or agent(s) of a Party or its Affiliate (whether working individually or jointly with the other Party and/or any Third Party).

1.127 "**Research Collaboration Know-How**" means all Know-How covering the subject matter of a Research Collaboration Invention.

1.128 "**Research Collaboration Patent Rights**" means all Patent Rights claiming the subject matter of a Research Collaboration Invention.

1.129 "**Research Collaboration Technology**" has the meaning set forth in Section 8.3.

1.130 "**Research Term**" means the period beginning on the Effective Date and continuing until the fourth (4^{th}) anniversary of the Effective Date, unless, on a Collaboration Target-by-Collaboration Target basis, extended by Lilly for up to twelve (12) months to conduct GLP toxicity studies for such Collaboration Target (each, an "**Extension Period**"), [***]. The research performed during the Collaboration (the "**Research Collaboration**") shall take place only during the Research Term.

1.131 "**Results**" means results, data (including raw data and summaries thereof), conclusions and findings generated or obtained by or on behalf of a Party (or the Parties jointly) pursuant to a Project Plan and in the performance of activities under the Collaboration.

1.132 "[*******]" has the meaning set forth in Section [***].

1.133 "[*******]" has the meaning set forth in Section [***].

1.134 "**Royalty Term**" has the meaning set forth in Section 6.7.1.

1.135 "**Supplying Party**" has the meaning set forth in Section 3.10.1.

1.136 "**Target Discovery Plan**" has the meaning set forth in Section 3.2.1.

1.137 "**Target Discovery Program**" has the meaning set forth in Section 2.1.1.

1.138 "**Target Validation Plan**" has the meaning set forth in Section 3.3.1.

1.139 "**Target Validation Program**" has the meaning set forth in Section 2.1.2.

1.140 "**Term**" has the meaning set forth in Section 12.1.

1.141 "**Territory**" means worldwide.

1.142 "**Third Party**" means any Person, other than NextCure or Lilly and their respective Affiliates.

1.143 "**Third Party Claim**" has the meaning set forth in Section 11.1.

1.144 "**U.S. GAAP**" has the meaning set forth in the definition of Net Product Sales.

1.145 "**Valid Claim**" means a claim of an issued and unexpired patent within the Research Collaboration Patent Rights, Lilly Collaboration Patent Rights or NextCure Collaboration Patent Rights, as applicable, that covers the composition of matter for a particular Product, and which has not been held permanently revoked, unenforceable or invalid by a decision of a court or other governmental agency of competent jurisdiction, unappealable or unappealed within the time allowed for appeal, and which has not been found or admitted to be invalid or unenforceable through re-examination, reissue or disclaimer or otherwise.

1.146 "[*******]" has the meaning set forth in Section 4.5.

1.147 "**Yale Agreement**" has the meaning set forth in Section 6.8.

ARTICLE 2
OVERVIEW AND GOVERNANCE

2.1 Overview of Research Collaboration. The Parties intend and have agreed to undertake a research collaboration under this Agreement consisting of the following components:

2.1.1 a collaborative program pursuant to which NextCure shall provide Lilly with Oncology Targets for the Collaboration Field in accordance with Section 3.1 (the "**Target Discovery Program**");

2.1.2 with respect to each Proposed Collaboration Target selected in accordance with Section 3.2.2, a collaborative research program to validate such Proposed Collaboration Target for the Collaboration Field to be conducted by the Parties in accordance with Section 3.3 (each, a "**Target Validation Program**"); and

2.1.3 with respect to each Collaboration Target selected for the Collaboration Field in accordance with Section 3.3.2, a program for Compound Discovery to identify, research or discover Collaboration Compounds for pre-clinical development, to be conducted by the Parties in accordance with Section 3.4 (each, a "**Compound Discovery Program**").

2.2 Formation and Composition of the JSC. The Parties will establish a joint steering committee (the "**JSC**"), consisting of six (6) members total, with three (3) named representatives of each of Lilly and NextCure, within thirty (30) days after the Effective Date. Within thirty (30) days after the Effective Date, each Party will provide the other Party in writing with the name, title, e-mail address, and telephone number of their initial JSC members. The JSC will meet as frequently as both Parties agree is appropriate, but not less than once per Calendar Quarter and more often, as necessary. Such meetings will be at such times as are agreed to by NextCure and Lilly, and will alternate between the offices of the Parties unless the Parties otherwise agree, or will be in such other form (e.g., telephone conference call, internet meetings or videoconference) as the members of the JSC may agree. Each Party will be responsible for all costs incurred by it relating to such meetings. Each Party's respective Alliance Managers shall be permitted to attend such meetings. Each Party may, in its sole and absolute discretion, appoint a replacement for its representative to the JSC.

Such Party shall provide prompt Notice in writing of such replacement to the other Party. Members of the JSC may be represented at any meeting by a deputy.

2.3 JSC Functions and Powers. The JSC will be responsible for the overall oversight of the Target Discovery Program, Target Validation Programs and Compound Discovery Programs. The principal functions of the JSC will include:

2.3.1 overseeing and monitoring the progress, results and the decision to advance Oncology Targets into the next stage of development under the Target Discovery Program, Target Validation Programs and Compound Discovery Programs, as applicable, including (a) reviewing and approving the Project Plans, annual updates thereto and any modifications thereto as may be requested by a Party from time to time, (b) overseeing, reviewing and coordinating the conduct of activities under the Project Plans and (c) tracking the activities against the applicable Project Plan;

2.3.2 determining if a Target Validation Program and/or Compound Discovery Program should be terminated for futility;

2.3.3 establishing or disbanding subcommittees and/or working groups as necessary;

2.3.4 fostering the collaborative relationship between the Parties;

2.3.5 resolving disputes between the Parties;

2.3.6 initial disclosure and/or delivery of information and technical information relating to the Oncology Targets, including identification and selection thereof, and Collaboration Targets from one Party to the other;

2.3.7 coordinating any research activities conducted by NextCure with those conducted by Lilly;

2.3.8 upon exercise of an Option, helping facilitate the transfer of materials and information to the Option-exercising Party in accordance with the applicable Project Plan to the extent necessary to develop and commercialize the Lilly Product or NextCure Product, as applicable; and

2.3.9 such other functions as agreed by the Parties.

2.4 Alliance Managers. Each Party will appoint an individual designated as the alliance manager (each, an "**Alliance Manager**") within thirty (30) days of the Effective Date. Each Party may change its Alliance Manager by written Notice to the other Party. The Alliance Managers will be the main point of contact for each Party to exchange information, facilitate communication and coordinate the Parties' activities under this Agreement relating to each Oncology Target and Collaboration Target and to provide support to the JSC and any subcommittees. Upon advance Notice to the other Party, either Party may permit additional employees and consultants to attend and participate (on a non-voting basis) in the JSC meetings,

subject to the confidentiality and other provisions of this Agreement, unless the other Party reasonably objects. The Alliance Managers shall not have any decision-making authority and shall have no power to amend, modify or waive compliance with this Agreement or any Project Plan.

2.5 Subcommittees. The JSC may establish and disband such subcommittees as deemed necessary by the JSC. Each such subcommittee shall consist of the same number of representatives designated by each Party, which number shall be mutually agreed by the Parties. Each Party shall be free to change its representatives upon Notice to the other or to send a substitute representative to any subcommittee meeting; provided that each Party shall ensure that, at all times during the existence of any subcommittee, its representatives on such subcommittee are appropriate in terms of expertise and seniority for the then-current stage of research or development of the Collaboration Target and/or Collaboration Compound and have the authority to bind such Party with respect to matters within the purview of the relevant subcommittee. Each Party's representatives and any substitute for a representative shall be bound by the obligations of confidentiality set forth in Article 10. Except as expressly provided in this Agreement, no subcommittee shall have the authority to bind the Parties hereunder and each subcommittee shall report to, and have any disputes in such committee resolved by, the JSC.

2.6 Formation of JPC; JPC Functions and Powers. The Parties will establish a joint patent subcommittee (the "**JPC**"), consisting of two (2) subject matter experts from each Party or such other number as the JSC may agree upon (with an equal number of experts from each of Lilly and NextCure), within thirty (30) days after the Effective Date. The JPC will be responsible for the coordination of the Parties' efforts in respect of managing the preparation, filing, prosecution, maintenance, enforcement and defense of Lilly Collaboration Patent Rights and NextCure Collaboration Patent Rights in accordance with the provisions set forth in Articles 8 and 9; provided that disputes at the JPC with respect to Patent Rights strategy with respect to Articles 8 and 9 shall be resolved in accordance with Articles 8 and 9 and shall not be escalated to the JSC. The principal functions of the JPC will include:

2.6.1 collaborating on mutually beneficial strategies with respect to the prosecution, validity and defense obligations of the Parties under Articles 8 and 9; and

2.6.2 resolving disputes between the Parties in respect of such Patent Rights strategy.

2.7 Committee Decisions.

2.7.1 In conducting its activities, the JSC and each subcommittee shall operate and make decisions consistent with the terms of this Agreement. Decisions of the JSC and each subcommittee shall be made by consensus. Deadlocks arising in any subcommittee will be referred to the JSC for resolution. Deadlocks in the JSC will be referred to the Chief Executive Officer of NextCure and the Chief Scientific Officer and President of Lilly Research Labs of Lilly for final resolution, or such executives' respective designees having sufficient experience and authority to resolve such matter, and if no agreement is reached by such executives (or their respective designees, as applicable) within ten (10) business days of such deadlock being

referred, then such deadlock shall be resolved [***] retains the right to determine which Oncology Targets to advance to Target Validation Programs as Proposed Collaboration Targets and which Proposed Collaboration Targets to advance to a Compound Discovery Program as Collaboration Targets.

2.7.2 The JSC shall not have authority to amend, modify or waive compliance with the terms and conditions of this Agreement, or to interpret, alter, increase, expand, or waive a Party's rights or obligations under this Agreement. Notwithstanding anything contained in this Agreement to the contrary, it is expressly understood and agreed that in no event shall the JSC or either Party have any authority or right to (a) increase a budget set forth in a Project Plan, unless such Party is the casting vote and such Party is solely responsible for the increase in such budget, (b) increase the total required resources that a Party is required to commit to the Collaboration, (c) require the other Party to use other than Commercially Reasonable Efforts to perform obligations under the Project Plans, (d) require the other Party to perform any activities for which it is not responsible under this Agreement, (e) resolve any dispute as to what level of effort constitutes Commercially Reasonable Efforts or (f) require the other Party to take any action that would, or fail to take any action where the failure to take such action would, violate any Applicable Law or any agreement with any Third Party or infringe the intellectual property rights of any Third Party, in each case ((a) through (f)), without the prior written consent of the Party. For purposes of clarity, a Party's written consent as referenced above shall have been deemed to have been provided in the event such Party's members of the JSC approve or consent in writing to a commitment upon such Party's behalf through the JSC process as described in this Article 2. For the avoidance of doubt, subject to Section 2.7.1, [***] shall have the final decision-making authority as to which Proposed Collaboration Targets shall be selected to be validated as Collaboration Targets pursuant to Section 3.3 and to which Proposed Collaboration Targets shall be advanced to a Compound Discovery Program as Collaboration Targets.

2.8 Co-Chairs. The JSC and each subcommittee shall have co-chairpersons. NextCure and Lilly shall each select a co-chairperson for the JSC and each subcommittee, and each Party may change its designated co-chairperson from time to time upon written Notice to the other Party. The co-chairpersons of the JSC and each subcommittee, with assistance and guidance from the Alliance Managers, shall be responsible for calling meetings, preparing and circulating an agenda in advance of each meeting of the JSC and each subcommittee; provided that the JSC and each subcommittee co-chairpersons shall call a meeting of the JSC or applicable subcommittee promptly upon the written request of either co-chairperson to convene such a meeting.

2.9 Minutes and Reports. The Alliance Managers will be responsible for keeping accurate minutes of the JSC and subcommittee deliberations that record all proposed decisions and all actions recommended or taken, and will provide such minutes to the JSC. Within ten (10) business days of each meeting, the Alliance Managers will provide the Parties with draft minutes of such meeting. Minutes will be deemed approved unless either Party's representative objects to the accuracy of such minutes or accompanying report by providing Notice to the other Party's representative within ten (10) business days of receipt of such minutes and report. In the event that any such objection is not resolved by the JSC or applicable subcommittee, such minutes and accompanying report will be amended to reflect such unresolved dispute. Subject to the terms

and conditions of this Agreement, all records of the JSC and each subcommittee will be considered Confidential Information of, and be available to, both Parties.

2.10 Information and Results. Except as otherwise provided in this Agreement, the Parties will make available and disclose to one another all material Results generated pursuant to the Target Discovery Program, a Target Validation Program or a Compound Discovery Program prior to and in preparation for the JSC or applicable subcommittee meetings, by the deadline and in the form and format to be designated by the JSC or applicable subcommittee.

2.11 Dissolution of the Committees and Subcommittees. Upon the conclusion of the Research Term, unless the Parties conclude and mutually agree in writing that continuing cooperation with respect to development activities merits retention of the JSC and subcommittee structure, the JSC and all subcommittees will be dissolved; provided, however, that, notwithstanding the foregoing, the JPC shall continue until the expiration or termination of this Agreement unless the Parties otherwise mutually agree in writing.

ARTICLE 3
RESEARCH COLLABORATION — TARGET DISCOVERY, TARGET VALIDATION AND COMPOUND DISCOVERY PROGRAMS

3.1 Purpose and Term. The Parties have agreed to engage in the Research Collaboration on the terms and conditions set forth in this Agreement and as directed by the JSC and in accordance with the Project Plans. The activities to be undertaken in the course of the Research Collaboration are set forth in the applicable Project Plan, which may be amended from time to time upon mutual written agreement by authorized representative(s) of the Parties acting through the JSC. The activities to be undertaken in the course of the Research Collaboration shall be reported to the JSC, at each meeting of the same and each Party shall otherwise provide updates from time-to-time at reasonable intervals between such meetings as the other Party may reasonably request. Each Party shall consider in good faith all inputs from the other Party, including from such Party's members on the JSC, with respect to such activities. The Research Collaboration will be undertaken and performed solely during the Research Term.

3.2 Target Discovery Program.

3.2.1 Target Discovery Plan. During the Research Term, NextCure shall use Commercially Reasonable Efforts to conduct a Target Discovery Program which is intended to result in NextCure providing to Lilly Oncology Targets in accordance with a written plan agreed to by the Parties and approved by the JSC (the "**Target Discovery Plan**"). The Target Discovery Plan shall include (a) objectives of the activities to be performed by each Party, (b) success criteria, (c) projected timelines, (d) key employees, (e) responsibilities of each Party, (f) expected resource allocation, (g) the budget for the Target Discovery Program and (h) the parameters and contents required for a Data Package. The initial Target Discovery Plan is attached hereto as Schedule 3.2.1. Any Oncology Targets identified during the Target Discovery Program shall be documented in a list so that the Parties may track, through the JSC, which Oncology Targets are actively being pursued by the Parties or have been determined by the JSC to be abandoned (the "**Oncology Target List**"). During the Research Term, either Party may propose amendments to the Target Discovery Plan in writing to the JSC, which shall become

effective upon approval by the JSC in accordance with Section 2.6. Each Party shall be responsible for its own Target Discovery Program costs. Lilly acknowledges that certain Oncology Targets identified by NextCure prior to the Effective Date are being provided to Lilly under this Agreement as Oncology Targets (such Oncology Targets, the "**Pre-Existing Targets**", as set forth on Exhibit A). The Pre-Existing Targets may therefore be considered Proposed Collaboration Targets subject to the terms and conditions of this Agreement. Notwithstanding anything to the contrary herein, the Excluded Targets shall be excluded from the Collaboration as Oncology Targets, unless otherwise agreed by NextCure.

3.2.2 Proposed Collaboration Targets. During the Research Term, the Parties shall discuss and Lilly shall select Oncology Targets, subject to criteria developed by the JSC to identify and prioritize Oncology Targets, to advance to Target Validation Programs to be conducted in accordance with Section 3.3 (each such selected Oncology Target, a "**Proposed Collaboration Target**"). For clarity, Oncology Targets may be advanced to Target Validation Programs by Lilly after discussion at the JSC at any time during the Research Term.

3.3 Target Validation Programs.

3.3.1 Target Validation Plan. With respect to each Proposed Collaboration Target, the Parties shall use Commercially Reasonable Efforts to conduct, themselves or through their Affiliates, a Target Validation Program in the Collaboration Field, in accordance with a written plan approved by the JSC (each, a "**Target Validation Plan**"). Except as otherwise mutually agreed by the Parties, each Target Validation Plan shall contain the activities to be performed by the Parties as determined by the JSC and the parameters and contents required for a Data Package. The Parties, through the JSC shall prepare the initial draft of each Target Validation Plan. Subject to Section 2.7.2, [***] shall be responsible for all costs incurred by [***] in performing such [***] activities under each Target Validation Program. For clarity, any Target Validation Program that is initiated during the Research Term shall continue to be subject to the requirements of this Agreement notwithstanding the expiration of the Research Term.

3.3.2 Selection of Compound Discovery Targets. Following the completion of a given Target Validation Plan, either Party may propose to the JSC that the applicable Proposed Collaboration Target advance to a Compound Discovery Program as a Collaboration Target. Following any such proposal, the JSC shall meet and review the applicable Results to discuss whether the Proposed Collaboration Target will be included as a Collaboration Target in a Compound Discovery Program to be conducted in accordance with Section 3.4. If, upon discussion at the JSC, Lilly does not approve a given Proposed Collaboration Target, proposed by a Party in accordance with this Section 3.3.2, then [***] shall have the freedom to Exploit such Proposed Collaboration Target. For clarity, any Proposed Collaboration Target that Lilly determines shall not advance to a Compound Discovery Program as a Collaboration Target shall no longer be subject to this Agreement. Notwithstanding the foregoing, Lilly may approve advancing a given Proposed Collaboration Target to a Compound Discovery Program as a Collaboration Target regardless of whether the applicable Target Validation Program for such Proposed Collaboration Target has been completed.

3.4 Compound Discovery Programs.

3.4.1 Compound Discovery Plans.

(a) With respect to each Proposed Collaboration Target that is approved by Lilly to be validated and advanced as a Collaboration Target, each Party shall use Commercially Reasonable Efforts to conduct Compound Discovery to identify, research or discover Collaboration Compounds Directed to such Collaboration Target, in accordance with a written plan jointly developed and prepared by the Parties in good faith and approved by the JSC, subject to Section 2.7.2 (each, a "**Compound Discovery Plan**"), which plan will include (i) the activities to be performed by each Party for the generation and optimization of any Collaboration Compounds Directed to the applicable Collaboration Target, (ii) the target compound profile, (iii) the reagents, materials and assay required to generate any such Collaboration Compounds; (iv) criteria for the identification of any such Collaboration Compounds, (v) criteria for the identification and selection of a lead Collaboration Compound, (vi) GLP toxicity study plans and protocols; (vii) objectives of the activities to be performed by each Party, (viii) success criteria, (ix) projected timelines, (x) key employees, (xi) responsibilities of each Party, (xii) expected resource allocation, (xiii) the budget for the Compound Discovery Program and (xiv) the parameters and contents required for a Data Package. Unless mutually agreed between the Parties, Lilly shall be responsible for generating Collaboration Compounds under a Compound Discovery Plan.

(b) For each Collaboration Target, the Parties will present a Compound Discovery Plan to the JSC for such Collaboration Target within [***] days after the selection of such Collaboration Target under Section 3.3.2, or such other period of time as otherwise agreed by the Parties. Following approval of a Compound Discovery Plan by the JSC, each Party shall promptly begin to conduct Compound Discovery activities under such Compound Discovery Plan, but, unless otherwise agreed upon by the Parties, in no event later than [***] days following such approval. Subject to Section 2.7.2, [***] shall be responsible for [***] costs incurred in performing each Compound Discovery Program.

3.5 Result Reporting. Each Party shall keep the other Party apprised at each quarterly JSC meeting of all Results [***] generated by such Party from its activities performed under the Target Discovery Program, Target Validation Program or Compound Discovery Program, to the extent applicable, including preparing quarterly written reports to summarize the work performed by a Party, setting forth, among other things, any material results and material raw data therefor. Each Party shall maintain customary written (or electronic) records for the work performed by such Party under the Collaboration. Upon the completion of particular activities under any Project Plan, the Parties shall jointly prepare a written report to summarize the work performed and the results and findings from the applicable activities.

3.6 Certain Standards Applicable to NextCure Work. All research done by NextCure for non-regulated work under this Agreement will be conducted in accordance with the applicable Project Plan, Eli Lilly and Company Good Research Practices, Eli Lilly and Company Animal Care and Use Requirement for Animal Researchers and Suppliers, all applicable data privacy and security laws and regulations and other Applicable Law. For purposes of this Agreement, "**Eli Lilly and Company Good Research Practices**" means the compiled set of shared research quality standards defining how Lilly's research laboratories conduct good

science for non-regulated work as set forth in Schedule 3.6 Part A. For purposes of this Agreement, "**Eli Lilly and Company Animal Care and Use Requirement for Animal Researchers and Suppliers**" means the guidelines relating to animal care and use for research done on behalf of Lilly as set forth in Schedule 3.6 Part B. If Lilly requests, NextCure will complete a self-assessment examination form based on such quality standards; provided that (a) Lilly may not request such self-assessment more than [***] and (b) such self-assessment shall only cover the activities of NextCure under the Project Plans. If it has not done so prior to the Effective Date, a duly authorized representative of Lilly may make [***] visit to NextCure for the purpose of conducting a quality assessment and/or quality audit for non-regulated work. Lilly may conduct compliance audits of NextCure during business hours no more than [***], except in the case of audits for cause (i.e., a reasonable belief that NextCure has materially violated GxPs, Eli Lilly and Company Good Research Practices or Eli Lilly and Company Animal Care and Use Requirement for Animal Researchers and Suppliers), to ensure compliance with applicable GxPs, Eli Lilly and Company Good Research Practices and Eli Lilly and Company Animal Care and Use Requirement for Animal Researchers and Suppliers, provided Lilly has requested such audit with written Notice of at least [***] business days and such audit is conducted for no more than [***] business days. Lilly shall not unreasonably interfere with NextCure's business and will cooperate with NextCure as may be reasonably appropriate for the protection of Confidential Information of NextCure.

3.7 Subcontracts. Subject to the terms and conditions of this Agreement, the Parties may subcontract to Affiliates and Third Parties portions of the applicable Project Plan to be performed, including contract research organizations; provided, however, such Party shall be required to (a) provide reasonable advance Notice thereof to the other Party thereof and (b) enter into appropriate agreements with respect to non-disclosure of Confidential Information and ownership of any intellectual property developed in the course of subcontracted activities, unless such subcontracting would not require the transfer of the other Party's Confidential Information to the Affiliate or Third Party subcontractor and there is no reasonable possibility of the creation of new intellectual property. The Parties will also enter into quality agreements with such Affiliates and Third Parties as required. Each Party shall remain liable to the other Party for any act or omission of its subcontractor as if such act or omission was the act or omission of such Party.

3.8 Performance; Funding. Each Party shall use its respective Commercially Reasonable Efforts to perform the activities allocated to it pursuant to the applicable Project Plan in accordance with the terms of this Agreement. Lilly will perform, at its own cost and expense, any activities for which it is responsible under the applicable Project Plan. Without limiting the foregoing, the activities and timelines set forth in each Project Plan shall be consistent with Commercially Reasonable Efforts applied to other projects in either Party's respective pipelines. NextCure will perform, [***] (which shall include the research and development payments made by Lilly hereunder in accordance with Section 6.3), any activities for which it is responsible under the applicable Project Plan. Subject to the foregoing and the terms and conditions of this Agreement (including compliance with the applicable Project Plan), each Party (and not the JSC) shall be responsible for managing its own research efforts within the scope of the activities allocated to it pursuant to the applicable Project Plan and making decisions with respect to its day-to-day conduct in support of such research efforts.

3.9 Governance by JSC. The JSC shall have general oversight of the Research Collaboration, and such other powers expressly set forth and in accordance with Section 2.3, but shall not have any power to amend, modify, or waive compliance with this Agreement.

3.10 Provision of, Use and Return of Materials.

3.10.1 Provision of Materials. Each Party shall provide the other Party with such providing Party's Materials (the "**Supplying Party**"), in the quantities, and on the timing, specified in the applicable Project Plan. Any NextCure Materials provided to Lilly or Lilly Materials provided to NextCure shall be accompanied by a materials transfer letter substantially in the form of Schedule 3.10.1 (a "**Materials Transfer Letter**"). Each such Materials Transfer Letter shall be signed by a representative of NextCure and Lilly. EACH PARTY ACKNOWLEDGES THAT THE NEXTCURE MATERIALS AND THE LILLY MATERIALS ARE BEING SUPPLIED WITH NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, OR THAT THE USE OF THE MATERIALS WILL NOT INFRINGE ANY PATENT OR PROPRIETARY RIGHTS OF ANY THIRD PARTY. THE PARTY RECEIVING THE MATERIALS (THE "**RECEIVING PARTY**") ACKNOWLEDGES AND ACCEPTS THAT THE MATERIAL IS EXPERIMENTAL IN NATURE, MAY HAVE UNKNOWN CHARACTERISTICS, MAY CARRY INFECTIOUS AGENTS, OR MAY BE OTHERWISE HAZARDOUS. THE RECEIVING PARTY AGREES TO USE CAUTION AND PRUDENCE IN THE HANDLING, STORAGE, TRANSPORTATION, CONTAINMENT AND USE OF THE MATERIAL.

3.10.2 Use and Return of NextCure Materials. With respect to each Oncology Target, Lilly and its Affiliates shall only use the NextCure Materials (a) as is necessary to conduct a Target Validation Program and/or Compound Discovery Program during the Research Term, (b) for use in assessing whether to advance a Proposed Collaboration Target or to exercise a Lilly Option for the applicable Collaboration Target during the Research Term or (c) pursuant to the license granted under Section 7.1 while such license is in effect. Lilly and its Affiliates shall not use NextCure Materials for any other purposes. NextCure retains right, title and interest in and to the NextCure Materials. During the Research Term, such NextCure Materials provided by NextCure shall not be used in humans or for any commercial purposes. If an Oncology Target is not advanced to a Collaboration Target or Lilly does not exercise a Lilly Option with respect to a given Collaboration Target, Lilly shall return to NextCure any unused NextCure Materials with respect to such Oncology Target or Collaboration Target, as applicable.

3.10.3 Use and Return of Lilly Materials. With respect to each Oncology Target, NextCure and its Affiliates shall only use the Lilly Materials (a) as is necessary to conduct a Target Validation Program and/or Compound Discovery Program during the Research Term, (b) for use in assessing whether to exercise a NextCure Option for the applicable Collaboration Target during the Research Term, (c) pursuant to the license granted under Section 7.2 while such license is in effect or (d) upon exercise of a NextCure Option, solely to the extent necessary to determine the comparability of the NextCure Products and NextCure Compounds to the Lilly Materials. NextCure and its Affiliates shall not use Lilly Materials for any other purposes. During the Research Term, such Lilly Materials provided by

Lilly shall not be used in humans or for any commercial purposes. Lilly retains right, title and interest in and to the Lilly Materials, including all quantities of Antibodies that it provides under any Target Validation Program and/or Compound Discovery Program. Within [***] days after the end of the Research Term for such Oncology Target, NextCure shall return to Lilly any remaining Lilly Materials.

ARTICLE 4
OPTION RIGHTS

4.1 Data Package. At a Party's request during the Research Term, but in any event within [***], the other Party shall provide a data package to the requesting Party, which data package will include, to the extent available and in the Control of the other Party: all in-vitro, preclinical and toxicology data and analyses (including electronic or other reasonable access to all raw data) for such Collaboration Target and any Collaboration Compounds Directed to such Collaboration Target, to the fullest extent reasonably possible so as to assist and enable the requesting Party to make its decision on whether to exercise the Lilly Option or NextCure Option, as applicable, with respect thereto (the "**Data Package**"); provided that the parameters and contents required for any such Data Package shall be identified and included in each applicable Project Plan; provided, further, that, notwithstanding the foregoing, any such Data Package shall only include the data generated until the date of provision of such Data Package to the applicable Party. The Parties may modify the required contents of the Data Package, if mutually agreed. NextCure shall, during the Lilly Option Period for such Collaboration Target, as requested by Lilly, meet with Lilly to discuss such Data Package and any questions Lilly may have with respect thereto, including providing Lilly with such additional information to assist with interpretation of the Data Package as Lilly may reasonably request. Lilly shall, during the NextCure Option Period for such Collaboration Target, as requested by NextCure, meet with NextCure to discuss such Data Package and any questions NextCure may have with respect thereto, including providing NextCure with such additional information to assist with interpretation of the Data Package as NextCure may reasonably request.

4.2 Lilly Option.

4.2.1 Lilly Option. NextCure hereby grants to Lilly the exclusive right, exercisable at Lilly's sole discretion in accordance with Section 4.2.2, to elect to obtain the licenses set forth in Sections 7.1.2 with respect to all Collaboration Compounds and Products Directed to a Collaboration Target that is the subject of an applicable Compound Discovery Plan, (each such right to elect, a "**Lilly Option**" as to the applicable Collaboration Target); provided that Lilly shall only be entitled to exercise its option to [***] Collaboration Targets. Upon exercise of a Lilly Option, the elected Collaboration Target shall be deemed a "**Lilly Target**" hereunder.

4.2.2 Lilly Option Period. Lilly may exercise a Lilly Option by delivery to NextCure of written Notice of exercise, at any time prior to the later of (a) [***] or (b) [***] following the end of any Extension Period, if applicable, under the terms and conditions set forth in this Section 4.2; provided, however, that, notwithstanding the foregoing, Lilly shall have the right to exercise a Lilly Option and the Lilly Option Period shall not expire if Lilly has not

received a Data Package from NextCure with respect to a given Collaboration Target pursuant to Section 4.1, and, in the event that Lilly does not receive such a Data Package within the [***] day-period as set forth in Section 4.1, Lilly shall have [***] days from receipt of such Data Package to exercise its Lilly Option. The period during which the Lilly Option must be exercised, as set forth herein, shall be referred to in this Agreement as the "**Lilly Option Period**"; provided that the Lilly Option Period shall be tolled while Lilly is waiting for the Data Package and any additional information requested under Section 4.1.

4.2.3 Lilly Compounds and Lilly Products. Upon exercise of a Lilly Option, any Collaboration Compounds and Products Directed to the applicable Collaboration Target for such Lilly Option shall be deemed "**Lilly Compounds**" and "**Lilly Products**", respectively, hereunder.

4.3 No Encumbrances. Prior to the expiration of the Lilly Option Period for a given Collaboration Target, NextCure will not (without the prior written consent of Lilly) offer to, enter into negotiations with, or grant to any Third Party any right, license or other encumbrance of any kind with respect to such Collaboration Target or any Collaboration Compound or Product Directed to such Collaboration Target (or any related intellectual property of NextCure or any of its Affiliates with respect thereto).

4.4 NextCure Option.

4.4.1 NextCure Option. Lilly hereby grants to NextCure the exclusive right, exercisable at NextCure's sole discretion in accordance with Section 4.4.2, to elect to obtain the license set forth in Section 7.2.2 with respect to [***] that are Directed to the NextCure Potential Target that is the subject of an applicable Compound Discovery Plan, (each such right to elect, a "**NextCure Option**" as to the applicable NextCure Potential Target); provided that in any event NextCure shall only be entitled to obtain a total of [***] licenses under the Collaboration. Upon exercise of a NextCure Option, the elected Collaboration Target shall be deemed a "**NextCure Target**" hereunder. As used in this Agreement, "**NextCure Potential Target**" means a given Collaboration Target (a) with respect to which (i) Lilly has indicated in writing to NextCure that Lilly will not exercise its Lilly Option for such Collaboration Target or (ii) the Lilly Option Period has expired, or (b) following Lilly's exercise of all [***] Lilly Options.

4.4.2 NextCure Option Period. NextCure may exercise a NextCure Option by delivery to Lilly of written Notice of exercise, not later than (a) one (1) month following Lilly's decision to pass on a Lilly Option or the expiration of a Lilly Option with respect to a given Collaboration Target in accordance with Section 4.2.2, if any, or (b) if Lilly has exercised all [***] Lilly Options, the later of (i) [***] or (ii) [***] following the end of any Extension Period; provided, however, that, notwithstanding the foregoing, NextCure shall have the right to exercise a NextCure Option and the NextCure Option Period shall not expire if NextCure has not received a Data Package from Lilly with respect to a given Collaboration Target pursuant to Section 4.1, and, in the event that NextCure does not receive such a Data Package within the [***] day-period as set forth in Section 4.1, NextCure shall have [***] days from receipt of such Data Package to exercise its NextCure Option. The period during which the NextCure Option must be exercised, as set forth herein, shall be referred to in this Agreement as the "**NextCure Option**

Period"; provided that the NextCure Option Period shall be tolled while NextCure is waiting for the Data Package and any additional information requested under the final sentence of Section 4.1.

4.4.3 NextCure Compounds and NextCure Products. Upon exercise of a NextCure Option, the lead and backup Collaboration Compounds Directed to the applicable Collaboration Target for such NextCure Option and Products containing such lead or backup Collaboration Compound shall be deemed "**NextCure Compounds**" and "**NextCure Products**", respectively, hereunder.

4.5 Exclusivity.

4.5.1 Collaboration Field. Subject to Section 4.5.4(b)(1), until the earlier of (a) the expiration of the Research Term and any applicable Lilly Option Periods and (b) the date on which Lilly has exercised all [***] Lilly Options, any protein or any structural or other variant, subunit, fragment or derivative thereof that is identified by or on behalf of NextCure through the FIND-IO™ Technology that can be used in the Collaboration Field must be notified by NextCure to Lilly, and Lilly will have the ability to include such protein or any structural or other variant, subunit, fragment or derivative thereof as an Oncology Target and on the Oncology Target List that will be subject to a Lilly Option.

4.5.2 Collaboration Targets. If neither Party exercises its respective Option for a given Collaboration Target pursuant to this Article 4, then, on a Collaboration Target-by-Collaboration Target basis, (a) NextCure shall have the freedom to Exploit such Collaboration Target, (b) [***], (c) [***], and (d) no payments by either Party hereunder will be required for the foregoing rights. Notwithstanding the foregoing, in the event (i) an Oncology Target is not selected by Lilly to advance to a Target Validation Program as a Proposed Collaboration Target pursuant to Section 3.2.2 or (ii) a Proposed Collaboration Target is not selected by Lilly to advance to a Compound Discovery Program as a Collaboration Target pursuant to Section 3.3.2, [***] will have the freedom to Exploit such Oncology Target solely to the extent the JSC has determined on the Oncology Target List that such Oncology Target has been abandoned. For clarity, the [***].

4.5.3 Collaboration Compounds and Products. Except with respect to activities under this Agreement, during the Term, each Party and its Affiliates will not (themselves or with or through a Third Party) research, develop or commercialize any Collaboration Compound or any compound or Antibody Directed to a Collaboration Target to which the other Party has exercised its applicable Option.

4.5.4 Retention of Certain Rights. Notwithstanding anything herein to the contrary, but subject to Section 4.5.1,

(a) Lilly retains and will have the freedom to Exploit under its own intellectual property rights any target (including Oncology Targets), compound or Antibody which (1) has been or is being actively pursued by Lilly as of the Effective Date, (2) has been or is identified independently from the Collaboration and/or (3) any NextCure Target that becomes publicly known and/or available other than as a result of the Research Collaboration; provided,

that for clarity, this Section 4.5.4(a) shall not grant to Lilly any right or license under NextCure's intellectual property rights or under any Collaboration Technology or to Exploit any NextCure Compound or NextCure Product; and

(b) NextCure retains and will have freedom to Exploit under its own intellectual property rights any target, compound or Antibody which (1) is an Excluded Target (2) is outside of the Collaboration Field [***], and/or (3) is not an Oncology Target and [***] within the Collaboration Field during the Research Term; provided that (i) in the case of clause (2), such rights are subject to prior notice to Lilly and Lilly retains all rights under this Agreement in the Collaboration Field in the event such target later becomes an Oncology Target, and (ii) in the case of clause (3), such rights are subject to [***], and, in each case, in no event shall NextCure or any of its Affiliates, for itself or for or on behalf of any Third Party, exploit a Collaboration Target or Lilly Target; provided, further, that, for clarity, this Section 4.5.4(b) shall not grant [***].

4.6 Internal Research on Collaboration Targets. Subject to the terms and conditions of this Agreement, each Party shall retain the right to conduct internal research on Collaboration Targets, including any Lilly Target or NextCure Target.

ARTICLE 5
DEVELOPMENT, REGULATORY AND COMMERCIALIZATION

5.1 Development and Commercialization of Products. Subsequent to Option exercise pursuant to Article 4, the Parties intend that the development and commercialization of each Product will be conducted by the Commercializing Party. Lilly, as between the Parties, shall have the sole right to Exploit Lilly Compounds and Lilly Products. NextCure, as between the Parties, shall have the sole right to Exploit NextCure Compounds and NextCure Products.

5.2 Regulatory Approvals of Product. Lilly shall own all Regulatory Approvals and be responsible for all decisions in connection therewith for Regulatory Approvals of Lilly Products in the Field and in the Territory. NextCure shall own all Regulatory Approvals and be responsible for all decisions in connection therewith for Regulatory Approvals of NextCure Products in the Field and in the Territory.

5.3 Regulatory Issues and Obligations, Ownership and Survival Rights. Each Party shall have the sole right and be responsible for all regulatory interactions, including written communications and meetings with Regulatory Agencies, and safety management, including the timely reporting to the appropriate governmental authorities all Adverse Events and any other information concerning the safety of such Party's Products, in each case, in accordance with Applicable Law of the relevant countries.

5.4 Development and Commercial Diligence for Products.

5.4.1 Lilly. Lilly shall use Commercially Reasonable Efforts during the Reasonable Efforts Period to preclinically and clinically develop, seek Regulatory Approval for, and launch and commercialize Lilly Products. NextCure acknowledges that Lilly's obligations pursuant to this Section 5.4.1 may be satisfied in whole or in part by Affiliates, sublicensees of

the rights granted to Lilly hereunder or permitted assignees. Beginning on the [***] after the exercise of the first Lilly Option for the first Lilly Product and ending on the [***] after Commercial Launch of the first Lilly Product, Lilly will provide NextCure with a written report on an annual basis describing Lilly's (and its sublicensees' and Affiliates') progress in development and commercialization of Lilly Products. If requested by NextCure, Lilly shall meet with NextCure to discuss such report at a mutually convenient time and location.

5.4.2 NextCure. NextCure shall use Commercially Reasonable Efforts during the Reasonable Efforts Period to preclinically and clinically develop, seek Regulatory Approval for, and launch and commercialize NextCure Products. Lilly acknowledges that NextCure's obligations pursuant to this Section 5.4.2 may be satisfied in whole or in part by Affiliates, sublicensees of the rights granted to NextCure hereunder or permitted assignees. Beginning on the [***] after the exercise of the first NextCure Option for the first NextCure Product and ending on the [***] after Commercial Launch of the first NextCure Product, NextCure will provide Lilly with a written report on an annual basis describing NextCure's (and its sublicensees' and Affiliates') progress in development and commercialization of NextCure Products. If requested by Lilly, NextCure shall meet with Lilly to discuss such report at a mutually convenient time and location.

5.4.3 Diligence Sunset. Notwithstanding anything herein to the contrary, in developing and commercializing Products in the Territory during the Term, the applicable diligence requirements as set forth in Sections 5.4.1 and 5.4.2, for the applicable Party shall no longer apply following the [***] after the First Commercial Sale of the first Product by such Party (the "**Reasonable Efforts Period**"). For the avoidance of doubt, Lilly's obligation under Section 5.4.1 and NextCure's obligation under Section 5.4.2 shall cease upon the expiration of their respective Reasonable Efforts Period for such Party.

5.4.4 [***]

ARTICLE 6
FINANCIAL MATTERS

6.1 Initial Payment. Within [***] days after the Effective Date, as partial consideration for the rights and licenses granted herein (including the use of the FIND-IO™ Technology by NextCure in accordance with the terms and conditions of this Agreement, and the exclusivity set forth in Section 4.5), Lilly will pay NextCure an amount equal to twenty-five million Dollars ($25,000,000).

6.2 Equity Investment. Pursuant to that certain Series B Preferred Stock Purchase Agreement dated November 2, 2018, and in accordance with the terms and conditions set forth therein, Lilly shall make an equity investment in NextCure in the amount of fifteen million Dollars ($15,000,000).

6.3 Additional Support. As additional consideration for the rights and licenses granted herein, Lilly will pay NextCure research and development support payments in the amount of [***] Dollars ($[***]) each Calendar Quarter [***], equal to an aggregate amount of [***] NextCure shall provide an invoice to Lilly, and Lilly shall pay NextCure the first such

research and development payment within [***] after the receipt of such invoice, with the first such invoice being provided within [***].

6.4 Option Exercising Payment. Within [***] after exercising a Lilly Option for a Collaboration Target, Lilly will pay NextCure an amount equal to [***].

6.5 Milestone Payments.

6.5.1 Notice of Milestone Achievement. Within [***] following the achievement by Lilly (whether by Lilly or any of its Affiliates or any of their respective sublicensees) of any of the development and regulatory milestone events, and within [***] following [***] any of the sales milestone events, in each case as described in the table in Section 6.5.2 below, Lilly shall give Notice to NextCure in writing.

6.5.2 Payment for Milestone Achievement. Within [***] following the achievement by Lilly (whether by Lilly or any of its Affiliates or any of their respective sublicensees) of a particular development and regulatory milestone event, and within [***] following [***] a particular sales milestone event, in each case as described in the table below in this Section 6.5.2 with respect to the first Lilly Product with respect to a given Lilly Target to achieve such milestone, Lilly shall pay, or cause to be paid, to NextCure the corresponding payment for the applicable milestone achieved as set forth below.

(a) For the first Indication for the first Lilly Product Directed to a given Lilly Target, Lilly shall pay, or cause to be paid, to NextCure the corresponding one-time payment for the applicable milestone achieved as set forth below:

Development and Regulatory Milestone Events	Payment Amount
[***]	

(b) For a subsequent new Indication in a different therapeutic area than the one for which a milestone was paid under milestone events [***], as applicable (a "**New TA Indication**")* for the first Lilly Product Directed to a given Lilly Target, Lilly shall pay, or cause to be paid, to NextCure the corresponding payment for the applicable milestone achieved as set forth below:

Development and Regulatory Milestone Events	Payment Amount
[***]	

* *See* Section 6.5.3(a) for clarification about what constitutes a New TA Indication.

(c) In addition, regardless of Indication, Lilly shall pay, or cause to be paid, to NextCure the corresponding payment for the applicable milestone achieved as set forth below:

Sales Milestone Events	Payment Amount
[***]	

6.5.3 Milestone Clarifications.

(a) Each milestone payment amount set forth in Section 6.5.2 shall be payable only one time per Lilly Target regardless of the number of Products Directed to such Lilly Target that achieve such milestone. For clarity, (i) no milestone payment shall be owed with respect to any subsequent Collaboration Compound or Product (including new compounds or Antibodies or new Indications, except as otherwise set forth below in this Section 6.5.3(a)) that is Directed to the same Lilly Target (or multiple targets that include the same target) for which the milestones have been previously paid. [***]

(b) The milestone events set forth in Sections 6.5.2(c) shall be by reference to Net Product Sales in countries in which the Royalty Term with respect to the relevant Product is still continuing.

6.6 Product Royalties. Subject to Section 6.7, during the Royalty Term, Lilly shall pay, or cause to be paid, to NextCure the following tiered royalties on Net Product Sales with respect to all Products Directed to a given Lilly Target in a Calendar Year:

Portion of aggregate Net Product Sales for such Products in a Calendar Year	Royalty rate applicable to such portion
[***]	

6.7 Duration of Royalty Payments and Modifications.

6.7.1 Royalty Term. As used in this Agreement, "**Royalty Term**" means, on a country-by-country and Product-by-Product basis, the period commencing on the First Commercial Sale of such Product in such country and continuing until the expiration of the last to expire Valid Claim that covers such Product in such country. Following the expiration of a particular Royalty Term with respect to such country and Product to which such Royalty Term related, (a) the license to Lilly set forth in Section 7.1.2 shall become perpetual, fully paid-up and royalty-free with respect to such Product in such country and (b) sales of such Product in such country shall be excluded in determining Net Product Sales of such Product.

6.7.2 Anti-Stacking. In the event the manufacture, use or sale of a particular Product under this Agreement would infringe the Patent Rights of any Third Party absent a license thereunder, and Lilly obtains a license under such Patent Rights, then Lilly may deduct from the amounts due to NextCure pursuant to Sections 6.5 and 6.6, [***] of any payments actually paid to any such Third Party as consideration solely for any such license to such Patent Rights; provided, however, that in no event shall the milestone payment or royalty owed to NextCure be reduced by more than [***].

6.7.3 Generic Competition.

(a) On a country-by-country and Product-by Product basis, if at any time Generic Competition exists in a given country with respect to a Product, then, effective upon the first date Generic Competition exists with respect to such Product in such country (for as long as Generic Products are sold in such country), the royalty rate otherwise applicable to the Net Product Sales of such Product in such country shall be reduced by [***].

(b) For purposes of this Agreement, "**Generic Product**" means, with respect to a particular Product in a particular country which has received Regulatory Approval in the applicable country, a pharmaceutical product including any biological product (a) that (i) has been approved as a biosimilar or interchangeable product by the FDA pursuant to Section 351(k) of the Public Health Service Act (42 U.S.C. § 262(k)), (ii) has been approved as a similar biological medicine product by the EMA as described in CHMP/437/04, issued 30 October 2005, or (iii) has otherwise obtained regulatory approval from a Regulatory Agency analogous to those Regulatory Approvals described in the foregoing clauses (i) or (ii), (b) that is approved for use in such country pursuant to a regulatory approval process governing approval of generic, interchangeable or biosimilar biologics of such Product based on the then-current standards for regulatory approval in such country, including as based upon the studies described in clause (a) above and (c) that is sold in the same country as such Product by any Third Party that is not a sublicensee of Lilly or its Affiliates and did not purchase such pharmaceutical product in a chain of distribution that included any of Lilly, its Affiliates or their sublicensees.

(c) For purposes of this Agreement, "**Generic Competition**" with respect to a Product, on a country-by-country basis, shall exist if in such country there is a Generic Product with respect to a Product being sold in such country and the sales of such Generic Product accounts for [***] of aggregate unit sales of the Product and any Generic Products in the given country as determined by reference to applicable sales data obtained from IMS Health, Verispan or from such other reasonable source for such sales data as may be used and relied upon by Lilly from time to time.

6.8 NextCure Payments to Lilly. In the event NextCure exercises a NextCure Option for a Collaboration Target in accordance with Section 4.4, on a NextCure Product-by-NextCure Product basis, NextCure will compensate Lilly by paying to Lilly (a) the milestone payments set forth in Section 6.5 and the royalty payments set forth in Section 6.6, subject to the provisions of Section 6.7, in each case, *mutatis mutandis*; provided that such payments shall be [***], and (b) within [***] after exercising a NextCure Option for a Collaboration Target, NextCure will pay Lilly an amount equal to [***]; provided further, however, that notwithstanding Section 6.7.2 and/or anything under this Agreement to the contrary, [***]. In addition, [***].

6.9 Payments under Sublicense. If either Party sublicenses its rights to a Product to a sublicensee, such Party will pay to the other Party, or cause to be paid, each and all payments as they become due and payable to the other Party under this Agreement for each sublicensed Product.

6.10 Royalty Reports. For so long as a Royalty Term is in effect, each Party shall furnish the other Party with quarterly royalty reports due for each Calendar Quarter [***] after the end of such Calendar Quarter. For each such Calendar Quarter, the royalty report will set out Net Product Sales for each Product for such Calendar Quarter and the royalty amounts due hereunder with respect thereto for each Product.

6.11 Royalty Payment Terms. Royalties provided for under this Agreement will be due and payable with respect to each Product on the date the royalty report is due for the applicable Calendar Quarter.

6.12 Financial Audits. During the two (2)-year period for which records are retained hereunder, each Party shall, not more than once each Calendar Year, have the right to have an auditing Party's independent Accountant inspect the audited Party's relevant records for the preceding twelve (12)-month period for the purpose of determining the accuracy of royalty reports provided by the audited Party under Section 6.10. No period will be audited more than once. The auditing Party shall submit an audit plan, including audit scope, to the audited Party for the audited Party's approval, which shall not be unreasonably withheld, prior to audit implementation. The independent Accountant shall keep confidential any information obtained during such inspection and shall report to NextCure and Lilly only the amounts of Net Product Sales and royalties due and payable. The results of each audit, if any, shall be binding on both Parties absent manifest error. If determined that additional royalties are owed, or that royalties were overpaid, during such period, the applicable Party will pay the other Party the additional royalties, or such other Party will pay the applicable Party the overpaid royalties within thirty (30) days of the date the independent Accountant's written report is received by the paying Party. The auditing Party shall bear the full cost of such audit, unless such audit reveals any additional royalties owed exceed the greater of [***] of the royalties paid for the royalty period subject to the audit, in which case the audited Party will pay the reasonable and documented fees of such audit. Each Party (including its Affiliates) and its sublicensees shall keep complete and accurate books and records for a period of two (2) years which may be necessary to ascertain properly and to verify the payments owed hereunder.

6.13 Withholding of Taxes. Any withholding of taxes levied by tax authorities on the payments by a Party to the other Party hereunder that are required by Applicable Law to be deducted from such payments to the other Party will be deducted by the paying Party from the sums otherwise payable by it hereunder for payment to the proper tax authorities on behalf of the other Party and the paying Party will pay the taxes to the proper taxing authority and send evidence of the obligation together with proof of tax payment to the other Party on a timely basis following that tax payment. Such taxes will be borne by the other Party. The paying Party agrees to reasonably cooperate with the other Party in the event the other Party claims exemption from such withholding or seeks refunds or deductions under any double taxation or other treaty or agreement from time to time in force, such cooperation to include providing receipts of payment of such withheld tax or other documents reasonably available to the paying Party. The Parties shall discuss applicable mechanisms for minimizing such taxes to the extent possible in compliance with Applicable Law. In addition, the Parties shall cooperate in accordance with Applicable Law to minimize indirect taxes (such as value added tax, sales tax, consumption tax and other similar taxes) in connection with this Agreement. For clarity, each Party is responsible

for income tax that results from any payments received pursuant to this Agreement, and each Party is responsible for income tax that results from amounts earned as the Commercializing Party.

6.14 Currency of Payments; Exchange Controls. Except as otherwise provided in this Agreement, all amounts owed by a Party under this Agreement shall be paid by such Party via wire transfer of immediately available funds in U.S. Dollars to the account designated in writing to such Party by the other Party provided that such payment shall only be made to a jurisdiction of the payee-Party or a jurisdiction where the payee-Party has a significant business presence. If at any time legal restrictions prevent the prompt remittance of part or all royalties with respect to any country where Product is sold, payment will be made through such lawful means or methods as Lilly may determine.

6.15 Interest on Late Payments. If either Party fails to pay any payment due under this Agreement (excluding any payment made due to a good faith error identified via an audit conducted by an independent Accountant pursuant to Section 6.12) within thirty (30) days after the date such payment is due, as provided in this Agreement, such late payment shall bear interest, to the extent permitted by Applicable Law, at the prime rate as of the date such payment was due, as published in *The Wall Street Journal* and found on the wsj.com website at the following link or its successor site: http://interactive5.wsj.com/edition/resources/documents/mktindex.htm?rates.htm, as calculated on the number of days the relevant payment is delinquent from and including the date payment is due through and including the date upon which the owed Party has collected immediately available funds in its own account, or such rate as is legally permissible, whichever is less. Interest will be paid based on a simple annual interest rate.

ARTICLE 7
LICENSES

7.1 License Grants to Lilly.

7.1.1 Research Collaboration License. Subject to the terms and conditions of this Agreement, during the Research Term, NextCure hereby grants to Lilly a non-exclusive, fully paid-up, royalty-free license, under the NextCure Collaboration Technology, NextCure Materials and NextCure Research Collaboration Technology, with the right to grant and authorize sublicenses in accordance with Section 7.1.3, solely to the extent necessary for Lilly to conduct its obligations under the Research Collaboration.

7.1.2 License Grant upon Exercise of Lilly Option. On a Lilly Option-by-Lilly Option basis, subject to the terms and conditions of this Agreement and effective only upon Lilly's exercise of the Lilly Option in accordance with Section 4.2, NextCure shall grant and hereby does grant to Lilly and its Affiliates an exclusive, royalty-bearing, sub-licensable (through multiple tiers) (subject to Section 7.1.3) license under the NextCure Collaboration Technology and NextCure Materials to Exploit Lilly Compounds and Lilly Products Directed to the Lilly Target in the Field and in the Territory. NextCure covenants that it will not: (a) take any action that would cause a lien, charge or encumbrance of NextCure Collaboration Technology; or (b) assign, transfer, convey or otherwise grant to any Person (i) any rights to

any NextCure Collaboration Technology or NextCure Materials (or any rights to any intellectual property that would otherwise be included in the NextCure Collaboration Technology or NextCure Materials if not assigned, transferred, conveyed, or otherwise granted to a Third Party), in any manner that is inconsistent with the exclusive licenses granted to Lilly pursuant to this Section 7.1.2, or (ii) any rights to any Products, Collaboration Compounds or Collaboration Targets that are inconsistent with the exclusive licenses granted to Lilly pursuant to this Section 7.1.2.

7.1.3 Sublicenses. Subject to the terms and conditions of this Agreement, Lilly and its Affiliates shall have the right to sublicense any and all rights licensed to Lilly under Section 7.1.2. Any such sublicense by Lilly or its Affiliates shall be consistent with and subject to the terms of this Agreement, and shall include an obligation for each such sublicensee to comply with the applicable obligations of Lilly set forth in this Agreement. Lilly shall remain liable to NextCure for the performance by any such sublicensee of Lilly's duties and obligations under this Agreement whether such duties and obligations are to be performed by Lilly or its sublicensee (including all amounts to be paid under Article 6), as if Lilly performed such duties and obligations.

7.2 License Grants to NextCure.

7.2.1 Research Collaboration License. Subject to the terms and conditions of this Agreement, during the Research Term, Lilly hereby grants to NextCure a non-exclusive, royalty-free, license under (a) the Lilly Collaboration Technology and Lilly Materials and (b) NextCure Collaboration Technology licensed to Lilly under Section 7.1.2, in each case ((a) and (b)), solely to the extent necessary or useful for NextCure to perform its duties and obligations under the Research Collaboration with the right to grant and authorize sublicenses in accordance with Section 7.2.3, solely to the extent necessary for NextCure to conduct its obligations under the Research Collaboration.

7.2.2 License Grant Upon Exercise of NextCure Option. On a NextCure Option-by-NextCure Option basis, subject to the terms and conditions of this Agreement and effective only upon NextCure's exercise of a NextCure Option in accordance with Section 4.4, Lilly shall grant and hereby does grant to NextCure and its Affiliates an exclusive, royalty-bearing, sub-licensable (through multiple tiers) (subject to Section 7.2.3) license for sequences of the NextCure Compounds contained in the (1) Lilly Collaboration Technology and (2) Lilly Materials, in each case, to Exploit NextCure Products Directed to the NextCure Target in the Field and in the Territory. Lilly covenants that it will not: (a) take any action that would cause a lien, charge or encumbrance of Lilly Collaboration Technology; or (b) assign, transfer, convey or otherwise grant to any Person (i) any rights to any Lilly Collaboration Technology or Lilly Materials (or any rights to any intellectual property that would otherwise be included in the Lilly Collaboration Technology or Lilly Materials if not assigned, transferred, conveyed, or otherwise granted to a Third Party), in any manner that is inconsistent with the exclusive licenses granted to NextCure pursuant to this Section 7.2.2, or (ii) any rights to any Products, Collaboration Compounds or Collaboration Targets that are inconsistent with the exclusive licenses granted to NextCure pursuant to this Section 7.2.2.

7.2.3 Sublicenses. Subject to the terms and conditions of this Agreement, NextCure and its Affiliates shall have the right to sublicense any and all rights licensed to Lilly under Section 7.2.2. Any such sublicense by NextCure or its Affiliates shall be consistent with and subject to the terms of this Agreement, and shall include an obligation for each such sublicensee to comply with the applicable obligations of NextCure set forth in this Agreement. NextCure shall remain liable to Lilly for the performance by any such sublicensee of NextCure's duties and obligations under this Agreement whether such duties and obligations are to be performed by NextCure or its sublicensee (including all amounts to be paid under Article 6), as if NextCure performed such duties or obligations.

7.3 Trademarks. Lilly will be free to use and to register in any trademark office in the Territory any trademark for use with a Lilly Product in its sole discretion; provided that nothing herein shall grant Lilly any right to use any trademark of NextCure and/or its Affiliates, except that Lilly shall have the right to use any trademark reasonably useful in the development, manufacturing or commercialization of Lilly Products. NextCure will be free to use and to register in any trademark office in the Territory any trademark for use with a NextCure Product in its sole discretion; provided that nothing herein shall grant NextCure any right to use any trademark of Lilly and/or its Affiliates, except that NextCure shall have the right to use any trademark reasonably useful in the development, manufacturing or commercialization of NextCure Products. Each Party will own all right, title and interest in and to any such trademark in its own name during and after the Term.

7.4 Negative Covenant; No Implied License. Each Party covenants that it will not knowingly use or practice any of the other Party's intellectual property rights licensed to it under this Article 7 except for the purposes expressly permitted in the applicable license grant. Nothing in this Agreement shall be deemed to constitute the grant of any license or other right to either Party in respect of any intellectual property of the other Party, except as expressly set forth herein, and no license rights shall be created hereunder by implication, estoppel or otherwise. Neither Party shall represent to any Third Party that it enjoys, possesses, or exercises any proprietary or property right or otherwise has any other right, title or interest in the intellectual property of the other Party except for such rights as are expressly set forth herein. Any rights of a Party not expressly granted to the other Party under the provisions of this Agreement shall be retained by such Party.

7.5 FIND-IO™ Technology. Notwithstanding any provision of this Agreement to the contrary, no license, right, or other interest is being provided to Lilly under the FIND-IO Technology, except to the extent of the Lilly Option set forth in Section 4.3.

ARTICLE 8
INTELLECTUAL PROPERTY

8.1 Disclosure of Research Collaboration Inventions. Upon the Effective Date, and on an ongoing basis during the Term (but not more frequently than once per Calendar Quarter), each Party shall, to the extent applicable, promptly disclose to the other Party any Research Collaboration Inventions necessary for the development, use, or sale of such other Party's Product in the Field.

8.2 Non-Research Collaboration Technology.

8.2.1 Ownership by NextCure. As between the Parties, subject to Section 7.1, NextCure shall retain all right, title and interest in and to all NextCure Collaboration Technology and NextCure Materials.

8.2.2 Ownership by Lilly. As between the Parties, subject to Section 7.2, Lilly shall retain all right, title and interest in and to all Lilly Collaboration Technology and Lilly Materials.

8.3 Research Collaboration Technology. As between the Parties with respect to any Research Collaboration Patent Rights and Research Collaboration Know-How covering or claiming Research Collaboration Inventions arising, whether solely or jointly with any Third Party, pursuant to the conduct of activities under the Research Collaboration (the "**Research Collaboration Technology**"):

8.3.1 NextCure shall solely own any Research Collaboration Technology (a) that solely relates to any NextCure Target, NextCure Compound and/or NextCure Product or (b) to the extent such Research Collaboration Technology constitutes an improvement or enhancement solely to the FIND-IO™ Technology (the "**NextCure Research Collaboration Technology**").

8.3.2 Lilly shall solely own any Research Collaboration Technology that (a) solely relates to any Lilly Target, Lilly Compound and/or Lilly Product or (b) relates to Collaboration Compounds, except to the extent assigned to NextCure upon the exercise of a NextCure Option (the "**Lilly Research Collaboration Technology**").

8.3.3 The Parties shall jointly own any Research Collaboration Technology other than the NextCure Research Collaboration Technology and the Lilly Research Collaboration Technology.

8.4 Cooperation. Each Party represents and agrees that all its employee(s), contractor(s) and agent(s) will be obligated under a binding written agreement or otherwise to assign to such Party all Research Collaboration Inventions made or conceived by such employee(s), contractor(s) or other agent(s) in connection with this Agreement. Each Party agrees to make, and hereby makes, the assignments necessary to accomplish the ownership of Patent Rights as set forth in Sections 8.2 and 8.3, and each Party agrees that, upon request and without further compensation except for reimbursement of related reasonable out-of-pocket expenses, such Party shall execute such further documents as may be reasonably necessary or appropriate, and to provide reasonable assistance and cooperation, including the giving of testimony, as may be necessary or desirable for obtaining, sustaining, reissuing, or enforcing the Parties' rights in the Patent Rights, including as set forth in Sections 8.2 and 8.3.

8.5 NextCure Collaboration Patent Rights. Lilly will have sole responsibility for and control over the filing, prosecution, maintenance and enforcement of any and all NextCure Collaboration Patent Rights where the scope of patent application disclosure and/or patent protection specifically and solely covers, claims or otherwise relates to one or more of the Lilly

Targets, Lilly Compounds, the Lilly Products and/or the Exploitation thereof (the "**Lilly Responsibility Patents**"). NextCure will have sole responsibility for and control over the filing, prosecution, maintenance and enforcement of NextCure Collaboration Patent Rights other than the Lilly Responsibility Patents (the "**NextCure Responsibility Patents**").

8.6 First Right for Collaboration Patent Rights. Lilly will have the first right to be responsible for and to control the filing, prosecution, maintenance and enforcement of the Lilly Collaboration Patent Rights and Lilly Responsibility Patents, at Lilly's sole expense. NextCure will have the first right to be responsible for and to control the filing, prosecution, maintenance and enforcement of the NextCure Responsibility Patents, at NextCure's sole expense.

8.7 Collaboration Targets. Prior to the exercise of an Option and subject to Section 8.6, any filing, prosecution and/or maintenance of Patent Rights for Collaboration Targets shall be mutually agreed by the Parties (for clarity, until a given Collaboration Target has been optioned as a Lilly Target or NextCure Target or has been determined to be abandoned by the JSC on the Oncology Target List).

8.8 Step-In Rights. If either Party in any country decides not to file, prosecute and/or maintain any Patent Rights for which it has the first right described in Section 8.6, then it shall notify and consult with the other Party with respect to such decision at least forty-five (45) days prior to the date, and, if after such consultation between the Parties, such Party still intends not to file such Patent Rights, then the other Party shall thereupon have the right (but not the obligation) to assume the filing, prosecution and/or maintenance thereof at its expense with counsel of its choice; provided, however, that, the Parties shall refer to the JPC any strategy dispute between the Parties with respect to such Patent Rights for good faith discussion and resolution, and, in the event that the JPC cannot resolve such strategy, (a) NextCure shall not have the right to file, prosecute and/or maintain Lilly Collaboration Patent Rights where the scope of patent application disclosure and/or patent protection specifically and solely covers, claims or otherwise relates to one or more of the Lilly Targets, Lilly Compounds, the Lilly Products and/or the Exploitation thereof and/or the Lilly Responsibility Patents if, in Lilly's sole discretion, Lilly (subsequent to such JPC referral) determines such filing, prosecution and/or maintenance should not be made as a matter of strategy and (b) Lilly shall not have the right to file, prosecute and/or maintain NextCure Collaboration Patent Rights where the scope of patent application disclosure and/or patent protection specifically and solely covers, claims or otherwise relates to one or more of the NextCure Targets, NextCure Compounds, the NextCure Products and/or the Exploitation thereof if, in NextCure's sole discretion, NextCure (subsequent to such JPC referral) determines such filing, prosecution and/or maintenance should not be made as a matter of strategy.

8.9 Separation of Claims. In the event Lilly determines a patent application filed, or sought to be filed, contains claim(s) that specifically cover, and/or disclosure that would support claims that specifically and solely cover one or more of the Lilly Targets or Lilly Products that Lilly is developing or may consider for development hereunder, to the extent practicable, such application shall be divided into two (2) or more patent applications, so that at least one such application shall contain claim(s) that specifically and solely cover such Lilly Target or Lilly

Product and such application (and subsequent patent) shall be deemed Lilly Responsibility Patents.

8.10 Patent Term Extension. NextCure will reasonably cooperate with Lilly upon Lilly's reasonable request in obtaining at Lilly's expense patent term extension or supplemental protection certificates and the like with respect to the Research Collaboration Technology and NextCure Collaboration Patent Rights for a Lilly Target or Lilly Product, in each country and region where it is possible to do so. Lilly will make the election in accordance with the preceding sentence and NextCure agrees to abide by such election. Nothing in this Article 8 or Article 9 shall prevent NextCure from obtaining patent term extension or supplemental protection certificates and the like with respect to the NextCure Collaboration Patent Rights on its own pharmaceutical products, and Lilly will cooperate with NextCure upon NextCure's reasonable request in obtaining, at NextCure's expense, such patent term extension or supplemental protection certificates and the like.

8.11 Data and Intellectual Property. Data, Patent Rights and Know-How Controlled by either Party as of the Effective Date or during the Term (including ownership as set forth in this Agreement) will remain, as between the Parties, the sole property of the Controlling Party, which that Party may exploit in any manner it chooses at its sole discretion, except to the extent otherwise provided in this Agreement. Any invention(s) made by NextCure and/or Lilly in connection with Collaboration Targets and/or Products during the Term outside the Party's performance of its responsibilities under this Agreement, and any Patent Rights, Know-How, copyrights or other intellectual property based on such invention(s), will be owned by the Party(ies) of which the inventor(s) is an employee, contractor or agent, but shall be subject to the provisions of Article 7.

ARTICLE 9
INFRINGEMENT AND ENFORCEMENT

9.1 Infringement of Third Party Patent Claims.

9.1.1 Joint Strategy. In the event that the use or sale of a Product by either Party or any of its Affiliates or sublicensees becomes the subject of an actual claim of infringement of a Third Party patent, copyright or trademark anywhere in the world, and without regard to which Party is charged with said infringement, or the venue of such claim, the Parties shall promptly confer to discuss such claim.

9.1.2 Defense. Unless the Parties otherwise agree, a Party shall assume the primary responsibility for the conduct of the defense of any such claim relating to such Party's Product, at such Party's sole expense, and with legal counsel of its choice. The other Party shall have the right, but not the obligation, to participate and be independently represented in any such suit at its sole option and at its own expense. Each Party shall reasonably cooperate with the Party conducting the defense of the claim. Each Party shall keep the other Party hereto reasonably informed of all material developments in connection with any such claim, suit or proceeding, and the Parties shall reasonably cooperate in conducting the defense of any such claim. Should Lilly decide not to defend or fail to defend any such claim, suit, or proceedings by a Third Party relating to a Lilly Target within thirty (30) days of notice of such claim, suit, or

UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

proceeding, then NextCure will be entitled to take over, at its option, the right to defend such infringement proceedings and the control of any such defense, at NextCure's cost and should NextCure decide not to defend or fail to defend any such claim, suit, or proceedings by a Third Party relating to a NextCure Target within thirty (30) days of notice of such claim, suit, or proceeding, then Lilly will be entitled to take over, at its option, the right to defend such infringement proceedings and the control of any such defense; provided, however, that, the Parties shall refer to the JPC any strategy dispute between the Parties with respect to defense of such claim, suit or proceeding for good faith discussion and resolution, and, in the event that the JPC cannot resolve such strategy, (a) NextCure shall not have the right to defend such infringement relating to a Lilly Target, Lilly Compound and/or Lilly Product if, in Lilly's sole discretion, Lilly (subsequent to such JPC referral) determines such defense should not be made as a matter of strategy and (b) Lilly shall not have the right to defend such infringement relating to a NextCure Target, NextCure Compound and/or NextCure Product if, in NextCure's sole discretion, NextCure (subsequent to such JPC referral) determines such defense should not be made as a matter of strategy. Neither Party shall enter into any settlement that affects any of the other Party's rights or interests without such other Party's prior written consent, not to be unreasonably withheld, conditioned or delayed.

9.2 Enforcement Action Relating to Products. NextCure and Lilly will each promptly notify the other in writing of any alleged or threatened infringement of (a) any of the NextCure Collaboration Patent Rights that claim Lilly Targets or Lilly Products and/or (b) any of the Lilly Collaboration Patent Rights that claim NextCure Targets or NextCure Products (each, an "**Action**") of which they become aware. Each Party shall have the sole right, but not the obligation, to commence and control any legal action or proceeding, or the filing of any counterclaim, related to any such Action that claims such Party's Targets or Products. In the event that such Party elects, in its sole discretion, to undertake such an Action, the other Party agrees to reasonably cooperate with such Party, including providing access to all necessary documents, executing all papers and performing such other acts as may be reasonably required for such Action, including consenting to be joined as a party plaintiff in such Action, and such Party will reimburse the other Party for related reasonable out-of-pocket expenses. The applicable Party shall control such Action, and such Party may enter into settlements, stipulated judgments or other arrangements respecting such infringement; provided, however, that (i) Lilly shall not settle or make any agreement that admits or concedes that any aspect of any of the NextCure Collaboration Patent Rights is invalid or unenforceable or which adversely affects the scope of any of the NextCure Collaboration Patent Rights, without the prior written consent of NextCure and (ii) NextCure shall not settle or make any agreement that admits or concedes that any aspect of any of the Lilly Collaboration Patent Rights is invalid or unenforceable or which adversely affects the scope of any of the Lilly Collaboration Patent Rights, without the prior written consent of Lilly. The Party undertaking an Action in accordance with this Section 9.2 shall keep the other Party reasonably apprised of the progress of any such Action. The other Party may, at its option and sole expense, be represented by counsel of its choice, but all other costs associated with any such Action shall be at the sole expense of the Party undertaking such Action. If a Party has not brought suit, or otherwise taken action, including settlement discussions, to enforce the other Party's applicable Patent Rights that claim such Party's Targets and/or Products within ninety (90) days after such Party's receipt or delivery (as applicable) of notice pursuant to the first sentence of this Section 9.2, then the other Party shall have the right,

but not the obligation, to commence and control any legal action or proceeding, or file any counterclaim, related to such Action in the Territory, at the other Party's expense; provided, however, that, in the event that the Parties shall refer to the JPC any strategy dispute between the Parties with respect to enforcement of such Patent Rights for good faith discussion and resolution, and, in the event that the JPC cannot resolve such strategy, (a) NextCure shall not have the right to enforce such Patent Rights relating to a Lilly Target, Lilly Compound and/or Lilly Product if, in Lilly's sole discretion, Lilly determines (subsequent to such JPC referral) such enforcement should not be made as a matter of strategy and (b) Lilly shall not have the right to enforce such Patent Rights relating to a NextCure Target, NextCure Compound and/or NextCure Product if, in NextCure's sole discretion, NextCure determines (subsequent to such JPC referral) such enforcement should not be made as a matter of strategy. In any Action, any damages or other recovery, including compensatory and other non-compensatory damages or recovery actually received from a Third Party, shall first be used to reimburse the Parties for their respective costs and expenses incurred in connection with such Action, with the remainder to be retained by the applicable Party but treated as Net Product Sales hereunder in the Calendar Year(s) in which such damages or other recovery is received for purposes of the royalty payable under Article 6.

9.3 Enforcement Action Not Related to Products. As between the Parties, NextCure shall have the sole right, but not the obligation, to commence and control any legal action or proceeding, or the filing of any counterclaim, related to any alleged infringement of the NextCure Responsibility Patents or non-patent intellectual property rights of NextCure not related to Collaboration Targets or Products (an "**Other Action**"). In the event that NextCure elects, consistent with this Agreement, to undertake such an Other Action, Lilly agrees to reasonably cooperate with NextCure, including providing access to all necessary documents, executing all papers and performing such other acts as may be reasonably required for such Other Action, including consenting to be joined as a party plaintiff in such Other Action if necessary, and NextCure will reimburse Lilly for related reasonable out-of-pocket expenses.

9.4 Common Interest Disclosures. With regard to any information (including materials) disclosed pursuant to this Agreement by one Party to the other Party regarding intellectual property and/or technology owned by Third Parties, the Parties agree that they have a common legal interest in determining whether, and to the extent, Third Party intellectual property rights may affect the conduct of the Exploitation of any Product, and have a further common legal interest in defending against any actual or prospective Third Party claims based on allegations of misuse or infringement of intellectual property rights relating to the development, commercialization, marketing, sale and/or use of any Product. Accordingly, the Parties agree that all such information obtained by one Party from the other Party will be used solely for purposes of the Parties' common legal interests with respect to the conduct of this Agreement. All information will be treated as protected by the attorney-client privilege, the work product privilege, and any other privilege or immunity that may otherwise be applicable. By sharing any information, neither Party intends to waive or limit any privilege or immunity that may apply to the shared information. Neither Party shall have the authority to waive any privilege or immunity on behalf of the other Party without such other Party's prior written consent, nor shall the waiver of privilege or immunity resulting from the conduct of one Party be deemed to apply against any other Party. Without limiting the foregoing, the Parties acknowledge and agree that

they may enter into a more robust common interest agreement at a later date, which common interest agreement would supersede this Section 9.4.

ARTICLE 10
CONFIDENTIALITY

10.1 Nondisclosure; Exceptions. Each Party agrees that, during the Term and for a period of [***] from the expiration or termination of this Agreement, neither NextCure nor Lilly shall publish or disclose to any Third Party, including its independent contractors, any or all Confidential Information of the other Party (including, for clarity, Joint Confidential Information), except as expressly permitted by this Article 10. Neither NextCure nor Lilly shall disclose to any Third Party, or use for any purpose other than exercising its respective rights and performing its respective obligations under this Agreement, Confidential Information of the other Party, unless such Party can demonstrate that such information:

10.1.1 Was known to the receiving Party on a non-confidential basis or to the public prior to disclosure by the disclosing Party under this Agreement, as shown by written records;

10.1.2 Becomes known to the public after disclosure other than through any act or omission of the receiving Party;

10.1.3 Is disclosed to the receiving Party on a non-confidential basis by a Third Party having a legal right to make such disclosure; or

10.1.4 Is independently developed exclusively by an employee, contractor or agent of the receiving Party not having access to the disclosing Party's information.

10.2 Authorized Disclosures. Notwithstanding the foregoing provisions of Section 10.1:

10.2.1 Either Party may disclose Confidential Information of the other Party if such Party is required to make such disclosure by Applicable Law, including by the rules or regulations of any tax authority, the United States Securities and Exchange Commission, or any other similar regulatory agencies in a country other than the United States or of any stock exchange or other securities trading institution, in which event such Party shall provide prior Notice of such intended disclosure to such other Party if reasonably practicable under the circumstances and shall (a) disclose only such Confidential Information of such other Party as is required to be disclosed and (b) use its reasonable efforts to secure confidential treatment of such Confidential Information required to be disclosed.

10.2.2 The Parties expressly agree that each Party may submit Confidential Information of the other Party to any Regulatory Agency to the extent necessary for obtaining such Party's Product marketing approvals in the Field.

10.2.3 Either Party may disclose this Agreement (which shall be redacted as necessary to protect Confidential Information and other commercially sensitive information

[***] INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

unrelated to the NextCure Targets, NextCure Compounds, NextCure Products, Lilly Targets, Lilly Compounds and Lilly Products) to non-strategic (i.e., financial) investors, any bona fide potential or actual investor, investment banker, acquirer, merger partner, or other potential or actual financial partner, in each case, other than any investors or financial partners (including any affiliates thereof) that are strategic in nature; provided that each such Third Party agrees to be bound by similar terms of confidentiality and non-use at least equivalent in scope to and no less restrictive than those set forth in this Article 10 prior to any disclosure (provided that such terms shall not include the provisions of Section 10.4); provided, further, that (a) NextCure may disclose the identity of any NextCure Targets, NextCure Compounds or NextCure Products, (b) Lilly may disclose the identity of any Lilly Targets, Lilly Compounds or Lilly Products and (c) neither Party may disclose the identity of or any information related to any Oncology Targets that are actively being pursued as indicated on the Oncology Target List, in each case ((a) through (c)), to any such Third Party.

10.2.4 Each Party may disclose or use the other Party's Confidential Information to the extent such disclosure is reasonably necessary or useful in the following instances:

(a) filing or prosecuting Patent Rights in accordance with Article 8; provided that reasonable steps are taken to ensure confidential treatment of such Confidential Information;

(b) prosecuting or defending litigation if, in the reasonable opinion of the receiving Party's counsel, such disclosure is necessary for such prosecution or defense;

(c) complying with applicable tax laws and regulations (including to Third Party auditors);

(d) conducting pre-clinical or clinical trials of such Party's Products in accordance with the terms and conditions of this Agreement; provided that reasonable steps are taken to ensure confidential treatment of such Confidential Information (if available); or

(e) disclosure to Affiliates, sublicensees, employees, consultants, contractors or agents in connection with the performance of this Agreement and who are bound by similar terms of confidentiality and non-use at least equivalent in scope to and no less restrictive than those set forth in this Article 10 prior to any disclosure or who are bound by professional obligations of confidentiality.

10.3 Response Plan and Notification of Non-Authorized Disclosures. Each Party shall have a response plan in place for any disclosure of Confidential Information that is not authorized or otherwise permitted under this Agreement. Such plan shall include considerations of, among other things, notification, remediation and retrieval. In the event that a Party becomes aware of an unauthorized disclosure of the other Party's Confidential Information, then such Party shall notify the other Party promptly in writing.

10.4 Covenant Not to Sue. Except to the extent NextCure has granted exclusive rights to Lilly under Section 7.1.2 or Lilly has granted exclusive rights to NextCure under Section 7.2.2, each disclosing Party agrees not to sue the receiving Party solely with respect to

the use, outside the scope of this collaboration and for any purpose, of any Know-How or Confidential Information shared in the performance of this Agreement by the disclosing Party solely to the extent such Know-How or Confidential Information has been retained (without intentional memorization) in intangible form in the minds of the receiving Party's employees (or its Affiliates' employees) who have had access to such Know-How or Confidential Information pursuant to the terms of this Agreement and without reference to any tangible copies of such Know-How or Confidential Information; provided, that the receiving Party's use of such Know-How or Confidential Information is on an "as is, where is" basis, with all faults and all representations and warranties disclaimed and at the receiving Party's sole risk. Notwithstanding anything to the contrary in this Agreement, nothing in this Section 10.4 shall, or shall be interpreted to, grant any license to or under any Patent Rights or Know-How. Furthermore, notwithstanding anything to the contrary in this Agreement, except to the extent NextCure has granted exclusive rights to Lilly under Section 7.1.2 or Lilly has granted exclusive rights to NextCure under Section 7.2.2, neither Party is forfeiting any rights that each may have to perform research activities in compliance with 35 U.S.C. § 271(e)(1) or any experimental or research use exemption that may apply in any country.

10.5 Publications. Following the exercise of a Lilly Option or a NextCure Option with respect to a given Collaboration Target, such Party (the "**Publishing Party**") and its Affiliates, licensees and sublicensees shall have the right to publish or present scientific or technical data, results or other information with respect to any Lilly Compound or Lilly Product, or NextCure Compound or NextCure Product, respectively; provided that neither Party shall have the right to, and shall not, publish or present any Joint Collaboration Target Confidential Information, Lilly Product Information, NextCure Product Information or Know-How of the other Party's Product without the prior written consent of the other Party. Such prohibition shall not apply to filing or prosecution of Patent Rights by a Party in accordance with the terms and conditions of this Agreement. In the event that the Publishing Party or any of its Affiliates, licensees or sublicensees desires to make any such publication or presentation that would disclose Confidential Information of the other Party (the "**Non-publishing Party**") about a Lilly Compound or Lilly Product, or NextCure Compound or NextCure Product, as applicable, or if a Publishing Party requests the Non-publishing Party's consent to any publication, the Publishing Party shall afford the Non-publishing Party a period of thirty (30) days (or at least ten (10) days in the case of abstracts or oral presentations) to review in advance any manuscript not yet presented for publication and the Non-publishing Party may delay or prevent such publication as the Non-publishing Party in good faith believes necessary to protect its rights with respect to such Party's Collaboration Targets, Collaboration Compounds or Products. Each Party shall be entitled to issue scientific publications with respect to the such Party's Products or their testing in accordance with such Party's internal guidelines without approval by the other Party, and such Party shall be in control of any publications or scientific presentations regarding such Party's Products or their testing. A Party may publish clinical trial information on such Party's online database in accordance with its corporate policy. The scientific contributions of each Party will be noted as appropriate in all publications or presentations.

10.6 Publicity and Disclosure.

10.6.1 Publicity. Attached hereto as Schedule 10.6.1 is the initial joint press release, to be issued by the Parties on the Effective Date. Either Party may, following the issuance of the above joint press release, make public statements or disclosures regarding the existence of this Agreement, the identity of the other Party and those terms of the Agreement that have already been publicly disclosed, without the consent of the other Party. Neither Party will disclose to the public, any non-public information about this Agreement without the prior written consent of the other Party, except where required for any Applicable Laws (including applicable taxing authority and/or stock exchange rules) or legal process relating to the Party or any Affiliate of the Party or as may be required for actions, procedures, suits, and the like arising out of this Agreement. Subject to the second sentence of this Section 10.6.1, neither Party shall use in advertising, publicity, or otherwise the name or any trademark of the other Party without prior written consent of the other Party.

10.6.2 Disclosure. Each Party agrees that, in furtherance of any licensing or financing transactions or discussions with Third Parties interested in the technology or business of a Party to which this Agreement pertains where the disclosure of the terms of this Agreement is reasonably necessary, the other Party may provide a redacted version of this Agreement to such Third Parties upon the advance execution of a binding confidentiality agreement between such Party and such Third Parties unless such Third Party is otherwise bound by professional obligations of confidentiality. For the avoidance of doubt, nothing set forth in this Section 10.6.2 shall modify, limit or restrict any disclosures of Confidential Information authorized by Section 10.2.

10.7 Return of Confidential Information. Promptly after the termination or expiration of this Agreement for any reason, each Party shall return to the other Party all tangible manifestations of such other Party's Confidential Information at that time in the possession of the receiving Party.

ARTICLE 11
INDEMNIFICATION AND REPRESENTATIONS AND WARRANTIES

11.1 Indemnification by Lilly. Lilly will defend, indemnify and hold NextCure, its Affiliates and its and their directors, officers, controlling Persons, employees, agents and contractors (the "**NextCure Indemnified Parties**") harmless from and against any and all losses, expenses, recoveries and damages, including reasonable legal expenses and costs including attorneys' fees (collectively, "**Losses**"), resulting or arising out of any claim, suit, action proceeding or demand brought by any Third Party (each, a "**Third Party Claim**") to the extent resulting or arising from (a) the negligence or willful misconduct of the Lilly Indemnified Parties; (b) the Exploitation of the Lilly Products by Lilly (other than by or on behalf of NextCure); (c) any breach of this Agreement by Lilly, any of its Affiliates or any of their sublicensees; (d) any claim that the use of the Lilly Collaboration Technology, Lilly Materials and/or [***] infringes or misappropriates the intellectual property rights of a Third Party; or (e) Collaboration Target-related or Lilly Materials-related contractual obligations of Lilly and its Affiliates; except, in each case, to the extent caused by the negligence or willful misconduct of, or breach of this Agreement by, any of the NextCure Indemnified Parties. NextCure will give Lilly prompt Notice of any such Third Party Claim and, without limiting the foregoing

indemnity, Lilly will have the right to compromise, settle or defend any such Third Party Claim (to the extent subject to indemnity by Lilly as set forth herein); provided that (i) no offer of settlement, settlement or compromise by Lilly shall be binding on NextCure without its prior written consent, not to be unreasonably withheld, conditioned or delayed, unless such settlement fully releases NextCure without any liability, loss, cost or obligation incurred by NextCure and in no event shall any settlement or compromise admit or concede that any aspect of any of the NextCure Collaboration Patent Rights is invalid or unenforceable or adversely affect the scope of any of the NextCure Collaboration Patent Rights and (ii) Lilly shall not have authority to admit any wrongdoing or misconduct on the part of NextCure or any of its Affiliates except with NextCure's prior written consent.

11.2 Indemnification by NextCure. NextCure will defend, indemnify and hold Lilly, its Affiliates and its and their directors, officers, employees, agents and contractors (the "**Lilly Indemnified Parties**") harmless from and against any and all Losses, resulting or arising out of any Third Party Claim to the extent resulting or arising from (a) the negligence or willful misconduct of the NextCure Indemnified Parties; (b) the Exploitation of the NextCure Products; or (c) any breach of this Agreement by NextCure, or any of its Affiliates; (d) any claim that the use of the NextCure Collaboration Technology, NextCure Materials and/or FIND-IO™ Technology infringes or misappropriates the intellectual property rights of a Third Party; (e) Collaboration Target-related or NextCure Materials-related contractual obligations of NextCure and its Affiliates; or (f) any payment obligations under the Yale Agreement as a result of the execution or delivery of, or exercise of rights under, this Agreement; except, in each case, to the extent caused by the negligence or willful misconduct of, or breach of this Agreement by, any of the Lilly Indemnified Parties. Lilly will give NextCure prompt Notice of any such Third Party Claim and, without limiting the foregoing indemnity, NextCure will have the right to compromise, settle or defend any such Third Party Claim (to the extent subject to indemnity by NextCure as set forth herein); provided that (i) no offer of settlement, settlement or compromise by NextCure shall be binding on Lilly without its prior written consent, not to be unreasonably withheld, conditioned or delayed, unless such settlement fully releases Lilly without any liability, loss, cost or obligation incurred by Lilly and in no event shall any settlement or compromise admit or concede that any aspect of any of the Lilly Collaboration Patent Rights is invalid or unenforceable or adversely affect the scope of any of the Lilly Collaboration Patent Rights and (ii) NextCure shall not have authority to admit any wrongdoing or misconduct on the part of Lilly or any of its Affiliates except with Lilly's prior written consent.

11.3 NextCure Representations and Warranties to Lilly. NextCure represents and warrants to Lilly as of the Effective Date that:

11.3.1 it owns or Controls all of the NextCure Collaboration Technology licensed to Lilly hereunder;

11.3.2 NextCure has the full right, power and authority to grant the rights and licenses it purports to grant hereunder, and neither NextCure nor any of its Affiliates has granted any Third Party any rights or licenses that would interfere with Lilly's rights and licenses hereunder;

11.3.3 NextCure itself is not developing any products Directed to or that work through, or are based on, and has granted no rights to any Third Party with respect to, any Pre-Existing Target;

11.3.4 none of the NextCure Collaboration Technology, NextCure Materials or FIND-IO™ Technology is subject to any existing royalty or other payment obligations to any Third Party under any agreement or understanding entered into by NextCure or its Affiliates, and NextCure has no Knowledge of any obligation to pay any royalties or other amounts to any Third Party by reason of Lilly's use thereof as contemplated by this Agreement;

11.3.5 to NextCure's Knowledge, use of the NextCure Collaboration Technology, NextCure Materials and/or FIND-IO™ Technology in accordance with the terms of this Agreement, including Lilly's further development, manufacturing and/or commercialization of each Product will not infringe on the rights of any Third Party, including any Third Party intellectual property rights;

11.3.6 it has received no written notice of or any written demand relating to any threatened or pending litigation which would reasonably lead it to believe that Lilly's exercise of any rights granted by NextCure under this Agreement in respect of the NextCure Collaboration Technology, NextCure Materials and/or FIND-IO™ Technology will infringe any Patent Rights or other intellectual property right of any Third Party;

11.3.7 NextCure has not given any written notice to any Third Party asserting infringement by such Third Party of any of the NextCure Collaboration Technology, NextCure Materials and/or FIND-IO™ Technology and, to NextCure's Knowledge, there is no unauthorized use, infringement or misappropriation of the NextCure Collaboration Technology, NextCure Materials and/or the FIND-IO™ Technology;

11.3.8 NextCure has complied with all Applicable Laws related to data protection and data privacy and, to the extent required, has provided all privacy notices to, and obtained appropriate consents, including research informed consents, from data subjects ("**Notices and Consents**"), and the Notices and Consents permit the use of the data as currently and previously used and processed by NextCure and will permit the sale, licensing, and transfer of all such personal data of data subjects to Lilly as contemplated in this Agreement; and

11.3.9 NextCure has used commercially reasonable efforts to protect the confidentiality of those parts of the NextCure Collaboration Technology, NextCure Materials and/or FIND-IO™ Technology that constitute Confidential Information of NextCure.

11.4 Representations and Warranties of Lilly to NextCure. Lilly represents and warrants to NextCure as of the Effective Date that:

11.4.1 it owns or Controls all of the Lilly Collaboration Technology;

11.4.2 Lilly has the full right, power and authority to grant the rights and licenses it purports to grant hereunder, and neither Lilly nor any of its Affiliates has granted any Third Party any rights or licenses that would interfere with NextCure's rights and licenses hereunder;

11.4.3 to Lilly's Knowledge, use of the Lilly Collaboration Technology by NextCure in accordance with the terms of this Agreement, including NextCure's further development, manufacturing and/or commercialization of each Product will not infringe on the rights of any Third Party, including any Third Party intellectual property rights;

11.4.4 none of the Lilly Collaboration Technology or Lilly Materials is subject to any existing royalty or other payment obligations to any Third Party under any agreement or understanding entered into by Lilly or its Affiliates, and Lilly has no Knowledge of any obligation to pay any royalties or other amounts to any Third Party by reason of NextCure's use thereof as contemplated by this Agreement;

11.4.5 it has received no written notice of or any written demand relating to any threatened or pending litigation which would reasonably lead it to believe that NextCure's exercise of any rights granted by Lilly under this Agreement in respect of the Lilly Collaboration Technology and/or Lilly Materials will infringe any Patent Rights or other intellectual property right of any Third Party;

11.4.6 Lilly has not given any written notice to any Third Party asserting infringement by such Third Party of any of the Lilly Collaboration Technology and/or Lilly Materials and, to Lilly's Knowledge, there is no unauthorized use, infringement or misappropriation of the Lilly Collaboration Technology and/or Lilly Materials;

11.4.7 Lilly has complied with all Applicable Laws related to data protection and data privacy and, to the extent required, has provided all Notices and Consents, and the Notices and Consents permit the use of the data as currently and previously used and processed by Lilly and will permit the sale, licensing, and transfer of all such personal data of data subjects to NextCure as contemplated in this Agreement; and

11.4.8 Lilly has used commercially reasonable efforts to protect the confidentiality of those parts of the Lilly Collaboration Technology and/or Lilly Materials that constitute Confidential Information of Lilly.

11.5 Representations and Warranties of the Parties to Each Other. NextCure and Lilly each represent, warrant and covenant (as applicable) with respect to itself that:

11.5.1 as of the Effective Date, the execution, delivery and performance of this Agreement have been duly authorized by all necessary action on the part of such Party, its officers and directors, and does not conflict with, violate, or breach any agreement to which such Party is a party, or such Party's corporate charter, bylaws or similar organizational documents;

11.5.2 as of the Effective Date, this Agreement constitutes a legal, valid and binding obligation of such Party that is enforceable against it in accordance with its terms, except as such enforceability may be limited by general principles of equity or to applicable bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws relating to, or affecting generally, the enforcement of applicable creditors' rights and remedies;

11.5.3 as of the Effective Date, it is a company or corporation duly organized, validly existing, and in good standing under the laws of the jurisdiction in which it is incorporated;

11.5.4 it has not as of the Effective Date, and will not after the Effective Date and during the Term, grant any right to any Third Party that would conflict with the rights granted to the other Party hereunder (but only while such rights remain in effect in accordance with the terms of this Agreement); and

11.5.5 it has not as of the Effective Date, and will not after the Effective Date and during the Term, use any employee, agent, contractor or consultant in connection with the development or commercialization of such Party's respective Products who has been debarred by any governmental authority, or, to such Party's Knowledge, is the subject of debarment proceedings by a governmental authority.

11.6 Covenants.

11.6.1 Compliance with Applicable Law and Anti-Corruption Policy. Each Party agrees that it shall, and it shall cause its Affiliates to, comply in all material respects with Applicable Law in the course of performing its obligations or exercising its rights pursuant to this Agreement, including Applicable Laws and industry codes dealing with government procurement, conflicts of interest, corruption or bribery, including, if applicable, the U.S. Foreign Corrupt Practices Act of 1977, as amended, and any Applicable Laws enacted to implement the Organisation of Economic Cooperation and Development Convention on Combating Bribery of Foreign Officials in International Business Transactions.

11.6.2 Prohibited Conduct. In connection with this Agreement, neither Party has made, offered, given, promised to give, or authorized, and neither Party will make, offer, give, promise to give, or authorize, any bribe, kickback, payment or transfer of anything of value, directly or indirectly, to any person or to any Government Official for the purpose of: (a) improperly influencing any act or decision of the person or Government Official; (b) inducing the person or Government Official to do or omit to do an act in violation of a lawful or otherwise required duty; (c) securing any improper advantage; or (d) inducing the person or Government Official to improperly influence the act or decision of any organization, including any government or government instrumentality, to assist NextCure or Lilly in obtaining or retaining business. For purposes of this Agreement, "**Government Official**" means: (x) any officer or employee of: (i) a government, or any department or agency thereof; (ii) a government-owned or controlled company, institution, or other entity, including a government-owned hospital or university; or (iii) a public international organization (such as the United Nations, the International Monetary Fund, the International Committee of the Red Cross, and the World Health Organization), or any department or agency thereof; (y) any political party or party official or candidate for public or political party office; and (z) any person acting in an official capacity on behalf of any of the foregoing.

11.6.3 Compliance with Party Specific Regulations. Each Party agrees to cooperate with the other Party as may reasonably be requested to ensure that each Party is able to meet its obligations with respect to the Party Specific Regulations applicable to it. Neither Party

shall be obligated to pursue any course of conduct that would result in such Party being in material breach of any Party Specific Regulation applicable to it. All Party Specific Regulations are binding only in accordance with their terms and only upon the Party to which they relate. For purposes of this Section 11.6.3, "**Party Specific Regulations**" shall mean all Applicable Laws specific to a Party, and all consent decrees, corporate integrity agreements, or other agreements or undertakings of any kind by a Party with any governmental authority, in each case as the same may be in effect from time to time and applicable to a Party's activities contemplated by this Agreement. This Section 11.6.3 shall apply subject to notification by a Party to the other Party of any such applicable Party Specific Regulation (for clarity, Schedule 3.6 shall be deemed notification hereof to NextCure of the Lilly Party Specific Regulations contained therein).

11.6.4 Compliance with Internal Compliance Codes. All Internal Compliance Codes shall apply only to the Party to which they relate. Each Party agrees to cooperate with the other Party as may be reasonably requested to allow each Party to comply in all material respects with its respective Internal Compliance Codes and, to the extent practicable, to operate in a manner consist with its usual compliance-related processes. For purposes of this Section 11.6.4, "**Internal Compliance Codes**" shall mean a Party's internal policies and procedures intended to ensure that a Party complies with Applicable Laws, Party Specific Regulations, and such Party's internal ethical, medical and similar standards.

11.7 DISCLAIMER. THE REPRESENTATIONS AND WARRANTIES OF THE PARTIES SET FORTH IN THIS AGREEMENT ARE THE SOLE AND EXCLUSIVE REPRESENTATIONS AND WARRANTIES OF THE PARTIES RELATING TO OR MADE IN CONNECTION WITH THIS AGREEMENT, AND NEITHER PARTY MAKES OR HAS MADE ANY REPRESENTATIONS OR WARRANTIES NOT EXPRESSLY SET FORTH IN THIS AGREEMENT. NEXTCURE AND LILLY ARE NOT RELYING ON, AND EACH HEREBY DISCLAIMS, ALL REPRESENTATIONS AND WARRANTIES NOT EXPRESSLY CONTAINED HEREIN (WHETHER EXPRESS OR IMPLIED), INCLUDING WITH RESPECT TO EACH OF THEIR RESEARCH, DEVELOPMENT AND COMMERCIALIZATION EFFORTS HEREUNDER, WHETHER THE PRODUCTS CAN BE SUCCESSFULLY DEVELOPED OR MARKETED, THE ACCURACY, PERFORMANCE, UTILITY, RELIABILITY, TECHNOLOGICAL OR COMMERCIAL VALUE, COMPREHENSIVENESS, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE WHATSOEVER OF THE PRODUCTS, OR THE NON-INFRINGEMENT OF THIRD PARTY INTELLECTUAL PROPERTY RIGHTS.

11.8 LIMITATIONS. IN NO EVENT SHALL EITHER NEXTCURE OR LILLY (OR ANY OF THEIR AFFILIATES) BE LIABLE TO THE OTHER PARTY (OR ITS AFFILIATES) FOR ANY INDIRECT, CONSEQUENTIAL, SPECIAL, RELIANCE, SPECULATIVE, PUNITIVE OR EXEMPLARY, OR OTHER SPECIAL DAMAGES, INCLUDING LOST PROFITS, ARISING OUT OF THIS AGREEMENT BASED ON CONTRACT, TORT OR ANY OTHER LEGAL THEORY AND IRRESPECTIVE OF WHETHER THAT PARTY OR ANY REPRESENTATIVE OF THAT PARTY HAS BEEN ADVISED OF, OR OTHERWISE MIGHT HAVE ANTICIPATED THE POSSIBILITY OF, ANY SUCH LOSS OR DAMAGE (OTHER THAN (A) SUCH DAMAGES THAT ARE SUBJECT TO INDEMNIFICATION OBLIGATIONS UNDER SECTION 11.1 OR 11.2, (B)

SUCH DAMAGES ARISING OUT OF ANY BREACH OF ARTICLE 10 BY A PARTY, ITS AFFILIATES OR SUBLICENSEES OR (C) SUCH DAMAGES ARISING OUT OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF THE LIABLE PARTY). Notwithstanding the foregoing, it is expressly understood and agreed that nothing contained in this Section 11.8 shall limit, alter, or waive in any manner or respect any defenses available to any Person or any burdens of proof or legal standards required to be met by any Person under Applicable Law.

ARTICLE 12
TERM AND TERMINATION

12.1 Term. The term of this Agreement will commence on the Effective Date and end on a country-by-country and Product-by-Product basis on the expiration of the last to expire Royalty Term for a Product in a particular country, unless terminated earlier according to the terms and conditions of this Agreement (the "**Term**").

12.2 Termination At Will by Lilly. Lilly may terminate this Agreement in its entirety or with respect to one or more particular Lilly Products or Lilly Targets without cause upon sixty (60) days' written Notice to NextCure. During such sixty (60)-day period, the Parties shall cooperate in the wind down of activities under this Agreement in a commercially reasonable manner.

12.3 Termination for Cause by Either Party.

12.3.1 Material Breach. Subject to the final sentence of this Section 12.3.1, this Agreement (either in its entirety or only in part consistent with such final sentence) may be terminated by a Party at any time during the Term upon written Notice to the other Party if such other Party is in material breach of this Agreement and has not cured such breach within ninety (90) days of receipt of Notice thereof. Any such termination shall become effective at the end of such ninety (90)-day period unless the breaching Party has either (a) cured such breach prior to the end of such period or (b) if such breach is not susceptible to cure within such ninety (90)-day period, the breaching Party has, within such ninety (90)-day period, provided to the non-breaching Party a written plan that is reasonably calculated to effect a cure and such plan is reasonably acceptable to the non-breaching Party. Any right to terminate under this Section 12.3.1 shall be stayed and the cure period tolled in the event that, during any cure period, the Party alleged to have been in material breach shall have in good faith initiated dispute resolution in accordance with Article 14 with respect to the alleged breach, which stay and tolling shall continue until such dispute has been resolved in accordance with Article 14. For clarity, such material breach of this Agreement may apply to (a) this Agreement in its entirety, in which case Section 12.4.2 or 12.4.3 (as applicable) shall apply to the entire Agreement, (b) a specific Product(s), in which case Section 12.4.2 or 12.4.3 (as applicable) shall apply only to such affected Product(s), (c) a specific Collaboration Target(s) or in which case Section 12.4.2 or 12.4.3 (as applicable) shall apply only to such affected Collaboration Target(s) or (d) a specific country or countries, in which case Section 12.4.2 or 12.4.3 (as applicable) shall apply only to such affected countries.

12.3.2 Bankruptcy. Either Party will have the right to terminate this Agreement in the event of a general assignment for the benefit of creditors of the other Party, or if proceedings of a case are commenced in any court of competent jurisdiction by or against such other Party seeking (a) such other Party's reorganization, liquidation, dissolution, arrangement or winding up, or the composition or readjustment of its debts, (b) the appointment of a receiver or trustee for or over such other Party's property, or (c) similar relief in respect of such other Party under any law relating to bankruptcy, insolvency, reorganization, winding up or composition or adjustment of debt and, in each case ((a) through (c)), such proceedings shall continue undismissed, or an order with respect to the foregoing shall be entered and continue unabated, for a period of more than sixty (60) days.

12.3.3 Not Sole Remedy. If either Party has the right to terminate this Agreement under this Article 12, it may at its sole option, elect either to (a) terminate this Agreement and pursue any legal or equitable remedy available to it or (b) maintain the Agreement in effect and pursue any legal or equitable remedy available to it.

12.4 Effect of Expiration or Termination.

12.4.1 Expiration. Upon expiration (but not earlier termination) of this Agreement, (a) the license and rights under NextCure Collaboration Technology and NextCure Materials granted by NextCure to Lilly pursuant to this Agreement shall survive on a royalty-free, fully-paid, irrevocable and perpetual basis and (b) the license and rights under the Lilly Collaboration Technology granted by Lilly to NextCure pursuant to this Agreement shall survive on a royalty-free, fully-paid, irrevocable and perpetual basis.

12.4.2 Termination by NextCure for Cause or by Lilly At Will. Upon any termination by NextCure in accordance with Section 12.3, or by Lilly in accordance with Sections 12.2, the following shall apply (for the avoidance of doubt, in the case of a termination by Lilly (under Sections 12.2) or NextCure (under Section 12.3):

(a) all licenses and rights granted by NextCure to Lilly pursuant to this Agreement shall automatically terminate, except as expressly provided below in this Article 12 or elsewhere in this Agreement;

(b) any sublicense granted by Lilly or its Affiliate to a Third Party under the license granted under Section 7.1.2 shall survive the termination of this Agreement and become a direct license from NextCure to such sublicensee only if, in the case of termination of this Agreement for Lilly's uncured material breach pursuant to Section 12.3.1, such sublicensee of Lilly or its Affiliate did not cause such uncured material breach; provided that in no event shall NextCure have any obligations under such sublicense beyond the obligations expressly set forth in this Agreement; and

(c) the license and rights under Lilly Collaboration Technology granted by Lilly to NextCure pursuant to this Agreement and the provisions contemplated in Section 12.6 shall survive; provided, however, [***].

12.4.3 Termination by Lilly for Cause. Upon any termination by Lilly under Section 12.3, the following shall apply:

(a) all licenses and rights granted by Lilly to NextCure pursuant to this Agreement shall automatically terminate, except as expressly provided below in this Article 12 or elsewhere in this Agreement;

(b) any sublicense granted by NextCure or its Affiliate to a Third Party under the license granted under Section 7.1.2 shall survive the termination of this Agreement and

become a direct license from Lilly to such sublicensee only if, in the case of termination of this Agreement for NextCure's uncured material breach pursuant to Section 12.3.1, such sublicensee of NextCure or its Affiliate did not cause such uncured material breach; provided that in no event shall Lilly have any obligations under such sublicense beyond the obligations expressly set forth in this Agreement; and

(c) the license and rights under NextCure Collaboration Technology granted by NextCure to Lilly pursuant to this Agreement and the provisions contemplated in Section 12.6 shall survive; provided, however, [***].

12.5 Termination Not Sole Remedy. Termination is not the sole remedy under this Agreement, and, whether or not termination is effected, all other remedies will remain available except as the Parties have expressly agreed to otherwise herein.

12.6 Accrued and Surviving Obligations. Upon expiration or termination of this Agreement or termination of this Agreement with respect to one or more particular Products or countries, the obligations which by their nature are intended to survive such expiration or termination will survive. In addition, Articles 1 (to the extent defined terms are used in any other surviving provisions), 10, 13 and 14 and Sections 3.10.2 through 3.10.3 (in each case, solely with respect to the last sentence), 4.5.4 (except with respect to the first proviso of subsection (b)), 4.6, 6.5 through 6.10 (with respect to amounts accrued thereunder prior to the effective date of termination or expiration of this Agreement), 6.12 through 6.15 (with respect to amounts accrued thereunder prior to the effective date of termination or expiration of this Agreement), 11.1, 11.2, 11.6 (solely with respect to the licensee Party to the extent any licenses granted hereunder survive in accordance with Section 12.4.2(c) or 12.4.3(c)), 11.8, and 12.4 through 12.7 shall survive such expiration or termination. Such expiration or termination by either Party for any reason will not release either Party from any obligation which accrued prior to the effective date of expiration or termination.

12.7 Bankruptcy. All rights and licenses granted under or pursuant to this Agreement are, and will otherwise be deemed to be, for purposes of Section 365(n) of the U.S. Bankruptcy Code, licenses of rights to "intellectual property" as defined under Section 101 of the U.S. Bankruptcy Code. Further, the Parties agree (a) the intellectual property rights granted hereunder by each Party are personal and non-delegable and (b) that each of them, as licensee of rights and licenses under this Agreement, will retain and may fully exercise all of its rights and elections to the extent permitted under Applicable Laws, including the U.S. Bankruptcy Code.

ARTICLE 13
MISCELLANEOUS

13.1 Interpretation. In this Agreement, unless the context otherwise requires, a reference to:

(a) a paragraph, section, exhibit or schedule is a reference to a paragraph, section, exhibit or schedule to this Agreement;

(b) any document includes a reference to that document (and, where applicable, any of its provisions) as amended, novated, supplemented or replaced from time to time;

(c) a statute or other law includes regulations and other instruments under it and consolidations, amendments, re-enactments or replacements of any of them;

(d) the singular includes the plural and vice versa, except as it regards the definitions of Party and Parties;

(e) one sex includes the other;

(f) "written" and "in writing" include any means of reproducing words, figures or symbols in a tangible and visible form, including acknowledged email or facsimile;

(g) a month or year is a reference to a calendar month or Calendar Year, as the case may be;

(h) "including" means including without limitation; and

(i) the official text of this Agreement and any attachments shall be in English, and any Notices (as defined below) given or accounts or statements for communication between the Parties will be in English and in the event of any dispute concerning the construction or interpretation of this Agreement, reference shall be made only to this Agreement as written in English and not to any other translation into any other language.

13.2 Separate Entities / Disclaimer of Agency. NextCure and Lilly are and will remain separate independent entities and neither Party to this Agreement shall be deemed an Affiliate of the other Party by virtue of this Agreement. This Agreement will not constitute, create or otherwise imply a joint venture, partnership or formal business organization of any kind, and no employee or contractor of either Party or its Affiliates shall be considered an employee or contractor of the other Party or its Affiliates. Each Party to this Agreement will act as an independent contractor and not as an agent or legal representative of the other. Neither Party will have the right or authority to assume, create or incur any Third Party liability or other obligation or liability of any kind, express or implied, against or in the name of or on behalf of the other Party except as expressly set forth in this Agreement.

[***] INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

13.3 Force Majeure. If either Party is affected by any extraordinary, unexpected and unavoidable event, including acts of God, floods, fires, riots, terrorism, war, accidents, labor disturbances, breakdown of plant or equipment, lack or failure of transportation facilities, unavailability of equipment, sources of supply or labor, raw materials, power or supplies, infectious diseases of animals, or by the reason of any law, order, proclamation, regulation, ordinance, demand or requirement of the relevant government or any sub-division, authority or representative thereof (provided that in all such cases the Party claiming relief on account of such event can demonstrate that such event was extraordinary, unexpected and unavoidable by the exercise of reasonable care) ("**Force Majeure**"), it will as soon as reasonably practicable notify the other Party of the nature and extent thereof and take all reasonable steps to overcome the Force Majeure and to minimize the loss occasioned to the other Party. Neither Party will be deemed to be in breach of this Agreement or otherwise be liable to the other Party by reason of any delay in performance or nonperformance of any of its obligations hereunder to the extent that such delay and nonperformance is due to any Force Majeure of which it has notified the other Party and the time for performance of that obligation will be extended accordingly.

13.4 Assignment and Successors. This Agreement may not be assigned or otherwise transferred by either Party without the prior written consent of the other Party, which consent will not be unreasonably withheld, conditioned or delayed; provided, however, each of the Parties may, without such consent, assign this Agreement and its rights and obligations hereunder to any of its Affiliates or in connection with the transfer or sale of all or substantially all of the portion of its business to which this Agreement relates or in the event of its merger or consolidation with a Third Party. Any permitted assignee will assume all obligations of its assignor under this Agreement in writing concurrent with the assignment. Any purported assignment in violation of this Section 13.4 will be void. Except as otherwise provided herein, this Agreement shall be binding upon and inure to the benefit of the Parties and their successors and permitted assigns under this Section 13.4.

13.5 Notices. Any consent, notice, report or other communication required or permitted to be given or made under this Agreement by one of the Parties to the other Party (a "**Notice**") will be delivered in writing by one of the following means and effective: (a) upon receipt, if delivered personally, or (b) when delivered by a reputable, commercial overnight courier; provided in all cases addressed to such other Party at its address indicated below, or to such other address as the addressee will have last furnished in writing to the addressor and will be effective upon receipt by the addressee.

If to NextCure:

NextCure, Inc.
9000 Virginia Manor Road, Suite 200
Beltsville, MD 20705
Attn: Chief Executive Officer

With a copy (which shall not constitute Notice) to:

Hogan Lovells US LLP
100 International Drive, Suite 2000

[***] INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

Baltimore, MD 21202
Attn: Asher Rubin

If to Lilly:

Eli Lilly and Company
Lilly Corporate Center
Indianapolis, Indiana 46285
Attention: Senior Vice-President of Business Development
With a copy to: General Counsel

Written confirmation of receipt (i) given by the recipient of such Notice, or (ii) provided by an overnight courier service shall be rebuttable evidence of personal service or receipt from an overnight courier service in accordance with clause (a) or (b) above, respectively.

13.6 Expenses; Execution of Agreement. Each Party shall bear its own fees and other expenses (including attorneys' fees) in connection with the negotiation, preparation and execution of this Agreement. This Agreement may be executed in several counterparts, all of which shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile transmission or by an e-mail which contains a portable document format (.pdf) file of an executed signature page, such executed signature page shall create a valid and binding obligation of the party executing it (or on whose behalf such signature page is executed) with the same force and effect as if such executed signature page were an original thereof.

13.7 Governing Law; Jurisdiction. This Agreement shall be governed by and interpreted in accordance with the laws of the State of New York, USA applicable to agreements made and to be performed entirely within such state without regard to its conflicts of laws principles other than Section 5-1401 of the New York General Obligations Applicable Law; provided that any matters relating to the construction or effect of any patent will be governed by the patent laws of the United States. This Agreement was prepared in the English language, which language shall govern the interpretation of, and any dispute regarding, the terms of this Agreement. Each Party (a) irrevocably submits to the exclusive jurisdiction of the United States District Court for the Southern District of New York and the Supreme Court of the State of New York, New York County (collectively, the "**Courts**"), for purposes of any action, suit or other proceeding arising out of this Agreement, (b) agrees not to raise any objection at any time to the laying or maintaining of the venue of any such action, suit or proceeding in any of such Courts, and (c) irrevocably waives any claim that such action, suit or other proceeding has been brought in an inconvenient forum and further irrevocably waives the right to object, with respect to such action, suit or other proceeding, that such Courts do not have any jurisdiction over such Party. Notwithstanding the forgoing, nothing contained in this Agreement will deny any Party the right to seek injunctive relief or other equitable relief from a court of competent jurisdiction applying the laws of the court in the context of a bona fide emergency or prospective irreparable harm, and such an action may be filed and maintained notwithstanding any other ongoing proceeding.

13.8 Waiver. The waiver by a Party of a breach or a default of any provision of this Agreement by the other Party shall not be construed as a waiver of any succeeding breach of the same or any other provision, nor shall any delay or omission on the part of a Party to exercise or

avail itself of any right, power or privilege that it has or may have hereunder operate as a waiver of any right, power or privilege by such Party. No waiver shall be effective unless it is in writing and signed by an authorized representative of the waiving Party.

13.9 Entire Agreement; Confidentiality Agreement; Construction; Third-Party Beneficiaries. This Agreement and the Schedules hereto (which Schedules are deemed to be a part of this Agreement for all purposes) contain the full understanding of the Parties solely with respect to the subject matter hereof and supersede all prior understandings and writings solely relating thereto, including that certain Mutual Confidentiality Agreement by and between NextCure and Lilly, dated as of September 29, 2017 (the "**CDA**"). The Parties hereby agree to terminate the CDA as of the Effective Date, and that all confidential information that was disclosed by the Parties pursuant to the CDA shall be deemed Confidential Information disclosed under, and subject to, the terms and conditions of this Agreement. No alteration or modification of any of the provisions hereof shall be binding unless made in writing and signed by the Parties. The language used in this Agreement will be deemed to be the language chosen by the Parties to express their mutual intent, and no rules of strict construction will be applied against any Party. This Agreement is intended for the benefit of the Parties and the Persons specified in Sections 11.1 and 11.2 (solely with respect to the rights set forth therein) and their respective successors and permitted assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, other than the Parties and the Persons specified in Sections 11.1 and 11.2 (solely with respect to the rights set forth therein) and their respective successors and permitted assigns. The terms "herein," "hereunder," "hereof" and words of like import refer to this entire Agreement instead of just the provision in which they are found.

13.10 Headings. The headings contained in this Agreement are for convenience of reference only and shall not be considered in construing this Agreement.

13.11 Severability. In the event that any provision of this Agreement is held by a court of competent jurisdiction to be unenforceable because it is invalid or in conflict with any Applicable Law of any relevant jurisdiction, the validity of the remaining provisions shall not be affected, and the Parties shall negotiate in good faith a substitute provision that, to the extent possible, accomplishes the original business purpose. During the period of such negotiation, and thereafter if no substituted provision is agreed upon, any such provision which is enforceable in part but not in whole shall be enforced to the maximum extent permitted by Applicable Law.

13.12 Performance by Affiliates.

13.12.1Lilly. Lilly may discharge any obligation and exercise any right hereunder through any of its Affiliates. Lilly hereby guarantees the performance by its Affiliates of such obligations under this Agreement, and shall cause its Affiliates to comply with the provisions of this Agreement in connection with such performance. Any breach by an Affiliate of Lilly of any of Lilly's obligations under this Agreement shall be deemed a breach by Lilly, and NextCure may proceed directly against Lilly without any obligation to first proceed against such Affiliate. In the event it is subsequently determined that any Lilly Collaboration Technology is Controlled by any Affiliate of Lilly and not by Lilly, Lilly shall cause such

Affiliate to grant licenses to NextCure with respect to the same as if such rights were Controlled by Lilly.

13.12.2NextCure. NextCure shall have no right to discharge any obligation or exercise any right hereunder through any of its Affiliates except as may be expressly agreed in writing by Lilly. Where this Agreement expressly includes reference to NextCure Affiliates, or Lilly consents to the discharge of any obligations or exercise of any rights of NextCure hereunder though any NextCure Affiliate, NextCure hereby guarantees the performance by such Affiliate of such obligations under this Agreement and shall cause such Affiliate to comply with the provisions of this Agreement in carrying out such obligations in connection with such performance. Any breach of any such obligations by such Affiliate of NextCure shall be deemed a breach by NextCure, and Lilly may proceed directly against NextCure without any obligation to first proceed against such Affiliate. In the event it is subsequently determined that any NextCure Collaboration Technology and/or NextCure Materials is Controlled by any Affiliate of NextCure and not by NextCure, NextCure shall cause such Affiliate to grant licenses to Lilly with respect to the same as if such rights were Controlled by NextCure.

13.13 Other Activities. The Parties acknowledge that, except as expressly provided in this Agreement, each of them may now or in the future engage in research, manufacturing, development or commercialization activities that utilize technologies similar to or involve products competitive with those contemplated by this Agreement. Except as may be expressly provided in this Agreement, nothing in this Agreement, including any obligation to promote Products or any restriction on the use of Confidential Information, shall create (a) any obligation not to research, manufacture, develop or commercialize any product or (b) any obligation to utilize a separate sales force for Products. Subject to the exclusivity provisions of Section 4.5, neither Party shall be prevented from using any publicly available research results or other information (including any publicly available information of the other Party) to the same extent as Third Parties generally are legally permitted to do so. Each Party agrees to inform its key personnel assigned to the activities contemplated by this Agreement of the limitations on use of the disclosing Party's Confidential Information contained in this Agreement, instruct such personnel to comply with such restrictions, and where appropriate, impose firewalls or other appropriate measures to minimize the potential for misuse of information. However, each Party has limited resources, and as a result it is anticipated that personnel assigned to the activities contemplated by this Agreement may also participate in other activities that may utilize technologies similar to or involve products competitive with those contemplated by this Agreement. In particular, it is anticipated that personnel in sales, marketing, clinical and regulatory functions, regardless of level, will participate in multiple programs and that management personnel will by nature of their leadership positions participate in multiple programs. For clarity, nothing in this Section 13.13 shall limit either Party's obligations under Section 4.5 or Article 10.

ARTICLE 14
DISPUTE RESOLUTION

14.1 Dispute Resolution. In the event of a dispute, controversy or claim under, arising out of or relating to this Agreement that is not subject to the JSC's jurisdiction (e.g., a dispute

related to whether a Party has performed its obligations under this Agreement) (a "**Dispute**"), the Parties shall refer such dispute to the Chief Executive Officer of NextCure and an appropriate executive of Lilly (the "**Executive Officers**") for attempted resolution by good faith negotiations within twenty (20) business days after such referral is made. If the Executive Officers are unable to resolve such Dispute during such period of time, then either Party shall have the right to avail itself of, subject to the terms and conditions of this Agreement, any rights or remedies available at law or equity.

14.2 WAIVER OF JURY TRIAL. EACH PARTY HEREBY IRREVOCABLY WAIVES ANY RIGHT IT MAY HAVE TO, AND AGREES NOT TO REQUEST, A JURY TRIAL FOR ENFORCING AN ARBITRATION AWARD OR SEEKING INJUNCTIVE OR EQUITABLE RELIEF IN CONNECTION WITH OR ARISING OUT OF THIS AGREEMENT.

[*Signature page follows*]

[***] INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

In Witness Whereof, the Parties have duly executed this Agreement to be effective as of the Effective Date.

EXECUTED

Signed on behalf of)
Eli Lilly and Company)
)
)

/s/ David A. Ricks
Signature of Authorized Officer

David A. Ricks
Name of Authorized Officer (please print)

November 2, 2018
Date Signed

Signed on behalf of)
NextCure, Inc.)
)
)

/s/ Michael Richman
Signature of Authorized Officer

Michael Richman
Name of Authorized Officer (please print)

November 2, 2018

[***] INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

Date Signed

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Index of Schedules and Exhibits:

Schedule 3.2.1: Initial Target Discovery Plan

Schedule 3.6:

Part A — Eli Lilly and Company Good Research Practices;

Part B — Eli Lilly and Company Animal Care and Use Requirement for Animal Researchers and Suppliers

Schedule 3.10.1: Materials Transfer Record

Schedule 8.5: Lilly Responsibility Patents

Schedule 10.6.1: Initial Joint Press Release

Exhibit A: Pre-Existing Targets

Exhibit B: Excluded Targets

[***] INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

Schedule 3.2.1

Initial Target Discovery Plan

[***]

[***] INDICATES TWO PAGES OF MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

Schedule 3.6, Part A

Eli Lilly and Company Good Research Practices;

Eli Lilly and Company strives to provide innovative medicines, information, and exceptional customer service enabling people to live longer, healthier, and more active lives. This service cannot be achieved unless we conduct each aspect of our business with planning, innovation and an unsurpassed focus on Quality. Lilly has compiled a set of shared research Quality Standards defining how our research laboratories conduct good science. We call these Good Research Practices (GRPs), and they enable us to consistently deliver a degree of excellence, whether it is data, methodology, etc. In conducting business with Lilly, our expectation is that you conduct good science with a focus on Quality. The Lilly GRPs are defined below [***].

[***] INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

Schedule 3.6, Part B

Eli Lilly and Company Animal Care and Use Requirement for Animal Researchers and Suppliers

[***]

[***] INDICATES TWO PAGES OF MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

Schedule 3.10.1

Materials Transfer Record

The Material(s) described below is/are supplied by the Supplying Party to the Receiving Party subject to the terms and conditions of the Research and Development Collaboration Agreement between NextCure and Lilly effective November 2, 2018 (the "Agreement"). For clarity, defined terms used herein and not defined herein have the meanings ascribed to such terms in the Agreement. This Schedule may be executed in one or more counterparts, including by facsimile or "PDF" exchange, each of which shall be deemed to be an original as against any party whose signature appears thereon, but all of which together shall constitute but one and the same instrument.

Description of Material(s): _____

_____

_____

_____

In signing below, the NextCure scientist and Lilly scientist acknowledge that they understand and will abide by the terms and conditions under which the Material(s) is/are provided.

_____	_____
Lilly Representative Signature	NextCure Representative Signature
_____	_____
Lilly Representative Name	NextCure Representative Name
_____	_____
Eli Lilly and Company	NextCure, Inc.
_____	_____
Date	Date

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Schedule 8.5

Lilly Responsibility Patents

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Schedule 10.6.1

Initial Joint Press Release

November 5, 2018

For Release: Draft C

Refer to: Mark Taylor; mark.taylor@lilly.com; (317) 276-5795 (Lilly Media)
Kevin Hern; hern_kevin_r@lilly.com; (317) 277-1838 (Lilly Investors)
Timothy Mayer, Ph.D.; mmedia@nextcure.com; (240) 762-6486 (NextCure)
Shai Biran, Ph.D.; msbiran@macbiocom.com; (781) 235-3060 (for NextCure Media)

Lilly and NextCure Announce Collaboration to Discover and Develop Novel Immuno-Oncology Medicines

- *Collaboration aims to develop immuno-oncology cancer medicines across multiple tumor types*
- *NextCure to receive $25 million upfront payment and $15 million equity investment*

INDIANAPOLIS, IN, and BELTSVILLE, MD — Eli Lilly and Company (NYSE: LLY) and NextCure, Inc. today announced a multi-year collaboration focused on the discovery and development of immuno-oncology cancer therapies. The collaboration aims to discover novel cancer targets utilizing NextCure's proprietary FIND-IO™ platform.

Under the terms of the agreement, NextCure will apply its FIND-IO platform to identify novel, functional immune-related targets and Lilly will develop antibodies to these targets. Lilly and NextCure will each receive options to exclusively license antibodies resulting from the collaboration. NextCure will receive an upfront payment of $25 million, and will be eligible for development and commercial milestones and royalty payments, should Lilly successfully develop and commercialize new cancer therapies resulting from the collaboration. Additionally, Lilly has made a $15 million equity investment in NextCure.

"The emerging field of immuno-oncology is offering new treatment options and hope to cancer patients," said Greg Plowman, M.D., Ph.D., vice president of oncology research at Lilly. "Through this collaboration, we hope to leverage NextCure's discovery platform to expand the reach of this class of groundbreaking treatments by identifying novel cancer targets that could enable the development of a new generation of immuno-oncology therapies."

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“Partnering with Lilly, a world leader in drug development, to advance the next generation immuno-oncology therapies is important validation of our FIND-IO discovery platform and our approach to discovering and developing immunomedicines,” said Michael Richman, NextCure’s president & CEO. “FIND-IO has the potential to identify and rapidly translate immune cell interactions into disease modifying immunomedicines. We look forward to working with Lilly to discover novel targets that will further enhance both companies’ growing immuno-oncology pipelines.”

This transaction will be reflected in Lilly’s reported results and financial guidance according to Generally Accepted Accounting Principles (GAAP). There will be no change to Lilly’s 2018 non-GAAP earnings per share guidance as a result of this transaction.

About FIND-IO™

The FIND-IO™ platform is designed to identify novel cell surface molecular interactions that drive functional immune responses in the tumor microenvironment and other disease sites. NextCure has developed proprietary approaches to assess immune pathways in primary immune cells and established cell lines from immune lineages, including T cells, NK cells, macrophages, myeloid-derived suppressor cells, dendritic cells, as well as cancer cells. NextCure is utilizing FIND-IO™ technology to identify targets that impact immune function, addressing the major challenge of supplying next generation immunomedicines for patients that do not respond to current cancer therapies.

About NextCure, Inc.

NextCure is a biopharmaceutical company focused on discovering and developing next generation first-in-class immunomedicines for cancer and other diseases. Our novel FIND-IO™ discovery technology identifies targets based on immunomodulatory function and on which the company is building a proprietary pipeline of immunomedicines. Our initial focus is to bring hope and new treatments to patients who do not respond to current cancer therapies. www.nextcure.com

About Eli Lilly and Company

Lilly is a global healthcare leader that unites caring with discovery to make life better for people around the world. We were founded more than a century ago by a man committed to creating high-quality medicines that meet real needs, and today we remain true to that mission in all our work. Across the globe, Lilly employees work to discover and bring life-changing medicines to those who need them, improve the understanding and management of disease, and give back to communities through philanthropy and volunteerism. To learn more about Lilly, please visit us at www.lilly.com and http://newsroom.lilly.com/social-channels. C-LLY

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NextCure Cautionary Statement Regarding Forward-Looking Statements

Statements made in this press release that are not historical facts are forward-looking statements. Words such as “expects,” “believes,” “intends,” and similar expressions are intended to identify forward-looking statements. Actual results may differ materially from those projected in any forward-looking statement. Specifically, there are a number of important factors that could cause actual results to differ materially from those anticipated, such as NextCure’s ability to raise additional capital, and risks related to NextCure’s ability to initiate, and enroll patients in, planned clinical trials. You should not place undue reliance on any forward-looking statements. NextCure assumes no obligation to update any forward-looking statements.

Lilly Forward-Looking Statement

This press release contains forward-looking statements (as that term is defined in the Private Securities Litigation Reform Act of 1995) about the benefits of a collaboration between Lilly and NextCure, and reflects Lilly’s current beliefs. However, as with any such undertaking, there are substantial risks and uncertainties in the process of drug development and commercialization. Among other things, there can be no guarantee that Lilly will realize the expected benefits of the collaboration, or that the collaboration will yield commercially successful products. For a further discussion of these and other risks and uncertainties that could cause actual results to differ from Lilly’s expectations, please see Lilly’s most recent Forms 10-K and 10-Q filed with the U.S. Securities and Exchange Commission. Lilly undertakes no duty to update forward-looking statements.

# # #

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Exhibit A

Pre-Existing Targets

[***]

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Exhibit B

Excluded Targets

[***]

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Exhibit 10.4

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SUBLEASE AGREEMENT

This SUBLEASE AGREEMENT (the "Sublease") is made as of this 9th day of February, 2016 (the "Effective Date"), by and between LUPIN, INC., a Maryland corporation ("Sublandlord") and NEXTCURE, INC., a Delaware corporation ("Subtenant").

WITNESSETH:

WHEREAS, by that certain Lease Agreement dated August 15, 2014, as amended by that certain First Amendment to Lease Agreement dated February 12, 2015 (the "Prime Lease") between Sublandlord and ARE-8000/9000/10000 Virginia Manor, LLC, a Delaware limited liability company (the "Prime Landlord"), Sublandlord currently leases approximately 35,055 rentable square feet of space known as Suites 200 and 201 (the "Premises") in a building located at 9000 Virginia Manor Road, Beltsville, Maryland 20705 (the "Building"). The Prime Lease is guaranteed by Lupin Pharmaceuticals, Inc., a Virginia corporation, pursuant to a Guaranty of Lease dated August 15, 2014 (the "Guaranty"). True and complete copies of the Prime Lease and Guaranty are attached hereto as Exhibit A; and

WHEREAS, Sublandlord has agreed to lease to Subtenant and Subtenant has agreed to lease from Sublandlord certain space within the Premises containing approximately 24,846 rentable square feet of space known as Suite 200, as more particularly shown on Exhibit B (the "Subleased Premises"), in accordance with the terms of this Sublease; and

WHEREAS, all capitalized terms used but not defined in this Sublease shall have the same meanings ascribed to them in the Prime Lease.

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

1. Subleased Premises; Term. Sublandlord hereby leases to Subtenant the Subleased Premises. The term of this Sublease shall commence on the later to occur of (i) the Effective Date, (ii) delivery of the Subleased Premises in vacant, broom clean condition (the "Delivery Condition") or (iii) the date of Prime Landlord's approval of the Sublease by delivery of the Landlord Consent (as hereinafter defined) (the "Commencement Date") and terminate on August 31, 2025 (the "Sublease Term"). If the Commencement Date has not occurred on or before the date that is thirty (30) days after the Effective Date, then Subtenant shall have the option, in its sole discretion, to terminate this Sublease by written notice to Sublandlord, in which event all amounts theretofore paid by Subtenant to Sublandlord, and any letter of credit delivered to Sublandlord, shall be promptly returned to Subtenant and the parties shall be relieved of and released from all other obligations under this Sublease.

2. Prime Lease.

(a) Except as otherwise expressly provided in this Sublease or as modified by Section 2(c) hereof and except as the same may be inapplicable hereto or inconsistent herewith, (i) this Sublease is subject to and made upon all the terms, covenants and conditions of the Prime Lease as applicable to the Subleased Premises, with the same force and effect as if fully set forth herein, and (ii) all terms, covenants and conditions which Sublandlord is bound to comply with under the Prime Lease shall be binding upon Subtenant hereunder insofar as any such term, covenant, or condition affects the Subleased Premises or Subtenant's use thereof.

Subtenant agrees to observe and perform the terms, covenants and conditions on its part to be observed and performed hereunder as well as those applicable terms, covenants and conditions to be observed and performed by Sublandlord, as tenant under the Prime Lease; and Subtenant agrees to be bound by the provisions of the Prime Lease insofar as they apply to the Subleased Premises. Except as set forth herein, the remedies of the parties, as Sublandlord and Subtenant hereunder, shall be the same as the respective remedies of landlord and tenant under the Prime Lease.

(c) Regarding the Subleased Premises, Subtenant shall not do or permit to be done any act or thing which will constitute a breach or violation of any of the terms, covenants or conditions of the Prime Lease. Subtenant will indemnify and hold harmless Sublandlord from and against all losses, costs, damages, expenses and liability, including reasonable attorneys' fees, which Sublandlord may incur or pay out by reason of any injuries to person or property occurring in, on or about the Subleased Premises, or by reason of any breach or default by Subtenant hereunder. Sublandlord will indemnify and hold harmless Subtenant from and against all losses, costs, damages, expenses and liability, including reasonable attorneys' fees, which Subtenant may incur or pay out by reason of any injuries to person or property occurring in, on or about the Premises (excluding the Subleased Premises), or by reason of any breach or default by Sublandlord under the Prime Lease or hereunder.

(d) The following provisions of the Prime Lease shall be inapplicable to Subtenant's occupancy hereunder and shall not be incorporated herein: last two paragraphs of Section 2; Section 3; Section 4; Section 35; Section 36(B), Section 38(a); Section, 39; Section 40; Exhibit A; Exhibit C and Exhibit H. Any Excess Rent generated by this Sublease shall be the sole responsibility of Sublandlord.

3. Rent. During the Sublease Term, Subtenant shall pay to Sublandlord for the use and occupancy of the Subleased Premises the following:

(a) Base rent (the "Base Rent") for the first three (3) years of the Sublease Term as follows:

Sublease Term	Monthly Base Rent	Annual Base Rent
Commencement Date — Month 10	$ [***]	
Months 11-12	$ [***]	
Months 13-16	$ [***]	
Months 17-24	$ [***]	
Months 25-36	$ [***]	$ [***]

During the fourth (4th) year of the Sublease Term (i.e. Months 37-48) and for each year of the Sublease Term thereafter, annual Base Rent shall increase by [***] over the annual Base Rent in effect for the prior year. [***]

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(b) From the date that is three (3) months following the Commencement Date, Subtenant shall pay Subtenant's proportionate share of the additional rent payments Sublandlord is obligated to make under the Prime Lease with respect to "Operating Expenses", all as more fully set forth and calculated in accordance with the provisions of Section 5 of the Prime Lease. "Subtenant's proportionate share" means a fraction, the numerator of which is the number of rentable square feet in the Subleased Premises and the denominator of which is the number of square feet in the Premises, subject to adjustment from time to time as such areas may change.

Base Rent shall be payable in advance, without any notice or demand therefor and without deduction (except as expressly provided herein or in the Prime Lease), set-off, recoupment, or counterclaim on the first day of each month during the term of this Sublease. All rent and other sums due from Subtenant to Sublandlord under this Sublease, which are not otherwise designated as Base Rent, shall constitute "Additional Rent". Any Additional Rent accruing to the Sublandlord under this Sublease, except as is otherwise set forth herein, shall be due and payable upon the later of ten (10) business days following notice to Subtenant or when the installment of Base Rent next falling due after such Additional Rent accrues and becomes due and payable, provided that (a) Sublandlord shall have a longer period of time to make such payment under the Prime Lease, in which event the longer time period shall govern, and (b) Subtenant shall have thirty (30) days after receipt of the Annual Statement (accompanied by Sublandlord's calculation of the Subtenant's proportionate share thereof) to make any payment of Subtenant's proportionate share due from Subtenant. All payments of Base Rent and Additional Rent shall be payable at the address set forth for Sublandlord in Section 4(f) hereof or at such other place as Sublandlord may designate by proper notice to Subtenant, and shall be made payable to Sublandlord.

4. Delivery of Subleased Premises/Improvements; Use; Notices. Notwithstanding anything to the contrary contained herein or in the Prime Lease, the parties agree as follows:

(a) Sublandlord shall deliver the Subleased Premises to the Sublandlord in the Delivery Condition, and Subtenant acknowledges that no representations with respect to the Subleased Premises have been made by Sublandlord, except as follows:

(i) The Prime Lease is not modified or amended and is in full force and effect;

(ii) Sublandlord has not sublet the Subleased Premises or assigned the Prime Lease and has full and complete authority to enter into this Sublease;

(iii) Sublandlord has not filed (and has no present intention to file) any petition or debtor's claim under Federal or state bankruptcy or insolvency laws, and no such action has been filed against Sublandlord;

(iv) the Commencement Date of the Base Term of the Prime Lease is September 1, 2014, and the expiration date of the Base Term of the Prime Lease is August 31, 2025;

(v) Sublandlord has delivered to Subtenant true, correct and complete copies of all environmental reports in its possession regarding the Premises and the Building; and

(vi) No Alterations or Installations have been performed by or on behalf of Sublandlord in the Subleased Premises.

(b) During the Sublease Term, Subtenant shall be permitted to use all existing cabinetry, casework, UPS systems, power surge protectors, power generators, communications systems, security systems, laminar flow heads, chemical fume hoods (walk-in or bench top), walk-in freezers/refrigerators, autoclaves, glass washing equipment and any other laboratory equipment located in the Subleased Premises as of January 8, 2016. The foregoing items are made available for Subtenant's use in "as is" condition, at no charge or fee, and Sublandlord shall have no obligation to alter, repair, replace or install such items.

(c) Any and all improvements or alterations to the Subleased Premises shall be performed by Subtenant at its sole cost and expense (subject to use of the Subtenant Allowance (as defined below)) in accordance with the terms of Section 12 of the Prime Lease. Any and all improvements or alterations to the Subleased Premises shall be subject to the prior written approval of Sublandlord, which approval shall not be unreasonably withheld, conditioned or delayed. Any improvements or alterations affecting the Building Systems or the exterior or structure of the Building shall be subject to the prior written approval of the Prime Landlord, to the extent so required in and subject to the same standards set forth in the Prime Lease.

(d) Subtenant shall have the right to perform the following initial improvements to the Subleased Premises to make the Subleased Premises ready for Subtenant's occupancy (the "Subtenant's Work"):

- Remove existing carpet in the Subleased Premises;
- Seal, to the satisfaction of Subtenant, the entire first floor of the Subleased Premises with a vapor barrier, including office areas (properly preparing such areas to receive carpet), laboratory areas and concrete floor areas;
- Replace all existing vinyl composition tiles and cove molding within the first floor of the Subleased Premises; and
- Perform such other work as Subtenant shall deem necessary or appropriate to make the Subleased Premises ready for Subtenant's occupancy, subject to the provisions of Section 4(c) above. Subtenant shall work directly with Prime Landlord regarding the coordination and approval of Subtenant's Work. Sublandlord shall reasonably cooperate with Subtenant in connection with such Subtenant's Work (at no cost to Sublandlord) and shall not interfere with Subtenant's performance of Subtenant's Work. If Subtenant is prevented from performing Subtenant's Work due to Prime Landlord's failure to respond to Subtenant's request(s) for approval of plans and specifications in connection with Subtenant's Work within twenty (20) days after Subtenant's delivery of such plans and specifications to Prime Landlord, then Subtenant shall have the option, in its sole discretion, to terminate this Sublease by written notice to Sublandlord within twenty (20) days after expiration of such twenty (20) day period, in which event all amounts theretofore paid by Subtenant to Sublandlord, and any letter of

credit delivered to Sublandlord, shall be promptly returned to Subtenant and the parties shall be relieved of and released from all other obligations under this Sublease. The foregoing termination right shall only be apply to Subtenant's Work and shall not apply to any alterations or improvements performed by Subtenant to the Subleased Premises during the Sublease Term. If Subtenant fails to timely exercise the foregoing termination right, such termination right shall be waived and of no further force or effect.

Sublandlord shall pay to Subtenant an allowance equal to $[***] (the "Subtenant Allowance") in order to assist in the payment of the Subtenant's Work and such other alterations, fixtures, equipment, furniture, cabling costs, telecom costs and fees, and soft costs (including without limitation architect's fees, engineering fees, permit fees, moving costs and other similar costs and expenses) with respect to the Subleased Premises as Subtenant shall determine are necessary or appropriate, subject to the provisions of Section 4(c). Sublandlord shall disburse portions of the Subtenant Allowance within fifteen (15) days following a request therefor from Subtenant, which request shall be accompanied by reasonably detailed invoices for services performed, work done and/or materials provided, except that invoices related to sealing the concrete floor in the Subleased Premises with a vapor barrier and replacing the existing vinyl composition tiles within the Subleased Premises shall be explicitly detailed so that Sublandlord can definitively determine the costs for such work. In the event that the Subtenant Allowance has not been fully disbursed on or before the end of the 24th month following the Commencement Date, any remaining amount shall be credited against the next due Rent under this Sublease.

(e) Subtenant shall use and occupy the Subleased Premises solely for the Permitted Use set forth in the Prime Lease and for no other purpose. On the Commencement Date and for the remainder of the Sublease Term, Subtenant shall have access to the Building, the Subleased Premises and the Common Areas 24 hours per day, 7 days per week, 365 days per year, subject to the terms of the Prime Lease.

(f) Notices and other communications hereunder shall be given or made in the same manner described in Section 41(a) of the Prime Lease addressed to Sublandlord or Subtenant at the address set forth below or at such other address as Sublandlord or Subtenant may have previously designated for such purpose by a written notice.

Sublandlord:
Lupin, Inc.

Subtenant:
NextCure, Inc.
9000 Virginia Manor Road, Suite 200
Beltsville, Maryland 20705
Attn: Michael Richman, CEO

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With a copy (which shall not constitute notice) to:
Howard Rosenstock, Esq.
Hogan Lovells US LLP
555 Thirteenth Street, NW
Washington, DC 20004

(g) Sublandlord shall promptly send to Subtenant any notices it receives from Prime Landlord unless such notice relates solely to the Premises and not in any way to the Subleased Premises.

(h) If for any reason the term of the Prime Lease shall be terminated prior to the expiration date of this Sublease, Sublandlord shall not be liable to Subtenant by reason thereof, provided, however that (i) Sublandlord shall be liable to Subtenant for any termination of the Prime Lease caused by or arising from any default, act or omission of Sublandlord and (ii) the provisions of this clause (h) shall be subject to the following:

(A) Sublandlord shall not do any act or omission that would be prohibited under the terms of the Prime Lease, and shall not be in default under the Prime Lease;

(B) Sublandlord will not terminate (and will not permit the termination of) the Prime Lease for any reason; and

(C) in the event the Prime Lease shall be terminated for any reason, so long as Subtenant shall not then be in default and provided that Prime Landlord approves same pursuant to the Landlord Consent, this Sublease shall remain in effect, notwithstanding any contrary provision in this Sublease or the Prime Lease, Subtenant shall not be disturbed, Prime Landlord shall recognize Subtenant as its direct tenant, Subtenant shall attorn to Prime Landlord, and this Sublease and shall become a primary and direct lease between Prime Landlord and Subtenant with all of the business terms hereof surviving and being incorporated into such lease (and Prime Landlord and Subtenant shall reasonably amend this Sublease to the extent necessary to effect such a primary lease).

5. Insurance. Subtenant shall obtain and maintain all insurance types and coverages as specified in the Prime Lease to be obtained and maintained by Sublandlord, as tenant, in amounts of not less than those specified in the Prime Lease. All policies of insurance obtained by Subtenant shall name Prime Landlord and Sublandlord as additional insureds thereon in accordance with the Prime Lease. Subtenant's insurance shall be primary over Prime Landlord's and Sublandlord's insurance. On the Effective Date and during the Sublease Term on Sublandlord' s request, Subtenant shall deliver to Sublandlord certificates in accordance with the requirements of the Prime Lease reflecting that Subtenant has obtained and is maintaining the required insurance coverage in the appropriate amounts.

6. Signs. Subtenant shall have the right, at its sole cost and expense and in compliance with all Legal Requirements, to install its logo on the façade of the Building after obtaining the prior written approval of Sublandlord, not to be unreasonably withheld, conditioned or delayed, and Prime Landlord. If approved, Subtenant shall, at its sole cost and expense, remove such logo in a good and workmanlike manner and in compliance with all Legal Requirements on the expiration or earlier termination of the Sublease Term.

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7. Parking. Subject to the terms of Section 10 of the Prime Lease, Subtenant shall have the right, in common with other tenants of the Project pro rata in accordance with the rentable area of the Subleased Premises and the rentable areas of the Project occupied by such other tenants, to park in the non-reserved parking areas of the Project designated by Prime Landlord during the Sublease Term at no cost or expense to Subtenant. As of the Commencement Date, the current parking ratio is 3 standard sized spaces per 1,000 rentable square feet. Except as set forth herein, Tenant shall have no further parking rights during the Sublease Term.

8. Services and Utilities. During the Sublease Term, Subtenant shall be responsible for the payment of any and all utility and services charges for the Subleased Premises in accordance with Section 11 of the Prime Lease. In addition, Subtenant shall arrange, at its sole cost and expense, for its own janitorial service for the Subleased Premises, telephone service for the Subleased Premises (including hardware, service and hook-up) and hazardous waste removal from the Subleased Premises.

Notwithstanding anything herein to the contrary, Subtenant acknowledges that any and all services and utilities with respect to the Subleased Premises and the Building to be provided by Prime Landlord under the Prime Lease are to be provided by Prime Landlord and not by Sublandlord. Sublandlord shall under no circumstances be responsible for providing any of such services or utilities, nor shall Sublandlord have any obligation to restore the Subleased Premises in the event of a casualty or condemnation as described in the Prime Lease. Notwithstanding the foregoing, at Subtenant's request, (a) Sublandlord shall make immediate demand upon Prime Landlord for any services and utilities that are required to be provided by Prime Landlord under the Prime Lease and (b) Sublandlord shall, at Subtenant's expense (x) reasonably cooperate in Subtenant's filing and pursuit of any legal proceedings against Prime Landlord as Subtenant deems necessary or appropriate, in Subtenant's reasonable judgment, in order to enforce the provisions of, or Prime Landlord's obligations under, the Prime Lease, and (y) if required or necessary (in Subtenant's reasonable judgment), join into any legal proceeding instituted by Subtenant in order for Subtenant to proceed with a claim against Prime Landlord to enforce the provisions of, or Prime Landlord's obligations under, the Prime Lease.

9. Obligations of Prime Landlord under Prime Lease. Except for its obligations set forth in Section 8 above, Sublandlord shall have no obligation or liability to Subtenant in the event that Prime Landlord fails to perform any of its obligations as Prime Landlord.

10. Assignment and Subletting. Subject to the terms of Section 22 of the Prime Lease, Tenant shall have the right to assign or sub-sublease this Sublease, in whole or in part, subject to the prior written approval of Sublandlord, which approval shall not be unreasonably withheld, conditioned or delayed, and Prime Landlord (subject to the same standards applicable to Sublandord, as tenant, as set forth in Section 22 of the Prime Lease).

11. Security Deposit. Subtenant shall deposit with Sublandlord within five (5) business days following Subtenant's execution hereof a cash deposit equal to $[***] (the "Deposit") as security for Subtenant's faithful performance of Subtenant's obligations hereunder. If Subtenant fails to pay rent or other charges due hereunder, or otherwise defaults with respect to any provision of this Sublease, Sublandlord may, upon notice to Subtenant and the expiration of five (5) days, use or apply all or any portion of the Deposit for the payment of any rent or other charge in default, or for the payment of any other losses or damages which Sublandlord reasonably incurs by reason of Subtenant's default. If Sublandlord uses or applies all or any

portion of the Deposit for the purposes set forth herein, Subtenant shall within ten (10) business days after written demand therefor deposit cash with Sublandlord in an amount sufficient to restore the Deposit to its full amount and Subtenant's failure to do so will be a material breach of this Sublease. Sublandlord will not be required to keep the Deposit separate from its general accounts. If Subtenant performs all of Subtenant's obligations hereunder, the Deposit, or so much thereof as has not been used or applied by Sublandlord, will be returned to Subtenant at the expiration of the Sublease Term, within ten (10) business days after Subtenant has vacated the Subleased Premises. No trust relationship is created herein between Sublandlord and Subtenant with respect to the Deposit.

In lieu of a cash Deposit, Subtenant may deliver to Sublandlord an unconditional irrevocable letter of credit issued by a commercial bank reasonably acceptable to Sublandlord payable to Sublandlord or Sublandlord's assigns as "beneficiary" in the amount of the Deposit (the "Letter of Credit"). Sublandlord hereby pre-approves Silicon Valley Bank for issuance of the Letter of Credit. If Sublandlord uses or applies all or any portion of the Letter of Credit to satisfy a default by Subtenant as provided above, Subtenant shall within ten (10) business days after written demand therefor restore the amount of the Letter of Credit drawn so that the Letter of Credit is restored to the amount existing prior to any drawing. The Letter of Credit shall expire at the end of the Sublease Term. Sublandlord shall return the Letter of Credit to Subtenant at the expiration of the Sublease Term, within ten (10) business days after Subtenant has vacated the Subleased Premises.

12. Approvals and Consent. In all provisions of the Prime Lease requiring the approval or consent of Prime Landlord, Subtenant shall be required to obtain the approval or consent of Prime Landlord (subject to a reasonableness standard to the extent set forth in the Prime Lease). Sublandlord shall use commercially reasonable efforts to assist Subtenant (but with no obligation to pay any out-of-pocket fees or sums) in obtaining such approvals or consents if requested.

13. Brokers. Each party hereto represents and warrants that such party has not employed any broker or finder in respect of this Sublease other than [***] Subtenant's broker. Sublandlord's broker (a) shall be paid a commission by Sublandlord and in turn (b) shall pay Subtenant's broker, all pursuant to separate agreements. Each party shall indemnify and hold harmless the other party hereto from and against any claim or claims for brokerage or other fees or commissions arising from or out of any breach of the foregoing representation and warranty.

14. Generator. Subject to the terms of Section 11(b) of the Prime Lease, the Suite 200 Generator shall be available for Subtenant's use during the Sublease Term. Subtenant shall be responsible for any costs associated with maintenance of the Suite 200 Generator, including obtaining any required maintenance contract per Section 11(b)(iv) of the Prime Lease. At the end of the Sublease Term, Subtenant shall be responsible for the return of the Suite 200 Generator to Prime Landlord in accordance with the terms of and in the condition required by Section 11(b)(vi) of the Prime Lease.

15. Hazardous Materials/Decontamination. Subtenant shall comply with all terms of Section 30 of the Prime Lease with respect to Hazardous Materials in the Subleased Premises. In accordance with the terms of Section 30 of the Prime Lease, Subtenant shall have no indemnification, remediation or other obligation under Section 30 of the Prime Lease for any contamination or Environmental Claim if such contamination or Environmental Claim arises

from any Hazardous Materials brought into, kept, used, stored, handled, treated, generated in or about, or released or disposed of from the Subleased Premises or the Premises by Sublandlord, its employees or contractors, or another tenant unrelated or unaffiliated with Subtenant, or by any other person or entity (including, without limitation, Prime Landlord), or that existed in the Subleased Premises or the Premises as of the Commencement Date and were not brought into, kept, used, stored, handled, treated, generated in or about, or released or disposed of from the Subleased Premises by Subtenant, its agents, servants, employees, invitees or contractors. Sublandlord and Subtenant hereby agree that the indemnifications set forth in Section 30 of the Prime Lease with respect to the Premises shall be applicable to the Subleased Premises.

16. Subordination. At Subtenant's request, Sublandlord shall use its commercially reasonable efforts to assist Subtenant, at no cost to Sublandlord, in obtaining a non-disturbance agreement in favor of Subtenant from Prime Landlord's future lenders assuring Subtenant's quiet and continuing enjoyment of the Subleased Premises (and all rights, benefits and privileges of and under this Sublease) notwithstanding any termination of the Prime Lease due to foreclosure, deed in lieu or other conveyance of the fee estate.

17. Maintenance Contracts. During the Sublease Term, Subtenant shall maintain, at its sole cost and expense, the HVAC Maintenance Contracts for the rooftop mounted HVAC units exclusively serving the Subleased Premises pursuant to the terms set forth in Section 14(a) of the Prime Lease. To the extent required by the Prime Lease, Subtenant shall obtain Prime Landlord's consent prior to accessing the Building's roof area for such maintenance. In addition, Subtenant shall maintain, at its sole cost and expense, maintenance and repair contracts with qualified contractors for any material equipment (i.e. hoods) in the Subleased Premises. Subtenant shall be responsible for the cost of any equipment it determines to replace during the Subleased Term.

18. Benefit and Burden. This Sublease shall inure to the benefit of and bind the successors and assigns of the parties hereto.

19. No Waiver. No waiver of any party to any breach hereunder shall be deemed a waiver of any other or subsequent breach.

20. Amendment. This Sublease may not be altered, amended, changed, waived, terminated or modified in any respect or particular unless the same shall be in writing and signed by Sublandlord and Subtenant.

21. Counterparts. This Sublease may be executed in multiple counterparts, all of which taken together shall constitute one and the same original.

22. Choice of Law. Construction and interpretation of this Sublease shall be governed by the internal laws of the State of Maryland, excluding any principles of conflicts of laws.

23. Prime Landlord's Consent. This Sublease shall not be effective unless and until approved by Prime Landlord as indicated by Prime Landlord's execution of a Consent to Sublease agreement in a form reasonably satisfactory to Sublandlord and Subtenant ("Landlord Consent").

24. Loading Docks; Roof. Subject to the provisions of the Prime Lease and approval of the Prime Landlord, (a) Subtenant shall have the exclusive access and right to the warehouse/receiving and loading docks areas during the Term and (b) Subtenant shall have access to a reasonable portion of the roof area above its Subleased Premises (and shall have allocation of reasonable conduits to the roof area).

25. No Personal Liability. The officers, directors, shareholders and employees of Sublandlord and Subtenant, respectively, shall have no personal liability for the respective obligations of the parties set forth in this Sublease.

[SIGNATURES ON FOLLOWING PAGE]

[***] INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

IN WITNESS WHEREOF, the parties hereto have executed this Sublease Agreement the day and year first above written.

SUBLANDLORD:

LUPIN, INC., a Maryland corporation

By: /s/ Sean Moriarty

Name: Sean Moriarty

Title: VP Legal

SUBTENANT:

NEXTCURE, INC., a Delaware corporation

By: /s/ Michael Richman

Name: Michael Richman

Title: President & CEO

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Exhibit A

Prime Lease and Guaranty

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LEASE AGREEMENT

THIS LEASE AGREEMENT ("**this Lease**") is made as of this 15 day of August, 2014, between **ARE-800019000110000 VIRGINIA MANOR, LLC,** a Delaware limited liability company ("**Landlord**"), and **LUPIN, INC.,** a Maryland corporation ("**Tenant**").

BASIC LEASE PROVISIONS

Address: Suites 200 and 201, 9000 Virginia Manor Road, Beltsville, Maryland 20705.

Premises: That portion of the Project, containing approximately 27,755 rentable square feet, as determined by Landlord, as shown as the cross-hatched areas on **Exhibit A**.

Project: The real property on which the building ("**Building**") in which the Premises are located, together with all improvements thereon and appurtenances thereto as described on **Exhibit B**.

Base Rent:

Rentable Area of Premises: 27,755 sq. ft.

Rentable Area of Project: 191,884 sq. ft.

Tenant's Share of Operating Expenses: [***]%

Security Deposit:

Target Commencement Date: September 1, 2014

Rent Adjustment Percentage: [***]%

Base Term: Beginning on the Commencement Date and ending 132 months thereafter.

Permitted Use: research and development laboratory, production (including, but not limited to, production of clinical supplies), Good Manufacturing Practices laboratory, related office and other related uses associated with a global pharmaceutical organization and consistent with the character of the Project and otherwise in compliance with the provisions of Section 7 hereof.

Address for Rent Payment:
[***]

Landlord's Notice Address:
[***]

Tenant's Notice Address
[***]

The following Exhibits and Addenda are attached hereto and incorporated herein by this reference:

x **EXHIBIT A** — PREMISES DESCRIPTION

x **EXHIBIT B** — DESCRIPTION OF PROJECT

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x **EXHIBIT C** — WORK LETTER
x **EXHIBIT D** — COMMENCEMENT DATE
x **EXHIBIT E** — RULES AND REGULATIONS
x **EXHIBIT F** — TENANT'S PERSONAL PROPERTY
x **EXHIBIT G** — INSTALLATIONS
x **EXHIBIT H** — GUARANTY OF LEASE

1. **Lease of Premises**. Upon and subject to all of the terms and conditions hereof, Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord. The portions of the Project that are for the non-exclusive use of tenants of the Project are collectively referred to herein as the "**Common Areas**." Landlord reserves the right to modify Common Areas, provided that such modifications do not materially adversely affect Tenant's use of or access to the Premises for the Permitted Use. Subject to a Taking (as defined in Section 19) and Force Majeure (as defined in Section 34), Tenant shall have access to the Premises (and the right to use the Common Areas subject to a Taking, Force Majeure, and the provisions of Section 13) 24 hours per day, 7 days per week, 365 days per year during the Term.

2. **Delivery; Acceptance of Premises; Commencement Date**. Landlord shall use reasonable efforts to make the Premises available to Tenant for Tenant's Work under the Work Letter within 5 days of full execution of this Lease and Tenant's delivery of evidence of the insurance required hereby and by the Work Letter ("**Delivery**" or "**Deliver**"). If Landlord fails to timely Deliver the Premises, Landlord shall not be liable to Tenant for any loss or damage resulting therefrom, and this Lease shall not be void or voidable except as provided herein. If Landlord does not Deliver the Premises within 60 days of the Target Commencement Date for any reason other than Force Majeure Delays, this Lease may be terminated by Tenant by written notice to Landlord, and if so terminated, neither Landlord nor Tenant shall have any further rights, duties or obligations under this Lease. As used herein, "**Force Majeure Delays**" means delays arising by reason of any Force Majeure. If Tenant does not elect to void this Lease within 5 business days of the lapse of such 60 day period, such right to void this Lease shall be waived and this Lease shall remain in full force and effect.

The "**Commencement Date**" means the date of Delivery of the Premises. Upon request of Landlord, Tenant shall execute and deliver a written acknowledgment of the Commencement Date and the expiration date of the Term when such are established in the form of the "Acknowledgement of Commencement Date" attached to this Lease as **Exhibit D;** provided, however, that Tenant's failure to execute and deliver such acknowledgment shall not affect Landlord's rights hereunder. The "**Term**" of this Lease shall be the Base Term, as defined above in the Basic Lease Provisions and any Extension Terms that Tenant may elect pursuant to Section 40 hereof.

Except as set forth in the Work Letter, if applicable, and this paragraph: (I) Tenant shall accept Delivery of the Premises; (ii) Landlord shall have no obligation for any defects in the Premises; and (iii) subject to the provisions of this paragraph, Tenant's taking possession of the Premises shall be conclusive evidence that Tenant accepts the Premises and that the Premises were in good condition at the time possession was taken. Any occupancy of the Premises by Tenant before the Commencement Date shall be subject to all of the terms and conditions of this Lease, except the obligation to pay Base Rent shall not commence until the Commencement Date (subject to the abatement of Base Rent described in Section 4(a)).

Tenant agrees and acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of all or any portion of the Premises or the Project, and/or the suitability of the Premises or the Project for the conduct of Tenant's business, and Tenant waives any implied warranty that the Premises or the Project are suitable for the Permitted Use. This Lease constitutes the complete agreement of Landlord and Tenant with respect to the subject matter hereof and supersedes any and all prior representations, inducements, promises, agreements, understandings, and negotiations that are not contained herein. Landlord in executing this Lease does so in reliance upon Tenant's representations, warranties, acknowledgments, and agreements contained herein.

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Concurrently with the execution and delivery of this Lease, Tenant shall cause Guarantor (as defined in the Guaranty) to execute and deliver to Landlord the Guaranty of Lease ("**Guaranty**") in the form attached hereto as a part hereof as **Exhibit H**.

3. **Rent**.

(a) **Base Rent**. Beginning on the Commencement Date (but subject to the abatement of Base Rent described in Section 4(a)), Tenant shall pay to Landlord in advance, without demand, abatement, deduction or set-off, monthly installments of Base Rent on or before the first day of each calendar month during the Term hereof, in lawful money of the United States of America, at the office of Landlord for payment of Rent set forth above or via wire transfer in immediately available federal funds as set forth below, or to such other person or at such other place as Landlord may from time to time designate in writing, Payments of Base Rent for any fractional calendar month shall be prorated. The obligation of Tenant to pay Base Rent and other sums to Landlord and the obligations of Landlord under this Lease are independent obligations. Tenant shall have no right at any time to abate, reduce, or set-off any Rent (as defined in Section 5) due hereunder except for any abatement as may be expressly provided in this Lease. Tenant shall be permitted to pay Rent via wire transfer in immediately available federal funds to the account designated by Landlord. On written request from Tenant, Landlord shall provide Tenant with wire instructions for the account to which Tenant shall wire payments of Rent.

(b) **Additional Rent**. In addition to Base Rent, Tenant agrees to pay to Landlord as additional rent ("**Additional Rent**"): (i) Tenant's Share of "Operating Expenses" (as defined in Section 5), and (ii) any and all other amounts Tenant assumes or agrees to pay under the provisions of this Lease, including, without limitation, any and all other sums that may become due by reason of any default of Tenant or failure to comply with the agreements, terms, covenants, and conditions of this Lease to be performed by Tenant, after any applicable notice and cure period.

4. **Base Rent Adjustments**. Base Rent shall be increased on each anniversary of the first day of the first full month during the Term of this Lease (each an "**Adjustment Date**") by multiplying the Base Rent payable immediately before such Adjustment Date by the Rent Adjustment Percentage and adding the resulting amount to the Base Rent payable immediately before such Adjustment Date. Base Rent, as so adjusted, shall thereafter be due as provided herein. Base Rent adjustments for any fractional calendar month shall be prorated.

(a) **Abatement**. Notwithstanding anything to the contrary contained in this Lease, but provided Tenant is not in Default hereunder, Landlord hereby grants Tenant an abatement of the Base Rent payable during the period beginning on the Commencement Date and ending 12 months after the Commencement Date. For the avoidance of doubt, if the Commencement Date occurs on the first day of a month, such abatement will be measured from that date. If the Commencement Date occurs on a day other than the first day of a month, such abatement will be measured from the first day of the following month. Except as provided in the preceding sentences, Tenant shall pay the full amount of Base Rent due in accordance with the provisions of this Lease. Notwithstanding anything to the contrary in this Section 4(a), the adjustment in the Base Rent as set forth in this Section 4 shall be based on the full and unabated amount of Base Rent payable for the first 12 month period from and after the Commencement Date.

5. **Operating Expense Payments**. Landlord shall deliver to Tenant a written estimate of Operating Expenses for each calendar year during the Term ("**Annual Estimate**"), which may be revised by Landlord from time to time during such calendar year. Beginning on the Commencement Date, Tenant shall pay Landlord on or before the first day of each calendar month during the Term hereof an amount equal to $1/12^{th}$ of Tenant's Share of the Annual Estimate. Payments for any fractional calendar month shall be prorated.

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The term "**Operating Expenses**" means all costs and expenses of any kind or description whatsoever incurred or accrued each calendar year by Landlord with respect to the Project (including, without duplication, Taxes (as defined in Section 9), capital repairs and improvements (such capital repairs and improvements to be amortized over their useful life in accordance with generally acceptable accounting principles consistently applied) ("**Permitted Capital Expenditures**"), and the costs of Landlord's third party property manager (not to exceed [***]% of Base Rent) or, if there is no third party property manager, administration rent in the amount of [***]% of Base Rent), excluding only:

(a) the original construction costs of the Project and renovation prior to the date of this Lease and costs of correcting defects in such original construction or renovation;

(b) except for Permitted Capital Expenditures, capital expenditures for expansion of the Project;

(c) costs incurred in connection with environmental clean-up, response action or remediation on, in, or under or about the Project, to the extent related to known conditions existing in, on or under or about the Project on or before the date hereof as disclosed by that certain Phase I Environmental Site Assessment of 9000, 9000, and 10000 Virginia Manor Road, Beltsville, Maryland, dated January 29, 1998, and prepared by Dames & Moore, or costs incurred by Landlord in remediating any Hazardous Materials (as defined in Section 30) that are Landlord's responsibility to remediate under this Lease;

(d) interest, principal payments of Mortgage (as defined in Section 27) debts of Landlord, financing costs and amortization of funds borrowed by Landlord, whether secured or unsecured and all payments of base rent (but not taxes or operating expenses) under any ground lease or other underlying lease of all or any portion of the Project;

(e) depreciation of the Project (except for Permitted Capital Expenditures);

(f) advertising, legal and space planning expenses and leasing commissions and other costs and expenses incurred in procuring and leasing space to tenants for the Project, including any leasing office maintained in the Project, free rent and construction allowances for tenants;

(g) legal and other expenses incurred in the negotiation or enforcement of leases;

(h) completing, fixturing, improving, renovating, painting, redecorating or other work, which Landlord pays for or performs for other tenants within their premises, and costs of correcting defects in such work;

(i) costs of utilities outside normal business hours sold to tenants of the Project;

(j) costs to be reimbursed by other tenants of the Project or Taxes to be paid directly by Tenant or other tenants of the Project, whether or not actually paid;

(k) salaries, wages, benefits and other compensation paid to officers and employees of Landlord who are not assigned in whole or in part to the operation, management, maintenance or repair of the Project;

(l) general organizational, administrative and overhead costs relating to maintaining Landlord's existence, either as a corporation, partnership, or other entity, including general corporate, legal and accounting expenses;

(m) costs (including attorneys' fees and costs of settlement, judgments and payments in lieu thereof) incurred in connection with disputes with tenants, other occupants, or prospective tenants,

and costs and expenses, including legal fees, incurred in connection with negotiations or disputes with employees, consultants, management agents, leasing agents, purchasers or mortgagees of the Building;

(n) costs incurred by Landlord due to the violation by Landlord, its employees, agents or contractors or any tenant of the terms and conditions of any lease of space in the Project or any Legal Requirement (as defined in Section 7);

(o) penalties, fines or interest incurred as a result of Landlord's inability or failure to make payment of Taxes and/or to file any tax or informational returns when due, or from Landlord's failure to make any payment of Taxes required to be made by Landlord hereunder before delinquency;

(p) overhead and profit increment paid to Landlord or to subsidiaries or affiliates of Landlord for goods and/or services in or to the Project to the extent the same exceeds the costs of such goods and/or services rendered by unaffiliated third parties on a competitive basis;

(q) costs of Landlord's charitable or political contributions, or of fine art maintained at the Project;

(r) costs in connection with services (including electricity), items or other benefits of a type that are not standard for the Project and that are not available to Tenant without specific charges therefor, but which are provided to another tenant or occupant of the Project, whether or not such other tenant or occupant is specifically charged therefor by Landlord;

(s) costs incurred in the sale or refinancing of the Project;

(t) net income taxes of Landlord or the owner of any interest in the Project (except to the extent such net income taxes are in substitution for any Taxes payable hereunder), franchise, capital stock, gift, estate or inheritance taxes or any federal, state or local documentary taxes imposed against the Project or any portion thereof or interest therein;

(u) management fees or administrative fees except the management fee specifically included in Operating Expenses;

(v) costs of reserves of any kind not approved by Tenant; and

(w) any expenses otherwise includable within Operating Expenses to the extent actually reimbursed by persons other than tenants of the Project under leases for space in the Project.

Within 90 days after the end of each calendar year (or such longer period as may be reasonably required but not longer than 120 days after the end of each calendar year), Landlord shall furnish to Tenant a statement (an "**Annual Statement**") showing in reasonable detail: (a) the total and Tenant's Share of actual Operating Expenses for the previous calendar year, and (b) the total of Tenant's payments in respect of Operating Expenses for such year. If Tenant's Share of actual Operating Expenses for such year exceeds Tenant's payments of Operating Expenses for such year, the excess shall be due and payable by Tenant as Rent within 30 days after delivery of such Annual Statement to Tenant. If Tenant's payments of Operating Expenses for such year exceed Tenant's Share of actual Operating Expenses for such year Landlord shall pay the excess to Tenant within 30 days after delivery of such Annual Statement, except that after the expiration, or earlier termination of the Term or if Tenant is delinquent in its obligation to pay Rent, Landlord shall pay the excess to Tenant after deducting all other amounts due Landlord.

The Annual Statement shall be final and binding upon Tenant unless Tenant, within 30 days after Tenant's receipt thereof, shall contest any item therein by giving written notice to Landlord, specifying

each item contested and the reason therefor. Operating Expenses for the calendar years in which Tenant's obligation to share therein begins and ends shall be prorated. Notwithstanding anything set forth herein to the contrary, if the Project is not at least 95% occupied on average during any year of the Term, Tenant's Share of Operating Expenses for such year shall be computed as though the Building had been 95% occupied on average during such year.

"**Tenant's Share**" shall be the percentage set forth in the Basic Lease Provisions as Tenant's Share as reasonably adjusted by Landlord for changes in the physical size of the Premises or the Project occurring thereafter. Landlord may equitably increase Tenant's Share for any item of expense or cost reimbursable by Tenant that relates to a repair, replacement, or service that benefits only the Premises or only a portion of the Project that includes the Premises or that varies with occupancy or use. Base Rent, Tenant's Share of Operating Expenses and all other amounts payable by Tenant to Landlord hereunder are collectively referred to herein as "**Rent**."

6. **Intentionally Deleted**.

7. **Use**. The Premises shall be used solely for the Permitted Use set forth in the Basic Lease Provisions, and in compliance with all laws, orders, judgments, ordinances, regulations, codes, directives, permits, licenses, covenants and restrictions now or hereafter applicable to the Premises, and to the use and occupancy thereof, including, without limitation, the Americans With Disabilities Act, 42 U.S.C. § 12101, et seq. (together with the regulations promulgated pursuant thereto, "**ADA**") (collectively, "**Legal Requirements**" and each, a "**Legal Requirement**"). Tenant shall, upon 5 days' written notice from Landlord, discontinue any use of the Premises that is declared by any Governmental Authority (as defined in Section 9) having jurisdiction to be a violation of a Legal Requirement. Tenant will not use or permit the Premises to be used for any purpose or in any manner that would void Tenant's or Landlord's insurance, increase the insurance risk, or cause the disallowance of any sprinkler or other credits; provided, however, that in no event shall Tenant's Permitted Use in compliance with this Lease be deemed a violation of the foregoing. As of the Commencement Date, Landlord confirms that Tenant's use of the Premises in accordance with the Permitted Use and all applicable Legal Requirements will not cause an increase in the premiums for the insurance that Landlord is required to maintain under this Lease. Tenant shall not permit any part of the Premises to be used as a "place of public accommodation", as defined in the ADA or any similar legal requirement. Tenant shall reimburse Landlord within 30 days after written notice as Additional Rent upon demand for any additional premium charged for any such insurance policy by reason of Tenant's failure to comply with the provisions of this Section or otherwise caused by Tenant's use and/or occupancy of the Premises in a manner that is not in compliance with the Permitted Use. Tenant will use the Premises in a careful, safe and proper manner and will not commit or permit waste, overload the floor or structure of the Premises, subject the Premises to use that would damage the Premises or obstruct or interfere with the rights of Landlord or other tenants or occupants of the Project, including conducting or giving notice of any auction, liquidation, or going out of business sale on the Premises, or using or allowing the Premises to be used for any unlawful purpose. Tenant shall cause any equipment or machinery to be installed in the Premises so as to reasonably prevent sounds or vibrations from the Premises from extending into Common Areas, or other space in the Project. Tenant shall not place any machinery or equipment weighing 500 pounds or more in or upon the Premises or transport or move such items through the Common Areas of the Project without the prior written consent of Landlord. Except as may be provided under the Work Letter, Tenant shall not, without the prior written consent of Landlord, use the Premises in any manner that will require ventilation, air exchange, heating, gas, steam, electricity or water beyond the existing capacity of the Project as proportionately allocated to the Premises based upon Tenant's Share as usually furnished for the Permitted Use.

(a) **Modifications to Common Areas**. Landlord shall be responsible for the compliance of the Common Areas of the Project, including the non-exclusive stairwell in the Building that provides Tenant with access to the second floor of the Premises ("**Shared Tenant Stairwell**"), and the exterior of the Building with the ADA as of the Commencement Date. Thereafter, Landlord shall, as an Operating

Expense (to the extent such Legal Requirement is generally applicable to similar buildings in the area in which the Project is located and to the extent such Operating Expense is permitted under the terms of this Lease) or at Tenant's expense (to the extent such Legal Requirement is applicable solely by reason of Tenant's, as compared to other tenants of the Project, particular use of the Premises) make any alterations or modifications to the Common Areas (including the Shared Tenant Stairwell) or the exterior of the Building that are required by Legal Requirements, including the ADA, Tenant, at its sole expense, shall make any alterations or modifications to the interior of the Premises that are required by Legal Requirements (including, without limitation, compliance of the Premises with the ADA). Notwithstanding any other provision herein to the contrary, Tenant shall be responsible for any and all demands, claims, liabilities, losses, costs, expenses, actions, causes of action, damages or judgments, and all reasonable expenses incurred in investigating or resisting the same (including, without limitation, reasonable attorneys' fees, charges and disbursements and costs of suit) (collectively, "**Claims**") arising out of or in connection with the failure of the Premises to comply with any Legal Requirements, and Tenant shall indemnify, defend, hold and save Landlord harmless from and against any and all Claims arising out of or in connection with any failure of the Premises to comply with any Legal Requirement. Notwithstanding any contrary provision contained in this Section 7(a), Tenant's obligations under this Section 7(a) shall not apply to any Legal Requirement to be complied with by Landlord pursuant to the terms of this Lease or if such obligations arise from a breach of this Lease by Landlord or any of the Landlord Parties (as defined below).

8. **Holding Over**. If, with Landlord's express written consent, Tenant retains possession of the Premises after the termination of the Term, (i) unless otherwise agreed in such written consent, such possession shall be subject to immediate termination by Landlord at any time, (ii) all of the other terms and provisions of this Lease (including, without limitation, the adjustment of Base Rent pursuant to Section 4 hereof) shall remain in full force and effect (excluding any expansion or renewal option or other similar right or option) during such holdover period, (iii) Tenant shall continue to pay Base Rent in the amount payable upon the date of the expiration or earlier termination of this Lease or such other amount as Landlord may indicate, in Landlord's sole and absolute discretion, in such written consent, and (iv) all other payments shall continue under the terms of this Lease. If Tenant remains in possession of the Premises after the expiration or earlier termination of the Term without the express written consent of Landlord, (A) Tenant shall become a tenant at sufferance upon the terms of this Lease except that the monthly rental shall be equal to 150% of Rent in effect during the last 30 days of the Term, and (B) Tenant shall be responsible for all damages suffered by Landlord resulting from or occasioned by Tenant's holding over (including consequential damages if Landlord has advised Tenant in advance of any particular consequential damages that Landlord may incur or suffer as a result of Tenant's holding over, including, without limitation, consequential damages that Landlord may incur or suffer by reason of Landlord's inability to lease the Premises or deliver occupancy to a particular tenant). No holding over by Tenant, whether with or without consent of Landlord, shall operate to extend this Lease except as otherwise expressly provided, and this Section 8 shall not be construed as consent for Tenant to retain possession of the Premises. Acceptance by Landlord of Rent after the expiration of the Term or earlier termination of this Lease shall not result in a renewal or reinstatement of this Lease.

9. **Taxes**. Landlord shall pay, as part of Operating Expenses, all taxes, levies, fees, assessments and governmental charges of any kind, existing as of the Commencement Date or thereafter enacted (collectively referred to as "**Taxes**"), imposed by any federal, state, regional, municipal, local or other governmental authority or agency, including, without limitation, quasi-public agencies (collectively, "**Governmental Authority**") during the Term, including, without limitation, all Taxes: (I) imposed on or measured by or based, in whole or in part, on rent payable to (or gross receipts received by) Landlord under this Lease and/or from the rental by Landlord of the Project or any portion thereof, or (ii) based on the square footage, assessed value or other measure or evaluation of any kind of the Premises or the Project, or (iii) assessed or imposed by or on the operation or maintenance of any portion of the Premises or the Project, including parking, or (iv) assessed or imposed by, or at the direction of, or resulting from Legal Requirements, or interpretations thereof, promulgated by any Governmental Authority, or (v) imposed as a license or other fee, charge, tax, or assessment on

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Landlord's business or occupation of leasing space in the Project. Landlord may contest by appropriate legal proceedings the amount, validity, or application of any Taxes or liens securing Taxes. Taxes shall not include any net income taxes imposed on Landlord except to the extent such net income taxes are in substitution for any Taxes payable hereunder. If any such Tax is levied or assessed directly against Tenant, then Tenant shall be responsible for and shall pay the same at such times and in such manner as the taxing authority shall require. Tenant shall pay, prior to delinquency, any and all Taxes levied or assessed against any personal property or trade fixtures placed by Tenant in the Premises, whether levied or assessed against Landlord or Tenant. If any Taxes on Tenant's personal property or trade fixtures are levied against Landlord or Landlord's property, or if the assessed valuation of the Project is increased by a value attributable to improvements in or alterations to the Premises, whether owned by Landlord or Tenant and whether or not affixed to the real property so as to become a part thereof, higher than the base valuation on which Landlord from time-to-time allocates Taxes to all tenants in the Project, Landlord shall have the right, but not the obligation, to pay such Taxes. Landlord's determination of any excess assessed valuation shall be binding and conclusive, absent manifest error. The amount of any such payment by Landlord shall constitute Additional Rent due from Tenant to Landlord immediately upon demand.

10. **Parking**. Subject to all Legal Requirements, Force Majeure, a Taking (as defined in Section 19 below) and the exercise by Landlord of its rights hereunder, Tenant shall have the right, in common with other tenants of the Project pro rata in accordance with the rentable area of the Premises and the rentable areas of the Project occupied by such other tenants, to park in those areas designated for non-reserved parking, subject in each case to Landlord's rules and regulations. Landlord may allocate parking spaces among Tenant and other tenants in the Project pro rata as described above if Landlord determines that such parking facilities are becoming crowded. Landlord shall not be responsible for enforcing Tenant's parking rights against any third parties, including other tenants of the Project. As of the Commencement Date, the current parking ratio is 3 standard sized spaces per 1,000 leased rentable square feet. Landlord shall, at its cost, post "no parking" signs in the parking bay area serving the Premises.

11. **Utilities, Services**.

(a) **General**. Landlord shall provide, subject to the terms of this Section 11, janitorial services to the Common Areas, water, electricity, heat, light, power, telephone, sewer, and other utilities (including gas and fire sprinklers to the extent the Project is plumbed for such services), and refuse and trash collection (collectively, "**Utilities**"). Tenant shall be responsible for its own janitorial service within the Premises. Landlord shall pay, as Operating Expenses or subject to Tenant's reimbursement obligation, for all Utilities used on the Premises, all maintenance charges for Utilities, and any storm sewer charges or other similar charges for Utilities imposed by any Governmental Authority or Utility provider, and any taxes, penalties, surcharges or similar charges thereon. Upon Landlord or Tenant's election, Landlord shall cause, at Tenant's expense, any Utilities not separately metered as of the Commencement Date to be separately metered or charged directly to Tenant by the provider. Without limiting the foregoing, Landlord may require that water service to the Premises be separately metered if Landlord determines that Tenant is using a disproportionate amount of water in comparison to other tenants in the Project. Landlord and Tenant acknowledge that electricity for the Premises is separately metered. Tenant shall pay directly to the Utility

provider, prior to delinquency, any separately metered Utilities and services that may be furnished to Tenant or the Premises during the Term. Tenant shall pay, as part of Operating Expenses, its share of all charges for jointly metered Utilities based upon consumption, as reasonably determined by Landlord. No interruption or failure of Utilities, from any cause whatsoever other than Landlord's willful misconduct or gross negligence, shall result in eviction or constructive eviction of Tenant, termination of this Lease or, except as provided in this Section 11, the abatement of Rent. Tenant agrees to limit use of water and sewer with respect to Common Areas to normal restroom use. If any interruption of electricity shall continue for more than 7 consecutive business days or if any interruption of water shall continue for more than 3 consecutive business days, or in either case for 30 business days (whether consecutive or not) out of 45 consecutive business days, and shall

render any material portion of the Premises unusable for the purpose of conducting Tenant's business as permitted under this Lease, then to the extent (and only to the extent) that Landlord receives rent loss insurance (or its equivalent) proceeds from its carrier in respect of such interruption, ail Base Rent payable hereunder with respect to the affected portion of the Premises shall be abated to such extent as follows: (i) in the case of an interruption of 7 consecutive business days (for electricity) or 3 consecutive business days (for water), Base Rent shall abate for such portion of the Premises for the period beginning on the 8th consecutive business day (for electricity) or on the 4th consecutive business day (for water) of such failure, and shall continue until substantial use of the affected portion of the Premises is restored to Tenant; and (ii) in the case of an interruption of 30 business days out of 45 consecutive business days, Base Rent shall abate, during that calendar year, immediately for any additional business day after the 30th business day of interruption and shall continue until substantial use of the affected portion of the Premises is restored to Tenant.

(b) **Emergency Generators**.

(i) **Suite 200 Generator**. Landlord's sole obligation for either providing emergency generators or providing emergency back-up power to Tenant shall be to provide the existing emergency generator and associated fuel tank and equipment exclusively serving Suite 200 of the Premises (collectively, "**Suite 200 Generator**") with not less than the stated capacity of the Suite 200 Generator as of the Commencement Date.

(ii) **Additional Generators**. Subject to the satisfaction, in Landlord's sole, but reasonable, judgment, of all of the conditions set forth in this Section 11, Tenant, at its sole cost and expense, may install and once installed shall maintain in a location mutually acceptable to Landlord and Tenant for use in connection with Tenant's business in the Premises one or more generators with a capacity acceptable to Landlord (collectively, "**Additional Generators**") and an above-ground fuel storage tank with adequate capacity as mutually agreed by Landlord and Tenant ("**Fuel Tank**").

(A) **Parking**. If the Additional Generators and Fuel Tank occupy any parking spaces, the number of parking spaces so occupied shall be counted against Tenant's pro rata share of parking spaces set forth in Section 10.

(B) **Installation; Maintenance; Removal**. The Additional Generators and Fuel Tank and all related piping, venting, and metering devices shall be installed by a contractor reasonably acceptable to Landlord and thereafter shall be properly maintained by Tenant, all at Tenant's sole expense. Tenant shall be responsible for connecting the Additional Generators to the electrical supply system serving the Premises in accordance with the requirements of Landlord's electrical engineer/contractor. At the expiration or earlier termination of the Term, the Additional Generators and Fuel Tank shall, at the election of Tenant, be removed at Tenant's sole cost and expense and the area on which they were located shall be returned to the condition it was in prior to the installation of the Additional Generators and Fuel Tank. If Tenant does not elect to so remove the Additional Generators and Fuel Tank, Landlord shall acquire sole ownership of the Additional Generators and Fuel Tank free and clear of all liens and encumbrances so that Landlord has good and marketable title thereto and Tenant shall execute and deliver to Landlord a bill of sale therefor (in the absence of a bill of sale, this Section shall constitute the bill of sale). Tenant shall pay all governmental fees, charges, and taxes and all hook-up and disconnection fees associated with Tenant's use of the Additional Generators and Landlord shall have no liability therefor. All of the provisions of this Lease, including, without limitation, the insurance, maintenance, repair, release, and indemnification provisions set forth in this Lease shall apply and be applicable to Tenant's installation, operation, maintenance, and removal of the Additional Generators and Fuel Tank. Tenant shall, at its sole cost and expense, secure all necessary permits and approvals from all applicable Governmental Authorities for the size, placement, installation, and

removal of the Additional Generators and Fuel Tank. If Tenant is unable to obtain the necessary approvals and permits from any Governmental Authorities for the Additional Generators and Fuel Tank, Tenant shall have no remedy, claim, cause of action, or recourse against Landlord, nor shall such failure or inability to obtain any necessary permits or approvals provide Tenant the right to terminate this Lease. Landlord shall cooperate with Tenant in securing all necessary permits and approvals for the Additional Generators and Fuel Tank; provided, however, that Landlord shall not be obligated to spend any monies in connection with obtaining such permits and approvals and shall not be required to perform any act or otherwise take any action that would impose or create any liabilities on Landlord. Without limiting any other obligations of Tenant set forth in this Lease, Tenant shall, at its sole cost and expense, install, maintain, and repair the Additional Generators and Fuel Tank and keep such equipment in good order and operating condition. The Fuel Tank shall serve as the fuel source for the Additional Generators to be installed by Tenant, Any installation work described in this Section shall comply with the terms and conditions of this Lease.

(C) **Insurance**. If the presence of the Fuel Tank and all related infrastructure (including, but not limited to, piping, venting, and metering devices) is the sole cause of an increase in Landlord's property or liability insurance premiums for the Building, Landlord shall so inform Tenant in writing (which notice shall include evidence from the insurer requiring same) and Tenant shall pay to Landlord as Additional Rent within 30 days after demand therefor an amount equal to such increase.

(iii) **No Other Generators**. Landlord shall have no obligation to provide Tenant with additional operational emergency generators or back-up power or to supervise, oversee, or confirm that Tenant or any third party maintaining the Suite 200 Generator and the Additional Generators (collectively, the "**Generators**") is maintaining the Generators as per the manufacturer's standard guidelines or otherwise. During any period of replacement, repair, or maintenance of the Generators when any of the Generators is not operational, including any delays thereto due to the inability to obtain parts or replacement equipment, Landlord shall have no obligation to provide Tenant with an alternative back-up generator or generators or alternative sources of back-up power. Tenant expressly acknowledges and agrees that Landlord does not guaranty that the Generators will be operational at all times or that emergency power will be available to the Premises when needed.

(iv) **Maintenance**. Tenant shall, at its sole cost and expense, at all times during the Term maintain with a qualified contractor a maintenance and repair contract ("**Maintenance Contract**") for the Generators. The Maintenance Contract shall be in form and content reasonably satisfactory to Landlord. Landlord shall be a third party beneficiary of the Maintenance Contract and, within 30 days after Landlord's request, Tenant shall deliver a copy of the Maintenance Contract to Landlord.

(v) **Testing**. Tenant shall be allowed to test the Generators once a week at a time mutually agreed to by Landlord and Tenant. Tenant shall immediately take all necessary actions to prevent the Generators from causing any adverse effects to the air quality of the Building. No promotional or advertising matter or signage shall be attached to, painted, or displayed on the Generators.

(vi) **Removal of Suite 200 Generator**. At the expiration or earlier termination of the Term, the Suite 200 Generator shall remain at the Project and Tenant shall return the Suite 200 Generator (or a replacement unit) to Landlord in the good working condition it was in on the Commencement Date, ordinary wear and tear excepted. Tenant shall pay all governmental fees, charges, and taxes and all disconnection fees associated with Tenant's use of the Suite 200 Generator and Landlord shall have no liability therefor. All of the provisions of this Lease, including, without limitation, the insurance, maintenance, repair, release, and indemnification provisions set forth in this Lease shall apply and be applicable to Tenant's operation, maintenance, and removal of the Suite 200

Generator. Without limiting any other obligations of Tenant set forth in this Lease, Tenant shall, at its sole cost and expense, maintain, repair, and replace the Suite 200 Generator and keep it in good order and operating condition.

(vii) **Compliance**. Tenant shall, at its sole cost and expense, comply with all Legal Requirements that may now or hereafter be applicable to the area in which the Generators are located or to the use, operation, repair, maintenance, and replacement of the Generators. The Legal Requirements include, but are not limited to, Legal Requirements (i) requiring that Tenant obtain the necessary permits and approvals for the use, operation, repair, maintenance, and replacement of the Generators, (ii) prohibiting any form of pollution, (iii) requiring the person discharging or permitting the discharging of Hazardous Materials or participating in the discharge or spilling of Hazardous Materials to report such discharge or spill to the proper Governmental Authorities, (iv) requiring certain inspections, gauging, and recordkeeping. Tenant shall pay all costs, expenses, claims, fines, penalties, and damages that may in any manner arise out of or be imposed because of the failure of Tenant to comply with this Section. Tenant shall indemnify, defend, and hold harmless Landlord and its officers, members, directors, employees, managers, employees, agents, and contractors from all claims, injuries, damages, costs, expenses, losses, and liabilities (including, but not limited to, reasonable attorneys' fees) arising from Tenant's failure to comply with this Section. Each party shall promptly give notice to the other of any notice of violation received by such party. If Tenant replaces any Generator with a new generator, Landlord shall have all right, title, and interest in such replacement Generator.

12. **Alterations and Tenant's Property**. Any alterations, additions, or improvements made to the Premises by or on behalf of Tenant, including additional locks or bolts of any kind or nature upon any doors or windows in the Premises, but excluding the initial Tenant Improvements (as defined in the Work Letter and whose installation shall be governed by the terms of the Work Letter) installation, removal or realignment of furniture systems (other than removal of furniture systems owned or paid for by Landlord) not involving any modifications to the structure or connections (other than by ordinary plugs or jacks) to Building Systems (as defined in Section 13) ("**Alterations**") shall be subject to Landlord's prior written consent, which may be given or withheld in Landlord's sole discretion if any such Alteration affects the structure or Building Systems, but which shall otherwise not be unreasonably withheld or delayed. If Landlord approves any Alterations, Landlord may impose such conditions on Tenant in connection with the commencement, performance and completion of such Alterations as Landlord may deem appropriate in Landlord's reasonable discretion. Any request for approval shall be in writing, delivered not less than 15 business days in advance of any proposed construction, and accompanied by plans, specifications, bid proposals, work contracts and such other information concerning the nature and cost of the Alterations as may be reasonably requested by Landlord, including the identities and mailing addresses of all persons performing work or supplying materials. Landlord's right to review plans and specifications and to monitor construction shall be solely for its own benefit (provided that any monitoring by Landlord shall be done in strict accordance with the access restrictions contained set forth in Section 32 below), and Landlord shall have no duty to ensure that such plans and specifications or construction comply with applicable Legal Requirements. Tenant shall cause, at its sole cost and expense, all Alterations to comply with insurance requirements set forth in this Lease and with Legal Requirements and shall implement at its sole cost and expense any alteration or modification required by Legal Requirements as a result of any Alterations. In connection with the approval by Landlord of any Alteration, at Tenant's request Landlord shall submit to Tenant a non-binding estimate of Landlord's out of pocket costs expected to be incurred by Landlord for plan review, coordination, scheduling, and supervision in connection with any Alteration. Tenant shall have 5 days from receipt of Landlord's cost estimate to withdraw its request for the Alteration by written notice to Landlord. If Tenant fails to notify Landlord of Tenant's election to withdraw the request for the Alteration within such 5 day period, Tenant shall be responsible to pay Landlord's actual, but reasonable, out of pockets costs incurred by Landlord related to such Alteration as noted on the estimate. Before Tenant begins any Alteration, Landlord may post on and about the Premises notices of non-responsibility pursuant to applicable law. Tenant shall reimburse Landlord for, and indemnify and hold Landlord harmless from, any expense incurred by Landlord by

reason of faulty work done by Tenant or its contractors, delays caused by such work, or inadequate cleanup with respect to any Alteration.

Tenant shall furnish security or make other arrangements satisfactory to Landlord to assure payment for the completion of all Alterations work free and clear of liens, and shall provide (and cause each contractor or subcontractor to provide) certificates of insurance (in form and substance reasonably satisfactory to Landlord; form ACORD 28 [2006/07] is not reasonably satisfactory to Landlord) for workers' compensation and other coverage in amounts and from an insurance company reasonably satisfactory to Landlord protecting Landlord against liability for personal injury or property damage during construction. Upon completion of any Alterations, Tenant shall deliver to Landlord: (1) sworn statements setting forth the names of all contractors and subcontractors who did the work and final lien waivers from all such contractors and subcontractors; and (ii) "as built" plans for any such Alteration.

Other than (i) the items, if any, listed on **Exhibit F** attached hereto, (ii) any items agreed by Landlord in writing to be included on **Exhibit F** in the future, and (iii) any trade fixtures, machinery, equipment, and other personal property paid for by Tenant that may be removed without material damage to the Premises, which damage shall be repaired (including capping or terminating utility hook-ups behind walls) by Tenant during the Term (collectively, "**Tenant's Property**"), all Alterations, real property fixtures, built-in machinery and equipment, built-in casework and cabinets and other similar additions and improvements built into the Premises so as to become an integral part of the Premises, such as fume hoods that penetrate the roof or plenum area, built-in cold rooms, built-in warm rooms, walk-in cold rooms, walk-in warm rooms, deionized water systems, glass washing equipment, autoclaves, chillers, built-in plumbing, electrical and mechanical equipment and systems, and any power generator and transfer switch (collectively, "**Installations**") shall be and shall remain the property of Landlord during the Term and following the expiration or earlier termination of the Term, shall not be removed by Tenant at any time during the Term and shall remain upon and be surrendered with the Premises as a part thereof in accordance with Section 28 following the expiration or earlier termination of this Lease; provided, however, that Landlord shall, at the time of its approval of any future Installation, notify Tenant if it has elected to cause Tenant to remove such Installation upon the expiration or earlier termination of this Lease, If Landlord so elects, Tenant shall remove such Installation upon the expiration or earlier termination of this Lease and restore any damage caused by or occasioned as a result of such removal, including, when removing any of Tenant's Property that was plumbed, wired or otherwise connected to any of the Building Systems, capping off all such connections behind the walls of the Premises and repairing any holes. During any such restoration period, Tenant shall pay Rent to Landlord as provided herein as if said space were otherwise occupied by Tenant. Attached hereto as a part hereof as **Exhibit G** is a list of the Installations existing in the Premises as of the Commencement Date.

13. **Landlord's Repairs**. Landlord, as an Operating Expense, shall maintain all of the structural (including roof, slab, and exterior walls and glass), exterior, parking and other Common Areas of the Project, including (except as otherwise provided in Section 14 below) plumbing, fire sprinklers, and all other building systems serving the Premises and other portions of the Project ("**Building Systems**"), in good repair, reasonable wear and tear and uninsured losses and damages caused by Tenant, or by any of Tenant's agents, servants, employees, invitees and contractors (collectively, "**Tenant Parties**") excluded. Losses and damages caused by Tenant or any Tenant Party shall be repaired by Landlord, to the extent not covered by insurance, at Tenant's sole cost and expense. Landlord reserves the right to stop Building Systems services when necessary (i) by reason of accident or emergency, or (ii) for planned repairs, alterations or improvements, which are, in the judgment of Landlord, desirable or necessary to be made, until said repairs, alterations or improvements shall have been completed. Landlord shall have no responsibility or liability for failure to supply Building Systems services during any such period of interruption; provided, however, that Landlord shall, except in case of emergency, make a commercially reasonable effort to give Tenant 7 days advance notice of any planned stoppage of Building Systems services for routine maintenance, repairs, alterations or improvements. Tenant shall promptly give Landlord written notice of any repair required by Landlord pursuant to this Section, after which Landlord shall have a reasonable opportunity to effect such repair. Landlord shall not be liable for any failure to

make any repairs or to perform any maintenance unless such failure shall persist for an unreasonable time after Tenant's written notice of the need for such repairs or maintenance. Landlord's right to perform work in the Premises pursuant to this Section 13 shall be performed in accordance with the access restrictions set forth in Section 32 below. Tenant waives its rights under any state or local law to terminate this Lease or to make such repairs at Landlord's expense but retains such other rights and remedies set forth in Section 31 below. Repairs required as the result of fire, earthquake, flood, vandalism, war, or similar cause of damage or destruction shall be controlled by Section 18.

14. **Tenant's Repairs**. Subject to Section 13 hereof, Tenant, at its expense, shall repair, replace and maintain in good condition all portions of the Premises, including, without limitation, entries, doors, ceilings, interior windows, interior walls, and the interior side of demising walls. Such repair and replacement may include capital expenditures and repairs whose benefit may extend beyond the Term. Should Tenant fail to make any such repair or replacement or fail to maintain the Premises, Landlord shall give Tenant notice of such failure. Landlord's right to perform work in the Premises pursuant to this Section 14 shall be performed in accordance with the access restrictions set forth in Section 32 below. If Tenant fails to commence cure of such failure within 10 days of Landlord's notice, and thereafter diligently prosecute such cure to completion, Landlord may perform such work and shall be reimbursed by Tenant within 30 days after written notice therefor as Additional Rent; provided, however, that if such failure by Tenant creates or could create an emergency, Landlord may immediately commence cure of such failure and shall thereafter be entitled to recover the costs of such cure from Tenant. Subject to Sections 17 and 18, Tenant shall bear the full uninsured cost of any repair or replacement to any part of the Project that results from damage caused by Tenant or any Tenant Party and any repair that benefits only the Premises.

(a) **HVAC Units**. Tenant, at its expense, shall at all times during the Term maintain with qualified contractors maintenance and repair contracts ("**HVAC Maintenance Contracts**") for the rooftop mounted HVAC units exclusively serving the Premises. The HVAC Maintenance Contracts shall be in form and content reasonably satisfactory to Landlord. Landlord shall be a third party beneficiary of the HVAC Maintenance Contracts and, within 5 days after Landlord's request, Tenant shall deliver a copy of the HVAC Maintenance Contracts to Landlord.

15. **Mechanic's Liens**. Tenant shall discharge, by bond or otherwise, any mechanic's lien filed against the Premises or against the Project for work claimed to have been done for, or materials claimed to have been furnished to, Tenant within 25 days after the filing thereof, at Tenant's sole cost and shall otherwise keep the Premises and the Project free from any liens arising out of work performed, materials furnished or obligations incurred by Tenant. Should Tenant fail to discharge any lien described herein, Landlord shall have the right, but not the obligation, to pay such claim or post a bond or otherwise provide security to eliminate the lien as a claim against title to the Project and the cost thereof shall be immediately due from Tenant as Additional Rent. If Tenant shall lease or finance the acquisition of office equipment, furnishings, or other personal property of a removable nature utilized by Tenant in the operation of Tenant's business, any Uniform Commercial Code Financing Statement that Tenant desires to file as a matter of public record with respect to any lessor or creditor of Tenant shall apply only to removable personal property of Tenant located within the Premises that is specifically itemized in such Financing Statement (as opposed to an alt-asset style filing).

16. **Indemnification**.

(a) **By Tenant**. Tenant hereby indemnifies and agrees to defend, save and hold Landlord harmless from and against any and all Claims for injury or death to persons or damage to property occurring within or about the Premises, arising directly or indirectly out of use or occupancy of the Premises or a breach or default by Tenant in the performance of any of its obligations hereunder, unless caused solely by the willful misconduct or gross negligence of Landlord. Landlord shall not be liable to Tenant for, and Tenant assumes all risk of damage to, personal property (including, without limitation, loss of records kept within the Premises). Tenant further waives any and all Claims for injury to Tenant's

business or loss of income relating to any such damage or destruction of personal property (including, without limitation, any loss of records). Landlord shall not be liable for any damages arising from any act, omission or neglect of any tenant in the Project or of any other third party.

(b) **By Landlord**. Landlord hereby indemnifies and agrees to defend, save and hold Tenant harmless from and against any and all Claims for injury or death to persons or damage to property occurring within or about the Common Area caused by Landlord's willful misconduct or gross negligence, except to the extent caused by the willful misconduct or negligence of Tenant.

17. **Insurance**. Landlord shall maintain all risk property and, if applicable, sprinkler damage insurance covering the full replacement cost of the Project. Landlord shall further procure and maintain commercial general liability insurance with a single loss limit of not less than $[***] for bodily injury and property damage with respect to the Project and rent loss insurance (or its equivalent). Landlord may, but is not obligated to, maintain such other insurance and additional coverages as it may deem necessary, including, but not limited to, flood, environmental hazard and earthquake, loss or failure of building equipment, errors and omissions, rental loss during the period of repair or rebuilding, workers' compensation insurance and fidelity bonds for employees employed to perform services and insurance for any improvements installed by Tenant or that are in addition to the standard improvements customarily furnished by Landlord without regard to whether or not such are made a part of the Project. All such insurance shall be included as part of the Operating Expenses. The Project may be included in a blanket policy (in which case the cost of such insurance allocable to the Project will be determined by Landlord based upon the insurer's cost calculations). Tenant shall also reimburse Landlord for any increased premiums or additional insurance that Landlord reasonably deems necessary as a result of Tenant's use of the Premises in a manner that is not in compliance with the Permitted Use.

Tenant, at its sole cost and expense, shall maintain during the Term: all risk property insurance with business interruption and extra expense coverage, covering the full replacement cost of all property and improvements installed or placed in the Premises by Tenant at Tenant's expense; workers' compensation insurance with no less than the minimum limits required by law; employer's liability insurance with such limits as required by law; and commercial general liability insurance, with a minimum limit of not less than $[***] per occurrence for bodily injury and property damage with respect to the Premises. The commercial general liability insurance policy shall name Landlord and Alexandria Real Estate Equities, Inc., and its and their respective members, officers, directors, employees, managers, and agents (collectively, "**Landlord Parties**"), as additional insureds; insure on an occurrence and not a claims-made basis; be issued by insurance companies that have a rating of not less than policyholder rating of A and financial category rating of at least Class X in "Best's Insurance Guide"; shall not be cancelable for nonpayment of premium unless 30 days prior written notice shall have been given to Landlord from Tenant; contain a hostile fire endorsement and a contractual liability endorsement; and provide primary coverage to Landlord (any policy issued to Landlord providing duplicate or similar coverage shall be deemed excess over Tenant's policies). Copies of such policies (if requested by Landlord), or certificates of insurance (in form and substance reasonably satisfactory to Landlord; form ACORD 28 [2006/07] is not reasonably satisfactory to Landlord) showing the limits of coverage required hereunder and showing Landlord as an additional insured, along with reasonable evidence of the payment of premiums for the applicable period, shall be delivered to Landlord by Tenant upon commencement of the Term and upon each renewal of said insurance. Tenant's policy may be a "blanket policy" with an aggregate per location endorsement that specifically provides that the amount of insurance shall not be prejudiced by other losses covered by the policy. Tenant shall, at least 5 days prior to the expiration of such policies, furnish Landlord with renewal certificates.

In each instance where insurance is to name Landlord as an additional insured, Tenant shall upon written request of Landlord also designate and furnish certificates so evidencing Landlord as additional insured to: (i) any lender of Landlord holding a security interest in the Project or any portion thereof, (ii) the landlord under any lease wherein Landlord is tenant of the real property on which the Project is located, if the interest of Landlord is or shall become that of a tenant under a ground or other

underlying lease rather than that of a fee owner, and/or (iii) any management company retained by Landlord to manage the Project.

The property insurance obtained by Landlord and Tenant shall include a waiver of subrogation by the insurers and all rights based upon an assignment from its insured, against Landlord or Tenant, and their respective officers, directors, employees, managers, agents, invitees and contractors ("**Related Parties**"), in connection with any loss or damage thereby insured against. Neither party nor its respective Related Parties shall be liable to the other for loss or damage caused by any risk insured against under property insurance required to be maintained hereunder, and each party waives any claims against the other party, and its respective Related Parties, for such loss or damage. The failure of a party to insure its property shall not void this waiver. Landlord and its respective Related Parties shall not be liable for, and Tenant hereby waives all claims against such parties for, business interruption and losses occasioned thereby sustained by Tenant or any person claiming through Tenant resulting from any accident or occurrence in or upon the Premises or the Project from any cause whatsoever. If the foregoing waivers shall contravene any law with respect to exculpatory agreements, the liability of Landlord or Tenant shall be deemed not released but shall be secondary to the other's insurer.

Landlord may require insurance policy limits to be raised to conform with requirements of Landlord's lender and/or to bring coverage limits to levels then being generally required of new tenants within the Project.

18. **Restoration**. If, at any time during the Term, any portion of the Building shall be damaged or destroyed by a fire or other casualty to the extent that the operation of Tenant's business in the Premises in the normal course is materially adversely affected or if any portion of the Premises are damaged or destroyed by a fire or other casualty, Landlord shall notify Tenant within 60 days after discovery of such damage as to the amount of time Landlord reasonably estimates it will take to restore the Building or the Premises, as applicable ("**Restoration Period**"). If the Restoration Period is estimated to exceed 270 days ("**Maximum Restoration Period**"), Landlord may, in such notice, elect to terminate this Lease as of the date that is 75 days after the date of discovery of such damage or destruction; provided, however, that notwithstanding Landlord's election to restore, Tenant may elect to terminate this Lease by written notice to Landlord delivered within 5 business days of receipt of a notice from Landlord estimating a Restoration Period for the Premises longer than the Maximum Restoration Period. Unless either Landlord or Tenant so elects to terminate this Lease, Landlord shall, subject to receipt of sufficient insurance proceeds (with any deductible to be treated as a current Operating Expense), promptly restore the Premises to their condition on the date of Delivery (excluding the improvements installed by Tenant or by Landlord and paid for by Tenant unless covered by the insurance Landlord maintains as an Operating Expense hereunder, in which case such improvements shall be included, to the extent of such insurance proceeds, in Landlord's restoration), subject to delays arising from the collection of insurance proceeds, from Force Majeure events or as needed to obtain any license, clearance or other authorization of any kind required to enter into and restore the Premises issued by any Governmental Authority having jurisdiction over the use, storage, handling, treatment, generation, release, disposal, removal or remediation of Hazardous Materials in, on, or about the Premises (collectively referred to herein as "**Hazardous Materials Clearances**"); provided, however, that if repair or restoration of the Premises is not substantially complete as of the end of the Maximum Restoration Period or, if longer, the Restoration Period, Landlord may, in its sole and absolute discretion, elect not to proceed with such repair and restoration or Tenant may by written notice to Landlord delivered within 5 business days of the expiration of the Maximum Restoration Period or, if longer, the Restoration Period, elect to terminate this Lease, in which event Landlord shall be relieved of its obligation to make such repairs or restoration and this Lease shall terminate as of the date that is 30 days after the later of: (i) discovery of such damage or destruction, or (ii) the date all required Hazardous Materials Clearances are obtained, but Landlord shall retain any Rent paid and the right to any Rent payable by Tenant prior to such election by Landlord or Tenant, subject to the abatement set forth in the paragraph below. Landlord's right to perform any such repair or restoration in the Premises pursuant to this Section 18 shall be performed in accordance with the access restrictions set forth in Section 32 below.

Tenant, at its expense, shall promptly perform, subject to delays arising from the collection of insurance proceeds, from Force Majeure (as defined in Section 34) events or to obtain Hazardous Material Clearances, all repairs or restoration not required to be done by Landlord and shall promptly reenter the Premises and commence doing business in accordance with this Lease upon Landlord's completion of the repairs or restoration of the Premises. Notwithstanding the foregoing, Landlord may terminate this Lease if the Premises are damaged during the last year of the Term and Landlord reasonably estimates that it will take more than 2 months to repair such damage, or if insurance proceeds are not available for such restoration. Rent shall be abated from the date all required Hazardous Material Clearances are obtained until the Premises are repaired and restored, in the proportion that the area of the Premises, if any, that is not usable by Tenant bears to the total area of the Premises, unless Landlord provides Tenant with other space during the period of repair that is suitable for the temporary conduct of Tenant's business as reasonably determined by Tenant. Such abatement shall be the sole remedy of Tenant, and except as provided in this Section 18, Tenant waives any right to terminate this Lease by reason of damage or casualty loss.

The provisions of this Lease, including this Section 18, constitute an express agreement between Landlord and Tenant with respect to any and all damage to, or destruction of, all or any part of the Premises, or any other portion of the Project, and any statute or regulation that is now or may hereafter be in effect shall have no application to this Lease or any damage or destruction to all or any part of the Premises or any other portion of the Project, the parties hereto expressly agreeing that this Section 18 sets forth their entire understanding and agreement with respect to such matters.

19. **Condemnation**. If the whole or any material part of the Premises or the Project is taken for any public or quasi-public use under governmental law, ordinance, or regulation, or by right of eminent domain, or by private purchase in lieu thereof (a "**Taking**" or "**Taken**"), and the Taking would either prevent or materially interfere with Tenant's use of the Premises or materially interfere with or impair Landlord's ownership or operation of the Project, then upon written notice by Landlord this Lease shall terminate and Rent shall be apportioned as of said date. If part of the Premises shall be Taken, and this Lease is not terminated as provided above, Landlord shall promptly restore the Premises and the Project as nearly as is commercially reasonable under the circumstances to their condition prior to such partial Taking and the rentable square footage of the Building, the rentable square footage of the Premises, Tenant's Share of Operating Expenses and the Rent payable hereunder during the unexpired Term shall be reduced on a pro rata basis unless otherwise agreed between the parties. Upon any such Taking, Landlord shall be entitled to receive the entire price or award from any such Taking without any payment to Tenant, and Tenant hereby assigns to Landlord Tenant's interest, if any, in such award. Tenant shall have the right, to the extent that same shall not diminish Landlord's award, to make a separate claim against the condemning authority (but not Landlord) for such compensation as may be separately awarded or recoverable by Tenant for moving expenses and damage to Tenant's trade fixtures, if a separate award for such items is made to Tenant. Tenant hereby waives any and all rights it might otherwise have pursuant to any provision of state law to terminate this Lease upon a partial Taking of the Premises or the Project.

20. **Events of Default**. Each of the following events shall be a default ("**Default**") by Tenant under this Lease:

(a) **Payment Defaults**. Tenant shall fail to pay any installment of Rent or any other payment hereunder when due; provided, however, that Landlord will give Tenant notice and an opportunity to cure any failure to pay Rent within 5 days of any such notice not more than once in any 12 month period and Tenant agrees that such notice shall be in lieu of and not in addition to, or shall be deemed to be, any notice required by law.

(b) **Insurance**. Any insurance required to be maintained by Tenant pursuant to this Lease shall be canceled or terminated or shall expire or shall be reduced or materially changed, or Landlord

shall receive a notice of nonrenewal of any such insurance and Tenant shall fail to obtain replacement insurance at least 15 days before the expiration of the current coverage.

(c) **Abandonment**. Tenant shall abandon the Premises without (i) the release of the Premises of all Hazardous Materials Clearances and free of any residual impact from the Tenant HazMat Operations, and (ii) complying with the provisions of Section 28.

(d) **Improper Transfer**. Tenant shall assign, sublease or otherwise transfer or attempt to transfer all or any portion of Tenant's interest in this Lease or the Premises except as expressly permitted herein, or Tenant's interest in this Lease shall be attached, executed upon, or otherwise judicially seized and such action is not released within 90 days of the action.

(e) **Liens**. Tenant shall fail to discharge or otherwise obtain the release of any lien placed upon the Premises in violation of this Lease within 25 days after any such lien is filed against the Premises.

(f) **Insolvency Events**. Tenant or any guarantor or surety of Tenant's obligations hereunder shall: (A) make a general assignment for the benefit of creditors; (B) commence any case, proceeding or other action seeking to have an order for relief entered on its behalf as a debtor or to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts or seeking appointment of a receiver, trustee, custodian or other similar official for it or for all or of any substantial part of its property (collectively a "**Proceeding for Relief**"); (C) become the subject of any Proceeding for Relief that is not dismissed within 90 days of its filing or entry; or (D) be dissolved or otherwise fail to maintain its legal existence.

(g) **Estoppel Certificate or Subordination Agreement**. Tenant fails to execute any document required from Tenant under Sections 23 or 27 within 5 days after a second notice requesting such document, provided that such second notice states in bold and capitalized letters that Tenant's failure to respond within 5 days shall constitute a Default.

(h) **Other Defaults**. Tenant shall fail to comply with any provision of this Lease other than those specifically referred to in this Section 20, and, except as otherwise expressly provided herein, such failure shall continue for a period of 15 days after written notice thereof from Landlord to Tenant.

Any notice given under Section 20(h) hereof shall: (i) specify the alleged default, (ii) demand that Tenant cure such default, (iii) be in lieu of, and not in addition to, or shall be deemed to be, any notice required under any provision of applicable law, and (iv) not be deemed a forfeiture or a termination of this Lease unless Landlord elects otherwise in such notice; provided that if the nature of Tenant's default pursuant to Section 20(h) is such that it cannot be cured by the payment of money and reasonably requires more than 15 days to cure, then Tenant shall not be deemed to be in default if Tenant commences such cure within said 15 day period and thereafter diligently and with continuity prosecutes the same to completion as long as such default does not (A) impair the value or condition of the Premises or the Building, (B) cause Landlord to be in default under any agreement to which it is a party or is bound, (C) cause Landlord to incur any fines, penalties, costs, or expenses, or (D) subject Landlord or the Project to any liability or risk of loss.

21. **Landlord's Remedies**.

(a) **Interest**. Upon a Default by Tenant hereunder, Landlord may, without waiving or releasing any obligation of Tenant hereunder, make such payment or perform such act. All sums so paid or incurred by Landlord, together with interest thereon, from the date such sums were paid or incurred, at the annual rate equal to [***]% per annum or the highest rate permitted by law ("**Default Rate**"), whichever

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is less, shall be payable to Landlord on demand as Additional Rent. Nothing herein shall be construed to create or impose a duty on Landlord to mitigate any damages resulting from Tenant's Default hereunder.

(b) **Late Payment Rent**. Late payment by Tenant to Landlord of Rent and other sums due will cause Landlord to incur costs not contemplated by this Lease, the exact amount of which will be extremely difficult and impracticable to ascertain. Such costs include, but are not limited to, processing and accounting charges and late charges that may be imposed on Landlord under any Mortgage covering the Premises. Therefore, if any installment of Rent due from Tenant is not received by Landlord within 5 days after the date such payment is due, Tenant shall pay to Landlord an additional sum of [***]% of the overdue Rent as a late charge (provided that Tenant shall not be required to pay such late charge upon the first occurrence of a late payment by Tenant of Rent). The parties agree that this late charge represents a fair and reasonable estimate of the costs Landlord will incur by reason of late payment by Tenant. In addition to the late charge, Rent not paid when due shall bear interest at the Default Rate from the 5th day after the date due until paid.

(c) **Re-Entry**. Landlord shall have the right, immediately or at any time after a Default, without further notice to Tenant (unless otherwise provided herein), to enter the Premises, without terminating this Lease or being guilty of trespass, and do any and all acts as Landlord may deem necessary, proper or convenient to cure such Default, for the account and at the expense of Tenant, any notice to quit or notice of Landlord's intention to re-enter being hereby expressly waived, and Tenant agrees to pay to Landlord as Additional Rent all damage and/or expense incurred by Landlord in so doing, including interest at the Default Rate, from the due date until the date payment is received by Landlord.

(d) **Termination**. Upon a Default, Landlord shall have the right to terminate this Lease and Tenant's right to possession of the Premises and, in accordance with legal process, take possession of the Premises and remove Tenant, any occupant and any property therefrom, without being guilty of trespass and without relinquishing any rights of Landlord against Tenant, any notice to quit, or notice of Landlord's intention to re-enter being hereby expressly waived. Landlord shall be entitled to recover damages from Tenant for all amounts covenanted to be paid during the remainder of the Term (except for the period of any holdover by Tenant, in which case the monthly rental rate stated at Section 8 herein shall apply), which may be accelerated by Landlord at its option, together with (i) all expenses of any proceedings (including, but not limited to, the expenses set forth in Section 22(f) below) that 'may be necessary in order for Landlord to recover possession of the Premises, (ii) the expenses of the re-renting of the Premises (including, but not limited to, any commissions paid to any real estate agent, advertising expense and the costs of such alterations, repairs, replacements or modifications that Landlord, in its sole judgment, considers advisable and necessary for the purpose of re-renting), and (iii) interest computed at the Default Rate from the due date until paid; provided, however, that there shall be credited against the amount of such damages all amounts received by Landlord from such re-renting

of the Premises, with any overage being refunded to Tenant. Landlord shall in no event be liable in any way whatsoever for failure to re-rent the Premises or, in the event that the Premises are re-rented, for failure to collect the rent thereof under such re-renting and Tenant expressly waives any duty of the Landlord to mitigate damages. No act or thing done by Landlord shall be deemed to be an acceptance of a surrender of the Premises, unless Landlord shall execute a written agreement of surrender with Tenant. Tenant's liability hereunder shall not be terminated by the execution of a new lease of the Premises by Landlord. In the event Landlord does not exercise its option to accelerate the payment of amounts owed as provided hereinabove, then Tenant agrees to pay to Landlord, upon demand, the amount of damages herein provided after the amount of such damages for any month shall have been ascertained; provided, however, that any expenses incurred by Landlord shall be deemed to be a part of the damages for the month in which they were incurred. Separate actions may be maintained each month or at other times by Landlord against Tenant to recover the damages then due, without waiting until the end of the term of this Lease to determine the aggregate amount of such damages. Tenant hereby expressly waives any and all rights of redemption granted by or under any present or future laws in the event of Tenant being evicted

[***] INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

or being dispossessed for any cause, or in the event of Landlord obtaining possession of the Premises by reason of the violation by Tenant of any of the covenants and conditions of this Lease.

(e) **Lien for Rent**. Upon any Default by Tenant in the payment of Rent or other amounts owed hereunder, Landlord shall have a lien upon the property of Tenant in the Premises for the amount of such unpaid amounts, and Tenant hereby specifically waives any and all exemptions allowed by law. In such event, Tenant shall not remove any of Tenant's property from the Premises except with the prior written consent of Landlord, and Landlord shall have the right and privilege, at its option, to take possession of all Tenant's property in the Premises, to store the same on the Premises, or to remove it and store it in such place as may be selected by Landlord, at Tenant's risk and expense. If Tenant fails to redeem the personal property so seized, by payment of whatever sum may be due Landlord hereunder (including all storage costs), Landlord shall have the right, after 20 days written notice to Tenant of its intention to do so, to sell such personal property so seized at public or private sale and upon such terms and conditions as may appear advantageous to Landlord, and after the payment of all proper charges incident to such sale, apply the proceeds thereof to the payment of any balance due to Landlord on account of rent or other obligations of Tenant pursuant to this Lease. In the event there shall then remain in the hands of Landlord any balance realized from the sale of said personal property, the same shall be paid over to Tenant. The exercise of the foregoing remedy by Landlord shall not relieve or discharge Tenant from any deficiency owed to Landlord that Landlord has the right to enforce pursuant to any of the provisions of this Lease. Tenant shall also be liable for all expenses incident to the foregoing process, including any auctioneer or attorney's fees or commissions. At Tenant's request, Landlord shall subordinate its lien rights as set forth in this paragraph to the lien, operation, and effect of any bona fide third party financing for equipment, trade fixtures, leasehold improvements, and/or working capital pursuant to a subordination agreement in form and substance reasonably acceptable to Landlord. Such subordination shall be limited to specific items of equipment and shall not be in the form of a blanket lien subordination.

(f) **Expenses**. Tenant shall pay, as Additional Rent and immediately upon written demand from Landlord, all costs and expenses incurred by Landlord, including, but not limited to, attorneys' fees, expert witness fees, paralegal fees, other litigation expenses (such as expenses for photocopying, electronic legal research, and deposition transcripts), and court costs in connection with or arising out of any Default by Tenant under this Lease, including, but not limited to, any action or proceeding brought by Landlord to enforce any obligation of Tenant under this Lease or the right of Landlord in or to the Premises. Such expenses are recoverable at all levels, including appeals and post-judgment actions or proceedings. The giving of a notice of Default by Landlord shall constitute part of an action or proceeding under this Lease, entitling Landlord to reimbursement of such fees and expenses, even if an action or proceeding is not commenced in a court of law and regardless of whether the Default is cured.

(g) **Other Remedies**. Upon a Default by Tenant hereunder and in addition to any other remedy available to Landlord under this Lease or otherwise, Landlord shall be entitled to recover damages from Tenant an amount equal to the unamortized portion of the Base Rent abated pursuant to Section 4. Such abated Base Rent shall be amortized on a straight-line basis over the Base Term, assuming equal monthly installments of principal at an interest rate of zero percent (0%). In addition to the remedies set forth in this Section 21, Landlord, at its option, without further notice or demand to Tenant, shall have all other rights and remedies provided at law or in equity.

22. **Assignment and Subletting**.

(a) **General Prohibition**. Without Landlord's prior written consent subject to and on the conditions described in this Section 22, Tenant shall not, directly or indirectly, voluntarily or by operation of law, assign this Lease or sublease the Premises or any part thereof or mortgage, pledge, or hypothecate its leasehold interest or grant any concession or license within the Premises, and any attempt to do any of the foregoing shall be void and of no effect. If Tenant is a corporation, partnership or limited liability company, the shares or other ownership interests thereof that are not actively traded upon

a stock exchange or in the over-the-counter market, a transfer or series of transfers whereby 49% or more of the issued and outstanding shares or other ownership interests of such corporation are, or voting control is, transferred (but excepting transfers upon deaths of individual owners) from a person or persons or entity or entities that were owners thereof at time of execution of this Lease to persons or entities who were not owners of shares or other ownership interests of the corporation, partnership or limited liability company at time of execution of this Lease, shall be deemed an assignment of this Lease requiring the consent of Landlord as provided in this Section 22.

(b) **Permitted Transfers**. If Tenant desires to assign, sublease, hypothecate or otherwise transfer this Lease or sublet the Premises other than pursuant to a Permitted Assignment (as defined below), then at least 15 business days, but not more than 45 business days, before the date Tenant desires the assignment or sublease to be effective ("**Assignment Date**"), Tenant shall give Landlord a notice ("**Assignment Notice**"**)** containing such information about the proposed assignee or sublessee, including the proposed use of the Premises and any Hazardous Materials proposed to be used, stored handled, treated, generated in or released or disposed of from the Premises, the Assignment Date, any relationship between Tenant and the proposed assignee or sublessee, and all material terms and conditions of the proposed assignment or sublease, including a copy of any proposed assignment or sublease in its final form, and such other information as Landlord may deem reasonably necessary or appropriate to its consideration whether to grant its consent. Landlord may, by giving written notice to Tenant within 15 business days after receipt of the Assignment Notice: (i) grant such consent, (ii) refuse such consent, in its sole and absolute discretion, if the proposed assignment, hypothecation or other transfer or subletting concerns more than (together with all other then effective subleases) 50% of the Premises, or (iii) refuse such consent, in its reasonable discretion, if the proposed subletting concerns (together with all other then effective subleases) 50% or less of the Premises (provided that Landlord shall further have the right to review and approve or disapprove the proposed form of sublease prior to the effective date of any such subletting). No failure of Landlord to deliver a timely notice in response to the Assignment Notice shall be deemed to be Landlord's consent to the proposed assignment, sublease or other transfer. Tenant shall pay to Landlord a fee not to exceed $[***] for Landlord's out-of-pocket expenses in connection with its consideration of any Assignment Notice and/or its preparation or review of any consent documents. Notwithstanding the foregoing, Landlord's consent to an assignment of this Lease or a subletting of any portion of the Premises to any subsidiary or affiliate of Tenant or any entity controlling, controlled by or under common control with Tenant (each a "**Permitted Assignment**") shall not be required, provided that Landlord shall have the right to approve (such approval not to be unreasonably withheld, delayed, or conditioned) the form of any such sublease or assignment.

(c) **Additional Conditions**. As a condition to any such assignment or subletting, Landlord may require:

(i) that any assignee or subtenant agree, in writing at the time of such assignment or subletting, that if Landlord gives such party notice that Tenant is in Default under this Lease, such party shall thereafter make all payments otherwise due Tenant directly to Landlord, which payments will be received by Landlord without any liability except to credit such payment against those due under this Lease, and any such third party shall agree to attorn to Landlord or its successors and assigns should this Lease be terminated for any reason; provided, however, in no event shall Landlord or its successors or assigns be obligated to accept such attornment; and

(ii) except for a Permitted Assignment whereby the assignee or sublessee occupies the Premises for the Permitted Use, if the proposed use of the Premises by an assignee or sublessee involves Hazardous Materials, a list of Hazardous Materials, certified by the proposed assignee or sublessee to be true and correct, which the proposed assignee or sublessee intends to use, store, handle, treat, generate in or release or dispose of from the Premises, together with copies of all documents relating to such use, storage, handling, treatment, generation, release or disposal of Hazardous Materials by the proposed assignee

or subtenant in the Premises or on the Project. Neither Tenant nor any such proposed assignee or subtenant is required, however, to provide Landlord with any portion(s) of the such documents containing information of a proprietary nature that, in and of themselves, do not contain a reference to any Hazardous Materials or hazardous activities.

(d) **No Release of Tenant, Sharing of Excess Rents**. Notwithstanding any assignment or subletting, Tenant and any guarantor or surety of Tenant's obligations under this Lease, if any, shall at all times remain fully and primarily responsible and liable for the payment of Rent and for compliance with all of Tenant's other obligations under this Lease. If the Rent due and payable by a sublessee or assignee (or a combination of the rental payable under such sublease or assignment plus any bonus or other consideration therefor or incident thereto in any form) exceeds the sum of (i) the rental payable under this Lease (excluding however, any Rent payable under this Section) and (ii) actual and reasonable brokerage fees, legal costs and any design or construction fees directly related to and required pursuant to the terms of any such assignment or sublease) ("**Excess Rent**"), then Tenant shall be bound and obligated to pay Landlord as Additional Rent hereunder 50% of such Excess Rent within 30 days following receipt thereof by Tenant. If Tenant shall sublet the Premises or any part thereof, Tenant hereby immediately and irrevocably, upon a Default, assigns to Landlord, as security for Tenant's obligations under this Lease, all rent from any such subletting, and Landlord as assignee and as attorney-in-fact for Tenant, or a receiver for Tenant appointed on Landlord's application, may collect such rent and apply it toward Tenant's obligations under this Lease; except that, until the occurrence of a Default, Tenant shall have the right to collect such rent.

(e) **No Waiver**. The consent by Landlord to an assignment or subletting shall not relieve Tenant or any assignees of this Lease or any sublessees of the Premises from obtaining the consent of Landlord to any further assignment or subletting nor shall it release Tenant or any assignee or sublessee of Tenant from full and primary liability under this Lease. The acceptance of Rent hereunder, or the acceptance of performance of any other term, covenant, or condition thereof, from any other person or entity shall not be deemed to be a waiver of any of the provisions of this Lease or a consent to any subletting, assignment or other transfer of the Premises.

(f) **Prior Conduct of Proposed Transferee**. Notwithstanding any other provision of this Section 22, if (i) the proposed assignee or sublessee of Tenant has been required by any prior landlord, lender or Governmental Authority to take remedial action in connection with Hazardous Materials contaminating a property, where the contamination resulted from such party's action or use of the property in question, (ii) the proposed assignee or sublessee is subject to an enforcement order issued by any Governmental Authority in connection with the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials (including, without limitation, any order related to the failure to make a required reporting to any Governmental Authority), or (iii) because of the existence of a pre-existing environmental condition in the vicinity of or underlying the Project, the risk that Landlord would be targeted as a responsible party in connection with the remediation of such pre-existing environmental condition would be materially increased or exacerbated by the proposed use of Hazardous Materials by such proposed assignee or sublessee, Landlord shall have the absolute right to refuse to consent to any assignment or subletting to any such party.

23. **Estoppel Certificate**. Tenant shall, within 10 business days of written notice from Landlord, execute, acknowledge and deliver a statement in writing in any form reasonably requested by a proposed lender or purchaser, (i) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect) and the dates to which the rental and other charges are paid in advance, if any, (ii) acknowledging that there are not any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed, and (iii) setting forth such further information with respect to the status of this Lease or the Premises as may be requested thereon. Any such statement may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the real property of which the Premises are a part. Tenant's failure to deliver such statement within 5 days after a second notice

requesting same shall, at the option of Landlord, be conclusive upon Tenant that this Lease is in full force and effect and without modification except as may be represented by Landlord in any certificate prepared by Landlord and delivered to Tenant for execution, provided that such second notice states in bold and capitalized letters that Tenant's failure to respond within 5 days may result in such conclusion.

24. **Quiet Enjoyment**. So long as Tenant shall perform all of the covenants and agreements herein required to be performed by Tenant, Tenant shall, subject to the terms of this Lease, at all times during the Term, have peaceful and quiet enjoyment of the Premises against any person claiming by, through or under Landlord.

25. **Prorations**. All prorations required or permitted to be made hereunder shall be made on the basis of a 360 day year and 30 day months.

26. **Rules and Regulations**. Tenant shall, at all times during the Term and any extension thereof, comply with all reasonable rules and regulations at any time or from time to time established by Landlord covering use of the Premises and the Project. The current rules and regulations are attached hereto as **Exhibit E**. If there is any conflict between said rules and regulations and other provisions of this Lease, the terms and provisions of this Lease shall control. Landlord shall not have any liability or obligation for the breach of any rules or regulations by other tenants in the Project and shall not enforce such rules and regulations in a discriminatory manner.

27. **Subordination**. This Lease and Tenant's interest and rights hereunder are hereby made and shall be subject and subordinate at all times to the lien of any Mortgage now existing or hereafter created on or against the Project or the Premises, and all amendments, restatements, renewals, modifications, consolidations, refinancing, assignments and extensions thereof, without the necessity of any further instrument or act on the part of Tenant; provided, however that so long as there is no Default hereunder, Tenant's right to possession of the Premises shall not be disturbed by the Holder of any such Mortgage. Tenant agrees, at the election of the Holder of any such Mortgage, to attorn to any such Holder. Tenant agrees upon demand to execute, acknowledge and deliver such instruments, confirming such subordination, and such instruments of attornment as shall be requested by any such Holder, provided any such instruments contain appropriate non-disturbance provisions assuring Tenant's quiet enjoyment of the Premises as set forth in Section 24 hereof, Notwithstanding the foregoing, any such Holder may at any time subordinate its Mortgage to this Lease, without Tenant's consent, by notice in writing to Tenant, and thereupon this Lease shall be deemed prior to such Mortgage without regard to their respective dates of execution, delivery or recording of such Mortgage and in that event such Holder shall have the same rights with respect to this Lease as though this Lease had been executed prior to the execution, delivery and recording of such Mortgage and had been assigned to such Holder. As of the Commencement Date, no Mortgage encumbers the Project. On Tenant's written request, Landlord shall use its commercially reasonable efforts (but with no obligation to pay any out-of-pocket fees or sums) to obtain from any Holder of a first lien Mortgage at any time during the Term covering any or all of the Project or the Premises a non-disturbance agreement on Holder's standard form in favor of Tenant assuring Tenant's quiet enjoyment of the Premises as set forth in Section 24 hereof. The term "**Mortgage**" whenever used in this Lease shall be deemed to include deeds of trust, security assignments and any other encumbrances, and any reference to the "**Holder**" of a Mortgage shall be deemed to include the beneficiary under a deed of trust.

28. **Surrender**. Upon the expiration of the Term or earlier termination of this Lease or Tenant's right of possession, Tenant shall surrender the Premises to Landlord in the same condition as received, subject to any Alterations or Installations permitted by Landlord to remain in the Premises, free of Hazardous Materials brought upon, kept, used, stored, handled, treated, generated in, or released or disposed of from, the Premises by any person other than a Landlord Party (collectively, "**Tenant HazMat Operations**") and released of all Hazardous Materials Clearances, broom clean, ordinary wear and tear and casualty loss and condemnation covered by Sections 18 and 19 excepted. At least 3 months prior to the surrender of the Premises, Tenant shall deliver to Landlord a narrative description of the actions

proposed (or required by any Governmental Authority) to be taken by Tenant in order to surrender the Premises (including any Installations permitted by Landlord to remain in the Premises) at the expiration or earlier termination of the Term, free from any residual impact from the Tenant HazMat Operations and otherwise released for unrestricted use and occupancy ("**Surrender Plan**"). Such Surrender Plan shall be accompanied by a current listing of (I) all Hazardous Materials licenses and permits held by or on behalf of any Tenant Party with respect to the Premises, and (ii) all Hazardous Materials used, stored, handled, treated, generated, released or disposed of from the Premises, and shall be subject to the review and approval of Landlord's environmental consultant. In connection with the review and approval of the Surrender Plan, upon the request of Landlord, Tenant shall deliver to Landlord or its consultant such additional non-proprietary information concerning Tenant HazMat Operations as Landlord shall request. On or before such surrender, Tenant shall deliver to Landlord evidence that the approved Surrender Plan shall have been satisfactorily completed and Landlord shall have the right, subject to reimbursement at Tenant's expense as set forth below, to cause Landlord's environmental consultant to inspect the Premises and perform such additional procedures as may be deemed reasonably necessary to confirm that the Premises are, as of the effective date of such surrender or early termination of this Lease, free from any residual impact from Tenant HazMat Operations. Tenant shall reimburse Landlord, as Additional Rent, for the actual out-of pocket expense incurred by Landlord for Landlord's environmental consultant to review and approve the Surrender Plan and to visit the Premises and verify satisfactory completion of the same, which cost shall not exceed $[***]. Landlord shall have the unrestricted right to deliver such Surrender Plan and any report by Landlord's environmental consultant with respect to the surrender of the Premises to third parties.

If Tenant shall fail to prepare or submit a Surrender Plan approved by Landlord, or if Tenant shall fail to complete the approved Surrender Plan, or if such Surrender Plan, whether or not approved by Landlord, shall fail to adequately address any residual effect of Tenant HazMat Operations in, on or about the Premises, Landlord shall have the right to take such actions as Landlord may deem reasonable or appropriate to assure that the Premises and the Project are surrendered free from any residual impact from Tenant HazMat Operations, the cost of which actions shall be reimbursed by Tenant as Additional Rent, without regard to the limitation set forth in the first paragraph of this Section 28.

Tenant shall immediately return to Landlord all keys and/or access cards to parking, the Project, restrooms or all or any portion of the Premises furnished to or otherwise procured by Tenant. If any such access card or key is lost, Tenant shall pay to Landlord, at Landlord's election, either the cost of replacing such lost access card or key or the cost of reprogramming the access security system in which such access card was used or changing the lock or locks opened by such lost key. Any Tenant's Property, Alterations and property not so removed by Tenant as permitted or required herein shall be deemed abandoned and may be stored, removed, and disposed of by Landlord at Tenant's expense, and Tenant waives all claims against Landlord for any damages resulting from Landlord's retention and/or disposition of such property. All obligations of Tenant hereunder not fully performed as of the termination of the Term, including the obligations of Tenant under Section 30 hereof, shall survive the expiration or earlier termination of the Term, including, without limitation, indemnity obligations, payment obligations with respect to Rent and obligations concerning the condition and repair of the Premises.

29. **Waiver of Jury Trial**. TENANT AND LANDLORD WAIVE ANY RIGHT TO TRIAL BY JURY OR TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, BETWEEN LANDLORD AND TENANT ARISING OUT OF THIS LEASE OR ANY OTHER INSTRUMENT, DOCUMENT, OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION HEREWITH OR THE TRANSACTIONS RELATED HERETO.

30. **Environmental Requirements**.

(a) **Prohibition/Compliance/Indemnity**. Tenant shall not cause or permit any Hazardous Materials (as hereinafter defined) to be brought upon, kept, used, stored, handled, treated, generated in or about, or released or disposed of from, the Premises or the Project in violation of applicable

Environmental Requirements (as hereinafter defined) by Tenant or any Tenant Party. If Tenant breaches the obligation stated in the preceding sentence, or if the presence of Hazardous Materials in the Premises during the Term or any holding over results in contamination of the Premises, the Project or any adjacent property or if contamination of the Premises, the Project or any adjacent property by Hazardous Materials brought into, kept, used, stored, handled, treated, generated in or about, or released or disposed of from, the Premises by anyone other than Landlord and Landlord's employees, agents and contractors otherwise occurs during the Term or any holding over, Tenant hereby indemnifies and shall defend and hold Landlord, its officers, directors, employees, agents and contractors harmless from any and all actions (including, without limitation, remedial or enforcement actions of any kind, administrative or judicial proceedings, and orders or judgments arising out of or resulting therefrom), costs, claims, damages (including, without limitation, punitive damages and damages based upon diminution in value of the Premises or the Project, or the loss of, or restriction on, use of the Premises or any portion of the Project), expenses (including, without limitation, reasonable attorneys', consultants' and experts' fees, court costs and amounts paid in settlement of any claims or actions), fines, forfeitures or other civil, administrative or criminal penalties, injunctive or other relief (whether or not based upon personal injury, property damage, or contamination of, or adverse effects upon, the environment, water tables or natural resources), liabilities or losses (collectively, "**Environmental Claims**") that arise during or after the Term as a result of such contamination; provided, however, that Tenant shall have no indemnification, remediation, or other obligation or responsibility under this Section 30 for any contamination or Environmental Claim if Tenant proves by a preponderance of the evidence that such contamination or Environmental Claim arises from any Hazardous Materials brought into, kept, used, stored, handled, treated, generated in or about, or released or disposed of from the Premises by Landlord, its employees or contractors, or another tenant unrelated or unaffiliated with Tenant or that existed in the Premises as of the Commencement Date and were not brought into, kept, used, stored, handled, treated, generated in or about, or released or disposed of from the Premises by Tenant or any Tenant Party. This indemnification of Landlord by Tenant includes, without limitation, costs incurred in connection with any investigation of site conditions or any cleanup, treatment, remedial, removal, or restoration work required by any federal, state or local Governmental Authority because of Hazardous Materials present in the air, soil or ground water above, on, or under the Premises. Without limiting the foregoing, if the presence of any Hazardous Materials on the Premises, the Project or any adjacent property caused or permitted by Tenant or any Tenant Party results in any contamination of the Premises, the Project or any adjacent property, Tenant shall promptly take all actions at its sole expense and in accordance with applicable Environmental Requirements as are necessary to return the Premises, the Project or any adjacent property to the condition existing prior to the time of such contamination, provided that Landlord's approval of such action shall first be obtained, which approval shall not unreasonably be withheld so long as such actions would not potentially have any material adverse long-term or short-term effect on the Premises or the Project.

(b) **Business**. Landlord acknowledges that it is not the intent of this Section 30 to prohibit Tenant from using the Premises for the Permitted Use. Tenant may operate its business according to prudent industry practices so long as the use or presence of Hazardous Materials is strictly and properly monitored according to all then applicable Environmental Requirements. As a material inducement to Landlord to allow Tenant to use Hazardous Materials in connection with its business, Tenant agrees to deliver to Landlord prior to the Commencement Date a list identifying each type of Hazardous Materials to be brought upon, kept, used, stored, handled, treated, generated on, or released or disposed of from, the Premises and setting forth any and all governmental approvals or permits required in connection with the presence, use, storage, handling, treatment, generation, release or disposal of such Hazardous Materials on or from the Premises ("**Hazardous Materials List**"). Tenant shall deliver to Landlord an updated Hazardous Materials List at least once a year and shall also deliver an updated list before any new Hazardous Material is brought onto, kept, used, stored, handled, treated, generated on, or released or disposed of from, the Premises. Tenant shall deliver to Landlord true and correct copies of the following documents ("**Haz Mat Documents**") relating to the use, storage, handling, treatment, generation, release or disposal of Hazardous Materials prior to the Commencement Date, or if unavailable at that time, concurrent with the receipt from or submission to a Governmental Authority: permits; approvals; reports and correspondence; storage and management plans, notice of violations of any Legal Requirements;

plans relating to the installation of any storage tanks to be installed in or under the Project (provided, said installation of tanks shall only be permitted after Landlord has given Tenant its written consent to do so, which consent may be withheld in Landlord's sole and absolute discretion); all closure plans or any other documents required by any and all federal, state and local Governmental Authorities for any storage tanks installed in, on or under the Project for the closure of any such tanks; and a Surrender Plan (to the extent surrender in accordance with Section 28 cannot be accomplished in 3 months). Tenant is not required, however, to provide Landlord with any portion(s) of the Haz Mat Documents containing information of a proprietary nature that, in and of themselves, do not contain a reference to any Hazardous Materials or hazardous activities. It is not the intent of this Section to provide Landlord with information that could be detrimental to Tenant's business should such information become possessed by Tenant's competitors.

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

(d) **Testing**. Landlord shall have the right, in its reasonable discretion, to conduct annual tests of the Premises to determine whether any contamination of the Premises or the Project has occurred as a result of Tenant's use. Tenant shall be required to pay the cost of such annual test of the Premises; provided, however, that if Tenant conducts its own tests of the Premises using third party contractors and test procedures acceptable to Landlord, which tests are certified to Landlord, Landlord shall accept such tests in lieu of the annual tests to be paid for by Tenant. In addition, at any time, and from time to time, prior to the expiration or earlier termination of the Term, Landlord shall have the right to conduct appropriate tests of the Premises and the Project to determine if contamination has occurred as a result of Tenant's use of the Premises. In connection with such testing, upon the request of Landlord, Tenant shall deliver to Landlord or its consultant such non-proprietary information concerning the use of Hazardous Materials in or about the Premises by Tenant or any Tenant Party. If contamination has occurred for which Tenant is liable under this Section 30, Tenant shall pay all costs to conduct such tests. If no such contamination is found, Landlord shall pay the costs of such tests (which shall not constitute an Operating Expense). Landlord shall provide Tenant with a copy of all third party, non-confidential reports and tests of the Premises made by or on behalf of Landlord during the Term without representation or warranty and subject to a confidentiality agreement. Tenant shall, at its sole cost and expense, promptly and satisfactorily remediate any environmental conditions identified by such testing in accordance with all Environmental Requirements. Landlord's receipt of or satisfaction with any environmental assessment in no way waives any rights that Landlord may have against Tenant. Landlord's right to perform such tests pursuant to this Section 30 shall be performed in accordance with the access restrictions set forth in Section 32 below.

(e) **Underground Tanks**. Under no circumstances whatsoever will Tenant have the right to install any underground storage tank on or about the Premises or the Project. If underground or other storage tanks storing Hazardous Materials located on the Premises or the Project and installed before the Commencement Date are used by Tenant, Tenant shall install, use, monitor, operate, maintain, upgrade and manage such storage tanks, maintain appropriate records, obtain and maintain appropriate insurance, implement reporting procedures, property close any underground storage tanks if required by applicable Legal Requirements, and take or cause to be taken all other actions necessary or required under applicable state and federal Legal Requirements, as such now exists or may hereafter be adopted

or amended in connection with the installation, use, maintenance, management, operation, upgrading and closure of such storage tanks.

(f) **Tenant's Obligations**. Tenant's obligations under this Section 30 shall survive the expiration or earlier termination of this Lease for the applicable statute of limitations period under federal, state, or local Legal Requirement. During any period of time after the expiration or earlier termination of this Lease required by Tenant or Landlord to complete the removal from the Premises of any Hazardous Materials (including, without limitation, the release and termination of any licenses or permits restricting the use of the Premises and the completion of the approved Surrender Plan), Tenant shall continue to pay the full Rent in accordance with this Lease for any portion of the Premises not relet by Landlord in Landlord's sole discretion, which Rent shall be prorated daily.

(g) **Definitions**. As used herein, (I) the term "**Environmental Requirements**" means all applicable present and future statutes, regulations, ordinances, rules, codes, judgments, orders or other similar enactments of any Governmental Authority regulating or relating to health, safety, or environmental conditions on, under, or about the Premises or the Project, or the environment, including without limitation, the following: the Comprehensive Environmental Response, Compensation and Liability Act; the Resource Conservation and Recovery Act; and all state and local counterparts thereto, and any regulations or policies promulgated or issued thereunder, and (ii) the term "**Hazardous Materials**" means and includes any substance, material, waste, pollutant, or contaminant listed or defined as hazardous or toxic, or regulated by reason of its impact or potential impact on humans, animals and/or the environment under any Environmental Requirements, asbestos and petroleum, including crude oil or any fraction thereof, natural gas liquids, liquefied natural gas, or synthetic gas usable for fuel (or mixtures of natural gas and such synthetic gas). As defined in Environmental Requirements, Tenant is and shall be deemed to be the "**operator**" of Tenant's "**facility**" and the "**owner**" of all Hazardous Materials brought on the Premises by Tenant or any Tenant Party, and the wastes, by-products, or residues generated, resulting, or produced therefrom.

31. **Tenant's Remedies/Limitation of Liability**. Landlord shall not be in default hereunder unless Landlord fails to perform any of its obligations hereunder within 30 days after written notice from Tenant specifying such failure (unless such performance will, due to the nature of the obligation, require a period of time in excess of 30 days, then after such period of time as is reasonably necessary). Upon any default by Landlord, Tenant shall give notice by registered or certified mail to any Holder of a Mortgage covering the Premises and to any landlord of any lease of property in or on which the Premises are located and Tenant shall offer such Holder and/or landlord a reasonable opportunity to cure the default, including time to obtain possession of the Project by power of sale or a judicial action if such should prove necessary to effect a cure; provided Landlord shall have furnished to Tenant in writing the names and addresses of all such persons who are to receive such notices. All obligations of Landlord hereunder shall be construed as covenants, not conditions; and, except as may be otherwise expressly provided in this Lease, Tenant may not terminate this Lease for breach of Landlord's obligations hereunder, offset any Rent, or make repairs at Landlord's expense. Except as provided in this Lease (including the limitations on Tenant's remedies set forth in the preceding sentence), Tenant, at its option, without further notice or demand to Landlord, shall have all other rights and remedies provided at law or in equity upon an uncured Landlord default.

All obligations of Landlord under this Lease will be binding upon Landlord only during the period of its ownership of the Premises and not thereafter. The term "**Landlord**" in this Lease shall mean only the owner for the time being of the Premises. Upon the transfer by such owner of its interest in the Premises, such owner shall thereupon be released and discharged from all obligations of Landlord thereafter accruing, but such obligations shall be binding during the Term upon each new owner for the duration of such owner's ownership.

32. **Inspection and Access**. Landlord acknowledges Tenant's obligation to: (I) follow governmental regulations for the security of controlled substances; (ii) comply with regulations and

guidelines related to Tenant's Permitted Use; (iii) safeguard confidential information, trade secrets, products, and processes; and (iv) maintain environmental safety standards. Accordingly, Landlord and its agents, representatives, and contractors may enter the Premises after providing Tenant with no less than 7 days advance notice of Landlord's intention to access the Premises that, in any case, will be restricted in scope and require a Tenant supervised escort; provided, however, that such 7 day advance notice shall not be required and Landlord may thus enter the Premises at any time, subject to the requirements set forth herein, (x) in the case of emergencies, (y) to prevent a material default by Landlord under another tenant lease or other agreement affecting or encumbering all or any part of the Project, or (z) to protect the Project (collectively, "**Emergency Access Right**"), provided that any emergency entry by Landlord shall be at its sole risk and Tenant shall not be liable for injury or damage to Landlord as a result of any unsupervised entry. Such supervised escort (a) shall not be required for Landlord's exercise of any Emergency Access Right, and (b) shall not materially and adversely affect Landlord's access rights hereunder, which material and adverse effect includes, but is not limited to, delays in Landlord's access caused by the unavailability of such escort. Notwithstanding anything to the contrary set forth herein, prior to Landlord's exercise of any Emergency Access Right, Landlord agrees to (I) provide telephonic notice to Tenant on Tenant's 24 hour hotline number, which number (and any changes thereto) Tenant shall provide to Landlord during the Term, and (II) follow Tenant's reasonable operating procedures and policies (as described in further detail in this Section) for the security of any controlled substances located in the Premises. Landlord acknowledges that any unsupervised entry into the Premises by Landlord that involves access to any controlled substances located therein will sound an emergency alarm installed by Tenant and will be subject to a response from the local police department. Landlord and its representatives may enter the Premises pursuant to the exercise of any Emergency Access Right or for the purpose of effecting any repairs as may be required or permitted pursuant to this Lease, inspecting the Premises, showing the Premises to prospective purchasers and, during the last 9 months of the Term, to prospective tenants, or for any other business purpose. Landlord may erect a suitable sign on the Premises stating the Premises are available to let (but only during the last 9 months of the Term) or that the Project is available for sale. Landlord may grant easements, make public dedications, designate Common Areas and create restrictions on or about the Premises, provided that no such easement, dedication, designation or restriction materially, adversely affects Tenant's use or occupancy of the Premises for the Permitted Use. At Landlord's request, Tenant shall execute such instruments as may be necessary for such easements, dedications or restrictions. Landlord's access to the Premises under this Section shall be in accordance with reasonable operating procedures and policies adopted by Tenant in connection with Tenant's business operations and the Permitted Use, but only to the extent such policies and procedures are not inconsistent with the terms and conditions of this Lease and do not interfere with Landlord's rights under this Lease. Tenant shall provide Landlord with a copy of any such procedures and policies.

33. **Security**. Tenant acknowledges and agrees that security devices and services, if any, while intended to deter crime may not in given instances prevent theft or other criminal acts and that Landlord is not providing any security services with respect to the Premises. Tenant agrees that Landlord shall not be liable to Tenant for, and Tenant waives any claim against Landlord with respect to, any loss by theft or any other damage suffered or incurred by Tenant in connection with any unauthorized entry into the Premises or any other breach of security with respect to the Premises. Tenant shall be solely responsible for the personal safety of Tenant's officers, employees, agents, contractors, guests and invitees while any such person is in, on or about the Premises and/or the Project. Tenant shall at Tenant's cost obtain insurance coverage to the extent Tenant desires protection against such criminal acts.

34. **Force Majeure**. Neither Landlord nor Tenant shall be responsible or liable for delays in the performance of its obligations hereunder when caused by, related to, or arising out of acts of God, strikes, lockouts, or other labor disputes, embargoes, quarantines, weather, national, regional, or local disasters, calamities, or catastrophes, inability to obtain labor or materials (or reasonable substitutes therefor) at reasonable costs or failure of, or inability to obtain, utilities necessary for performance, governmental restrictions, orders, limitations, regulations, or controls, national emergencies, delay in

issuance or revocation of permits, enemy or hostile governmental action, terrorism, insurrection, riots, civil disturbance or commotion, fire or other casualty, and other causes or events beyond the reasonable control of Landlord ("**Force Majeure**"); provided, however, that in no event shall Force Majeure excuse Tenant from performing any monetary obligation under this Lease.

35. **Brokers**. Landlord and Tenant each represents and warrants that it has not dealt with any broker, agent or other person (collectively, "**Broker**") in connection with this transaction and that no Broker brought about this transaction, other than Edge Commercial, as Landlord's broker, and Cassidy Turley, as Tenant's broker. Edge Commercial shall be paid by Landlord pursuant to a separate agreement between Edge Commercial and Landlord. Cassidy Turley shall be paid pursuant to a separate agreement between Edge Commercial and Cassidy Turley. Landlord and Tenant each hereby agrees to indemnify and hold the other harmless from and against any claims by any Broker, other than Edge Commercial and Cassidy Turley, claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this leasing transaction.

36. **Limitation on Landlord's Liability**. NOTWITHSTANDING ANYTHING SET FORTH HEREIN OR IN ANY OTHER AGREEMENT BETWEEN LANDLORD AND TENANT TO THE CONTRARY: (A) LANDLORD SHALL NOT BE LIABLE TO TENANT OR ANY OTHER PERSON FOR (AND TENANT AND EACH SUCH OTHER PERSON ASSUME ALL RISK OF) LOSS, DAMAGE OR INJURY, WHETHER ACTUAL OR CONSEQUENTIAL TO: TENANT'S PERSONAL PROPERTY OF EVERY KIND AND DESCRIPTION, INCLUDING, WITHOUT LIMITATION TRADE FIXTURES, EQUIPMENT, INVENTORY, SCIENTIFIC RESEARCH, SCIENTIFIC EXPERIMENTS, LABORATORY ANIMALS, PRODUCT, SPECIMENS, SAMPLES, AND/OR SCIENTIFIC, BUSINESS, ACCOUNTING AND OTHER RECORDS OF EVERY KIND AND DESCRIPTION KEPT AT THE PREMISES AND ANY AND ALL INCOME DERIVED OR DERIVABLE THEREFROM; (B) THERE SHALL BE NO PERSONAL RECOURSE TO LANDLORD FOR ANY ACT OR OCCURRENCE IN, ON OR ABOUT THE PREMISES OR ARISING IN ANY WAY UNDER THIS LEASE OR ANY OTHER AGREEMENT BETWEEN LANDLORD AND TENANT WITH RESPECT TO THE SUBJECT MATTER HEREOF AND ANY LIABILITY OF LANDLORD HEREUNDER SHALL BE STRICTLY LIMITED SOLELY TO LANDLORD'S INTEREST IN THE PROJECT OR ANY PROCEEDS FROM SALE OR CONDEMNATION THEREOF AND ANY INSURANCE PROCEEDS PAYABLE IN RESPECT OF LANDLORD'S INTEREST IN THE PROJECT OR IN CONNECTION WITH ANY SUCH LOSS; AND (C) IN NO EVENT SHALL ANY PERSONAL LIABILITY BE ASSERTED AGAINST ANY OF LANDLORD'S OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR CONTRACTORS. UNDER NO CIRCUMSTANCES SHALL LANDLORD OR ANY OF LANDLORD'S OFFICERS, DIRECTORS, EMPLOYEES, AGENTS OR CONTRACTORS BE LIABLE FOR INJURY TO TENANT'S BUSINESS OR FOR ANY LOSS OF INCOME OR PROFIT THEREFROM.

37. **Severability**. If any clause or provision of this Lease is illegal, invalid or unenforceable under present or future laws, then and in that event, it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby. It is also the intention of the parties to this Lease that in lieu of each clause or provision of this Lease that is illegal, invalid or unenforceable, there be added, as a part of this Lease, a clause or provision as similar in effect to such illegal, invalid or unenforceable clause or provision as shall be legal, valid and enforceable. This Lease, including the exhibits

attached hereto, constitutes the entire agreement between Landlord and Tenant pertaining to the subject matter hereof and supersedes all prior agreements, understandings, letters of intent, negotiations, and discussions, whether oral or written, of the parties, and there are no warranties, representations, or other agreements, express or implied, made to either party by the other party in connection with the subject matter hereof except as specifically set forth herein or in the documents delivered pursuant hereto or in connection herewith.

38. **Signs; Exterior Appearance**. **General**. Except as provided in this Section, Tenant shall not, without the prior written consent of Landlord, which consent shall not be unreasonably withheld: (i) attach any awnings, exterior lights, decorations, balloons, flags, pennants, banners, painting or other

projection to any outside wall of the Project, (ii) use any curtains, blinds, shades or screens other than Landlord's standard window coverings, (iii) coat or otherwise sunscreen the interior or exterior of any windows, (iv) place any bottles, parcels, or other articles on the window sills, (v) place any equipment, furniture or other items of personal property on any exterior balcony, or (vi) paint, affix or exhibit on any part of the Premises or the Project any signs, notices, window or door lettering, placards, decorations, or advertising media of any type which can be viewed from the exterior of the Premises. Interior signs on doors and the directory tablet shall be inscribed, painted or affixed for Tenant by Landlord at the sole cost and expense of Tenant, and shall be of a size, color and type acceptable to Landlord. Nothing may be placed on the exterior of corridor wails or corridor doors other than Landlord's standard lettering. The directory tablet shall be provided exclusively for the display of the name and location of tenants. Landlord shall, at its sole cost and expense and using Landlord's standard lettering, add Tenant's name to the entry suite to the Premises and directional signage within the Project.

(a) **Identification Signage**. Tenant shall have the right, at its sole cost and expense and in compliance with all applicable Legal Requirements, to install and affix to the exterior of the Building a single mounted, non-illuminated sign bearing Tenant's name and its then current corporate logo ("**Identification Signage**"). Such right shall be personal to Lupin, Inc. and any assignee or sublessee pursuant to a Permitted Assignment. Landlord shall have the right to approve the place, size, and design of the Identification Signage, which approval shall not be unreasonably withheld, delayed, or conditioned. On the expiration or earlier termination of the Term, Tenant shall remove the Identification Signage at its sole cost and expense, in a good and workmanlike manner, and in compliance with all applicable Legal Requirements.

39. **Right to Negotiate**

(a) **Expansion in the Building**. If at any time during the Term any Available Space (as defined below) in the Building becomes available for lease, Landlord shall give notice of such availability to Tenant. Landlord shall thereafter, for a period of up to 20 days, negotiate in good faith with Tenant for Tenant's lease of such space on such terms as shall be acceptable to Landlord and Tenant ("**Negotiation Right**"). For purposes of this Section 39(a), "**Available Space**" shall mean Suite 206 shown on **Exhibit A** attached hereto that is not occupied by a tenant or that is occupied by an existing tenant whose lease is expiring within 6 months or less and such tenant does not wish to renew (regardless of whether such tenant has a right to renew) its occupancy of such space. Provided that no right to expand is exercised by any tenant with superior rights, Tenant shall be entitled to lease the Available Space upon the terms and conditions, if any, agreed to by Landlord and Tenant.

(b) **Amended Lease**. If after the expiration of such 20 day period, no lease amendment or lease agreement for the Available Space has been executed, the Negotiation Right shall be waived and of no further force or effect with respect to the Available Space; provided, however, that if the Available Space becomes available for leasing later during the Term, Tenant shall have the Negotiation Right set forth in Section 39(a) above with respect to the Available Space, but the Negotiation Right shall automatically cease and terminate and be of no further force or effect after Landlord has invoked the Negotiation Right on 2 separate occasions and Landlord and Tenant have not executed and delivered an amendment to this Lease is connection with the Negotiation Right so invoked on those two occasions.

(c) **Exceptions**. Notwithstanding the above, the Negotiation Right shall not be in effect and may not be exercised by Tenant: (i) during any period of time that Tenant is in Default under any provision of this Lease; or (ii) if Tenant has been in Default under any provision of this Lease 3 or more times, regardless of whether the Defaults are cured, during the 12 month period prior to the date on which Tenant seeks to exercise the Negotiation Right.

(d) **Termination**. The Negotiation Right shall terminate and be of no further force or effect even after Tenant's due and timely exercise of the Negotiation Right, if, after such exercise, but prior to the commencement date of the lease of such Available Space, (i) Tenant fails to timely cure any default

by Tenant under this Lease; or (ii) Tenant has Defaulted 3 or more times during the period from the date of the exercise of the Negotiation Right to the date of the commencement of the lease of the Available Space, regardless of whether such Defaults are cured.

(e) **Right Personal**. The Negotiation Right is personal to Tenant and is not assignable without Landlord's consent, which may be granted or withheld in Landlord's sole discretion separate and apart from any consent by Landlord to an assignment of Tenant's interest in this Lease, except that the Negotiation Right may be assigned in connection with any Permitted Assignment of this Lease.

(f) **No Extensions**. The period of time within which any Negotiation Rights may be exercised shall not be extended or enlarged by reason of Tenant's inability to exercise the Negotiation Rights.

40. **Right to Extend Term**. Tenant shall have the right to extend the Term of this Lease upon the following terms and conditions:

(a) **Extension Rights**. Tenant shall have 2 consecutive rights (each, an "**Extension Right**") to extend the term of this Lease for 5 years each (each, an "**Extension Term**") on the same terms and conditions as this Lease (other than Base Rent) by giving Landlord written notice of its election to exercise each Extension Right at least 9 months prior, and no earlier than 12 months prior, to the expiration of the Base Term of this Lease or the expiration of the prior Extension Term.

(b) **Base Rent**. Base Rent shall be adjusted on the commencement date of such Extension Term and on each anniversary of the commencement of such Extension Term by multiplying the Base Rent payable immediately before such adjustment by the Rent Adjustment Percentage and adding the resulting amount to the Base Rent payable immediately before such adjustment.

(c) **Rights Personal**. Extension Rights are personal to Tenant and are not assignable without Landlord's consent, which may be granted or withheld in Landlord's sole discretion separate and apart from any consent by Landlord to an assignment of Tenant's interest in this Lease, except that the Extension Right may be assigned in connection with any Permitted Assignment of this Lease.

(d) **Exceptions**. Notwithstanding anything set forth above to the contrary, Extension Rights shall not be in effect and Tenant may not exercise any of the Extension Rights: (i) during any period of time that Tenant is in Default under any provision of this Lease; or (ii) if Tenant has been in Default under any provision of this Lease 3 or more times, regardless of whether the Defaults are cured, during the 12 month period immediately prior to the date that Tenant intends to exercise an Extension Right, regardless of whether the Defaults are cured.

(e) **No Extensions**. The period of time within which any Extension Rights may be exercised shall not be extended or enlarged by reason of Tenant's inability to exercise the Extension Rights.

(f) **Termination**. The Extension Rights shall terminate and be of no further force or effect even after Tenant's due and timely exercise of an Extension Right, if, after such exercise, but prior to the commencement date of an Extension Term, (i) Tenant fails to timely cure any default by Tenant under this Lease; or (ii) Tenant has Defaulted 3 or more times during the period from the date of the exercise of an Extension Right to the date of the commencement of the Extension Term, regardless of whether such Defaults are cured.

41. **Miscellaneous**.

(a) **Notices**. All notices or other communications between the parties shall be in writing and shall be deemed duly given upon delivery or refusal to accept delivery by the addressee thereof if

delivered in person, or upon actual receipt if delivered by reputable overnight guaranty courier, addressed and sent to the parties at their addresses set forth above. Landlord and Tenant may from time to time by written notice to the other designate another address for receipt of future notices.

(b) **Joint and Several Liability**. If and when included within the term "Tenant," as used in this instrument, there is more than one person or entity, each shall be jointly and severally liable for the obligations of Tenant.

(c) **Recordation**. Neither this Lease nor a memorandum of lease shall be filed by or on behalf of Tenant or Landlord in any public record.

(d) **Interpretation**. The normal rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this Lease or any exhibits or amendments hereto. Words of any gender used in this Lease shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, unless the context otherwise requires. The captions inserted in this Lease are for convenience only and in no way define, limit or otherwise describe the scope or intent of this Lease, or any provision hereof, or in any way affect the interpretation of this Lease.

(e) **Not Binding Until Executed**. The submission by Landlord to Tenant of this Lease shall have no binding force or effect, shall not constitute an option for the leasing of the Premises, nor confer any right or impose any obligations upon either party until execution of this Lease by both parties.

(f) **Limitations on Interest**. It is expressly the intent of Landlord and Tenant at all times to comply with applicable law governing the maximum rate or amount of any interest payable on or in connection with this Lease. If applicable law is ever judicially interpreted so as to render usurious any interest called for under this Lease, or contracted for, charged, taken, reserved, or received with respect to this Lease, then it is Landlord's and Tenant's express intent that all excess amounts theretofore collected by Landlord be credited on the applicable obligation (or, if the obligation has been or would thereby be paid in full, refunded to Tenant), and the provisions of this Lease immediately shall be deemed reformed and the amounts thereafter collectible hereunder reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for hereunder.

(g) **Choice of Law**. Construction and interpretation of this Lease shall be governed by the internal laws of the state in which the Premises are located, excluding any principles of conflicts of laws.

(h) **Time**. Time is of the essence as to the performance of the obligations of Landlord and Tenant under this Lease.

(i) **OFAC**. Tenant is currently (i) in compliance with and shall at all times during the Term of this Lease remain in compliance with the regulations of the Office of Foreign Assets Control ("**OFAC**") of the U.S. Department of Treasury and any statute, executive order, or regulation relating thereto (collectively, the "**OFAC Rules**"), (ii) not listed on, and shall not during the Term of this Lease be listed on, the Specially Designated Nationals and Blocked Persons List maintained by OFAC and/or on any other similar list maintained by OFAC or other governmental authority pursuant to any authorizing statute, executive order, or regulation, and (iii) not a person or entity with whom a U.S. person is prohibited from conducting business under the OFAC Rules.

(j) **Incorporation by Reference**. All exhibits and addenda attached hereto are hereby incorporated into this Lease and made a part hereof. if there is any conflict between such exhibits or addenda and the terms of this Lease, such exhibits or addenda shall control.

[***] INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

(k) **No Accord and Satisfaction**. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly installment of Base Rent or any Additional Rent will be other than on account of the earliest stipulated Base Rent and Additional Rent, nor will any endorsement or statement on any check or letter accompanying a check for payment of any Base Rent or Additional Rent be an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or to pursue any other remedy provided in this Lease.

(l) **Non-Disclosure of Terms**. Tenant acknowledges and agrees that the terms of this Lease are confidential and constitute proprietary information of Landlord. Disclosure of such terms could adversely affect the ability of Landlord and its affiliates to negotiate, manage, and administer other leases and impair Landlord's relationship with other tenants. Accordingly, as a material inducement for Landlord to enter into this Lease, Tenant, and behalf of itself and its partners, managers, members, officers, directors, employees, agents, and attorneys, agrees that it shall not intentionally and voluntarily (a) disclose the terms and conditions of this Lease to any publication or other media or any tenant or apparent prospective tenant of the Building or other portion of the Project, or real estate agent or broker, either directly or indirectly, or (b) post or place on any website or other form of media, directly or indirectly, any of the terms and conditions of this Lease or opine or critique Landlord's management ownership abilities and skills.

(m) **Hazardous Activities**. Notwithstanding any other provision of this Lease, Landlord, for itself and its employees, agents and contractors, reserves the right to refuse to perform any repairs or services in any portion of the Premises that, pursuant to Tenant's routine safety guidelines, practices or custom or prudent industry practices, require any form of protective clothing or equipment other than safety glasses. In any such case, Tenant shall contract with parties who are acceptable to Landlord, in Landlord's reasonable discretion, for all such repairs and services, and Landlord shall, to the extent required, equitably adjust Tenant's Share of Operating Expenses in respect of such repairs or services to reflect that Landlord is not providing such repairs or services to Tenant.

[Signatures on next page]

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IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease under seal as of the day and year first above written.

TENANT: LUPIN, INC., a Maryland corporation

By: /s/ William Gileza (SEAL)
Name: William Gileza
Title: Treasurer and VP, Finance

LANDLORD: ARE-800019000110000 VIRGINIA MANOR, LLC,
a Delaware limited liability company

By: ALEXANDRIA REAL ESTATE EQUITIES, L.P.,

a Delaware limited partnership, managing member

By: ARE-QRS CORP.,

a Maryland corporation,
general partner

By: /s/ Jackie Clem (SEAL)
Name: Jackie Clem
Title: VP Real Estate Legal Affairs

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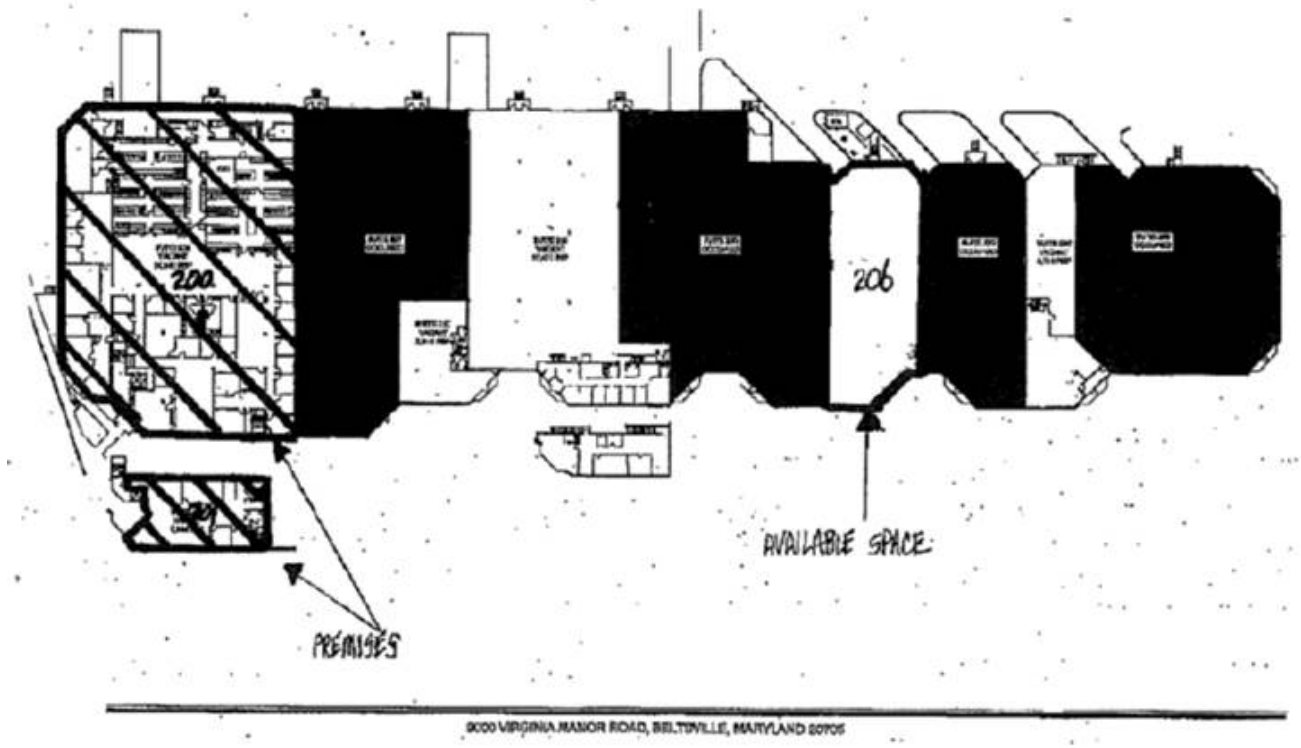
EXHIBIT A TO LEASE
DESCRIPTION OF PREMISES



[***] INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

EXHIBIT B TO LEASE
DESCRIPTION OF PROJECT

BEING part of the land conveyed by W. Carroll Beatty, Personal Representatives of the Estate of Pauline Roby Seldenspinner to Elmer L. Sealing and Elmer F. Sealing, by Deed dated July 20, 1987 and recorded among the Land Records of Prince George's County, Maryland in Liber 6718, folio 207 and being more particularly described as follows:

BEGINNING FOR THE SAME at a point on the 5th or North 87 degrees 04 minutes 22 seconds West 995.83 foot line of the 40.67371 acre tract as described in the aforesaid conveyance, distant 64.45 feet westerly from the beginning of said line, said point being on the westerly right of way line of Virginia Manor Road as described in a Deed of Dedication from Elmer L. Sealing and Elmer F. Sealing to Prince George's County, Maryland dated November 2, 1988 and recorded among the aforementioned Land Records in Liber 7428, folio 649, thence leaving said westerly right of way line and running with a part of said 5th deed line as now surveyed,

1. North 87 degrees 05 minutes 15 seconds West 931A6 feet to an iron pipe found, thence leaving said line and running
2. North 23 degrees 40 minutes 26 seconds East 260.53 feet to an iron pipe found, thence
3. North 16 degrees 06 minutes 37 seconds East 176.44 feet to an iron pipe found, thence
4. North 57 degrees 01 minutes 31 seconds West 46.87 feet to an iron pipe set; thence
5. North 58 degrees 09 minutes 36 seconds East 388.25 feet to an iron pipe found, thence
6. North 24 degrees 33 minutes 02 seconds East 24565 feet to an iron pipe set on the southerly right of way line of Murkirk Road as described in a Deed of Declaration from Elmer L. Sealing and Elmer F. Sealing to Prince George's County, Maryland dated November 2, 1988 and recorded among the aforementioned Land Records in Liber 7156, folio 561, thence running with said southerly right of way line,
7. South 75 degrees 17 minutes 07 seconds East 628.11 feet to an iron pipe found, thence
8. South 27 degrees 45 minutes 58 seconds East 58.02 feet to an iron pipe found on the aforementioned westerly right of way line of Virginia Manor Road, thence running with said line,
9. South 19 degrees 43 minutes 40 seconds West 741.88 feet to the point of beginning.

CONTAINING 704,893 square feet or 16.18432 acres of land, more or less.

[***] INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406

UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

EXHIBIT C TO LEASE
WORK LETTER

THIS WORK LETTER (this "**Work Letter**") is incorporated into that certain Lease (the "**Lease**") dated as of August 15, 2014 by and between **ARE-8000/9000/10000 VIRGINIA MANOR, LLC,** a Delaware limited liability company ("**Landlord**"), and **LUPIN, INC.,** a Maryland corporation ("**Tenant**"). Any initially capitalized terms used but not defined herein shall have the meanings given them in the Lease.

1. **General Requirements**.

(a) **Tenant's Authorized Representative**. Tenant designates Mary Furlong ("**Tenant's Representative**") as the only person authorized to act for Tenant pursuant to this Work Letter. Landlord shall not be obligated to respond to or act upon any request, approval, inquiry or other communication ("**Communication**") from or on behalf of Tenant in connection with this Work Letter unless such Communication is in writing from Tenant's Representative. Tenant may change Tenant's Representative at any time upon not less than 5 business days advance written notice to Landlord.

(b) **Landlord's Authorized Representative**. Landlord designates Lawrence J. Diamond and Vincent Ciruzzi (either such individual acting alone, "**Landlord's Representative**") as the only persons authorized to act for Landlord pursuant to this Work Letter. Tenant shall not be obligated to respond to or act upon any request, approval, inquiry or other Communication from or on behalf of Landlord in connection with this Work Letter unless such Communication is in writing from Landlord's Representative. Landlord may change either Landlord's Representative at any time upon not less than 5 business days advance written notice to Tenant.

(c) **Architects, Consultants and Contractors**. Landlord and Tenant hereby acknowledge and agree that the architect ("**TI Architect**") for the Tenant Improvements (as defined in Section 2(a) below), the general contractor and any subcontractors for the Tenant Improvements shall be selected by Tenant, subject to Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed.

2. **Tenant Improvements**.

(a) **Tenant Improvements Defined**. As used herein, "**Tenant Improvements**" shall mean all improvements to the Premises desired by Tenant of a fixed and permanent nature. Landlord shall not have any obligation whatsoever with respect to the finishing of the Premises for Tenant's use and occupancy.

(b) **Tenant's Space Plans**. Tenant shall deliver to Landlord schematic drawings and outline specifications ("**TI Design Drawings**") detailing Tenant's requirements for the Tenant Improvements within 30 days of the date hereof. Not more than 10 days thereafter, Landlord shall deliver to Tenant the written objections, questions, or comments of Landlord with regard to the TI Design Drawings. Tenant shall cause the TI Design Drawings to be revised to address such written comments and shall resubmit such drawings to Landlord for approval within 7 days thereafter. Such process shall continue until Landlord has approved the TI Design Drawings.

(c) **Working Drawings**. Not later than 15 business days after the approval of the TI Design Drawings by Landlord, Tenant shall cause the TI Architect to prepare and deliver to Landlord for review and comment construction plans, specifications, and drawings for the Tenant Improvements ("**TI Construction Drawings**"), which TI Construction Drawings shall be prepared

substantially in accordance with the TI Design Drawings. Tenant shall be solely responsible for ensuring that the TI Construction Drawings reflect Tenant's requirements for the Tenant Improvements. Landlord shall deliver its written comments on the TI Construction Drawings to Tenant not later than 10 business days after Landlord's receipt of the same; provided, however, that Landlord may not disapprove any matter that is consistent with the TI Design Drawings. Tenant and the TI Architect shall consider all such comments in good faith and shall, within 10 business days after receipt, notify Landlord how Tenant proposes to respond to such comments. Any disputes in connection with such comments shall be resolved in accordance with Section 2(d) hereof. Provided that the design reflected in the TI Construction Drawings is consistent with the TI Design Drawings, Landlord shall approve the TI Construction Drawings submitted by Tenant. Once approved by Landlord, subject to the provisions of Section 4 below, Tenant shall not materially modify the TI Construction Drawings except as may be reasonably required in connection with the issuance of the TI Permit (as defined in Section 3(a) below).

(d) **Approval and Completion**. If any dispute regarding the design of the Tenant Improvements is not settled within 10 business days after notice of such dispute is delivered by one party to the other, Tenant may make the final decision regarding the design of the Tenant Improvements, provided (i) Tenant acts reasonably and such final decision is either consistent with or a compromise between Landlord's and Tenant's positions with respect to such dispute, (ii) that all costs and expenses resulting from any such decision by Tenant shall be payable by Tenant, and (iii) Tenant's decision will not affect the base Building, structural components of the Building, or any Building systems (in which case Landlord shall make the final decision). Any changes to the TI Construction Drawings following Landlord's and Tenant's approval of same requested by Tenant shall be processed as provided in Section 4 hereof.

3. **Performance of the Tenant Improvements**.

(a) **Commencement and Permitting of the Tenant Improvements**. Tenant shall, at its sole cost and expense, commence construction of the Tenant Improvements upon obtaining and delivering to Landlord a building permit ("**TI Permit**") authorizing the construction of the Tenant Improvements consistent with the TI Construction Drawings approved by Landlord. Tenant shall pay the cost of obtaining the TI Permit. Landlord shall assist Tenant in obtaining the TI Permit. Prior to the commencement of the Tenant Improvements, Tenant shall deliver to Landlord a copy of any contract with Tenant's contractors (including the TI Architect), and certificates of insurance from any contractor performing any part of the Tenant Improvement evidencing industry standard commercial general liability, automotive liability, "builder's risk", and workers' compensation insurance. Tenant shall cause the general contractor to provide a certificate of insurance naming Landlord, Alexandria Real Estate Equities, Inc., and Landlord's lender (if any) as additional insureds for the general contractor's liability coverages required above.

(b) **Selection of Materials, Etc**. Where more than one type of material or structure is indicated on the TI Construction Drawings approved by Tenant and Landlord, the option will be within Tenant's reasonable discretion if the matter concerns the Tenant Improvements, and within Landlord's sole and absolute subjective discretion if the matter concerns the structural components of the Building or any Building system.

(c) **Tenant Liability**. Tenant shall be responsible for correcting any deficiencies or defects in the Tenant Improvements.

(d) **Substantial Completion**. Tenant shall, at its sole cost and expense, substantially complete or cause to be substantially completed the Tenant Improvements in a good and workmanlike manner, in accordance with the TI Permit subject, in each case, to Minor Variations and normal "punch list" items of a nonmaterial nature that do not interfere with the use of the Premises ("**Substantial Completion**" or "**Substantially Complete**"). Upon Substantial Completion of the Tenant Improvements, Tenant shall require the TI Architect and the general contractor to execute

and deliver, for the benefit of Tenant, a Certificate of Substantial Completion in the form of the American Institute of Architects ("**AIA**") document G704 or other document reasonably acceptable to Landlord. For purposes of this Work Letter, "**Minor Variations**" shall mean any modifications reasonably required: (i) to comply with all applicable Legal Requirements and/or to obtain or to comply with any required permit (including the TI Permit); (ii) to comport with good design, engineering, and construction practices that are not material; or (iii) to make reasonable adjustments for field deviations or conditions encountered during the construction of the Tenant Improvements.

4. **Changes**. Any changes requested by Tenant to the Tenant Improvements after the delivery and approval by Landlord of the TI Design Drawings, shall be requested and instituted in accordance with the provisions of this Section 4 and shall be subject to the written approval of Landlord, which approval shall not be unreasonably withheld, conditioned, or delayed.

   (a) **Tenant's Right to Request Changes**. If Tenant shall request changes ("**Changes**"), Tenant shall request such Changes by notifying Landlord in writing in substantially the same form as the AIA standard change order form or other document reasonably acceptable to Landlord (a "**Change Request**"), which Change Request shall detail the nature and extent of any such Change. Such Change Request must be signed by Tenant's Representative. Landlord shall review and approve or disapprove such Change Request within 10 business days thereafter, provided that Landlord's approval shall not be unreasonably withheld, conditioned, or delayed.

   (b) **Implementation of Changes**. If Landlord approves such Change and Tenant pays the cost of any Excess TI Costs (as defined in Section 5(d) below) required in connection with such Change, Tenant may cause the approved Change to be instituted. If any TI Permit modification or change is required as a result of such Change, Tenant shall promptly provide Landlord with a copy of such TI Permit modification or change.

5. **Costs**.

   (a) **No TI Allowance**. Tenant shall pay all costs and expenses to complete the Tenant Improvements, and Landlord shall have no obligation to contribute to those costs and expenses. Without limiting the foregoing, Tenant shall, at its sole cost and expense, pay for the following: all design, permits, and construction costs in connection with the construction of the Tenant Improvements, including, without limitation, the cost of electrical power and other utilities used in connection with the construction of the Tenant Improvements, the cost of preparing the TI Design Drawings and the TI Construction Drawings, and the cost of Changes (collectively, "**TI Costs**"). Notwithstanding the foregoing, Landlord shall pay to Tenant (i) on or before the Commencement Date an amount equal to $[***] per rentable square foot of the Premises to fund a test fit/preliminary design of the Premises, and (ii) the cost actually incurred by Tenant to (A) seal 50% of the concrete floor with a vapor barrier throughout that portion of the Premises containing approximately 24,846 rentable square feet and (B) replace the existing vinyl composition tiles within the Premises (such cost under this clause (ii) being referred to as "**Landlord's Cost**", and such work being collectively referred to as the "**Floor Work**"). Landlord and Tenant shall mutually agree upon the amount of Landlord's Cost before Tenant performs the Floor Work, and Landlord shall pay Landlord's Cost to Tenant within 30 days after Landlord's receipt of an invoice therefor together with Tenant's certification that Tenant has completed the Floor Work in a lien-free manner in accordance with all applicable Legal Requirements and in a good and workmanlike manner.

   (b) **Payment for TI Costs**. During the course of design and construction of the Tenant Improvements, Tenant shall pay all TI Costs in a timely manner that does not expose the Project to any liens. Upon completion of the Tenant Improvements, Tenant shall deliver to Landlord:

(i) sworn statements setting forth the names of all contractors and first tier subcontractors who did the work and final, unconditional lien waivers from all such contractors and first tier subcontractors; (ii) as-built plans (one copy in print format and two copies in electronic CAD format) for such Tenant Improvements; (iii) a certification of substantial completion in Form AIA G704 or other document reasonably acceptable to Landlord, (iv) a certificate of occupancy for the Premises; and (v) copies of all operation and maintenance manuals and warranties affecting the Premises.

6. **Miscellaneous**.

(a) **Consents**. Whenever consent or approval of either party is required under this Work Letter, that party shall not unreasonably withhold, condition or delay such consent or approval, except as may be expressly set forth herein to the contrary.

(b) **Modification**. No modification, waiver or amendment of this Work Letter or of any of its conditions or provisions shall be binding upon Landlord or Tenant unless in writing signed by Landlord and Tenant.

[***] INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

EXHIBIT D TO LEASE
ACKNOWLEDGMENT OF COMMENCEMENT DATE

This ACKNOWLEDGMENT OF COMMENCEMENT DATE is made as of this day of 2014, between ARE-8000/9000/10000 VIRGINIA MANOR, LLC, a Delaware limited liability company ("Landlord"), and LUPIN, INC., a Maryland corporation ("Tenant"), and is attached to and made a part of the Lease dated as of August , 2014 ("Lease"), by and between Landlord and Tenant. Any initially capitalized terms used but not defined herein shall have the meanings given them in the Lease.

Landlord and Tenant hereby acknowledge and agree that the Commencement Date of the Base Term of the Lease is , 2014 (subject to the applicable abatement of Base Rent set forth in Section 4(a) of the Lease) and the expiration date of the Base Term of the Lease shall be midnight on , 2025. In case of a conflict between the terms of the Lease and the terms of this Acknowledgement of Commencement Date, this Acknowledgement of Commencement Date shall control for all purposes.

IN WITNESS WHEREOF, Landlord and Tenant have executed this ACKNOWLEDGMENT OF COMMENCEMENT DATE under seal to be effective on the date first above written.

TENANT: LUPIN, INC., a Maryland corporation

By: _____ (SEAL)
Name: _____
Title: _____

LANDLORD: ARE-8000/9000/10000 VIRGINIA MANOR, LLC, a Delaware limited liability company

By: ALEXANDRIA REAL ESTATE EQUITIES, L.P., a Delaware limited partnership, managing member

By: ARE-ORS CORP.,
a Maryland corporation, general partner

By: _____ (SEAL)
Name: _____
Title: _____

[***] INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

EXHIBIT E TO LEASE

Rules and Regulations

1. The sidewalk, entries, and driveways of the Project shall not be obstructed by Tenant, or any Tenant Party, or used by them for any purpose other than ingress and egress to and from the Premises.

2. Tenant shall not place any objects, including antennas, outdoor furniture, etc., in the parking areas, landscaped areas or other areas outside of its Premises, or on the roof of the Project, except as specifically approved in the Lease.

3. Except for animals assisting the disabled, no animals shall be allowed in the offices, halls, or corridors in the Project.

4. Tenant shall not disturb the occupants of the Project or adjoining buildings by the use of any radio or musical instrument or by the making of loud or improper noises.

5. If Tenant desires telegraphic, telephonic or other electric connections in the Premises, Landlord or its agent will direct the electrician as to where and how the wires may be introduced; and, without such direction, no boring or cutting of wires will be permitted. Any such installation or connection shall be made at Tenant's expense.

6. Tenant shall not install or operate any steam or gas engine or boiler, or other mechanical apparatus in the Premises, except as specifically approved in the Lease. The use of oil, gas or inflammable liquids for heating, lighting or any other purpose is expressly prohibited, except as specifically approved in the Lease. Explosives or other articles deemed extra hazardous shall not be brought into the Project, except as specifically approved in the Lease.

7. Parking any type of recreational vehicles is specifically prohibited on or about the Project. Except for the overnight parking of operative vehicles, no vehicle of any type shall be stored in the parking areas at any time. In the event that a vehicle is disabled, it shall be removed within 48 hours. There shall be no "For Sale" or other advertising signs on or about any parked vehicle. All vehicles shall be parked in the designated parking areas in conformity with all signs and other markings. All parking will be open parking, and no reserved parking, numbering or lettering of individual spaces will be permitted except as specified by Landlord.

8. Tenant shall maintain the Premises free from rodents, insects and other pests.

9. Landlord reserves the right to exclude or expel from the Project any person who, in the judgment of Landlord, is intoxicated or under the influence of liquor or drugs or who shall in any manner do any act in violation of the Rules and Regulations of the Project.

10. Tenant shall not cause any unnecessary labor by reason of Tenant's carelessness or indifference in the preservation of good order and cleanliness. Landlord shall not be responsible to Tenant for any loss of property on the Premises, however occurring, or for any damage done to the effects of Tenant by the janitors or any other employee or person.

11. Tenant shall give Landlord prompt notice of any defects in the water, lawn sprinkler, sewage, gas pipes, electrical lights and fixtures, heating apparatus, or any other service equipment affecting the Premises.

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12. Tenant shall not permit storage outside the Premises, including without limitation, outside storage of trucks and other vehicles, or dumping of waste or refuse or permit any harmful materials to be placed in any drainage system or sanitary system in or about the Premises.

13. All moveable trash receptacles provided by the trash disposal firm for the Premises must be kept in the trash enclosure areas, if any, provided for that purpose.

14. No auction, public or private, will be permitted on the Premises or the Project.

15. No awnings shall be placed over the windows in the Premises except with the prior written consent of Landlord.

16. The Premises shall not be used for lodging, sleeping or cooking or for any immoral or illegal purposes or for any purpose other than that specified in the Lease. No gaming devices shall be operated in the Premises.

17. Tenant shall ascertain from Landlord the maximum amount of electrical current that can safely be used in the Premises, taking into account the capacity of the electrical wiring in the Project and the Premises and the needs of other tenants, and shall not use more than such safe capacity. Landlord's consent to the installation of electric equipment shall not relieve Tenant from the obligation not to use more electricity than such safe capacity.

18. Tenant assumes full responsibility for protecting the Premises from theft, robbery and pilferage.

19. Tenant shall not install or operate on the Premises any machinery or mechanical devices of a nature not directly related to Tenant's ordinary use of the Premises and shall cause any such machinery or mechanical devices to be installed in the Premises so as to reasonably prevent sounds or vibrations from the Premises from extending into Common Areas, or other space in the Project.

EXHIBIT F TO LEASE
TENANT'S PERSONAL PROPERTY

None except as set forth below:

NONE

[***] INDICATES MATERIAL THAT WAS OMITTED AND FOR WHICH CONFIDENTIAL TREATMENT WAS REQUESTED. ALL SUCH OMITTED MATERIAL WAS FILED SEPARATELY WITH THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO RULE 406 UNDER THE SECURITIES ACT OF 1933, AS AMENDED.

EXHIBIT G TO LEASE
INSTALLATIONS

- Numerous rooftop HVAC units servicing the Premises
- Casework, sinks, and fume hoods
- Vacuum system
- RO/DI water system
- Compressed air
- Emergency generator with integral holding tank
- Walk-in refrigerator boxes
- Hazardous storage container

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FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT ("**this First Amendment**") is dated as of February 12, 2015 ("**Effective Date**"), by and between **ARE-8000/9000/10000 VIRGINIA MANOR, LLC**, a Delaware limited liability company, having an address at 385 E. Colorado Blvd., Suite 299, Pasadena, California 91101 ("**Landlord**"), and **LUPIN, INC.**, a Maryland corporation, having an address at 111 S. Calvert Street, 21st Floor, Baltimore, Maryland 21202 ("**Tenant**").

RECITALS

A. Landlord and Tenant have entered into that certain Lease Agreement ("**Lease**") dated as of August 15, 2014 between Landlord and Tenant, wherein Landlord leased to Tenant certain premises ("**Original Premises**") located at Suites 200 and 201, 9000 Virginia Manor Road, Beltsville, Maryland 20705, as more particularly described in the Lease.

B. Landlord and Tenant desire to amend the Lease, among other things, to expand the area of the Original Premises by 7,300 rentable square feet in the Building as shown on **Exhibit A** attached hereto located at Suite 201, 9000 Virginia Manor Road, Beltsville, Maryland 20705 ("**Expansion Premises**"; the Original Premises and the Expansion Premises are hereinafter collectively referred to as the "**Premises**"), set forth the Base Rent for the Expansion Premises, and provide for Tenant's payment of certain relocation costs.

AGREEMENT

Now, therefore, the parties hereto agree that the Lease is amended as follows:

1. **Definitions; Recitals**. Terms used in this First Amendment but not otherwise defined shall have the meanings set forth in the Lease. The Recitals form an integral part of this First Amendment and are hereby incorporated by reference.

2. **Expansion Premises**. Effective as of the Expansion Premises Commencement Date (as defined below), (a) the Original Premises shall be expanded to include the Expansion Premises, and (b) **Exhibit A** to this First Amendment, which depicts the Expansion Premises as well as the Original Premises, hereby replaces **Exhibit A** to the Lease.

3. **Changes to Basic Lease Provisions**. Effective as of the Expansion Premises Commencement Date, the following amendments are hereby made to the definitions contained on page 1 of the Lease in the Basic Lease Provisions:

a. The defined term "**Premises**" shall be deleted in its entirety and replaced with the following:

"**Premises:** That portion of the Project, containing approximately 35,055 rentable square feet, as determined by Landlord, consisting of (i) approximately 27,755 rentable square feet of space shown on Exhibit A to the Original Lease ("**Original Premises**"), and (ii) approximately 7,300 rentable square feet of space shown as the hatched area on **Exhibit A** attached to the First Amendment to Lease Agreement between Landlord and Tenant ("**Expansion Premises**")."

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b. The defined term "**Rentable Area of the Premises**" shall mean approximately 35,055 rentable square feet.

c. The defined term "**Tenant's Share of Operating Expenses**" shall mean [***]%.

4. **Delivery of Premises**. Landlord shall use reasonable efforts to deliver the Expansion Premises to Tenant in their "as is" condition on the earlier to occur of (1) the Current **Tenant's** vacation and surrender of the Expansion Premises, and (2) August 1, 2015 ("**Delivery**" or "**Deliver**"). The date on which Landlord Delivers the Expansion Premises to Tenant is referred to as the "**Expansion Premises Commencement Date**." Upon request of Landlord, Tenant shall execute and deliver a written acknowledgement of the Expansion Premises Commencement Date when the same is established in a form substantially similar to the form of "Acknowledgment of Commencement-Date" attached as Exhibit D to the Lease; provided, however, that Tenant's failure to execute and deliver such Acknowledgement shall not affect Landlord's rights under this First Amendment. If Landlord fails to Deliver timely the Expansion Premises, Landlord shall not be liable to Tenant for any loss or damage resulting therefrom, and this First Amendment and the Lease with respect to the -Expansion Premises shall not be void or voidable except as provided pursuant to the terms of this First Amendment.

a. **Acceptance**. (i) Tenant shall accept the Expansion Premises in their condition as of the Expansion Premises Commencement Date; (ii) Landlord shall have no obligation for any defects in the Expansion Premises, and (iii) Tenants taking possession of the Expansion Premises shall be conclusive evidence that Tenant accepts the Expansion Premises and that the Expansion Premises were in good condition at the time possession was taken.

b. **No Representation or Warranty**. Tenant agrees and acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of all or any portion of the Expansion Premises, and/or the suitability of the Expansion Premises for the conduct of Tenants business, and Tenant waives any implied warranty that the Expansion Premises are suitable for the Permitted Use. Tenant shall use the Expansion Premises only for the Permitted Use under the Lease in compliance with the provisions of Section 6 of the Lease.

c. **No Work**. Landlord shall have no obligation to perform any work at the Building in connection with Tenants occupancy of the Expansion Premises or obtain any permits, approvals, or entitlements related to Tenants specific use of the Expansion Premises or Tenants business operations therein. For the avoidance of doubt, the Work Letter attached to the Lease does not apply to the Expansion Premises.

5. **Base Rent for Expansion Premises**. (a) Tenant shall continue to pay Base Rent with respect to the Original Premises at the rates set forth in the Lease, and (b) commencing on the Expansion Premises Commencement Date, Base Rent for the Expansion Premises shall be payable at the rate of per month and shall, notwithstanding any contrary provision contained in the Lease, thereafter be increased on each anniversary of the Expansion Premises Commencement Date by multiplying the Base Rent payable for the Expansion Premises immediately before such date by the Rent Adjustment Percentage (i.e., [***]) and adding the resulting amount to the Base Rent payable for the Expansion Premises immediately before such date. Base Rent for the

Expansion Premises, as so adjusted, shall thereafter be due as provided in the Lease. NotWithstanding the foregoing, on April 1, 2021 ("**Expansion Premises Adjustment Date**"), the Base Rent rate for the Expansion Premises shall be adjusted to equal the Base Rent rate in effect for the Original Premises. From and after the Expansion Premises Adjustment Date through the remainder of the Term, the Base Rent for the Expansion Premises shall increase by the Rent Adjustment Percentage (i.e., [***]) on the Adjustment Date for the Original Premises as set forth in the Lease (i.e., September 1).

a. **Brokerage Commission; Base Rent Adjustment**. Notwithstanding any contrary provision contained .in this First Amendment, if required by Tenant upon written notice to Landlord received by Landlord within 30 days after the Effective Date, Landlord shall, purely as an accommodation to Tenant, pay a commission to Tenant's broker that was involved in the Lease, and any commission so paid by Landlord shall be added to the amount of Base Rent payable for the Expansion Premises under this First Amendment as follows: the commission shall be amortized on a straight-line basis over the period from the Expansion Premises Commencement Date to the expiration of the Base Term, and the monthly amount so determined shall be added to the monthly installment of Base Rent for the Expansion Premises.

6. **Contingency**. This First Amendment is contingent ("**Contingency**") on [***], the current tenant in the Expansion Premises ("**Current Tenant**"), vacating the Expansion Premises. If current Tenant fails to vacate the Expansion Premises by October 31, 2015, Tenant shall have the right to terminate this First Amendment by sending written notice thereof to Landlord no later than November 20, 2015 (but if the Current Tenant vacates the Expansion Premises before Landlord receives such termination notice, such termination notice shall be void and of no effect) whereupon neither Landlord nor Tenant shall have any further rights, duties or obligations under this First Amendment and this First Amendment shall automatically terminate. Within 10 days after written request from Landlord or Tenant, Landlord and Tenant shall execute and deliver a statement in force and substance reasonably acceptable to them confirming that the Contingency has been satisfied. Tenant understands, acknowledges, and agrees that Landlord makes no guaranty, representation, or assurance that Current Tenant will vacate the Expansion Premises by October 31, 2015. If Tenant does not elect to so terminate this First Amendment, such right to terminate this First Amendment shall be waived and this First Amendment shall remain in full force and effect and Landlord shall be obligated to deliver the Expansion Premises to Tenant as such time as Tenant vacates the Expansion Premises, Landlord shall provide Tenant with at least 30 days' prior written notice of the Expansion Premises Commencement Date ("**Expansion Premises Notice**"). Notwithstanding the foregoing, if Current Tenant fails to vacate the Expansion Premises on or before April 30, 2010 ("**Outside Date**"), Tenant shall have the option not to accept the Expansion Premises by sending written notice thereof to Landlord no later than 10 days after receipt of Expansion Premises Notice, whereupon neither Landlord nor Tenant shall have any further rights, duties, or obligations under this First Amendment and this First Amendment shall automatically terminate.

7. **Relocation Costs**. As a material inducement for Landlord to enter into this First Amendment, Tenant shall reimburse Landlord for the direct, actual, and reasonable costs (and for which Landlord is obligated to reimburse Tenant) incurred in (a) moving Current Tenant's furniture (including, but not limited to, the disassembly and subsequent reassembly of Current Tenant's existing workstations) and personal property located in the Expansion Premises to other premises of comparable floor area as the Expansion Premises ("**New Premises**"), and (b) installing phone and

data cabling in the New Premises (collectively, "**Relocation Costs**"). Tenant shall pay to Landlord, as Additional Rent, the Relocation Costs within 20 days after receipt of an Invoice therefor. Notwithstanding the foregoing, Tenant shall not be obligated to reimburse Landlord for Relocation Costs if Tenant elects not to accept the Expansion Premises after the Outside Date in accordance with Section 6 of this First Amendment.

8. **Miscellaneous**.

a. **Entire Agreement**. This First Amendment is the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous oral and written agreements and discussions. This First Amendment may be amended only by an agreement In writing, signed by the parties hereto.

b. **Binding Effect**. This First Amendment is binding upon and shall inure to the benefit of the parties hereto, their respective agents, employees, members, representatives, officers, directors, divisions, subsidiaries, affiliates, assigns, heirs, successors in interest and shareholders.

c. **Counterparts**. This First Amendment may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto except having additional signature pages executed by other parties to this First Amendment attached thereto.

d. **Broker**. Landlord and Tenant each represents and warrants that it has not dealt with any broker; agent or other person (collectively, "**Broker**") in connection with this transaction and that no Broker brought about this transaction. Landlord and Tenant each hereby agree to indemnify and hold the other harmless from and against any claims by any Broker claiming a commission or other form of compensation by virtue of having dealt with Tenant or Landlord, as applicable, with regard to this leasing transaction.

e. **Ratification; Conflicts**. Except as amended and/or modified by this First Amendment, the Lease Is hereby ratified and confirmed and all other terms of the Lease shall remain in full force and effect, unaltered and unchanged by this First Amendment. In the event of any conflict between the provisions of this First Amendment and the provisions of the Lease, the provisions of this First Amendment shall prevail. Regardless of whether specifically amended by this First Amendment, all of the terms and provisions of the Lease are hereby amended to the extent necessary to give effect to the purpose and intent of this First Amendment.

f. **Non-Disclosure of Terms**. Tenant acknowledges and agrees that the terms of the Lease are confidential and constitute proprietary information of Landlord. Disclosure of such terms could adversely affect the ability of Landlord and its affiliates to negotiate, manage, and administer other leases and impair Landlord's relationship with other tenants. Accordingly, as a material inducement for Landlord to enter into this. First Amendment, Tenant, and behalf of itself and its partners, managers, members, officers, directors, employees, agents, and attorneys, agrees that it shall not intentionally and voluntarily disclose the terms and conditions of the Lease to any publication or other media or any tenant or apparent prospective tenant of the Building or other portion of the Project, or real estate agent or broker, either directly or indirectly.

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[SIGNATURES APPEAR ON NEXT PAGE]

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IN WITNESS WHEREOF, the parties hereto have executed this First Amendment under seal as of the day and year first above written.

TENANT: LUPIN, INC., a Maryland corporation

By: /s/Sean Moriarty (SEAL)
Name: Sean Moriarty
Title: VP LEGAL AFFAIRS

LANDLORD: **ARE-8000/9000/10000 VIRGINIA MANOR, LLC,** a Delaware limited liability company

By: ALEXANDRIA REAL ESTATE EQUITIES, L.P.,

a Delaware limited partnership, managing member

By: ARE-QRS CORP.,
a Maryland corporation,
general partner

By: /s/ Jackie Clem (SEAL)
Name: Jackie Clem
Title: VP Real Estate Legal Affairs

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JOINDER AND CONSENT OF GUARANTOR

THIS JOINDER AND CONSENT OF GUARANTOR ("**this Joinder**") is made this day of February, 2015, by **LUPIN PHARMACEUTICALS, INC**., a Virginia corporation ("**Guarantor**"). Guarantor is party to the certain Guaranty of Lease, dated as of August 15, 2014 ("**Guaranty**") whereby Guarantor has guaranteed to **ARE-000/9000/10000 VIRGINIA MANOR, LLC**, a Delaware limited liability company ("**Landlord**"), the payment and performance obligations of **LUPIN, INC.**, a Maryland corporation ("**Tenant**"), under that certain Lease Agreement ("**Original Lease**") dated as of August 15, 2014, as amended by a First Amendment to Lease Agreement of even date herewith ("**First Amendment**"; together with the Original Lease, the "**Lease**"), between Landlord and Tenant. Guarantor hereby joins in the execution of the First Amendment for the express purpose of acknowledging and consenting to the terms of the First Amendment and ratifying and confirming its obligations under, the Guaranty and expressly acknowledging that the obligations guaranteed by Guarantor thereunder include the additional obligations of Tenant arising under the First Amendment.

IN WITNESS WHEREOF, Guarantor has executed and delivered this Joinder and Consent of Guarantor under its seal as of the day and year first written above.

LUPIN PHARMACEUTICALS, INC.
a Virginia corporation

By: /s/ Sean Moriarty (SEAL)
Name: Sean Moriarty
Title: VP LEGAL AFFAIRS

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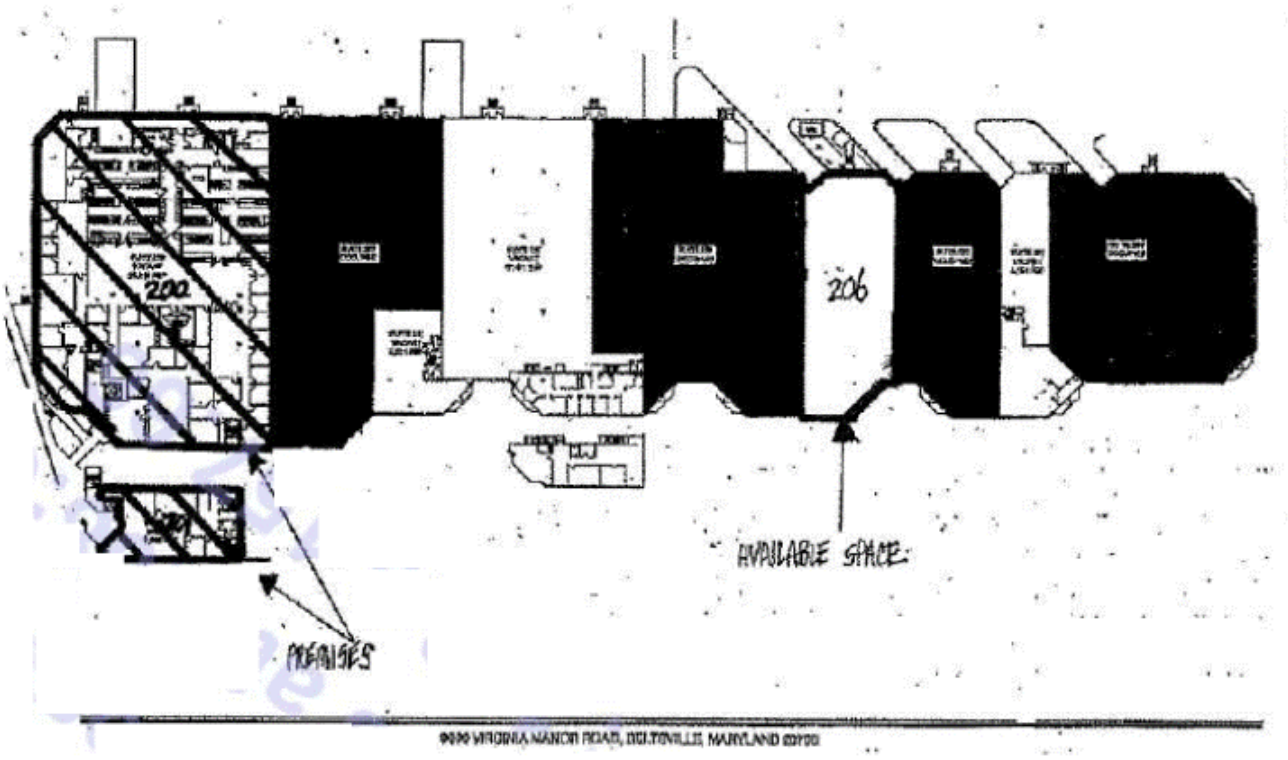
EXHIBIT A
DRAWING SHOWING ORIGINAL PREMISES AND EXPANSION PREMISES

ORIGINAL PREMISES



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EXPANSION PREMISES

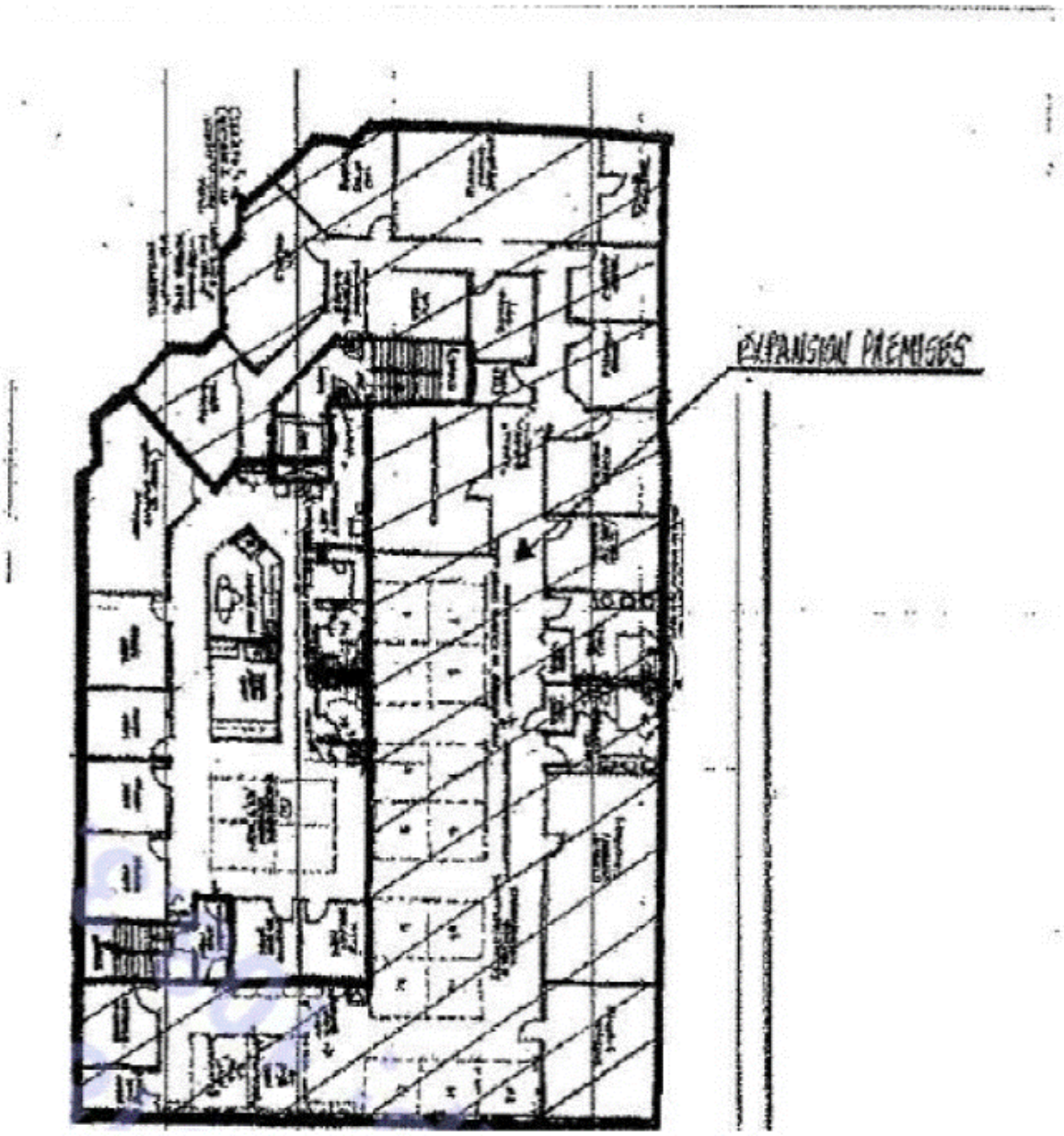

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Exhibit 10.6

Execution Version

NEXTCURE, INC.

2015 OMNIBUS INCENTIVE PLAN

AMENDED AS OF NOVEMBER 5, 2018

TABLE OF CONTENTS

NEXTCURE, INC.

2015 OMNIBUS INCENTIVE PLAN

NextCure, Inc., a Delaware corporation (the "**Company**"), sets forth herein the terms of its 2015 Omnibus Incentive Plan (the "**Plan**") as follows:

1. PURPOSE

The Plan is intended to enhance the Company's and its Affiliates' (as defined herein) ability to attract and retain highly qualified officers, directors, key employees, and other persons, and to motivate such persons to serve the Company and its Affiliates and to expend maximum effort to improve the business results and earnings of the Company, by providing to such persons an opportunity to acquire or increase a direct proprietary interest in the operations and future success of the Company. To this end, the Plan provides for the grant of stock options, restricted stock and stock units in accordance with the terms hereof. Stock options granted under the Plan may be nonqualified stock options or incentive stock options, as provided herein.

2. DEFINITIONS

For purposes of interpreting the Plan and related documents (including Award Agreements), the following definitions shall apply:

2.1 "**Affiliate**" means, with respect to a Person, any company or other trade or business that controls, is controlled by or is under common control with such Person within the meaning of Rule 405 of Regulation C under the Securities Act, including, without limitation, any Subsidiary, provided that an entity may not be considered an Affiliate if it results in noncompliance with Code Section 409A.

2.2 "**Award**" means a grant of an Option, Restricted Stock or Stock Unit under the Plan.

2.3 "**Award Agreement**" means the written agreement between the Company and a Grantee that evidences and sets out the terms and conditions of an Award.

2.4 "**Benefit Arrangement**" shall have the meaning set forth in Section 13 hereof.

2.5 "**Board**" means the Board of Directors of the Company.

2.6 "**Cause**" means, as determined by the Board and unless otherwise provided in an applicable agreement with the Company or an Affiliate thereof, (i) gross negligence or willful misconduct in connection with the performance of duties; (ii) conviction of a criminal offense (other than minor traffic offenses); or (iii) material breach of any term of any employment, independent contractor, consulting or other services, confidentiality, intellectual property or non-competition agreements, if any, between the Service Provider and the Company or an Affiliate thereof.

2.7 "**Code**" means the Internal Revenue Code of 1986, as now in effect or as hereafter amended.

2.8 "**Committee**" means a committee of, and designated from time to time by resolution of, the Board, pursuant to Section 3.2 hereof, which shall consist of one or more members of the Board.

2.9 "**Company**" has the meaning set forth in the Preamble.

2.10 **"Corporate Transaction"** means the consummation of (i) a merger or consolidation of the Company with or into another person or entity (excluding any consolidation or merger effected exclusively to change the jurisdiction of incorporation of the Company and excluding any such merger or consolidation involving the Company or a subsidiary in which the shares of capital stock of the Company outstanding immediately prior to such merger or consolidation continue to represent, or are converted or exchanged for shares of capital stock which represent, immediately following such merger or consolidation at least a majority, by voting power, of the capital stock of (A) the surviving or resulting corporation or (B) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation), (ii) the sale by the Company of the Company's capital stock after the consummation of which the stockholders of the Company immediately before such transaction own in the aggregate less than 50% of the Company's equity value or voting power after the transaction, or (iii) the sale or other disposition by the Company of all or substantially all of the Company's assets to another entity, in a single transaction or series of related transactions.

2.11 "**Disability**" means the Grantee is unable to perform each of the essential duties of such Grantee's position by reason of a medically determinable physical or mental impairment which is potentially permanent in character or which can be expected to last for a continuous period of not less than 12 months; provided, however, that with respect to rules regarding expiration of an Incentive Stock Option following termination of the Grantee's Service, Disability shall mean the Grantee is unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months.

2.12 "**Effective Date**" means December 29, 2015, the date the Plan is approved by the Board.

2.13 "**Exchange Act**" means the Securities Exchange Act of 1934, as now in effect or as hereafter amended.

2.14 "**Fair Market Value**" means the value of a share of Stock, determined as follows: if on the Grant Date or other determination date the Stock is listed on an established national or regional stock exchange, or is publicly traded on an established securities market, the Fair Market Value of a share of Stock shall be the closing price of the Stock on such exchange or in such market (if there is more than one such exchange or market the Board shall determine the appropriate exchange or market) on the Grant Date or such other determination date or, if no sale

of Stock is reported for such trading day, on the next preceding day on which any sale shall have been reported. If the Stock is not listed on such an exchange, quoted on such system or traded on such a market, Fair Market Value shall be the value of the Stock as determined by the Board in good faith in a manner consistent with Code Section 409A.

2.15 "**Family Member**" means a person who is a spouse, former spouse, child, stepchild, grandchild, parent, stepparent, grandparent, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother, sister, brother-in-law, or sister-in-law, including adoptive relationships, of the Grantee, any person sharing the Grantee's household (other than a tenant or employee), a trust in which any one or more of these persons have more than 50% of the beneficial interest, a foundation in which any one or more of these persons (or the Grantee) controls the management of assets, and any other entity in which one or more these persons (or the Grantee) own more than 50% of the voting interests in such entity.

2.16 "**Grant Date**" means, as determined by the Board, the latest to occur of (i) the date as of which the Board approves an Award, (ii) the date on which the recipient of an Award first becomes eligible to receive an Award under Section 6 hereof, or (iii) such other later date as may be specified by the Board.

2.17 "**Grant Share**" shall have the meaning set forth in Section 15.3 hereof.

2.18 "**Grantee**" means a person who receives or holds an Award under the Plan.

2.19 "**Incentive Stock Option**" means an "incentive stock option" within the meaning of Section 422 of the Code, or the corresponding provision of any subsequently enacted tax statute, as amended from time to time.

2.20 "**Nonqualified Stock Option**" means an Option that is not an Incentive Stock Option.

2.21 "**Option**" means an option to purchase one or more shares of Stock pursuant to the Plan.

2.22 "**Option Price**" means the purchase price for each share of Stock subject to an Option.

2.23 "**Other Agreement**" shall have the meaning set forth in Section 13 hereof.

2.24 "**Parachute Payment**" shall have the meaning set forth in Section 13 hereof.

2.25 "**Person**" means a natural person, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or other entity or organization.

2.26 "**Plan**" has the meaning set forth in the Preamble.

2.27 "**Purchase Agreement**" means the Series A Preferred Stock Purchase Agreement, dated as of December 29, 2015, by and among the Company and the investors party thereto, as the same may be amended or amended and restated from time to time.

2.28 "**Purchase Price**" means the purchase price for each share of Stock issued pursuant to an Award of Restricted Stock or Stock Units.

2.29 "**Reporting Person**" means a person who is required to file reports under Section 16(a) of the Exchange Act.

2.30 "**Restricted Stock**" means shares of Stock, awarded to a Grantee pursuant to Section 9 hereof, that are subject to restrictions and to a risk of forfeiture.

2.31 "**Securities Act**" means the Securities Act of 1933, as now in effect or as hereafter amended.

2.32 "**Service**" means service as an employee, officer, director or other Service Provider of the Company or an Affiliate thereof. Unless otherwise stated in the applicable Award Agreement, a Grantee's change in position or duties shall not result in interrupted or terminated Service, so long as such Grantee continues to be an employee, officer, director or other Service Provider of the Company or an Affiliate thereof. Subject to the preceding sentence, the date upon which a termination of Service shall have occurred for purposes of the Plan shall be determined by the Board, which determination shall be final, binding and conclusive.

2.33 "**Service Provider**" means an employee, officer or director of the Company or an Affiliate thereof, or a consultant, contractor or adviser currently providing services to the Company or an Affiliate thereof.

2.34 "**Stock**" means the common stock, $0.001 par value, of the Company.

2.35 **"Stock Unit"** means a bookkeeping entry representing the equivalent of one share of Stock awarded to a Grantee pursuant to Section 9 hereof.

2.36 "**Subsidiary**" means any "subsidiary corporation" of the Company within the meaning of Section 424(f) of the Code.

2.37 "**Ten-Percent Stockholder**" means an individual who owns more than 10% of the total combined voting power of all classes of outstanding stock of the Company, its parent or any of its Subsidiaries. In determining stock ownership, the attribution rules of Section 424(d) of the Code shall be applied.

3. ADMINISTRATION OF THE PLAN

3.1 Board.

The Board shall have such powers and authorities related to the administration of the Plan as are consistent with the Company's certificate of incorporation and bylaws and applicable law.

The Board shall have full power and authority to take all actions and to make all determinations required or provided for under the Plan, any Award or any Award Agreement, and shall have full power and authority to take all such other actions and make all such other determinations not inconsistent with the specific terms and provisions of the Plan that the Board deems to be necessary or appropriate to the administration of the Plan, any Award or any Award Agreement. All such actions and determinations shall be by the affirmative vote of a majority of the members of the Board present at a meeting or by consent of the Board executed in writing in accordance with the Company's certificate of incorporation and bylaws and applicable law. The interpretation and construction by the Board of any provision of the Plan, any Award or any Award Agreement shall be final, binding and conclusive. To the extent permitted by law, the Board may delegate its authority under the Plan to a member of the Board or an executive officer who is a member of the Board.

3.2 Committee.

The Board from time to time may delegate to one or more Committees such powers and authorities related to the administration and implementation of the Plan, as set forth in Section 3.1 above and in other applicable provisions, as the Board shall determine, consistent with the certificate of incorporation and bylaws of the Company and applicable law. In the event that the Plan, any Award or any Award Agreement entered into hereunder provides for any action to be taken by or determination to be made by the Board, such action may be taken by or such determination may be made by the applicable Committee if the power and authority to do so has been delegated to the Committee by the Board as provided for in this Section 3.2 and all references herein to the Board shall be deemed to be the Committee. Unless otherwise expressly determined by the Board, any such action or determination by the Committee shall be final, binding and conclusive. To the extent permitted by law, the Committee may delegate its authority under the Plan to a member of the Committee or an executive officer who is a member of the Committee.

3.3 Terms of Awards.

Subject to the other terms and conditions of the Plan, the Board shall have full and final authority to:

(i) designate Grantees;

(ii) determine the type or types of Awards to be made to a Grantee;

(iii) determine the number of shares of Stock to be subject to an Award;

(iv) establish the terms and conditions of each Award (including, but not limited to, the Option Price of any Option, the nature and duration of any restriction or condition (or provision for lapse thereof) relating to the vesting, exercise, transfer, or forfeiture of an Award or the shares of Stock subject thereto, and any terms or conditions that may be necessary to qualify Options as Incentive Stock Options);

(v) prescribe the form of each Award Agreement evidencing an Award; and

(vi) amend, modify, or supplement the terms of any outstanding Award (provided, that, no amendment, modification or supplement of any Award shall, without the consent of the Grantee, impair the Grantee's rights under such Award).

The Board's authority hereunder specifically includes the authority, in order to effectuate the purposes of the Plan but without amending the Plan, to modify Awards to eligible individuals who are foreign nationals or are individuals who are employed outside the United States to recognize differences in local law, tax policy, or custom. Notwithstanding the foregoing, no amendment, modification or supplement of any Award shall, without the consent of the Grantee, impair the Grantee's rights under such Award.

The Company may retain the right in an Award Agreement to cause a forfeiture of the gain realized by a Grantee on account of actions taken by the Grantee in violation or breach of or in conflict with any employment agreement, independent contractor agreement, consulting agreement, non-competition agreement, any agreement prohibiting solicitation of employees or clients of the Company or any Affiliate thereof or any confidentiality obligation with respect to the Company or any Affiliate thereof or otherwise in competition with the Company or any Affiliate thereof, to the extent specified in such Award Agreement applicable to the Grantee. In addition, the Company may annul an Award if the Grantee is an employee of the Company or an Affiliate thereof and is terminated for Cause as defined in the applicable Award Agreement or the Plan, as applicable.

3.4 Deferral Arrangement.

The Board may permit or require the deferral of any award payment into a deferred compensation arrangement, subject to such rules and procedures as it may establish, which may include provisions for the payment or crediting of interest or dividend equivalents, including converting such credits into deferred Stock equivalents. Any such deferrals shall be made in a manner that complies with Code Section 409A.

3.5 No Liability.

No member of the Board or of a Committee shall be liable for any action or determination made in good faith with respect to the Plan or any Award or Award Agreement.

3.6 Share Issuance/Book Entry.

Notwithstanding any provision of this Plan to the contrary, the issuance of the Stock under the Plan may be evidenced in such a manner as the Board, in its discretion, deems appropriate, including, without limitation, book-entry registration or issuance of one or more Stock certificates.

4. STOCK SUBJECT TO THE PLAN

4.1 Number of Shares Available for Awards.

Subject to adjustment as provided in Section 15 hereof, the number of shares of Stock available for issuance under the Plan shall equal 22,690,000. All of the shares of Stock issuable

under the Plan may be issued as Incentive Stock Options. Stock issued or to be issued under the Plan shall be authorized but unissued shares or, to the extent permitted by applicable law, issued shares that have been reacquired by the Company.

4.2 Adjustments in Authorized Shares.

The Board shall have the right to substitute or assume Awards in connection with mergers, reorganizations, separations, or other transactions to which Section 424(a) of the Code applies. The number of shares of Stock reserved pursuant to Section 4.1 shall be increased by the corresponding number of Awards assumed and, in the case of a substitution, by the net increase in the number of shares of Stock subject to Awards before and after the substitution.

4.3 Share Usage.

Shares covered by an Award shall be counted as of the Grant Date for purposes of calculating the number of shares available for issuance under Section 4.1. If any shares covered by an Award are not purchased or are forfeited or expire, or if an Award otherwise terminates without delivery of any Stock subject thereto or is settled in cash in lieu of shares, then the number of shares of Stock counted against the aggregate number of shares available under the Plan with respect to such Award shall, to the extent of any such forfeiture, termination, or expiration again be available for making Awards under the Plan. If the exercise price of any Option or the tax withholding obligations of any Award granted under the Plan is satisfied by tendering shares of Stock to the Company (by either actual delivery or by attestation), only the number of shares of Stock issued net of the shares of Stock tendered shall be deemed delivered for purposes of determining the maximum number of shares of Stock available for delivery under the Plan.

5. EFFECTIVE DATE, DURATION AND AMENDMENTS

5.1 Effective Date.

The Plan shall be effective as of the Effective Date, subject to approval of the Plan by the Company's stockholders entitled to vote thereon within one year of the Effective Date. Upon approval of the Plan by the stockholders of the Company entitled to vote thereon as set forth above, all Awards made under the Plan on or after the Effective Date shall be fully effective as if the stockholders of the Company entitled to vote thereon had approved the Plan on the Effective Date. If the stockholders fail to approve the Plan within one year of the Effective Date, any Awards made hereunder shall be null and void and of no effect, and no additional Awards shall be made after such date.

5.2 Term.

The Plan shall terminate automatically 10 years after the Effective Date and may be terminated on any earlier date as provided in Sections 5.3 or 15.3. No Awards shall be made after termination of the Plan.

5.3 Amendment and Termination of the Plan

The Board may, at any time and from time to time, amend, suspend, or terminate, in whole or in part, any or all of the provisions of this Plan and of any Award (including any amendment deemed necessary to ensure that the Company may comply with any regulatory requirement referred to herein), or suspend or terminate it entirely, retroactively or otherwise; provided, however, that if the Board, in its sole discretion, determines that the rights of a Grantee with respect to an Award granted prior to such amendment, suspension or termination, may be adversely impaired, the consent of such Grantee shall be required or the terms of such Grantee's Award shall continue to be governed by the Plan without giving effect to any such amendment. An amendment to the Plan shall be contingent on approval of the Company's stockholders entitled to vote thereon only to the extent required by applicable law, regulations or rules. For the avoidance of doubt, nothing in this Section 5.3 shall be deemed to limit the discretion of the Board under Section 15.3.

6. AWARD ELIGIBILITY

6.1 Employees and Other Service Providers.

Awards (including Awards of Incentive Stock Options, subject to Section 6.2) may be made under the Plan to any employee, officer or director of, or other Service Provider providing services to, the Company or any Affiliate thereof. To the extent required by applicable state law, Awards within certain states may be limited to employees and officers or employees, officers and directors. An eligible person may receive more than one Award, subject to such restrictions as are provided herein.

6.2 Limitations on Incentive Stock Options.

An Option shall constitute an Incentive Stock Option only (i) if the Grantee of such Option is an employee of the Company or any Subsidiary of the Company, (ii) to the extent specifically provided in the related Award Agreement and (iii) to the extent that the aggregate Fair Market Value (determined on the Grant Date) of the shares of Stock with respect to which all Incentive Stock Options held by such Grantee become exercisable for the first time during any calendar year (under the Plan and all other plans of the Grantee's employer and its Affiliates) does not exceed $100,000. This limitation shall be applied by taking Incentive Stock Options into account in the order in which they were granted.

7. AWARD AGREEMENT

Each Award pursuant to the Plan shall be evidenced by an Award Agreement, in such form or forms as the Board shall from time to time determine, which specifies the number of shares subject to the Award (subject to adjustment in accordance with Section 15). Award Agreements granted from time to time or at the same time need not contain similar provisions but shall be consistent with the terms of the Plan. Each Award Agreement evidencing an Award of Options shall specify whether such Options are intended to be Nonqualified Stock Options or Incentive Stock Options, and in the absence of such specification such options shall be deemed Nonqualified Stock Options.

8. TERMS AND CONDITIONS OF OPTIONS

8.1 Option Price.

The Option Price of each Option shall be fixed by the Board and stated in the Award Agreement evidencing such Option. The Option Price shall not be less than the Fair Market Value on the Grant Date of a share of Stock; provided, however, that in the event that a Grantee is a Ten-Percent Stockholder, the Option Price of an Incentive Stock Option granted to such Grantee shall be not less than 110% of the Fair Market Value of a share of Stock on the Grant Date. In no case shall the Option Price of any Option be less than the par value of a share of Stock.

8.2 Vesting.

Subject to Sections 8.3 and 15.3 hereof, each Option granted under the Plan shall become exercisable at such times and under such conditions as shall be determined by the Board and stated in the Award Agreement. For purposes of this Section 8.2, fractional numbers of shares of Stock subject to an Option shall be rounded down to the next nearest whole number. The Board may provide, for example, in the Award Agreement for (i) accelerated exercisability of the Option in the event the Grantee's Service terminates on account of death, Disability or another event, (ii) expiration of the Option prior to its term in the event of the termination of the Grantee's Service, (iii) immediate forfeiture of the Option in the event the Grantee's Service is terminated for Cause or (iv) unvested Options to be exercised subject to the Company's right of repurchase with respect to unvested shares of Stock.

8.3 Term.

Each Option granted under the Plan shall terminate, and all rights to purchase shares of Stock thereunder shall cease, upon the expiration of 10 years from the Grant Date, or under such circumstances and on such date prior thereto as is set forth in the Plan or as may be fixed by the Board and stated in the Award Agreement relating to such Option; provided, however, that in the event that the Grantee is a Ten-Percent Stockholder, an Option granted to such Grantee that is intended to be an Incentive Stock Option shall not be exercisable after the expiration of five years from its Grant Date.

8.4 Exercise of Options on Termination of Service.

Each Award Agreement shall set forth the extent to which the Grantee shall have the right to exercise the Option following termination of the Grantee's Service. Such provisions shall be determined in the sole discretion of the Board, need not be uniform among all Options issued pursuant to the Plan, and may reflect distinctions based on the reasons for termination of Service.

8.5 Limitations on Exercise of Option.

Notwithstanding any other provision of the Plan, in no event may any Option be exercised, in whole or in part, prior to the date the Plan is approved by the stockholders of the Company entitled to vote thereon, or after 10 years following the Grant Date, or after the

occurrence of an event referred to in Section 15 hereof which results in termination of the Option.

8.6 Exercise Procedure.

An Option that is exercisable may be exercised by the Grantee's delivery to the Company of written notice of exercise on any business day, at the Company's principal office, in the form specified by the Company. Such notice shall specify the number of shares of Stock with respect to which the Option is being exercised and shall be accompanied by payment in full of the Option Price of the shares for which the Option is being exercised. The minimum number of shares of Stock with respect to which an Option may be exercised, in whole or in part, at any time shall be the lesser of (i) 100 shares or such lesser number set forth in the applicable Award Agreement and (ii) the maximum number of shares available for purchase under the Option at the time of exercise. The Option Price shall be payable in a form described in Section 10.

8.7 Right of Holders of Options.

Unless otherwise stated in the applicable Award Agreement, an individual holding or exercising an Option shall have none of the rights of a stockholder of the Company (for example, the right to cash or dividend payments or distributions attributable to the subject shares of Stock) until the shares of Stock covered thereby are fully paid and issued to such individual.

8.8 Delivery of Stock Certificates.

Promptly after the exercise of an Option by a Grantee and the payment in full of the Option Price, such Grantee shall be entitled to the issuance of a stock certificate or certificates evidencing such Grantee's ownership of the shares of Stock purchased upon such exercise of the Option. Notwithstanding any other provision of this Plan to the contrary, the Company may elect to satisfy any requirement under this Plan for the delivery of stock certificates through the use of book-entry.

8.9 Transferability of Options.

Except as provided in Section 8.10, during the lifetime of a Grantee, only the Grantee (or, in the event of legal incapacity or incompetency, the Grantee's guardian or legal representative) may exercise an Option. Except as provided in Section 8.10, no Option shall be assignable or transferable by the Grantee to whom it is granted, other than by will or the laws of descent and distribution.

8.10 Family Transfers.

If authorized in the applicable Award Agreement, a Grantee may transfer, not for value, all or part of an Option that is not an Incentive Stock Option to any Family Member. For the purpose of this Section 8.10, a "not for value" transfer is a transfer which is (i) a gift, (ii) a transfer under a domestic relations order in settlement of marital property rights, or (iii) unless applicable law does not permit such transfers, a transfer to an entity in which more than 50% of the voting interests are owned by Family Members (or the Grantee) in exchange for an interest in that entity. Following a transfer under this Section 8.10, any such Option shall continue to be

subject to the same terms and conditions as were applicable immediately prior to transfer, and shares of Stock acquired pursuant to the Option shall be subject to the same restrictions on transfer of shares as would have applied to the Grantee. Subsequent transfers of transferred Options are prohibited except to Family Members of the original Grantee in accordance with this Section 8.10 or by will or the laws of descent and distribution. The events of termination of Service under an Option shall continue to be applied with respect to the original Grantee, following which the Option shall be exercisable by the transferee only to the extent, and for the periods specified in the applicable Award Agreement, and the shares may be subject to repurchase by the Company or its assignee.

8.11 Notice of Disqualifying Disposition.

If any Grantee shall make any disposition of shares of Stock issued pursuant to the exercise of an Incentive Stock Option under the circumstances described in Code Section 421(b) (relating to certain disqualifying dispositions), such Grantee shall notify the Company of such disposition within 10 days thereof.

9. TERMS AND CONDITIONS OF RESTRICTED STOCK AND STOCK UNITS

9.1 Award of Restricted Stock and Stock Units.

The Board may from time to time grant Restricted Stock or Stock Units to persons eligible to receive Awards under Section 6 hereof, subject to such restrictions, conditions and other terms as the Board may determine.

9.2 Restrictions.

At the time an Award of Restricted Stock or Stock Units is made, the Board, in its sole discretion, shall establish a restriction period applicable to such Restricted Stock or Stock Units. Each Award of Restricted Stock or Stock Units may be subject to a different restriction period. The Board may, in its sole discretion, at the time an Award of Restricted Stock or Stock Units is made, prescribe conditions that must be satisfied prior to the expiration of the restriction period, including the satisfaction of corporate or individual performance objectives or continued Service, in order that all or any portion of the Restricted Stock or Stock Units shall vest.

The Board also may, in its sole discretion, shorten or terminate the restriction period or waive any of the conditions applicable to all or a portion of the Restricted Stock or Stock Units. The Restricted Stock or Stock Units may not be sold, transferred, assigned, pledged or otherwise encumbered or disposed of during the restriction period or prior to the satisfaction of any other conditions prescribed by the Board with respect to such Restricted Stock or Stock Units.

9.3 Restricted Stock Certificates.

The Company shall issue, in the name of each Grantee to whom Restricted Stock has been granted, stock certificates representing the total number of shares of Restricted Stock granted to such Grantee, as soon as reasonably practicable after the applicable Grant Date. The Board may provide in an Award Agreement that either (i) the Secretary of the Company shall hold such certificates for the Grantee’s benefit until such time as the Restricted Stock is forfeited

to the Company, or the restrictions lapse, or (ii) such certificates shall be delivered to the Grantee; provided, however, that such certificates shall bear a legend or legends that complies with the applicable securities laws and regulations and makes appropriate reference to the restrictions imposed under the Plan and the Award Agreement.

9.4 Rights of Holders of Restricted Stock.

Holders of Restricted Stock shall have the right to vote such Stock and, unless the Board otherwise provides in an Award Agreement, to receive any dividends declared or paid with respect to such Stock. The Board may provide that any dividends paid on Restricted Stock must be reinvested in shares of Stock, which may or may not be subject to the same or other vesting conditions and restrictions applicable to such Restricted Stock. All distributions, if any, received by a Grantee with respect to Restricted Stock as a result of any stock split, stock dividend, combination of shares, or other similar transaction shall be subject to the restrictions applicable to the original Award.

9.5 Rights of Holders of Stock Units.

9.5.1 Voting and Dividend Rights.

Holders of Stock Units shall have no rights as stockholders of the Company. The Board may provide in an Award Agreement evidencing a grant of Stock Units that the holder of such Stock Units shall be entitled to receive, upon the Company's payment of a cash dividend on its outstanding Stock, a cash payment for each Stock Unit held equal to the per-share dividend paid on the Stock. Such Award Agreement may also provide that such cash payment will be deemed reinvested in additional Stock Units at a price per unit equal to the Fair Market Value of a share of Stock on the date that such dividend is paid.

9.5.2 Creditor's Rights.

A holder of Stock Units shall have no rights other than those of a general creditor of the Company. Stock Units represent an unfunded and unsecured obligation of the Company, subject to the terms and conditions of the applicable Award Agreement.

9.6 Termination of Service.

Unless otherwise provided by the Board in the applicable Award Agreement, upon the termination of a Grantee's Service with the Company or an Affiliate thereof, any shares of Restricted Stock or Stock Units held by such Grantee that have not vested, or with respect to which all applicable restrictions and conditions have not lapsed, shall immediately be deemed forfeited. Upon forfeiture of Restricted Stock or Stock Units, the Grantee shall have no further rights with respect to such Award, including, but not limited to, the right to vote Restricted Stock and any right to receive dividends with respect to shares of Restricted Stock or Stock Units.

9.7 Purchase and Delivery of Stock.

To the extent required by applicable law, the Grantee shall be required to purchase the Restricted Stock or Stock Units from the Company at a Purchase Price equal to the greater of (i)

the aggregate par value of the shares of Stock represented by such Restricted Stock or Stock Units or (ii) the Purchase Price, if any, specified in the Award Agreement relating to such Restricted Stock or Stock Units. The Purchase Price shall be payable in a form described in Section 10 or, in the discretion of the Board, in consideration for past or future Services rendered to the Company or an Affiliate thereof.

Upon the expiration or termination of the restriction period and the satisfaction of any other conditions prescribed by the Board, having properly paid the Purchase Price, the restrictions applicable to shares of Restricted Stock or Stock Units settled in Stock shall lapse, and, unless otherwise provided in the Award Agreement, a stock certificate for such shares shall be delivered, free of all such restrictions, to the Grantee or the Grantee's beneficiary or estate, as the case may be, upon the surrender of any stock certificate(s) previously issued to such Grantee in respect of such shares. Neither the Grantee, nor the Grantee's beneficiary or estate, shall have any further rights with regard to a Stock Unit once the share of Stock represented by the Stock Unit has been delivered.

10. FORM OF PAYMENT

Payment of the Option Price for the shares purchased pursuant to the exercise of an Option or the Purchase Price for Restricted Stock or Stock Units shall be made in cash or in cash equivalents acceptable to the Company. In addition, to the extent the Award Agreement so provides, payment of the Option Price for shares purchased pursuant to exercise of an Option or the Purchase Price for Restricted Stock or Stock Units may be made in any other form that is consistent with applicable laws, regulations and rules, including, without limitation, by cashless exercise procedure or by tender or attestation to the Company of shares of Stock, which shall be valued, for purposes of determining the extent to which such Option Price or Purchase Price has been paid thereby, at their Fair Market Value on the date of such tender or attestation.

11. WITHHOLDING TAXES

The Company or an Affiliate thereof, as the case may be, shall have the right to deduct from payments of any kind otherwise due to a Grantee any federal, state, or local taxes of any kind required by applicable law to be withheld with respect to the vesting of or other lapse of restrictions applicable to an Award or upon the issuance of any shares of Stock or payment of any kind upon the exercise of an Option or pursuant to any other Award. At the time of such vesting, lapse, or exercise, the Grantee shall pay to the Company or the Affiliate thereof, as the case may be, any amount that the Company or the Affiliate thereof may reasonably determine to be necessary to satisfy such withholding obligation; provided that if there is a same-day sale of shares of Stock subject to an Award, the Grantee shall pay such withholding obligation on the day on which such same-day sale is completed. Subject to the prior approval of the Company or the Affiliate thereof, which may be withheld by the Company or the Affiliate thereof, as the case may be, in its sole discretion, the Grantee may elect to satisfy such obligations, in whole or in part, (i) by causing the Company or the Affiliate thereof to withhold shares of Stock otherwise issuable to the Grantee or (ii) by delivering to the Company or the Affiliate shares of Stock already owned by the Grantee. The shares of Stock so delivered or withheld shall have an aggregate Fair Market Value equal to such withholding obligations. The Fair Market Value of the shares of Stock used to satisfy such withholding obligation shall be determined by the Board

as of the date that the amount of tax to be withheld is to be determined. A Grantee who has made an election pursuant to this Section 11 may satisfy his or her withholding obligation only with shares of Stock that are not subject to any repurchase, forfeiture, unfulfilled vesting, or other similar requirements.

The maximum number of shares of Stock that may be withheld from any Award to satisfy any federal, state, or local tax withholding requirements upon the exercise, vesting, or lapse of restrictions applicable to any Award or payment of shares of Stock pursuant to such Award, as applicable, may not exceed such number of shares of Stock having a Fair Market Value equal to the minimum statutory amount required by the Company or the applicable Affiliate to be withheld and paid to any such federal, state, or local taxing authority with respect to such exercise, vesting, lapse of restrictions, or payment of shares of Stock; provided, however, if the Company has adopted Accounting Standards Update 2016-09 ("**AS 2016-09**") or AS 2016-09 or a similar rule is otherwise in effect, the Board has full discretion to choose, or to allow a Grantee to elect, to withhold a number of shares of Stock having an aggregate Fair Market Value that is greater than the applicable minimum required statutory withholding obligation (but such withholding may in no event be in excess of the maximum statutory withholding amount(s) in a Grantee's relevant tax jurisdictions).

12. RESTRICTIONS ON TRANSFER OF SHARES OF STOCK

12.1 Right of First Refusal.

Any shares of Stock acquired by, or delivered or issued to, the Grantee under the Plan may be subject to a right of first refusal in favor of the Company, as the Board may determine, consistent with applicable law. Any such right shall be set forth in an Award Agreement or in a stockholders or other similar agreement.

12.2 Repurchase and Other Rights.

Stock issued upon exercise of an Option or pursuant to an Award of Restricted Stock or Stock Units may be subject to such right of repurchase upon termination of Service or other transfer restrictions as the Board may determine, consistent with applicable law. Any additional restrictions shall be set forth in an Award Agreement or in a stockholders or other similar agreement.

12.3 Legend.

In order to enforce the restrictions imposed upon shares of Stock under this Plan or as provided in an Award Agreement, the Board may cause a legend or legends to be placed on any certificate representing shares issued pursuant to this Plan that complies with the applicable securities laws and regulations and makes appropriate reference to the restrictions imposed under it.

13. PARACHUTE LIMITATIONS

Notwithstanding any other provision of this Plan or of any other agreement, contract or understanding heretofore or hereafter entered into by a Grantee with the Company or any

Affiliate thereof, except an agreement, contract or understanding that expressly addresses Section 280G or Section 4999 of the Code (an "**Other Agreement**"), and notwithstanding any formal or informal plan or other arrangement for the direct or indirect provision of compensation to the Grantee (including groups or classes of participants or beneficiaries of which the Grantee is a member), whether or not such compensation is deferred, is in cash, or is in the form of a benefit to or for the Grantee (a "**Benefit Arrangement**"), if the Grantee is a "disqualified individual," as defined in Section 280G(c) of the Code, any Awards held by that Grantee and any right to receive any payment or other benefit under this Plan shall not become exercisable or vested (i) to the extent that such right to exercise, vesting, payment, or benefit, taking into account all other rights, payments, or benefits to or for the Grantee under this Plan, all Other Agreements, and all Benefit Arrangements, would cause any payment or benefit to the Grantee under this Plan to be considered a "parachute payment" within the meaning of Section 280G(b)(2) of the Code as then in effect (a "**Parachute Payment**") and (ii) if, as a result of receiving a Parachute Payment, the aggregate after-tax amounts received by the Grantee from the Company under this Plan, all Other Agreements, and all Benefit Arrangements would be less than the maximum after-tax amount that could be received by the Grantee without causing any such payment or benefit to be considered a Parachute Payment. In the event that the receipt of any such right to exercise, vesting, payment, or benefit under this Plan, in conjunction with all other rights, payments, or benefits to or for the Grantee under any Other Agreement or any Benefit Arrangement would cause the Grantee to be considered to have received a Parachute Payment under this Plan that would have the effect of decreasing the after-tax amount received by the Grantee as described in clause (ii) of the preceding sentence, then those rights, payments, or benefits under this Plan, any Other Agreements, and any Benefit Arrangements shall be reduced or eliminated so as to avoid having the payment or benefit to the Grantee be deemed to be a Parachute Payment. The Company shall reduce or eliminate the Parachute Payments by first reducing or eliminating any cash payments benefits (with the payments to be made furthest in the future being reduced first), then by reducing or eliminating any accelerated vesting of Options, then by reducing or eliminating any accelerated vesting of Restricted Stock or Stock Units, then by reducing or eliminating any other remaining Parachute Payments. For the avoidance of doubt, no reduction or elimination of Parachute Payments shall be made without giving effect to the results of any applicable shareholder vote under Section 280G of the Code.

14. REQUIREMENTS OF LAW

14.1 General.

The Company shall not be required to sell or issue any shares of Stock under any Award if the sale or issuance of such shares would constitute a violation by the Grantee, any other individual exercising a right emanating from such Award, or the Company of any provision of any law or regulation of any governmental authority, including without limitation any federal or state securities laws or regulations. If at any time the Company shall determine, in its discretion, that the listing, registration or qualification of any shares subject to an Award upon any securities exchange or under any governmental regulatory body is necessary or desirable as a condition of, or in connection with, the issuance or purchase of shares hereunder, no shares of Stock may be issued or sold to the Grantee or any other individual exercising an Option pursuant to such Award unless such listing, registration, qualification, consent or approval shall have been effected or obtained free of any conditions not acceptable to the Company, and any delay caused

thereby shall in no way affect the date of termination of the Award. Without limiting the generality of the foregoing, in connection with the Securities Act, upon the exercise of any right emanating from such Award or the delivery of any shares of Restricted Stock, unless a registration statement under the Securities Act is in effect with respect to the shares of Stock covered by such Award, the Company shall not be required to sell or issue such shares unless the Board has received evidence satisfactory to it that the Grantee or any other individual exercising an Option may acquire such shares pursuant to an exemption from registration under the Securities Act. Any determination in this connection by the Board shall be final, binding, and conclusive. The Company may, but shall in no event be obligated to, register any securities covered hereby pursuant to the Securities Act. The Company shall not be obligated to take any affirmative action in order to cause the exercise of an Option or the issuance of shares of Stock pursuant to the Plan to comply with any law or regulation of any governmental authority. As to any jurisdiction that expressly imposes the requirement that an Option shall not be exercisable until the shares of Stock covered by such Option are registered or are exempt from registration, the exercise of such Option (under circumstances in which the laws of such jurisdiction apply) shall be deemed conditioned upon the effectiveness of such registration or the availability of such an exemption.

14.2 Rule 16b-3.

During any time when the Company has a class of equity security registered under Section 12 of the Exchange Act, it is the intent of the Company that Awards pursuant to the Plan and the exercise of Options granted hereunder will qualify for the exemption provided by Rule 16b-3 under the Exchange Act. To the extent that any provision of the Plan or action by the Board does not comply with the requirements of Rule 16b-3, it shall be deemed inoperative to the extent permitted by law and deemed advisable by the Board, and shall not affect the validity of the Plan. In the event that Rule 16b-3 is revised or replaced, the Board may exercise its discretion to modify this Plan in any respect necessary to satisfy the requirements of, or to take advantage of any features of, the revised exemption or its replacement.

15. EFFECT OF CHANGES IN CAPITALIZATION

15.1 Changes in Stock.

If the number of outstanding shares of Stock is increased or decreased or the shares of Stock are changed into or exchanged for a different number or kind of shares or other securities of the Company on account of any recapitalization, reclassification, stock split, reverse split, combination of shares, exchange of shares, stock dividend or other distribution payable in capital stock, or other increase or decrease in such shares effected without receipt of consideration by the Company occurring after the Effective Date, the number and kinds of shares for which Awards may be made under the Plan shall be adjusted proportionately and accordingly by the Board. In addition, the number and kind of shares for which Awards are outstanding shall be adjusted proportionately and accordingly so that the proportionate interest of the Grantee immediately following such event shall, to the extent practicable, be the same as immediately before such event. Any such adjustment in outstanding Options shall not change the aggregate Option Price payable with respect to shares that are subject to the unexercised portion of an outstanding Option, but shall include a corresponding proportionate adjustment in the Option Price per share. The conversion of

any convertible securities of the Company that have been issued for consideration and which are converted in accordance with their terms, shall not be treated as an increase in shares effected without receipt of consideration. Notwithstanding the foregoing, in the event of any distribution to the Company's stockholders of securities of any other entity or other assets (including an extraordinary dividend but excluding a non-extraordinary dividend of the Company) without receipt of consideration by the Company, the Company shall, in such manner as the Company deems appropriate, adjust (i) the number and kind of shares subject to outstanding Awards and/or (ii) the exercise price of outstanding Options to reflect such distribution.

15.2 Reorganization in Which the Company Is the Surviving Entity and in Which No Corporate Transaction Occurs.

Subject to the exception set forth in the last sentence of Section 15.4, if the Company shall be the surviving entity in any reorganization, merger, or consolidation of the Company with one or more other entities and in which no Corporate Transaction occurs, any Award theretofore made pursuant to the Plan shall pertain to and apply to the securities to which a holder of the number of shares of Stock subject to such Award would have been entitled immediately following such reorganization, merger, or consolidation, and with a corresponding proportionate adjustment of the Option Price per share so that the aggregate Option Price thereafter shall be the same as the aggregate Option Price of the shares remaining subject to the Option immediately prior to such reorganization, merger, or consolidation. In the event of a transaction described in this Section 15.2, Stock Units shall be adjusted so as to apply to the securities that a holder of the number of shares of Stock subject to the Stock Units would have been entitled to receive immediately following such transaction.

15.3 Corporate Transaction.

Subject to the last sentence of Section 15.4, the Board shall have the discretion to determine the effect of a Corporate Transaction on any outstanding Awards. Without limiting the generality of the foregoing, in connection with a Corporate Transaction the Board may elect, in its sole discretion, to (a) cancel any outstanding Awards and pay or deliver, or cause to be paid or delivered, to the holder thereof an amount in cash or securities having a value (as determined by the Board acting in good faith) equal to the product of the number of shares of Stock subject to the Award (the "**Grant Shares**") multiplied by, (i) in the case of Options, the amount, if any, by which (I) the formula or fixed price per share paid to holders of shares of Stock pursuant to such transaction exceeds (II) the Option Price applicable to such Grant Shares, and (ii) in the case of Restricted Stock and Stock Units, the formula or fixed price per share paid to holders of shares of Stock pursuant to the transaction, (b) provide in connection with such Corporate Transaction for the assumption or continuation of the Options theretofore granted, or for the substitution for such Awards for new common stock options relating to the stock of a successor entity, or a parent or subsidiary thereof, with appropriate adjustments as to the number of shares (disregarding any consideration that is not common stock) and option prices, such that Awards theretofore granted shall continue in the manner and under the terms so provided, (c) cancel any outstanding Awards that are unvested (or any unvested portion thereof) without payment to the holders thereof, or (d) cancel any outstanding Awards to the extent the Option Price applicable to the Grant Shares issuable thereunder is greater than the formula or fixed price per share paid to

holders of shares of Stock pursuant to such transaction, with or without any payment to the holders thereof.

If the Company establishes an exercise window in connection with a scheduled consummation of a Corporate Transaction, any exercise of an Option during such period shall be conditioned upon the consummation of the event and shall be effective only immediately before the consummation of the event. Upon the consummation of any Corporate Transaction, the Plan and all outstanding but unexercised Options shall terminate. The Board shall send written notice of an event that will result in such a termination to all individuals who hold Options not later than the time at which the Company gives notice thereof to its holders of Stock.

Notwithstanding the foregoing or any other provisions contained herein, the Board, in its sole discretion, may provide for the accelerated vesting or lapse of restrictions of Awards at any time.

15.4 Adjustments.

Adjustments under Section 15 related to shares of Stock or securities of the Company shall be made by the Board, whose determination in that respect shall be final, binding and conclusive. No fractional shares or other securities shall be issued pursuant to any such adjustment, and any fractions resulting from any such adjustment shall be eliminated in each case by rounding downward to the nearest whole share. The Board may provide in Award Agreements at the time of grant, or any time thereafter with the consent of the Grantee, for different provisions to apply to an Award in place of those described in Sections 15.1, 15.2 and 15.3.

15.5 No Limitations on Company.

The making of Awards pursuant to the Plan shall not affect or limit in any way the right or power of the Company to make adjustments, reclassifications, reorganizations, or changes of its capital or business structure or to merge, consolidate, dissolve, or liquidate, or to sell or transfer all or any part of its business or assets.

16. GENERAL PROVISIONS

16.1 Stockholders Agreement

As a condition precedent to an Award, the exercise of an Option, or to the delivery of shares of Stock issued pursuant to any Option, the Grantee or his Family Member, as the case may be, shall become a party to the Company's stockholders agreement, as it may be amended from time to time or any other agreement regarding the Stock, in such forms as the Board may determine from time to time (collectively, "**Stockholders Agreements**"). Any shares of Stock acquired pursuant to the Plan shall be subject in all cases to the provisions of the Stockholders Agreements. In the event of any inconsistency between the Plan, an Award Agreement and the Stockholders Agreements, the provisions of the Stockholders Agreements shall control.

16.2 Disclaimer of Rights.

No provision in the Plan or in any Award or Award Agreement shall be construed to confer upon any individual the right to remain in the employ or service of the Company or any Affiliate thereof, or to interfere in any way with any contractual or other right or authority of the Company either to increase or decrease the compensation or other payments to any individual at any time, or to terminate any employment or other relationship between any individual and the Company or any Affiliate thereof. The obligation of the Company to pay any benefits pursuant to this Plan shall be interpreted as a contractual obligation to pay only those amounts described herein, in the manner and under the conditions prescribed herein. The Plan shall in no way be interpreted to require the Company to transfer any amounts to a third party trustee or otherwise hold any amounts in trust or escrow for payment to any participant or beneficiary under the terms of the Plan.

16.3 Nonexclusivity of the Plan.

Neither the adoption of the Plan nor the submission of the Plan to the stockholders of the Company entitled to vote thereon for approval shall be construed as creating any limitations upon the right and authority of the Board to adopt such other incentive compensation arrangements (which arrangements may be applicable either generally to a class or classes of individuals or specifically to a particular individual or particular individuals) as the Board in its discretion determines desirable, including, without limitation, the granting of stock options otherwise than under the Plan.

16.4 Captions.

The use of captions in this Plan or any Award Agreement is for the convenience of reference only and shall not affect the meaning of any provision hereof or thereof.

16.5 Other Award Agreement Provisions.

Each Award under the Plan may contain such other terms and conditions not inconsistent with the Plan as may be determined by the Board, in its sole discretion.

16.6 Number and Gender.

With respect to words used in this Plan, the singular form shall include the plural form, the masculine gender shall include the feminine gender, etc., as the context requires.

16.7 Severability.

If any provision of the Plan or any Award Agreement shall be determined to be illegal or unenforceable by any court of law in any jurisdiction, the remaining provisions hereof and thereof shall be severable and enforceable in accordance with their terms, and all provisions shall remain enforceable in any other jurisdiction.

16.8 Governing Law.

The validity and construction of this Plan and the instruments evidencing the Awards awarded hereunder shall be governed by the laws of the State of Delaware other than any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Plan and the instruments evidencing the Awards awarded hereunder to the substantive laws of any other jurisdiction.

16.9 Code Section 409A.

The Board intends to comply with Section 409A of the Code, or an exemption to Section 409A of the Code, with regard to Awards hereunder that constitute nonqualified deferred compensation within the meaning of Section 409A of the Code. To the extent that the Board determines that a Grantee would be subject to the additional 20% tax imposed on certain nonqualified deferred compensation plans pursuant to Section 409A of the Code as a result of any provision of any Award granted under this Plan, such provision shall be deemed amended to the minimum extent necessary to avoid application of such additional tax. The nature of any such amendment shall be determined by the Board.

The undersigned officer of the Company, in his capacity as an officer of the Company, hereby certifies that the Plan was adopted by the Board and approved by the stockholders entitled to vote thereon on December 29, 2015. The undersigned officer has executed this certification as of December 29, 2015.

NEXTCURE, INC.

By: /s/ Michael Richman
Name: Michael Richman
Title: President and CEO

SIGNATURE PAGE TO NEXTCURE OMNIBUS INCENTIVE PLAN