

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549**

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2025

OR

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

For the transition period from ____ to ____

Commission File Number: 001-38841

Precision BioSciences, Inc.

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

302 East Pettigrew St., Suite A-100

Durham, North Carolina

(Address of principal executive offices)

20-4206017

(I.R.S. Employer
Identification No.)

27701

(Zip Code)

(919) 314-5512

(Registrant's telephone number, including area code)

N/A

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.000005 per share	DTIL	The Nasdaq Capital Market

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

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

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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

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

As of October 29, 2025, the registrant had 13,256,751 shares of common stock, \$0.000005 par value per share, outstanding.

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements other than statements of present and historical facts contained in this Quarterly Report on Form 10-Q, including, without limitation, statements regarding our future results of operations and financial position, business strategy and approach, including related results, prospective products, use and development of licensed products, planned preclinical studies and clinical trials, or discontinuance thereof, the status and results of our preclinical studies, expected release of interim data, expectations regarding the use and effects of ARCUS, including in connection with *in vivo* genome editing, collaborations and potential new partnerships or alternative opportunities for our product candidates, potential new application filings and regulatory approvals, research and development costs, timing, expected results and likelihood of success, as well as plans and objectives of management for future operations may be forward-looking statements. Without limiting the foregoing, in some cases, you can identify forward-looking statements by terms such as “aim,” “may,” “will,” “should,” “expect,” “exploring,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “contemplate,” “believe,” “estimate,” “predict,” “potential,” “seeks,” or “continue” or the negative of these terms or other similar expressions, although not all forward-looking statements contain these words. No forward-looking statement is a guarantee of future results, performance, or achievements, and one should avoid placing undue reliance on such statements.

Forward-looking statements are based on our management’s beliefs and assumptions and on information currently available to us. Such beliefs and assumptions may or may not prove to be correct. Additionally, such forward-looking statements are subject to a number of known and unknown risks, uncertainties and assumptions, and actual results may differ materially from those expressed or implied in the forward-looking statements due to various factors, including, but not limited to, those identified in Part II. Item 1A. “Risk Factors” and Part I. Item 2. “Management’s Discussion and Analysis of Financial Condition and Results of Operations.” These risks and uncertainties include, but are not limited to:

- our ability to become profitable;
- our ability to procure sufficient funding to advance our programs;
- risks associated with raising additional capital and requirements under our current debt instruments and effects of restrictions thereunder;
- our operating expenses and our ability to predict what those expenses will be;
- our limited operating history;
- the success of our programs and product candidates in which we expend our resources;
- our limited ability or inability to assess the safety and efficacy of our product candidates;
- the risk that other genome-editing technologies may provide significant advantages over our ARCUS technology;
- our dependence on our ARCUS technology;
- the initiation, cost, timing, progress, achievement of milestones and results of research and development activities and preclinical and clinical studies;
- public perception about genome editing technology and its applications;
- competition in the genome editing, biopharmaceutical, and biotechnology fields;
- our or our collaborators’ and other licensees’ ability to identify, develop and commercialize product candidates;
- potential product liability lawsuits and penalties against us or our collaborators or other licensees related to our technology and our product candidates;
- the U.S. and foreign regulatory landscape applicable to our and our collaborators’ or other licensees’ development of product candidates;
- our or our collaborators’ or other licensees’ ability to advance product candidates into, and successfully design, implement and complete, clinical or field trials;
- potential manufacturing problems associated with the development or commercialization of any of our product candidates;

- delays or difficulties in our or our collaborators' or other licensees' ability to enroll patients in clinical trials;
- changes in interim "top-line" and initial data that we announce or publish;
- if our product candidates do not work as intended or cause undesirable side effects;
- risks associated with applicable healthcare, data protection, privacy and security regulations and our compliance therewith;
- our ability to obtain orphan drug designation or fast track designation for our product candidates or to realize the expected benefits of these designations;
- our or our collaborators' or other licensees' ability to obtain and maintain regulatory approval of our product candidates, and any related restrictions, limitations and/or warnings in the label of an approved product candidate;
- the rate and degree of market acceptance of any of our product candidates;
- our ability to effectively manage the growth of our operations;
- our ability to attract, retain, and motivate executives and personnel;
- effects of system failures and security breaches;
- insurance expenses and exposure to uninsured liabilities;
- effects of tax rules;
- effects of any pandemic, epidemic, or outbreak of an infectious disease;
- the success of our collaboration and other license agreements and our ability to enter into new collaboration or license arrangements in the future;
- our current and future relationships with and reliance on third parties including suppliers and manufacturers;
- our ability to obtain and maintain intellectual property protection for our technology and any of our product candidates;
- potential litigation relating to infringement or misappropriation of intellectual property rights;
- effects of natural and man-made disasters, public health emergencies and other natural catastrophic events;
- effects of sustained inflation, supply chain disruptions and major central bank policy actions;
- market and economic conditions;
- risks related to ownership of our common stock, including fluctuations in our stock price; and
- our ability to meet the requirements of and maintain listing of our common stock on Nasdaq or other public stock exchanges.

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

You should read this Quarterly Report on Form 10-Q and the documents that we reference herein completely and with the understanding that our actual future results may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements. All forward-looking statements contained herein speak only as of the date of this Quarterly Report on Form 10-Q. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein, whether as a result of any new information, future events, changed circumstances or otherwise.

As used in this Quarterly Report on Form 10-Q, unless otherwise stated or the context requires otherwise, references to "Precision," the "Company," "we," "us," and "our," refer to Precision BioSciences, Inc.

RISK FACTOR SUMMARY

Our business is subject to numerous risks and uncertainties, including those described in Part II. Item 1A. “Risk Factors” in this Quarterly Report on Form 10-Q. You should carefully consider these risks and uncertainties when investing in our common stock. Some of the principal risks and uncertainties include the following.

- *We have incurred significant operating losses since our inception and expect to continue to incur losses for the foreseeable future. We have not been profitable and may not achieve or maintain profitability.*
- *We will need substantial additional funding, and if we are unable to raise a sufficient amount of capital when needed on acceptable terms, or at all, we may be forced to delay, reduce or eliminate some or all of our research programs, product development activities and commercialization efforts.*
- *We have a limited operating history, which makes it difficult to evaluate our current business and future prospects and may increase the risk of your investment.*
- *ARCUS is a novel technology, making it difficult to predict the time, cost and potential success of product candidate development. We have not yet been able to assess the safety and efficacy of most of our product candidates in humans.*
- *We are heavily dependent on the successful development and translation of ARCUS, and due to the early stages of our product development operations, we cannot give any assurance that any product candidates will be successfully developed and commercialized.*
- *Adverse public perception of genome editing may negatively impact the developmental progress or commercial success of products that we develop alone or with collaborators.*
- *We face significant competition in industries experiencing rapid technological change, and there is a possibility that our competitors may achieve regulatory approval before us or develop product candidates or treatments that are safer or more effective than ours, which may harm our financial condition and our ability to successfully market or commercialize any of our product candidates.*
- *Our future profitability, if any, will depend in part on our ability and the ability of our collaborators to commercialize any products that we or our collaborators may develop in markets throughout the world. Commercialization of products in various markets could subject us to risks and uncertainties.*
- *Product liability lawsuits against us could cause us to incur substantial liabilities and could limit commercialization of any products that we develop alone or with collaborators.*
- *The regulatory landscape that will apply to development of therapeutic product candidates by us or our collaborators is rigorous, complex, uncertain and subject to change, which could result in delays or termination of development of such product candidates or unexpected costs in obtaining regulatory approvals.*
- *Clinical trials are difficult to design and implement, expensive, time-consuming and involve an uncertain outcome, and the inability to successfully and timely conduct clinical trials and obtain regulatory approval for our product candidates would substantially harm our business.*
- *Any product candidates that we or our collaborators or other licensees may develop will be novel and may be complex and difficult to manufacture, and if we experience manufacturing problems, it could result in delays in development and commercialization of such product candidates or otherwise harm our business.*
- *Even if we obtain regulatory approval for any products that we develop alone or with collaborators, such products will remain subject to ongoing regulatory requirements, which may result in significant additional expense.*
- *Even if any product we develop alone or with collaborators receives marketing approval, such product may fail to achieve the degree of market acceptance by physicians, patients, healthcare payors and others in the medical community necessary for commercial success.*
- *Our future success depends on our key executives, as well as attracting, retaining and motivating qualified personnel.*
- *Our failure to meet the continued listing requirements of The Nasdaq Capital Market could result in the delisting of our common stock.*

- *Because we no longer qualify as an emerging growth company, we are subject to additional laws and regulations affecting public companies that may increase our costs and the demands on our management which could harm our operating results.*

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements.

PRECISION BIOSCIENCES, INC.
CONDENSED BALANCE SHEETS
(In thousands, except share and per share amounts)
(unaudited)

	September 30, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 44,870	\$ 85,899
Accounts receivable	4	229
Marketable securities	—	413
Prepaid expenses	5,857	6,441
Assets held for sale	126	169
Contract asset	—	1,469
Other current assets	848	369
Total current assets	51,705	94,989
Restricted cash	26,342	22,569
Property, equipment, and software—net	2,026	3,089
Intangible assets—net	985	622
Right-of-use assets—net	6,138	7,090
Investment in equity securities	744	3,206
Note receivable—net	5,370	4,602
Other assets	200	221
Total assets	\$ 93,510	\$ 136,388
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 1,340	\$ 1,312
Accrued compensation	3,157	5,182
Accrued research and development expenses	1,297	2,016
Deferred revenue	6,248	2,957
Lease liabilities	1,458	1,320
Other current liabilities	611	989
Current liabilities of discontinued operations	885	1,204
Total current liabilities	14,996	14,980
Loan payable	22,374	22,321
Deferred revenue	19,957	23,300
Lease liabilities	5,296	6,404
Warrant liability	4,026	2,796
Contract liabilities	10,000	10,000
Other noncurrent liabilities	227	194
Total liabilities	76,876	79,995
Stockholders' equity:		
Preferred stock: \$0.0001 par value— 10,000,000 shares authorized as of September 30, 2025 and December 31, 2024; no shares issued and outstanding as of September 30, 2025 and December 31, 2024	—	—
Common stock: \$0.000005 par value— 200,000,000 shares authorized as of September 30, 2025 and December 31, 2024; 12,109,680 shares issued and 12,082,665 shares outstanding as of September 30, 2025; 8,229,730 shares issued and 8,202,715 shares outstanding as of December 31, 2024	1	1
Additional paid-in capital	565,906	539,808
Accumulated deficit	(548,321)	(482,464)
Treasury stock	(952)	(952)
Total stockholders' equity	16,634	56,393
Total liabilities and stockholders' equity	\$ 93,510	\$ 136,388

See notes to condensed financial statements

PRECISION BIOSCIENCES, INC.
CONDENSED STATEMENTS OF OPERATIONS
(In thousands, except share and per share amounts)
(Unaudited)

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2025	2024	2025	2024
Revenue	\$ 13	\$ 576	\$ 60	\$ 68,058
Operating expenses				
Research and development	13,352	13,084	39,708	43,652
General and administrative	7,328	8,767	25,008	25,722
Total operating expenses	<u>20,680</u>	<u>21,851</u>	<u>64,716</u>	<u>69,374</u>
Operating loss	(20,667)	(21,275)	(64,656)	(1,316)
Other (expense) income:				
(Loss) gain from equity method investment	(591)	(875)	86	(112)
(Loss) gain on changes in other fair value adjustments	(3)	571	(2,418)	917
(Loss) gain on change in fair value of warrant liability	(1,179)	3,647	(1,230)	21,798
Interest expense	(362)	(256)	(1,074)	(1,390)
Interest income	1,027	1,763	3,466	5,269
Gain (loss) on disposal of assets	3	—	(31)	(254)
Total other (expense) income	<u>(1,105)</u>	<u>4,850</u>	<u>(1,201)</u>	<u>26,228</u>
(Loss) income from operations	<u>\$ (21,772)</u>	<u>\$ (16,425)</u>	<u>\$ (65,857)</u>	<u>\$ 24,912</u>
Net (loss) income	<u>\$ (21,772)</u>	<u>\$ (16,425)</u>	<u>\$ (65,857)</u>	<u>\$ 24,912</u>
Net (loss) income per share				
Basic	\$ (1.84)	\$ (2.25)	\$ (6.14)	\$ 3.87
Diluted	\$ (1.84)	\$ (2.25)	\$ (6.14)	\$ 3.78
Weighted-average shares of common stock outstanding				
Basic	11,818,145	7,287,173	10,728,199	6,441,375
Diluted	11,818,145	7,287,173	10,728,199	6,590,885

See notes to condensed financial statements

PRECISION BIOSCIENCES, INC.
CONDENSED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(In thousands, except share amounts)
(Unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Treasury Stock	Total Stockholders' Equity
	Shares	Amount				
Balance- December 31, 2023	4,191,053	\$ 1	\$ 509,443	\$ (489,631)	\$ (952)	\$ 18,861
Issuance of common stock under employee stock purchase plan	9,037	—	112	—	—	112
Share-based compensation expense	—	—	2,906	—	—	2,906
Issuance of common stock to collaboration partners and licensees	97,360	—	905	—	—	905
Issuance of common stock and warrants through underwritten offering, net of issuance cost	2,500,000	—	4,610	—	—	4,610
Issuance of common stock through ATM facility, net of issuance cost	98,943	—	1,224	—	—	1,224
Settlement of restricted stock units	46,861	—	—	—	—	—
Net income	—	—	—	8,588	—	8,588
Balance- March 31, 2024	6,943,254	\$ 1	\$ 519,200	\$ (481,043)	\$ (952)	\$ 37,206
Share-based compensation expense	—	—	2,928	—	—	2,928
Issuance of common stock, net of issuance cost	25,000	—	300	—	—	300
Issuance of common stock through ATM facility, net of issuance cost	144,735	—	1,531	—	—	1,531
Settlement of restricted stock units	37,396	—	—	—	—	—
Net Income	—	—	—	32,749	—	32,749
Balance- June 30, 2024	7,150,385	\$ 1	\$ 523,959	\$ (448,294)	\$ (952)	\$ 74,714
Share-based compensation expense	—	—	3,199	—	—	3,199
Issuance of common stock under employee stock purchase plan	14,794	—	137	—	—	137
Issuance of common stock through ATM facility, net of issuance cost	342,357	—	3,241	—	—	3,241
Net loss	—	—	—	(16,425)	—	(16,425)
Balance- September 30, 2024	7,507,536	\$ 1	\$ 530,536	\$ (464,719)	\$ (952)	\$ 64,866
Balance- December 31, 2024	8,229,730	\$ 1	\$ 539,808	\$ (482,464)	\$ (952)	\$ 56,393
Issuance of common stock under employee stock purchase plan	30,999	—	140	—	—	140
Share-based compensation expense	—	—	2,822	—	—	2,822
Issuance of common stock to licensees	220,712	—	1,031	—	—	1,031
Issuance of common stock through ATM facility, net of issuance cost	1,818,886	—	9,516	—	—	9,516
Settlement of restricted stock units	275,540	—	—	—	—	—
Net loss	—	—	—	(20,565)	—	(20,565)
Balance- March 31, 2025	10,575,867	\$ 1	\$ 553,317	\$ (503,029)	\$ (952)	\$ 49,337
Shared-based compensation expense	—	—	2,937	—	—	2,937
Issuance of common stock through ATM facility, net of issuance cost	1,036,488	—	5,300	—	—	5,300
Settlement of restricted stock units	51,641	—	—	—	—	—
Net loss	—	—	—	(23,520)	—	(23,520)
Balance- June 30, 2025	11,663,996	\$ 1	\$ 561,554	\$ (526,549)	\$ (952)	\$ 34,054
Shared-based compensation expense	—	—	2,386	—	—	2,386
Issuance of common stock under employee stock purchase plan	18,745	—	78	—	—	78
Issuance of common stock through ATM facility, net of issuance cost	382,571	—	1,888	—	—	1,888
Settlement of restricted stock units	44,368	—	—	—	—	—
Net loss	—	—	—	(21,772)	—	(21,772)
Balance- September 30, 2025	12,109,680	\$ 1	\$ 565,906	\$ (548,321)	\$ (952)	\$ 16,634

See notes to condensed financial statements

PRECISION BIOSCIENCES, INC.
CONDENSED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	For the Nine Months Ended September 30,	
	2025	2024
Cash flows used in operating activities:		
Net (loss) income	\$ (65,857)	\$ 24,912
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	1,123	2,950
Share-based compensation	8,145	9,033
Loss on disposal of assets	31	254
Non-cash interest expense	164	228
Amortization of right-of-use assets	952	870
Loss (gain) on changes in other fair value adjustments	2,418	(917)
(Gain) loss from equity method investment	(86)	112
Amortization of discount on note receivable	(682)	(506)
Loss (gain) on change in fair value of warrant liability	1,230	(21,798)
Changes in operating assets and liabilities:		
Prepaid expenses	584	(1,137)
Marketable securities	464	607
Convertible note receivable	—	9,750
Accounts receivable	225	713
Contract asset	1,469	(1,359)
Other assets and other current assets	(151)	(147)
Accounts payable	313	(2,168)
Other liabilities and other current liabilities	(3,913)	(1,972)
Deferred revenue	(52)	(58,360)
Lease liabilities	(970)	(827)
Net cash used in operating activities	(54,593)	(39,762)
Cash flows used in investing activities:		
Purchases of property, equipment and software	(66)	(153)
Purchases of intangible assets	(265)	(25)
Proceeds from sale of equipment	22	60
Net cash used in investing activities	(309)	(118)
Cash flows provided by financing activities:		
Proceeds from employee stock purchase plan	218	249
Proceeds from issuance of common stock and warrants through underwritten offering, net of issuance cost	—	37,025
Proceeds from issuance of common stock through ATM facility, net of issuance cost	16,397	6,368
Proceeds from issuance of common stock to collaboration partners and licensees	1,031	905
Repayment of revolving credit facility	—	(22,505)
Borrowings from term loan debt facility, net of issuance costs paid to lender	—	22,488
Net cash provided by financing activities	17,646	44,530
Net (decrease) increase in cash and cash equivalents	(37,256)	4,650
Cash, cash equivalents, and restricted cash — beginning of period	108,468	116,678
Cash, cash equivalents, and restricted cash — end of period	\$ 71,212	\$ 121,328
Reconciliation of cash, cash equivalents and restricted cash		
Cash and cash equivalents	\$ 44,870	\$ 98,752
Restricted cash	\$ 26,342	\$ 22,576
Total of cash, cash equivalents and restricted cash	\$ 71,212	\$ 121,328
Supplemental disclosures of cash flow information:		
Intangible asset additions included in accounts payable and accrued expenses and other current liabilities	\$ 400	\$ —
Cash paid for interest	\$ 1,030	\$ 1,366

See notes to condensed financial statements

Precision BioSciences, Inc.

Notes to Condensed Financial Statements (Unaudited)

NOTE 1: DESCRIPTION OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Business

Precision BioSciences, Inc. (the “Company”) was incorporated on January 26, 2006 under the laws of the State of Delaware and is based in Durham, North Carolina. The Company is a gene editing company dedicated to improving life by developing *in vivo* therapies for genetic and infectious diseases with the application of the Company’s wholly-owned proprietary ARCUS genome editing platform.

Since its inception, the Company has devoted substantially all of its efforts to research and development activities, recruiting skilled personnel, establishing its intellectual property portfolio and providing general and administrative support for these operations. The Company is subject to a number of risks similar to those of other companies conducting early-stage research and development of product candidates. Principal among these risks are the Company’s dependence on key individuals and intellectual property, competition from other products and companies, and the technical risks associated with the successful research, development and clinical manufacturing of its product candidates. The Company’s success is dependent upon its ability to continue to raise additional capital in order to fund ongoing research and development, obtain regulatory approval of its products, successfully commercialize its products, generate revenue, meet its obligations, and, ultimately, attain profitable operations.

The Company has historically incurred significant operating losses and experienced negative cash flows from operations. The Company plans to continue its expansion of the ELIMINATE-B clinical trial to higher dose levels and is preparing to file an investigational new drug and/or clinical trial application for the PBGENE-DMD program. During the third quarter of 2025, the Company implemented operating efficiencies, including employment related and other expense reductions, to reduce annual operating expenses and extend its cash runway. These initiatives to reduce expenses are still in the process of being implemented as of the date of this Quarterly Report on Form 10-Q.

Unaudited Interim Financial Information

The accompanying unaudited condensed financial statements and notes have been prepared pursuant to the rules and regulations of the Securities and Exchange Commission (“SEC”). Certain information and note disclosures normally included in the annual financial statements, prepared in accordance with accounting principles generally accepted in the U.S. (“GAAP”), have been condensed or omitted pursuant to those rules and regulations. These unaudited condensed financial statements should be read in conjunction with the Company’s audited financial statements and the notes thereto included in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2024, filed with the SEC on March 26, 2025.

The unaudited condensed financial statements have been prepared on the same basis as the audited financial statements. In the opinion of management, all adjustments, consisting only of normal recurring adjustments necessary for a fair presentation of the Company’s condensed financial position as of September 30, 2025 and its condensed results of operations and cash flows for the three and nine months ended September 30, 2025 and 2024, have been made. The Company’s condensed results of operations for the three and nine months ended September 30, 2025 are not necessarily indicative of the results of operations that may be expected for the year ending December 31, 2025.

Discontinued Operations

In August 2023, the Company announced its strategic decision to operate as a single platform company focused exclusively on developing *in vivo* gene editing therapies with the completion of the sale of its chimeric antigen receptor (“CAR”) T infrastructure to Imugene Limited, an Australian corporation (“Imugene Limited”), and its wholly-owned subsidiary Imugene (USA) Inc. (“Imugene US”), a Nevada corporation (collectively, “Imugene”). Additionally, the Company licensed its lead allogeneic CAR T candidate for cancer, azercabtagene zapreleucel (“azer-cel”), to Imugene.

Accordingly, the accompanying condensed financial statements have been recast for all periods presented to reflect the assets, liabilities and expenses related to the Company’s CAR T programs as discontinued operations (see Note 8,

Discontinued Operations). The accompanying condensed financial statements are generally presented in conformity with the Company's historical format.

Summary of Significant Accounting Policies

Restricted Cash

Restricted cash includes a cash security account with Banc of California pursuant to the 2024 Loan and Security Agreement (as defined in Note 3, *Debt*, below) and the escrow account pursuant to the amended employment agreements (as described in Note 4, *Commitments and Contingencies*, below). Both of these balances are classified as long-term on the Company's balance sheets as the maturity date under the 2024 Loan and Security Agreement is June 30, 2027 and the escrow account balance will be held in perpetuity in accordance with the employment agreements. As of September 30, 2025, the Company had a restricted cash balance of \$26.3 million. The restricted cash balance as of December 31, 2024 was \$22.6 million.

The Company's complete listing of significant accounting policies is set forth in Note 1, *Description of Business and Summary of Significant Accounting Policies*, to the Notes to Condensed Financial Statements on its Annual Report on Form 10-K for the fiscal year ended December 31, 2024. There have been no further changes to these policies as of September 30, 2025.

Accounting Standards Updates

Recently Issued Accounting Standards

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, to expand the disclosure requirements for income taxes. Upon adoption, companies will be required to disclose additional specified categories in the rate reconciliation. Companies will also be required to disclose the amount of income taxes paid disaggregated by jurisdiction, among other disclosure requirements. The standard is effective for annual periods beginning after December 15, 2024, and can be applied either prospectively or retrospectively. We plan to adopt the standard in our 2025 annual period and are currently assessing its effect on our financial statement disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, to improve disclosures around an entity's expenses. Upon adoption, companies will be required to disclose in the notes to the financial statements a disaggregation of certain expense categories included within the expense captions on the face of the income statement. The standard is effective for annual periods beginning after December 15, 2026 and interim periods beginning after December 15, 2027, with early adoption permitted, and can be applied either prospectively or retrospectively. We plan to adopt the standard in our 2027 annual period and are currently assessing its effect on our financial statement disclosures.

NOTE 2: FAIR VALUE MEASUREMENTS

The following represents assets and liabilities measured at fair value on a recurring basis by the Company (in thousands):

September 30, 2025	Fair Value	Level 1	Level 2	Level 3
Assets:				
Money market funds	\$ 15,186	\$ 15,186	\$ —	\$ —
Investment in iECURE	744	—	—	744
Assets held for sale	126	—	—	126
	<u>\$ 16,056</u>	<u>\$ 15,186</u>	<u>\$ —</u>	<u>\$ 870</u>
Liabilities:				
Final payment fee	\$ 204	\$ —	\$ 204	\$ —
Warrant liability	4,026	—	—	4,026
	<u>\$ 4,230</u>	<u>\$ —</u>	<u>\$ 204</u>	<u>\$ 4,026</u>

December 31, 2024	Fair Value	Level 1	Level 2	Level 3
Assets:				
Money market funds	\$ 14,687	\$ 14,687	\$ —	\$ —
Investment in iECURE	3,206	—	—	3,206
Imugene Marketable Securities	413	413	—	—
Assets held for sale	169	—	—	169
	<u>\$ 18,475</u>	<u>\$ 15,100</u>	<u>\$ —</u>	<u>\$ 3,375</u>
Liabilities:				
Final payment fee	\$ 194	\$ —	\$ 194	\$ —
Warrant Liability	2,796	—	—	2,796
	<u>\$ 2,990</u>	<u>\$ —</u>	<u>\$ 194</u>	<u>\$ 2,796</u>

The following represents a reconciliation of assets measured and carried at fair value on a recurring basis with the use of significant unobservable inputs (Level 3) for the nine months ended September 30, 2025 (in thousands). The warrant reconciliation is disclosed in Note 13, *Warrants*:

	Investment in iECURE	Assets held for sale
Balance December 31, 2024	\$ 3,206	\$ 169
(Loss) gain from changes in fair value included in earnings	(2,462)	1
Assets sold	—	(18)
Write-offs	—	(26)
Balance September 30, 2025	<u>\$ 744</u>	<u>\$ 126</u>

The carrying amounts of the Company's accounts receivable, accounts payable, and accrued expenses and other current liabilities, approximate their respective fair values due to their short-term nature. The Company uses a three-tier fair value hierarchy to classify and disclose all assets and liabilities measured at fair value on a recurring basis and to minimize the use of unobservable inputs when determining their fair value. The three tiers are defined as follows:

Level 1—Observable inputs based on unadjusted quoted prices in active markets for identical assets or liabilities

Level 2—Inputs, other than quoted prices in active markets, which are observable either directly or indirectly

Level 3—Unobservable inputs for which there is little or no market data, which require the Company to develop its own assumptions

NOTE 3: DEBT

Loan and Security Agreement

On July 31, 2024, the Company entered into an amended and restated loan and security agreement (the “2024 Loan and Security Agreement”) with Banc of California pursuant to which Banc of California provided the Company with a term loan with a principal amount of \$22.5 million (the “2024 Term Loan”). The 2024 Term Loan bears interest at an annual rate equal to the greater of (i) 1.50% below the Prime Rate (as defined in the 2024 Loan and Security Agreement) then in effect or (ii) 4.50%. As of September 30, 2025, the stated interest rate on the 2024 Term Loan was 5.75% and the effective interest rate was 6.17%.

Additionally, as of September 30, 2025, \$22.5 million in borrowings were outstanding under the 2024 Term Loan and the unamortized debt discount balance was \$0.1 million. Refer to Note 12, *Debt*, to the Company’s audited financial statements included in the Company’s Annual Report for the fiscal year ended December 31, 2024, for more information related to the 2024 Loan and Security Agreement.

NOTE 4: COMMITMENTS AND CONTINGENCIES

Litigation

The Company is subject to various legal matters and claims in the ordinary course of business. Although the results of legal proceedings and claims cannot be predicted with certainty, in the opinion of management, there are currently no such known matters that will have a material effect on the financial condition, results of operations or cash flows of the Company.

Servier Program Purchase Agreement

On April 9, 2021, the Company entered into a program purchase agreement (the “Program Purchase Agreement”) with Les Laboratoires Servier and Institut de Recherches Internationales Servier (collectively, “Servier”), pursuant to which the Company reacquired all of its global development and commercialization rights previously granted to Servier pursuant to the Development and Commercial License Agreement by and between Servier and the Company, dated February 24, 2016, as amended (the “Servier Agreement”), and mutually terminated the Servier Agreement.

The Program Purchase Agreement requires the Company to make certain payments to Servier based on the achievement of regulatory and commercial milestones for each product. Management assessed the likelihood of each of the regulatory and commercial milestones included in the Program Purchase Agreement in accordance with ASC 450, *Contingencies*. If the assessment of a contingency indicates that it is probable that the milestone will be achieved and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company’s condensed financial statements.

Accordingly, contingent liabilities of \$10.0 million related to the Program Purchase Agreement are accrued and included in contract liabilities in the condensed balance sheets as of September 30, 2025 and December 31, 2024.

Leases

The Company has an operating lease for real estate in North Carolina and does not have any finance leases.

The elements of lease expense were as follows:

(in thousands)	For the Nine Months Ended September 30,	
	2025	2024
Lease Cost		
Operating lease cost	\$ 1,447	\$ 1,458
Short-term lease cost	586	568
Variable lease cost	353	316
Sublease income	—	(320)
Total Lease Cost	\$ 2,386	\$ 2,022
Other Information		
Operating cash flows used for operating leases	1,463	1,403
Operating Leases		
Weighted-average remaining lease term (in years)	3.8	4.8
Operating Leases		
Weighted-average discount rate	9.2 %	9.2 %

Future minimum lease payments under non-cancelable operating leases with terms of greater than one year as of September 30, 2025, were as follows:

(in thousands)	Amount
2025 (remainder of year)	\$ 499
2026	2,019
2027	2,078
2028	2,140
2029	1,269
Total lease payments	\$ 8,005
Less: imputed interest	1,251
Total operating lease liabilities	\$ 6,754

Guarantees

The Company agreed to act as a guarantor of Imugene’s assumption of the Company’s lease for its Manufacturing Center for Advanced Therapeutics (the “MCAT Lease”) through the lease expiration date of August 31, 2027. If Imugene (including any successor or assignee of Imugene) fails to pay rent due on the MCAT Lease, the lessor may have contractual recourse against the Company.

As of September 30, 2025, the Company’s guarantee consists of a contingent liability for aggregate minimum lease payments of approximately \$3.1 million. No contract liability for the Company’s guarantee of Imugene’s performance on the MCAT Lease was recorded as of September 30, 2025, as it was not deemed probable that Imugene will be in default under the MCAT Lease.

Supply Agreements

The Company enters into contracts in the normal course of business with contract manufacturing organizations (“CMOs”) for the manufacture of clinical trial materials and contract research organizations (“CROs”) for clinical trial services. These

agreements provide for termination at the request of either party with less than one-year's notice and are, therefore, cancellable contracts. If canceled, these agreements are not anticipated to have a material effect on the financial condition, results of operations, or cash flows of the Company.

Compensatory Arrangements of Certain Officers

On August 26, 2025, the Company entered into amended and restated employment agreements to help retain each of its executive officers: Michael Amoroso, the Company's President and Chief Executive Officer; Alex Kelly, the Company's Chief Financial Officer; Dario Scimeca, the Company's General Counsel and Secretary; and Jeff Smith, the Company's Chief Research Officer. The employment agreements are substantively similar to their prior employment agreements, except that they reflect such executive's current annual base salary and target bonus amounts, provide for the payment of existing cash severance in a lump sum, include provisions regarding termination without cause in connection with a "change in control" or a "restructuring event" (each as defined in the respective employment agreements), and provide for a payment to cover potential additional expenses. The amended employment agreements also include a requirement to fund the cash severance and expenses in an escrow account. As a result, the Company entered into escrow arrangements with JPMorgan Chase Bank, N.A. and the executives with respect to the funded amounts. Interest earned from the escrow account accrues to Precision BioSciences and any unused funds return to Precision BioSciences. As of September 30, 2025, the escrow account cash balance was \$3.8 million.

NOTE 5: STOCKHOLDERS' EQUITY

Capital Structure

On March 1, 2024, the Company entered into an underwriting agreement relating to a public offering of (i) 2,500,000 shares of the Company's common stock, par value \$0.000005 per share, and (ii) warrants to purchase up to an aggregate of 2,500,000 shares of the Company's common stock (the "March 2024 Public Offering"). The warrants have a five-year term and an exercise price of \$20.00 per share. Each warrant is exercisable immediately upon issuance, subject to certain limitations on beneficial ownership. The price to the public in the March 2024 Public Offering was \$16.00 per share of common stock and accompanying warrants, which resulted in approximately \$37.0 million of net proceeds to the Company after deducting the underwriting discount and offering expenses of approximately \$3.0 million.

NOTE 6: COLLABORATION AND LICENSE AGREEMENTS

TG Therapeutics

On January 7, 2024, the Company entered into a license agreement (the "TG License Agreement") with TG Cell Therapy, Inc. ("TG Subsidiary") and its parent company TG Therapeutics, Inc. ("TG Parent" and, together with TG Subsidiary, "TG Therapeutics"), pursuant to which the Company granted TG Subsidiary certain exclusive and non-exclusive license rights to develop, manufacture, and commercialize azer-cel for autoimmune diseases and other indications outside of cancer pursuant to the terms of the TG License Agreement.

Under the TG License Agreement, the Company received an upfront cash payment of \$10.0 million (the "Upfront Payment") comprised of (i) a \$5.25 million cash payment that was paid to the Company on February 5, 2024, (ii) a \$2.25 million cash payment that was paid to the Company on February 5, 2024 in exchange for 97,360 shares of the Company's common stock, based on a price per share equal to a 100% premium to the VWAP of the Company's common stock for the 30 trading days prior to the date of the TG License Agreement, and (iii) a deferred cash payment of \$2.5 million that was paid to the Company on January 6, 2025 in exchange for 220,712 shares of the Company's common stock at a price per share of \$11.33, which represented a 100% premium to the VWAP of the Company's common stock for the 30 trading days prior to the date of payment. The Company will also receive an additional cash payment of \$7.5 million in the event that TG Therapeutics achieves a certain clinical milestone. The Company is also entitled to receive additional payments upon the achievement of additional specified milestones of up to \$288.6 million.

During the three and nine months ended September 30, 2025, the Company recognized no revenue under the TG License Agreement. During the three and nine months ended September 30, 2024, the Company recognized no revenue and \$8.0 million, respectively, under the TG License Agreement.

Collaboration and License Agreement with Novartis

During each of the three and nine months ended September 30, 2025, the Company recognized revenue under the collaboration and license agreement between the Company and Novartis Pharma AG (the “Novartis Agreement”) of less than \$0.1 million. During the three and nine months ended September 30, 2024, the Company recognized revenue under the Novartis Agreement of \$0.6 million and \$5.9 million, respectively. Deferred revenue related to the Novartis Agreement amounted to \$26.2 million and \$26.3 million as of September 30, 2025 and December 31, 2024, respectively, of which \$6.3 million and \$3.0 million, respectively, was included in current liabilities within the condensed balance sheets.

Development and License Agreement with Prevail

For the three and nine months ended September 30, 2025, the Company recognized no revenue under the amended and restated development and license agreement between the Company and Prevail Therapeutics Inc. (the “Prevail Agreement”) as it was terminated in the prior year, and the Company subsequently exercised its rights to the return of its three programs. For the three and nine months ended September 30, 2024, the Company recognized no revenue and \$52.7 million of revenue, respectively, under the Prevail Agreement. The Company has no deferred revenue related to the Prevail Agreement as of September 30, 2025 and December 31, 2024 due to the termination.

Development and License Agreement with iECURE

The Company adjusts the carrying value of the iECURE, Inc. (“iECURE”) equity to fair value each reporting period with any changes in fair value recorded to other (expense) income. There was a \$2.5 million decrease in the fair value of the iECURE equity during the nine months ended September 30, 2025 and no change in the fair value for the three months ended September 30, 2025 and the three and nine months ended September 30, 2024.

NOTE 7: SHARE-BASED COMPENSATION

The Company previously granted stock options under its 2015 Stock Incentive Plan (the “2015 Plan”). As of September 30, 2025 there were 26,029 stock options outstanding under the 2015 Plan and no remaining stock options available to be granted under the 2015 Plan.

The 2019 Incentive Award Plan (as amended and restated, the “2019 Plan”) provides for the grant of incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock, restricted stock units and other share-based awards. The 2019 Plan had 44,493 stock options and 1,623,725 restricted stock units (“RSUs”) outstanding as of September 30, 2025.

The number of shares available for issuance under the 2019 Plan initially equaled 158,333 shares of common stock. The 2019 Plan provides for an annual increase to the number of shares of common stock available for issuance on the first day of each calendar year beginning January 1, 2020 and ending on and including January 1, 2029 by an amount equal to the lesser of (i) 4% of the aggregate number of shares of common stock outstanding on the final day of the immediately preceding calendar year and (ii) such smaller number of shares of common stock as determined by the board of directors. As of September 30, 2025, the aggregate number of shares available for issuance under the 2019 Plan has been increased by 1,318,362 pursuant to this provision. Additionally, the number of shares available for issuance under the plan was increased by an additional 630,000 shares in connection with the amendment and restatement of the 2019 Plan approved at the Company’s annual meeting of stockholders on June 4, 2024. Any shares that are subject to awards outstanding under the Company’s 2006 Plan and 2015 Plan as of the effective date of the 2019 Plan that expire, lapse, or are terminated, exchanged for cash, surrendered, repurchased, or canceled without having been fully exercised or forfeited, to the extent so unused, will become available for award grants under the 2019 Plan. As of September 30, 2025, no shares were available to be issued under the 2019 Plan.

The purchase price of the shares under the 2019 ESPP, in the absence of a contrary designation, will be 85% of the lower of the fair market value of our common stock on the first trading day of the offering period or on the purchase date. As of September 30, 2025, we had issued 106,910 shares under the 2019 ESPP. As of September 30, 2025, 79,756 shares were available to be issued under the 2019 ESPP. The Company recognized share-based compensation expense related to the 2019 ESPP of \$0.1 million or less during the nine months ended September 30, 2025 and September 30, 2024.

The 2021 Employment Inducement Incentive Award Plan (as amended, the “Inducement Award Plan”) provides for the grant of non-qualified stock options, stock appreciation rights, restricted stock, RSUs and other share-based awards to

newly hired employees who have not previously been an employee or member of the board, or an employee who is being rehired following a bona fide period of non-employment by the Company. No more than 500,000 shares of the Company's common stock may be issued under the Inducement Award Plan. As of September 30, 2025, 381,225 shares were available to be issued under the Inducement Award Plan. The Inducement Award Plan had 98,855 stock options and 10,720 RSUs outstanding as of September 30, 2025.

The Company recorded employee and nonemployee share-based compensation expense as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Employee	\$ 2,226	\$ 2,730	\$ 7,606	\$ 7,800
Nonemployee	160	469	539	1,233
	<u>\$ 2,386</u>	<u>\$ 3,199</u>	<u>\$ 8,145</u>	<u>\$ 9,033</u>

Share-based compensation expense is included in the following line items in the condensed statements of operations (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2025	2024	2025	2024
Research and development	\$ 464	\$ 512	\$ 1,365	\$ 1,985
General and administrative	1,922	2,687	6,780	7,048
	<u>\$ 2,386</u>	<u>\$ 3,199</u>	<u>\$ 8,145</u>	<u>\$ 9,033</u>

The following table summarizes activity in the Company's stock option plans for the nine months ended September 30, 2025:

	Outstanding Option Shares	Weighted-Average Exercise Price
Balance as of December 31, 2024	376,551	\$ 136.59
Granted	—	—
Exercised	—	—
Forfeited/canceled	(207,174)	112.62
Balance as of September 30, 2025	<u>169,377</u>	<u>\$ 165.92</u>

The fair value of each RSU was determined based on the closing market price of the Company's common stock on the date of grant. The fair value of the RSUs will be recognized as expense over the requisite vesting period.

The following table summarizes the Company's RSU activity for the nine months ended September 30, 2025:

	RSU Awards	Weighted-Average Grant Date Fair Value
Unvested RSUs as of December 31, 2024	975,520	\$ 14.32
Granted	1,051,109	5.04
Forfeited	(20,729)	16.61
Vested	(371,455)	16.81
Unvested RSUs as of September 30, 2025	<u>1,634,445</u>	<u>\$ 7.76</u>

There was approximately \$9.0 million of total unrecognized compensation cost related to unvested stock options and RSUs as of September 30, 2025, which is expected to be recognized over a weighted-average period of 1.7 years.

NOTE 8: DISCONTINUED OPERATIONS

The Company determined that the sale of its cell therapy operations qualified for discontinued operations accounting treatment in accordance with ASC 205-20, *Presentation of Financial Statements – Discontinued Operations*.

The historical balance sheet and statements of operations of the Company and the related notes to the financial statements have been presented as discontinued operations in the financial statements and prior periods have been recast. Discontinued operations include the results of the Company's historical cell therapy operations.

The following table shows amounts included in assets and liabilities of discontinued operations, respectively, on the Company's balance sheets as of September 30, 2025 and December 31, 2024:

	<u>September 30, 2025</u>	<u>December 31, 2024</u>
Current liabilities of discontinued operations		
Accrued research and development expenses	885	1,204
Total current liabilities of discontinued operations	885	1,204

NOTE 9: ELO TRANSACTION

It was determined that the Company possesses the ability to exercise significant influence over the operating and financial policies of Elo, an independent entity as of December 2021. Accordingly, the Company accounts for its investment in Elo under the equity method.

The Company owned approximately 26% of Elo's voting shares outstanding as of December 31, 2024. In February 2025, Elo raised additional funding from its Series A-2 financing. The Company recognized a \$2.3 million gain on dilution under the equity method during the nine months ended September 30, 2025. The Company owned approximately 22% of Elo's voting shares outstanding as of September 30, 2025. The Company's proportionate share of Elo's net loss for the nine months ended September 30, 2025 and 2024 was \$2.2 million and \$2.8 million, respectively.

Note Receivable

The Company received common stock in Elo and a \$10.0 million promissory note payable from Elo (the "Note Receivable") which matures on the earlier of (i) December 1, 2028 or (ii) a Deemed Liquidation Event (as defined in the Elo's Amended and Restated Certificate of Incorporation). As of September 30, 2025, the carrying value of the Note Receivable was \$5.4 million including a \$3.8 million decrease in the carrying value as a result of equity method investment losses. The remaining \$4.6 million discount on the Note Receivable will be amortized to interest income over the life of the Note Receivable.

NOTE 10: INCOME TAXES

The Company estimates an annual effective tax rate of 0% for the year ending December 31, 2025 as the Company incurred losses for financial statement and tax purposes for the nine months ended September 30, 2025. The Company is forecasting additional net losses for financial statement and tax purposes for the remainder of the year ending December 31, 2025. Therefore, no federal or state income taxes are expected, and none have been recorded at this time. Income taxes have been accounted for using the liability method in accordance with ASC 740, *Income Taxes*.

Due to the Company's history of losses since inception, there is not enough evidence at this time to support that the Company will generate future income of a sufficient amount and nature to utilize the benefits of its net deferred tax assets. Accordingly, the deferred tax assets have been reduced by a full valuation allowance, since the Company does not currently believe that realization of its deferred tax assets is more likely than not.

As of September 30, 2025, the Company had no unrecognized tax benefits that would reduce the Company's effective tax rate if recognized.

NOTE 11: EARNINGS PER SHARE

The Company calculates basic net income (loss) per share by dividing net income (loss) for each respective period by the weighted-average number of common shares outstanding for each respective period. The Company computes diluted net income (loss) per share after giving consideration to the dilutive effect of unvested RSUs, stock options, unsettled ESPP contributions, and warrants that are outstanding during the period, except where such securities would be anti-dilutive.

The computations of basic and diluted net loss per share attributable to common stockholders are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2025	2024	2025	2024
(Loss) income from operations (in thousands)	\$ (21,772)	\$ (16,425)	\$ (65,857)	\$ 24,912
Net (loss) income (in thousands)	\$ (21,772)	\$ (16,425)	\$ (65,857)	\$ 24,912
Basic weighted-average common shares	11,818,145	7,287,173	10,728,199	6,441,375
Dilutive impact of share-based awards	—	—	—	149,510
Diluted weighted-average common shares (1)	11,818,145	7,287,173	10,728,199	6,590,885
Basic net (loss) income per share:				
Basic (loss) income from operations	(1.84)	(2.25)	(6.14)	3.87
Basic net (loss) income per share	(1.84)	(2.25)	(6.14)	3.87
Diluted net (loss) income per share:				
Diluted (loss) income from operations	(1.84)	(2.25)	(6.14)	3.78
Diluted net (loss) income per share	(1.84)	(2.25)	(6.14)	3.78

(1) For the three and nine months ended September 30, 2025 and the three months ended September 30, 2024 all outstanding total common stock equivalents were excluded from the diluted calculation as their inclusion would have been anti-dilutive. 3,012,363 total common stock equivalents were excluded from the diluted weighted-average common shares calculation for the nine months ended September 30, 2024 as their inclusion would have been anti-dilutive.

NOTE 12: SEGMENT REPORTING

Operating segments are identified as components of an entity about which separate discrete financial information is available for evaluation by the chief operating decision maker or decision-making group (“CODM”) in making decisions on how to allocate resources and assess performance. The Company’s CODM, the Chief Executive Officer, views the Company’s operations as one operating segment, which includes the discovery and development of therapies utilizing our novel proprietary ARCUS platform. Our clinical and preclinical candidates were developed using the ARCUS platform to treat various forms of infectious and genetic disease.

The Company has not generated any revenue from product sales to date and expects to incur significant expenses and operating losses for the foreseeable future as it advances product candidates through development and clinical trials. As such, the CODM uses cash forecast models in managing and allocating resources on a total company basis, such as pursuing clinical development or entering into potential strategic collaborations. The CODM assesses the overall level of resources available and how to best deploy these resources across functions and research and development projects that are in line with the Company’s long-term strategic goals.

Consistent with its management reporting, results of operations are reported on a Company-wide basis for purposes of segment reporting. The CODM uses Company-wide financial information, including net income (loss) and comprehensive income (loss), net cash used in operating activities for the period, and cash on hand for purposes of evaluating operating results and performance. As the Company operates in one operating segment, all measures of the segment assets are reported on the balance sheets as total assets. Please refer to the financial statements for further information related to these measures of segment performance.

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The table below summarizes the significant research and development and general and administrative expense categories regularly provided to the CODM for the three months ended September 30, 2025 and September 30, 2024:

(in thousands)	Three months ended September 30,	
	2025	2024
Revenue	\$ 13	\$ 576
Operating expenses		
Research and development		
Direct research and development expenses by product candidate:		
PBGENE-HBV external development costs	1,596	2,484
PBGENE-DMD external development costs	3,738	298
PBGENE-3243 external development costs	731	2,619
Platform development and early-stage research expenses:		
Employee-related costs (including share-based compensation)	5,457	5,167
Laboratory supplies and services	329	539
CMOs and outsourced research and development	57	138
Facility-related costs, laboratory equipment, and maintenance	684	747
Depreciation and amortization	309	589
Licensing fees and other research and development costs	451	503
Total research and development expenses	\$ 13,352	\$ 13,084
General and administrative expense		
Employee-related costs (including share-based compensation)	4,431	5,563
Consulting and professional services	1,412	1,589
Other operating expenses and all other costs	1,485	1,615
Total general and administrative expenses	\$ 7,328	\$ 8,767
Total operating expenses	\$ 20,680	\$ 21,851
Operating loss	(20,667)	(21,275)
Total other (expense) income	(1,105)	4,850
Loss from operations	\$ (21,772)	\$ (16,425)
Net loss	\$ (21,772)	\$ (16,425)

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The table below summarizes the significant research and development and general and administrative expense categories regularly provided to the CODM for the nine months ended September 30, 2025 and September 30, 2024.

(in thousands)	Nine months ended September 30,	
	2025	2024
Revenue	\$ 60	\$ 68,058
Operating expenses		
Research and development		
Direct research and development expenses by product candidate:		
PBGENE-HBV external development costs	4,575	13,194
PBGENE-DMD external development costs	10,339	629
PBGENE-3243 external development costs	2,871	4,795
Platform development and early-stage research expenses:		
Employee-related costs (including share-based compensation)	15,523	15,915
Laboratory supplies and services	1,340	1,953
CMOs and outsourced research and development	390	478
Facility-related costs, laboratory equipment, and maintenance	2,219	2,375
Depreciation and amortization	979	2,322
Licensing fees and other research and development costs	1,472	1,991
Total research and development expenses	\$ 39,708	\$ 43,652
General and administrative expense		
Employee-related costs (including share-based compensation)	15,621	15,671
Consulting and professional services	4,613	4,543
Other operating expenses and all other costs	4,774	5,508
Total general and administrative expenses	\$ 25,008	\$ 25,722
Total operating expenses	\$ 64,716	\$ 69,374
Operating loss	(64,656)	(1,316)
Total other (expense) income	(1,201)	26,228
(Loss) income from operations	\$ (65,857)	\$ 24,912
Net (loss) income	\$ (65,857)	\$ 24,912

NOTE 13: WARRANTS

The warrants issued in the March 2024 Public Offering are classified as a liability in accordance with ASC 815, since these warrants met the definition of a derivative instrument and did not qualify for equity classification. These warrant agreements include a fundamental transaction clause whereby, in the event that another person or entity becomes the beneficial owner of 50% of the outstanding shares of the Company's common stock, and if other conditions are met, the Company may be required to purchase the warrants from the holders by paying cash in an amount equal to the Black-Scholes value of the remaining unexercised portion of the warrants on the date of such fundamental transaction. This liability is subject to remeasurement at each balance sheet date until the warrants are exercised or expire, and any change in fair value is recognized in the Company's condensed statements of operations.

The fair value adjustment for the three months ended September 30, 2025 was \$1.2 million using the Black-Scholes option-pricing model. As of September 30, 2025 all of the 2,500,000 warrants are outstanding. The Company estimated the fair value of the warrant liability using the following assumptions as of September 30, 2025:

Estimated dividend yield		0.00%
Weighted-average expected stock price volatility		81.90%
Weighted-average risk-free interest rate		3.64%
Expected term (in years)		3.42
Weighted-average fair value per option	\$	1.61

The following table summarizes the Company's warrant liability (in thousands):

Balance at December 31, 2024	\$	2,796
Issuance of warrants		—
Change in fair value of warrant liability		1,230
Balance at September 30, 2025	\$	4,026

NOTE 14: SUBSEQUENT EVENTS

Imugene has scheduled a Type C meeting with the U.S. Food and Drug Administration ("FDA") to discuss potential pivotal study design options for azer-cel under its license agreement with the Company. On October 31, 2025, the Company received an \$8.0 million milestone payment from Imugene, including \$3.0 million in cash and \$5.0 million in Imugene stock.

On October 31, 2025, the Company received written notice from Novartis of its termination of the Novartis Agreement. The termination will be effective on January 30, 2026.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our Financial Statements and the related notes to those statements included elsewhere in this Quarterly Report on Form 10-Q. Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report on Form 10-Q, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. As a result of many important factors, including those set forth in Part II. Item 1A. "Risk Factors" of this Quarterly Report on Form 10-Q, our actual results could differ materially from the results described in, or implied by, these forward-looking statements. As used in this Quarterly Report on Form 10-Q, unless the context otherwise requires, references to "we," "us," "our," the "Company" and "Precision" refer to Precision BioSciences, Inc.

Overview

We are a clinical stage gene editing company dedicated to improving life by developing *in vivo* therapies for genetic and infectious diseases with the application of our wholly-owned proprietary ARCUS genome editing platform. The foundation of ARCUS is a natural homing endonuclease which allows us to replicate precise gene editing as it evolved in nature for sophisticated gene edits, including gene insertion, excision, and elimination. ARCUS is also unique in its relatively small size which potentially allows delivery to a wider range of cells and tissues using viral and non-viral gene delivery methods.

We are leveraging our proprietary ARCUS genome editing platform to advance *in vivo* gene editing programs that go beyond gene knockouts in the liver and carry out more sophisticated edits such as gene insertions, gene excision, and gene elimination, unlocking a broader potential for ARCUS *in vivo* gene editing in human therapeutics.

PBGENE-HBV is our wholly owned *in vivo* gene editing program under investigation in a global first-in-human clinical trial, which is designed to be a potentially curative treatment for chronic Hepatitis B infection. PBGENE-HBV is the first and only potentially curative gene editing program to enter the clinic that is specifically designed to eliminate cccDNA and inactivate integrated HBV DNA, the root cause chronic Hepatitis B. The ELIMINATE-B trial is investigating PBGENE-HBV at multiple ascending dose levels with three dose administrations per dose level in patients with chronic Hepatitis B. The ELIMINATE-B trial is recruiting patients in the U.S., Moldova, Hong Kong, New Zealand and the U.K.

In August 2025, we announced Phase 1 safety and efficacy data for Cohort 1 (0.2 mg/kg) and initial safety data from Cohort 2 (0.4 mg/kg) in the ELIMINATE-B study and subsequently presented the data in September 2025 at the 6th International Coalition to Eliminate HBV Cure Symposium. Following multiple administrations across two dose levels in Cohort 1 and Cohort 2, PBGENE-HBV has continued to be well-tolerated and active. We commenced dosing patients in Cohort 3 in the third quarter of 2025 with additional data readouts planned in early 2026.

We have been selected to deliver a late-breaking oral presentation at the upcoming Liver Meeting 2025 during the 75th American Association for the Study of Liver Diseases on November 10, 2025. The oral presentation will feature new data from the first two cohorts of the ongoing Phase 1 ELIMINATE-B Trial.

Duchenne muscular dystrophy, or DMD, is a genetic disease caused by mutations in the dystrophin gene that prevent production of the dystrophin protein and affects approximately 15,000 patients in the United States alone. There are currently no approved therapies with curative intent that can drive durable and significant functional improvements over time. PBGENE-DMD is designed to improve function for more than 60% of patients afflicted with DMD by employing two complementary ARCUS nucleases delivered in a single AAV to excise exons 45-55 of the dystrophin gene. The aim of this approach is to restore a near-full length functional dystrophin protein within the body that more closely resembles normal dystrophin as opposed to synthetic, truncated dystrophin approaches with minimal functional benefit.

The U.S. Food and Drug Administration ("FDA") granted PBGENE-DMD Rare Pediatric Disease designation in June 2025 for the treatment of DMD followed by Orphan Drug Designation in July 2025, highlighting the significant unmet need for new therapeutic options for those living with DMD.

On October 10, 2025, we presented a late-breaking poster presentation at the 30th Annual International Congress of the World Muscle Society meeting, highlighting durable improvements in muscle function over time through increased dystrophin expression and dystrophin-positive cells for PBGENE-DMD. The data from a DMD mouse model demonstrated that dystrophin protein was detected in all muscles evaluated following the administration of PBGENE-DMD at doses up to 1×10^{14} vg/kg, with increased expression observed at 9 months versus prior timepoints in the quadriceps, gastrocnemius,

heart, and diaphragm, resulting in substantial and sustained functional muscle improvement. An increase in dystrophin-positive muscle cells were observed in all muscles. The maximum force output was significantly improved over untreated DMD mice at 3-, 6- and 9-months post-treatment, highlighting expected durability of PBGENE-DMD outcomes.

We have completed final toxicology studies and are manufacturing clinical supplies with an anticipated U.S. investigational new drug (“IND”) filing by the end of 2025. Pending IND clearance, Phase 1 initiation in DMD patients is anticipated in the first half of 2026 with initial clinical data expected in the second half of 2026.

PBGENE-3243 is a potential treatment for m.3243 associated mitochondrial disease that is designed to specifically target and eliminate mutant m.3243G mitochondrial DNA (“mtDNA”), thereby eliminating the root cause of the disease. We have paused development of PBGENE-3243 to prioritize our two lead programs, PBGENE-HBV and PBGENE-DMD.

In partnership with iECURE, Inc. (“iECURE”), an ARCUS-mediated targeted gene insertion approach is being pursued as a potential treatment option for neonatal onset ornithine transcarbamylase (“OTC”) deficiency. iECURE presented at several recent medical conferences with updated ECUR-506 clinical data including the 6th International Symposium on Urea Cycle Disorders and the 15th International Congress of Inborn Errors of Metabolism, both held in early September 2025 in Kyoto, Japan. In October 2025, medical conferences included the European Society of Gene & Cell Therapy Annual Congress held in Sevilla, Spain, and the American Society of Human Genetics Annual Meeting in Boston, Massachusetts.

These data presentations build upon previously reported clinical results demonstrating complete clinical response in the first participant at the lowest dose level (1.3×10^{13} GC/kg) of ECUR-506, as defined by the study protocol. The OTC-HOPE study is ongoing in the U.K., the U.S., Australia, and Spain with data from the trial expected in the first half of 2026.

Imugene Limited, our clinical stage partner developing azer-cel for oncology indications, announced in September 2025, additional efficacy data from its Phase 1b clinical trial evaluating azer-cel and IL-2 in patients with relapsed/refractory diffuse large B-cell lymphoma. The updated data showcased an overall response rate of 81% in patients treated with azer-cel and IL-2 with seven complete responses and six partial responses in patients treated with azer-cel including several patients remaining in durable remission beyond one year.

On October 28, 2025, Imugene announced the first efficacy results from the CAR T-naïve cohort of its ongoing Phase 1b trial of azer-cel. Of six evaluable CAR T-naïve patients, five (83%) achieved an overall response including three (50%) complete responses. The result of the sixth patient’s follow-up scan is pending. A total of ten patients have been treated in this CAR T-naïve cohort thus far, with additional results to come upon patient follow-up. These initial results encompass several rare lymphoma subtypes, notably Waldenström Macroglobulinemia (WM), Marginal Zone Lymphoma (MZL), and Primary Central Nervous System Lymphoma (PCNSL).

Imugene is actively enrolling patients in the Phase 1b azer-cel trial at ten U.S. sites and five sites in Australia. Imugene has scheduled a Type C meeting with the FDA to discuss potential pivotal study design options for azer-cel. On October 31, 2025, the Company received an \$8.0 million milestone payment from Imugene, including \$3.0 million in cash and \$5.0 million in Imugene stock.

Components of our Results of Operations

Revenue

To date, we have not generated any revenue from product sales and do not expect to generate any revenue from product sales in the foreseeable future. We record revenue from collaboration and license agreements, including amounts related to upfront payments, milestone payments, fees for licenses of our intellectual property, and research and development funding.

Research and Development Expenses

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

- salaries, benefits and other related costs, including share-based compensation expense, for personnel engaged in research and development functions;

- expenses incurred under agreements with third parties, including third parties that conduct preclinical research and development activities on our behalf;
- costs of manufacturing drug products for use in our preclinical studies, including the costs of contract manufacturing organizations (“CMOs”);
- costs of outside consultants;
- costs of laboratory supplies and acquiring, developing and manufacturing preclinical study materials;
- license payments made for intellectual property used in research and development activities; and
- facility-related expenses, which include direct depreciation costs and expenses for rent and maintenance of facilities and other operating costs if specifically identifiable to research activities.

We expense research and development costs as incurred. We track external research and development costs by product candidate beginning when it is publicly named as a development program. Internal and external costs that are not identifiable to specific development candidates are included in the platform development expenses category.

Research and development activities are central to our business model. While we expect our costs to decrease in the short-term for 2026 and 2027 as a result of our cost reduction initiatives, we expect that our research and development expenses will increase over the long term and will comprise a larger percentage of our total expenses as we progress development of our product candidates.

We cannot determine with certainty the duration and costs of future clinical trials for our product candidates 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 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 our product candidates will depend on a variety of factors, including:

- the scope, rate of progress, expense and results of future clinical trials of our product candidates and other research and development activities that we may conduct;
- the ability to collaborate and partner with third parties to fund any or all of our programs;
- uncertainties in clinical trial design and patient enrollment rates;
- the actual probability of success for our product candidates, including their safety and efficacy, early clinical data, competition, manufacturing capability and commercial viability;
- significant and changing government regulation and regulatory guidance;
- the timing and receipt of any marketing approvals; 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 mean 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 slower than expected patient enrollment or other reasons, we would be required to expend significant additional financial resources and time on the completion of clinical development.

General and Administrative Expenses

General and administrative expenses consist primarily of salaries, consulting fees, recruitment-related costs and other employee-related costs, including share-based compensation, for personnel in our executive, finance, business development, operations and administrative functions. General and administrative expenses also include legal fees relating to intellectual property and corporate matters; information technology costs; insurance costs; travel expenses; and facility-related expenses, which include direct depreciation costs and expenses for rent and maintenance of facilities and other operating costs that are not specifically attributable to research activities.

Change in Equity Method Investment

Changes in fair value on our equity method investment represents changes in the investment value as a result of dilution from our proportionate share of our equity method investee, Elo Life Systems, Inc. (“Elo”), resulting from its Series A-2 financing offset by our proportionate share of net loss of Elo. Changes in the investment value also occur as a result of our proportionate share of Elo’s profit and loss activity in a reporting period.

Changes in Other Fair Value Adjustments

The change in other fair value adjustments represents the assessed changes in fair value of assets and liabilities carried at fair value.

As part of the consideration received in connection to the development and license agreement with iECURE, we entered into an equity issuance agreement with iECURE (the “iECURE Equity Agreement”), pursuant which iECURE issued us common stock in iECURE.

We adjust the carrying value of the iECURE investment under the iECURE Equity Agreement to its fair value each reporting period with any changes in fair value recorded to other (expense) income.

Change in Fair Value of Warrant Liability

The change in fair value of warrant liability represents the mark-to-market fair value adjustments to the outstanding warrants issued in connection with an underwriting agreement in March 2024 relating to a public offering of (i) 2,500,000 shares of our common stock, par value \$0.000005 per share, and (ii) warrants to purchase up to an aggregate of 2,500,000 shares of our common stock (the “March 2024 Public Offering”).

Interest Expense

Interest expense consists of interest payments incurred and discount amortization on debt outstanding.

Interest Income

Interest income consists of interest income earned on our cash and cash equivalents and note receivable from Elo.

Gain on Disposal of Assets

Gain on disposal of assets represents the difference between the sale price and remaining net book value of sold assets at the time of their sale.

Results of Operations

Comparison of the Three Months Ended September 30, 2025 and September 30, 2024

The following table summarizes our results of operations for the three months ended September 30, 2025 and September 30, 2024, together with the changes in those items:

(in thousands)	For the Three Months Ended September 30,		
	2025	2024	Change
Revenue	\$ 13	\$ 576	\$ (563)
Operating expenses			
Research and development	13,352	13,084	268
General and administrative	7,328	8,767	(1,439)
Total operating expenses	20,680	21,851	(1,171)
Operating loss	(20,667)	(21,275)	608
Other (expense) income:			
Loss from equity method investment	(591)	(875)	284
(Loss) gain on changes in other fair value adjustments	(3)	571	(574)
(Loss) gain on change in fair value of warrant liability	(1,179)	3,647	(4,826)
Interest expense	(362)	(256)	(106)
Interest income	1,027	1,763	(736)
Gain on disposal of assets	3	—	3
Total other (expense) income	(1,105)	4,850	(5,955)
Loss from operations	(21,772)	(16,425)	(5,347)
Net loss	\$ (21,772)	\$ (16,425)	\$ (5,347)

Revenue

Revenue for the three months ended September 30, 2025 was less than \$0.1 million, compared to \$0.6 million for the three months ended September 30, 2024. The decrease in revenue during the three months ended September 30, 2025 was the result of less billable effort under our collaboration and license agreement (the “Novartis Agreement”) with Novartis Pharma AG (“Novartis”) as we neared the completion of our preclinical work plan during the three months ended September 30, 2025 compared to the three months ended September 30, 2024.

Research and Development Expenses

(in thousands)	Three months ended September 30,		
	2025	2024	Change
Direct research and development expenses by product candidate:			
PBGENE-HBV external development costs	\$ 1,596	\$ 2,484	\$ (888)
PBGENE-DMD external development costs	3,738	298	3,440
PBGENE-3243 external development costs	731	2,619	(1,888)
Platform development and early-stage research expenses:			
Employee-related costs (including share-based compensation)	5,457	5,167	290
Laboratory supplies and services	329	539	(210)
CMOs and outsourced research and development	57	138	(81)
Facility-related costs, laboratory equipment, and maintenance	684	747	(63)
Depreciation and amortization	309	589	(280)
Licensing fees and other research and development costs	451	503	(52)
Total research and development expenses	\$ 13,352	\$ 13,084	\$ 268

Research and development expenses for the three months ended September 30, 2025 were \$13.4 million, compared to \$13.1 million for the three months ended September 30, 2024. The increase of \$0.3 million was primarily due to a \$3.4 million increase in our direct expenses in PBGENE-DMD which was partially offset by a \$2.8 million decrease in our direct expenses in the PBGENE-HBV and PBGENE-3243 programs. Additionally offsetting the increase was a \$0.4 million reduction in platform development and early-stage research expenses.

The increase in expense of \$3.4 million for PBGENE-DMD was a result of the program's acceleration in 2025. The direct expense decrease of \$0.9 million for PBGENE-HBV was due to lower manufacturing and toxicology expenses as the program transitioned to the clinic at the end of 2024. PBGENE-3243 also had an expense decrease of \$1.9 million as we have paused development. Platform development and early-stage research expenses decreased over the comparison period as a result of a \$0.3 million decrease in depreciation and amortization and a \$0.2 million decrease in laboratory supplies and services expenses.

General and Administrative Expenses

General and administrative expenses were \$7.3 million for the three months ended September 30, 2025, compared to \$8.8 million for the three months ended September 30, 2024. The decrease of approximately \$1.4 million was primarily due to a \$1.1 million decrease in employee-related costs and a \$0.2 million decrease in consulting and professional services expenses.

Loss from Equity Method Investment

Loss from equity method investment was \$0.6 million during the three months ended September 30, 2025 compared to \$0.9 million during the three months ended September 30, 2024, which represented our proportionate share of Elo's net loss in each period.

(Loss) Gain on Changes in Other Fair Value Adjustments

Loss on changes in other fair value adjustments was less than \$0.1 million for the three months ended September 30, 2025, which is attributable to the change in fair value on the final payment fee associated with the term loan. Gain on changes in other fair value adjustments was \$0.6 million for the three months ended September 30, 2024, which was primarily attributable to the increase in fair value of the Imugene Convertible Note for that period.

(Loss) Gain on Change in Fair Value of Warrant Liability

Loss from change in fair value of the warrant liability was \$1.2 million for the three months ended September 30, 2025 compared to a gain of \$3.6 million for the three months ended September 30, 2024, which represents the mark-to-market fair value adjustment to the outstanding warrants issued in connection with the March 2024 Public Offering.

Interest Expense

Interest expense was \$0.4 million for the three months ended September 30, 2025 compared to \$0.3 million for the three months ended September 30, 2024. During the three months ended September 30, 2024, the final payment fee from our previous line of credit debt instrument was waived, which was offset against interest expense during the period.

Interest Income

Interest income was \$1.0 million during the three months ended September 30, 2025 compared to \$1.8 million during the three months ended September 30, 2024. The decrease of approximately \$0.7 million in interest income was the result of lower interest rates and a lower cash balance during the three months ended September 30, 2025 as compared to the three months ended September 30, 2024.

Gain on Disposal of Assets

Gain on disposal of assets was less than \$0.1 million during the three months ended September 30, 2025. There was no gain or loss on disposal of assets during the three months ended September 30, 2024.

Comparison of the Nine Months Ended September 30, 2025 and September 30, 2024

The following table summarizes our results of operations for the nine months ended September 30, 2025 and September 30, 2024, together with the changes in those items:

(in thousands)	For the Nine Months Ended September 30,		Change
	2025	2024	
Revenue	\$ 60	\$ 68,058	\$ (67,998)
Operating expenses			
Research and development	39,708	43,652	(3,944)
General and administrative	25,008	25,722	(714)
Total operating expenses	64,716	69,374	(4,658)
Operating loss	(64,656)	(1,316)	(63,340)
Other (expense) income:			
Gain (loss) from equity method investment	86	(112)	198
(Loss) gain on changes in other fair value adjustments	(2,418)	917	(3,335)
(Loss) gain on change in fair value of warrant liability	(1,230)	21,798	(23,028)
Interest expense	(1,074)	(1,390)	316
Interest income	3,466	5,269	(1,803)
Loss on disposal of assets	(31)	(254)	223
Total other (expense) income	(1,201)	26,228	(27,429)
(Loss) income from operations	(65,857)	24,912	(90,769)
Net (loss) income	\$ (65,857)	\$ 24,912	\$ (90,769)

Revenue

Revenue for the nine months ended September 30, 2025 was less than \$0.1 million, compared to \$68.1 million for the nine months ended September 30, 2024. The decrease of \$68.0 million in revenue during the nine months ended September 30, 2025 was primarily the result of \$52.7 million of revenue recognized in the prior period related to the conclusion of the Prevail Therapeutics Agreement, which represented all remaining deferred revenue under that agreement. Additionally contributing to the decrease in revenue were \$9.5 million of revenue recognized under the TG License Agreement and Caribou Biosciences, Inc. license agreement during the nine months ended September 30, 2024, and a \$5.9 million decrease in revenue recognized under the Novartis Agreement as we neared the completion of our preclinical work plan.

Research and Development Expenses

(in thousands)	Nine months ended September 30,		
	2025	2024	Change
Direct research and development expenses by product candidate:			
PBGENE-HBV external development costs	\$ 4,575	\$ 13,194	\$ (8,619)
PBGENE-DMD external development costs	10,339	629	9,710
PBGENE-3243 external development costs	2,871	4,795	(1,924)
Platform development and early-stage research expenses:			
Employee-related costs (including share-based compensation)	15,523	15,915	(392)
Laboratory supplies and services	1,340	1,953	(613)
CMOs and outsourced research and development	390	478	(88)
Facility-related costs, laboratory equipment, and maintenance	2,219	2,375	(156)
Depreciation and amortization	979	2,322	(1,343)
Licensing fees and other research and development costs	1,472	1,991	(519)
Total research and development expenses	\$ 39,708	\$ 43,652	\$ (3,944)

Research and development expenses for the nine months ended September 30, 2025 were \$39.7 million, compared to \$43.7 million for the nine months ended September 30, 2024. The decrease of approximately \$3.9 million was primarily due to a \$10.5 million decrease in our direct expenses within the PBGENE-HBV and PBGENE-3243 programs along with a \$3.1 million decrease in platform development and early-stage research expenses. These expense decreases were partially offset by a \$9.7 million increase in our direct expenses in PBGENE-DMD.

The direct expense decrease of \$8.6 million for PBGENE-HBV was due to lower manufacturing and toxicology expenses as the program transitioned to the clinic at the end of 2024. PBGENE-3243 also had an expense decrease of \$1.9 million as we have paused development. These decreases were offset by the \$9.7 million increase in PBGENE-DMD development due to the program's acceleration in 2025. Platform development and early-stage research expenses also decreased by \$3.1 million in expense over the comparison period. The primary factors for the decrease were a \$1.3 million decrease in depreciation and amortization, a \$0.6 million decrease in laboratory supplies and services expenses, and a \$0.5 million decrease in licensing fees and other research and development costs.

General and Administrative Expenses

General and administrative expenses were \$25.0 million for the nine months ended September 30, 2025, compared to \$25.7 million for the nine months ended September 30, 2024. The decrease of \$0.7 million was primarily due to decreases in other operating expenses.

Gain (Loss) from Equity Method Investment

Gain from equity method investment was \$0.1 million during the nine months ended September 30, 2025 which was primarily driven by a \$2.3 million gain on dilution from our proportionate share of Elo's proceeds from an additional tranche of the Series A-2 financing in such period, partially offset by our proportionate share of Elo's net loss of \$2.2 million during the period. Loss from equity method investment was \$0.1 million during the nine months ended September 30, 2024 which was primarily driven by a \$2.7 million gain on dilution from our proportionate share of Elo's proceeds from the Series A-2 financing in such period, offset by our proportionate share of Elo's net loss of \$2.8 million during the period.

(Loss) Gain on Changes in Other Fair Value Adjustments

Loss on changes in other fair value adjustments was \$2.4 million for the nine months ended September 30, 2025 due to the change in fair value of the iECURE investment in the current period. Gain on changes in other fair value adjustments was \$0.9 million for the nine months ended September 30, 2024, which was primarily attributable to an increase during such period in the fair value of the Imugene Convertible Note.

(Loss) Gain on Change in Fair Value of Warrant Liability

Loss from change in fair value of the warrant liability was \$1.2 million for the nine months ended September 30, 2025 compared to a gain of \$21.8 million for the nine months ended September 30, 2024, which represents the mark-to-market fair value adjustment to the outstanding warrants issued in connection with the March 2024 Public Offering.

Interest Expense

Interest expense was \$1.1 million for the nine months ended September 30, 2025 compared to \$1.4 million for the nine months ended September 30, 2024. The decrease of \$0.3 million of interest expense was primarily driven by lower interest rates during the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024.

Interest income was \$3.5 million during the nine months ended September 30, 2025 compared to \$5.3 million during the nine months ended September 30, 2024. The \$1.8 million decrease in interest income was the result of lower interest rates and a lower cash balance during the nine months ended September 30, 2025 as compared to the nine months ended September 30, 2024.

Loss on Disposal of Assets

Loss on disposal of assets was less than \$0.1 million during the nine months ended September 30, 2025 and \$0.3 million during the nine months ended September 30, 2024.

Liquidity and Capital Resources

Since our formation in 2006, we have devoted substantially all of our resources to developing ARCUS, conducting research and development activities, recruiting skilled personnel, developing manufacturing processes, establishing our intellectual property portfolio and providing general and administrative support for these operations.

We have historically incurred significant operating losses and have not generated any revenue from the sale of products. Our ability to generate any product revenue or product revenue sufficient to achieve profitability will depend on the successful development and eventual commercialization of one or more of our product candidates or the product candidates of our collaborators or other licensees for which we may receive milestone payments or royalties. As of September 30, 2025, we had an accumulated deficit of \$548.3 million and a cash, cash equivalents and restricted cash balance of \$71.2 million.

We expect to incur significant expenses and operating losses for the foreseeable future as we advance the development of our product candidates. We expect that our research and development and general and administrative costs will increase over the long term, including in connection with conducting preclinical studies and potential clinical trials for our product candidates, contracting with CROs and CMOs, expanding our intellectual property portfolio and providing general and administrative support for our operations. If we obtain regulatory approval for any of our product candidates, we expect to incur significant expenses related to developing our commercialization capability to support product sales, marketing and distribution. As a result, we will need additional capital to fund our operations, which we may obtain from additional equity or debt financings, collaborations, licensing arrangements or other sources.

Our sources of funding to finance our cash needs include proceeds from third parties through a combination of financings including our initial public offering (“IPO”), preferred stock and convertible note financings, underwritten offerings of our common stock and warrants, at-the-market (“ATM”) offerings of our common stock as part of our shelf registration statement, upfront and milestone payments from partners, borrowings under bank facilities and funding from other strategic alliances and grants.

Pursuant to our July 31, 2024 amended and restated loan and security agreement with Banc of California (the “2024 Loan and Security Agreement”) pursuant to which Banc of California provided us with a term loan with a principal amount of \$22.5 million (the “2024 Term Loan”), we are not entitled to borrow any additional amounts under the 2024 Term Loan and are required to maintain an aggregate balance in a cash security account with Banc of California (the “Cash Security Account”) at least equal to the outstanding principal amount of the 2024 Term Loan then outstanding.

Because of the numerous risks and uncertainties associated with the development of therapeutic products, we are unable to predict the timing or amount of our future expenses or when or if we will be able to achieve or maintain profitability. Even

if we are able to generate revenue from product sales, we may not become profitable. If we fail to become profitable or are unable to sustain profitability on a continuing basis, then we may be required to raise additional capital, potentially on terms that are unfavorable to us, or we may be unable to continue our operations at planned levels and be forced to reduce or terminate operations.

Cash Flows

Our cash, cash equivalents, and restricted cash totaled \$71.2 million and \$121.3 million as of September 30, 2025 and September 30, 2024, respectively.

The following table summarizes our sources and uses of cash for the periods presented:

(in thousands)	For the Nine Months Ended September 30,		Change
	2025	2024	
Cash flows used in operating activities:			
Net (loss) income	\$ (65,857)	\$ 24,912	\$ (90,769)
Non-cash adjustments	13,295	(9,774)	23,069
Changes in operating assets and liabilities	(2,031)	(54,900)	52,869
Net cash used in operating activities	(54,593)	(39,762)	(14,831)
Net cash used in investing activities	(309)	(118)	(191)
Net cash provided by financing activities	17,646	44,530	(26,884)
(Decrease) increase in cash, cash equivalents, and restricted cash	\$ (37,256)	\$ 4,650	\$ (41,906)

Cash Used in Operating Activities

Our primary use of cash is to fund operating expenses, which consist primarily of research and development and general and administrative costs.

Cash used in operating activities during the nine months ended September 30, 2025 was \$54.6 million compared to \$39.8 million during the nine months ended September 30, 2024. The \$14.8 million increase in cash used in operating activities was primarily driven by an \$90.8 million decrease in net income offset by increases of \$23.1 million in non-cash adjustments and \$52.9 million in changes in operating assets and liabilities.

The increase in non-cash adjustments year over year was primarily driven by the net change in fair value of warrants during the nine months ended September 30, 2024 due to the decrease in the warrant liability which resulted in a negative balance within non-cash adjustments for the period. For the nine months ended September 30, 2025, the net change in fair value of warrants was positive within non-cash adjustments given the incremental increase in the warrant liability for the current period. Also contributing to the increase in non-cash adjustments year over year was the change in fair value of the iECURE investment in the current period.

The change in cash used in operating assets and liabilities is primarily driven by the net changes of deferred revenue as a result of the conclusion of the Prevail collaboration and a decrease in revenue recognized under the Novartis collaboration for the nine months ended September 30, 2025 compared to the nine months ended September 30, 2024. Additionally driving the change in cash used in operating assets and liabilities is the net change of the contract asset as a result of the TG Therapeutics deferred share payment in January 2025 as well as the net changes in prepaid expenses and accounts payable across the comparison period.

Cash Used in Investing Activities

Cash used in investing activities primarily relates to cash expenditures to acquire leasehold additions, equipment, software and intangible assets. Net cash used in investing activities during the nine months ended September 30, 2025 was \$0.3 million, compared to \$0.1 million used in investing activities in the nine months ended September 30, 2024. The increase in cash used in investing activities was primarily the result of a \$0.2 million increase in intangible asset purchases during the nine months ended September 30, 2025.

Cash Provided by Financing Activities

Net cash provided by financing activities during the nine months ended September 30, 2025 was \$17.6 million, compared to \$44.5 million during the nine months ended September 30, 2024. The \$26.9 million decrease in cash provided by financing activities during the nine months ended September 30, 2025 was primarily due to the Company receiving \$37.0 million in net proceeds from an underwritten offering of common stock and warrants in the nine months ended September 30, 2024, whereas the Company did not receive any net proceeds from underwritten offerings during the nine months ended September 30, 2025. The decrease was partially offset by a \$10.0 million increase in net proceeds from the issuance of common stock through the ATM facility between the comparison periods.

Debt Obligations

On July 31, 2024, we replaced our revolving line of credit with Banc of California with the 2024 Term Loan with an aggregate principal amount of \$22.5 million. The stated interest rate under the 2024 Term Loan is equal to the greater of 1.50% below the Prime Rate or 4.5%. As of September 30, 2025, the outstanding principal balance on the 2024 Term Loan was \$22.5 million, the stated interest rate was 5.75% and the effective interest rate was 6.17%.

Under the terms of the 2024 Loan and Security Agreement, we granted Banc of California a security interest in a cash security account at Banc of California (the "Cash Security Account"), and Banc of California agreed to terminate all other security interests it had in our assets. We are required to maintain an aggregate unencumbered balance in the Cash Security Account at least equal to the outstanding principal amount of the 2024 Term Loan then outstanding.

Funding Requirements

We will continue to have funding requirements in connection with the continuation of our research and development efforts, potential IND and/or CTA submissions, potential clinical trials, and expected growth in our *in vivo* portfolios.

We believe that, as of the date of this Quarterly Report on Form 10-Q, existing cash and cash equivalents, expected operational receipts, including potential near-term consideration to be received from licensees, operational efficiencies gained from divestment of our historical CAR T operations, and availability of our ATM facility will be sufficient to fund our operating expenses and capital expenditure requirements into the second half of 2027. We expect our cash runway to be sufficient to enable potential commencement of a Phase 2 study for PBGENE-HBV and a potential pivotal study for PBGENE-DMD pending supportive Phase 1 data readouts. We have based these estimates on assumptions that may prove to be imprecise, and we could utilize our available capital resources sooner than we expect. There are no assurances that we will be successful in obtaining an adequate level of financing as and when needed to finance our operations on terms acceptable to us or at all, particularly in light of current global macroeconomic conditions. If we are unable to obtain sufficient financing on a timely basis or on favorable terms, we may be required to significantly delay, alter reduce or eliminate one or more of our research or product development programs and/or commercialization efforts, or to grant rights to develop and market products or product candidates that we would otherwise prefer to develop and market ourselves. We may also be otherwise unable to execute our business plan or growth strategy, or capitalize on business opportunities as desired. Any of these events could materially adversely affect our financial condition and business prospects. Because of the numerous risks and uncertainties associated with research, development and commercialization of pharmaceutical products, it is difficult to estimate with certainty the amount of our working capital requirements. Our future funding requirements will depend on many factors, including:

- the ability to collaborate and partner with third parties to fund any or all of our programs;
- the progress, costs and results of our additional research and preclinical development programs including our *in vivo* pipeline and our planned IND or CTA submissions and potential biologics license application ("BLA") submissions;
- the outcome, timing and cost of meeting regulatory requirements established by the FDA and other comparable foreign regulatory authorities;
- our ability to establish and maintain strategic collaborations, licensing or other agreements and the financial terms of such agreements;
- the scope, progress, results and costs of any product candidates that we may derive from ARCUS or any other product candidates we may develop alone or with collaborators;
- the extent to which we in-license or acquire rights to other products, product candidates or technologies;

- the costs and timing of preparing, filing and prosecuting patent applications, maintaining and protecting our intellectual property rights and defending against any intellectual property-related claims; and
- the costs and timing of future commercialization activities, including product manufacturing, marketing, sales and distribution, for any product candidates for which we or our collaborators obtain marketing approval.

Until such time, if ever, that we can generate product revenue sufficient to achieve profitability, we expect to finance our cash needs through a combination of public or private equity or debt financings, collaboration agreements, other third-party funding, strategic alliances, licensing arrangements and marketing and/or distribution arrangements. See “*Risk Factors – We will need substantial additional funding, and if we are unable to raise a sufficient amount of capital when needed on acceptable terms, or at all, we may be forced to delay, reduce or eliminate some or all of our research programs, product development activities and commercialization efforts.*” in Part II, Item 1A. of this Quarterly Report on Form 10-Q for a further discussion of our ability to generate and obtain adequate amounts of funding in connection with our continuing operations.

To the extent that we raise additional capital through the sale of equity or convertible debt securities, our stockholders’ ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our shareholders. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through other third-party funding, collaboration agreements, strategic alliances, licensing arrangements or marketing and distribution arrangements, we may have to relinquish valuable rights to our technologies, future revenue streams, product development and research programs or product candidates or grant licenses on terms that may not be favorable to us. If we are unable to raise additional funds through equity or debt financings when needed, we may be required to significantly delay, alter, reduce or eliminate one or more of our research or product development programs and/or commercialization efforts, or to grant rights to develop and market products or product candidates that we would otherwise prefer to develop and market ourselves. We may also be otherwise unable to execute our business plan, growth strategy, or capitalize on business opportunities as desired.

Common Stock Offering

In March 2024, we entered into an underwriting agreement relating to the offering, issuance and sale of an aggregate of 2,500,000 shares of our common stock and warrants to purchase up to an aggregate of 2,500,000 shares of our common stock at a combined offering price of \$16.00 per share. Each warrant has an exercise price per share of \$20.00, is immediately exercisable and will expire on March 5, 2029. The offering was made pursuant to a registration statement on Form S-3.

Contractual Obligations and Commitments

In addition to the contractual obligations and commitments as described elsewhere in this Quarterly Report on Form 10-Q with respect to leases, outstanding indebtedness and intellectual property licenses, we also enter into contracts in the normal course of business with CMOs, universities, and other third parties for preclinical research studies, testing, manufacturing services, and other services and products for operating purposes. These contracts are generally cancellable upon written notice. Except for the compensatory arrangements described in Note 4, *Commitments and Contingencies*, there have been no material changes to our contractual obligations from those described in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

We do not have any material capital expenditure commitments as of September 30, 2025.

Critical Accounting Policies and Use of Estimates

Our critical accounting policies and estimates are described in “Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies and Use of Estimates” in our Annual Report on Form 10-K. We have reviewed those critical accounting policies and estimates for the nine months ended September 30, 2025. There have been no significant changes in our critical accounting policies and estimates from those disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

Smaller Reporting Company Status

We are a “smaller reporting company” as defined under applicable regulations promulgated by the SEC. We will continue to be a smaller reporting company if either (i) the market value of our stock held by non-affiliates is less than \$250 million or (ii) our annual revenue is less than \$100 million during the most recently completed fiscal year and the market value of our stock held by non-affiliates is less than \$700 million. As a smaller reporting company, we are able to take advantage of certain exemptions from disclosure requirements, including presenting only the two most recent fiscal years of audited financial statements and reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements.

We cannot predict whether investors will find our common stock less attractive if we rely on the exemptions available to smaller reporting companies. If 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 reduced or more volatile. To the extent we take advantage of such reduced disclosure obligations, it may also make comparison of our financial statements with other public companies difficult or impossible.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to market risks in the ordinary course of our business. These risks primarily include interest rate sensitivities. Our interest-earning assets consist of cash and cash equivalents, which are denominated in U.S. dollars. We had cash, cash equivalents and restricted cash of \$71.2 million, or approximately 76% of our total assets, on September 30, 2025 and \$108.5 million, or approximately 80% of our total assets, on December 31, 2024. Interest income earned was \$3.5 million and \$5.3 million for the nine months ended September 30, 2025 and September 30, 2024, respectively. Our interest income is sensitive to changes in the general level of interest rates, primarily U.S. interest rates, however, we do not anticipate fluctuations in interest rates to have a material impact on our condensed financial statements. A hypothetical 10% change in interest rates would not have a material impact on the value of our cash and cash equivalents as of September 30, 2025.

Item 4. Controls and Procedures.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints, and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated, as of the end of the period covered by this Quarterly Report on Form 10-Q, the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of September 30, 2025.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the three months ended September 30, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II—OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we may be involved in claims and proceedings arising in the course of our business. The outcome of any such claims or proceedings, regardless of the merits, is inherently uncertain. We are not currently party to any material legal proceedings.

Item 1A. Risk Factors.

Investing in our common stock involves a high degree of risk. Before investing in our common stock, you should consider carefully the risks described below, together with the other information included or incorporated by reference in this Quarterly Report on Form 10-Q. The occurrence of any of the following risks could materially adversely affect our business, financial condition, results of operations and future growth prospects. In these circumstances, the market price of our common stock could decline, and you may lose all or part of your investment.

Risks Related to Our Financial Condition, Limited Operating History and Need for Additional Capital

We have incurred significant operating losses since our inception and expect to continue to incur losses for the foreseeable future. We have not been profitable and may not achieve or maintain profitability.

We do not expect to be profitable in the foreseeable future. Historically, we have incurred significant operating losses. If our product candidates are not successfully developed and approved, we may never generate any revenue from product sales. Our net loss was \$65.9 million for the nine months ended September 30, 2025. As of September 30, 2025, we had an accumulated deficit of \$548.3 million. In addition, we have not commercialized any products and have never generated any revenue from product sales. Substantially all of our losses have resulted from expenses incurred in connection with our research and development activities, including our preclinical development activities, and from general and administrative costs associated with our operations. We have financed our operations primarily through proceeds from upfront and milestone payments from collaboration and licensing agreements, our IPO, private placements of our common stock, convertible preferred stock and convertible debt financings, underwritten and ATM offerings of common stock and warrants, and borrowings on credit facilities. The amount of our future net losses will depend, in part, on the amount and growth rate of our expenses and our ability to generate revenues.

All of our current or future product candidates will require substantial additional development time and resources before we may realize revenue from product sales, if at all. We expect to continue to incur significant expenses and operating losses for the foreseeable future. We anticipate our expenses will increase if and as we:

- continue our current research and development programs, including conducting laboratory and preclinical studies for product candidates;
- initiate potential clinical trials for product candidates;
- seek to identify, assess, acquire or develop additional research programs or product candidates;
- maintain, expand and protect our intellectual property portfolio;
- seek marketing approvals for any product candidates that may successfully complete development;
- establish a sales, marketing and distribution infrastructure to commercialize any products that may obtain marketing approval;
- change or add additional manufacturers or suppliers of biological materials or product candidates;
- further develop our genome editing technology;
- acquire or in-license other technologies;
- seek to attract new and retain existing personnel;
- expand our facilities; and
- incur increased costs as a result of operating as a public company.

It will be several years, if ever, before we obtain regulatory approval for, and are ready for commercialization of, a therapeutic product candidate. Even if a therapeutic product candidate receives regulatory approval, future revenues for

such product candidate will depend upon many factors, such as, as applicable, the size of any markets in which such product candidate is approved for sale, the market share captured by such product candidate, including as a result of the market acceptance of such product candidate and the effectiveness of manufacturing, sales, marketing and distribution operations related to such product candidate, the terms of any collaboration, license, or other strategic arrangement we may have with respect to such product candidate and levels of reimbursement from third-party payors. If we are unable to develop and commercialize one or more product candidates either alone or with collaborators, or if revenues from any product candidate that receives marketing approval or is commercialized are insufficient, we may not achieve profitability. Even if we do achieve profitability, we may not be able to sustain or increase profitability. If we are unable to achieve and maintain profitability, the value of our common stock will be materially adversely affected.

We will need substantial additional funding, and if we are unable to raise a sufficient amount of capital when needed on acceptable terms, or at all, we may be forced to delay, reduce or eliminate some or all of our research programs, product development activities and commercialization efforts.

The process of identifying product candidates and conducting preclinical studies and potential clinical trials is time-consuming, expensive, uncertain and takes years to complete. We expect our expenses to increase in connection with our ongoing activities, particularly as we identify, continue the research and development of, initiate potential clinical trials of, and seek marketing approval for, product candidates. In addition, if any therapeutic product candidate that we develop alone or with collaborators obtains marketing approval, we may incur significant commercialization expenses related to product manufacturing, sales, marketing and distribution efforts. Furthermore, we have incurred, and expect to continue to incur, additional costs associated with operating as a public company. Accordingly, we will need to obtain substantial additional funding in connection with our continuing operations. If we are unable to obtain sufficient funding on a timely basis or on favorable terms, we may be required to significantly delay, alter, reduce, or eliminate one or more of our research or product development programs and/or commercialization efforts, or to grant rights to develop and market products or product candidates that we would otherwise prefer to develop and market ourselves. We may also be otherwise unable to execute our business plan or growth strategy or capitalize on business opportunities as desired. Any of these events could materially adversely affect our financial condition and business prospects.

We believe that, as of the date of this Quarterly Report on Form 10-Q, existing cash and cash equivalents, expected operational receipts, including potential near-term consideration to be received from our licensees, operational efficiencies gained from divestment of our historical CAR T operations, and availability of our ATM facility will be sufficient to fund our operating expenses and capital expenditure requirements into the second half of 2027. We expect our cash runway to be sufficient to enable potential commencement of a Phase 2 study for PBGENE-HBV and a potential pivotal study for PBGENE-DMD pending supportive Phase 1 data readouts. We have based this estimate on assumptions that may prove to be wrong, and we could use our capital resources sooner than we currently expect. Our operating plans and other demands on our cash resources may change as a result of many factors, including the outcomes of preclinical studies and clinical trials, our ability to obtain regulatory approval, investor interest in and the likelihood of commercial success of particular product candidates and programs, and other factors unknown to us, and we may need to seek additional funds sooner than planned, through public or private equity or debt financings or other sources, such as strategic collaborations and licensing arrangements, or abandon one or more product candidates or programs in the event that sufficient funding is not available.

Attempting to secure additional financing may divert our management from our day-to-day activities, which may adversely affect our ability to develop product candidates. Our future capital requirements will depend on many factors, including:

- the timing, scope, progress, costs, results and analysis of results of research activities, preclinical studies and potential clinical trials for any of our product candidates;
- the costs of future activities, including product manufacturing, sales, marketing and distribution activities for any product candidates that receive regulatory approval;
- the success of our collaborative and other out-licensing relationships;
- the extent to which we exercise any development or commercialization rights under collaborative relationships;
- our ability to establish and maintain additional collaborative or other out-licensing relationships on favorable terms, or at all;
- the extent to which we expand our operations and the timing of such expansion, including with respect to facilities, employees and product development platforms;

- the costs of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property and proprietary rights and defending intellectual property-related claims;
- the extent to which we acquire or in-license other technologies or product candidates;
- the extent to which we acquire or invest in other businesses;
- the costs of continuing to operate as a public company; and
- the amount of revenues, if any, received from commercial sales of any products that we develop alone or with collaborators that receive regulatory approval.

Even if we believe we have sufficient funds for our current or future operating plans, we may continue to seek additional capital if market conditions are favorable or in light of specific strategic considerations. Adequate additional financing may not be available to us on acceptable terms, or at all.

Provisions of our debt instruments may restrict our ability to pursue our business strategies, and our ability to access credit on favorable terms, if necessary, for the funding of our operations, trials and programs may be limited due to changes in credit markets.

In July 2024, we entered into an amended and restated loan and security agreement (the “2024 Loan and Security Agreement”) with Banc of California (formerly known as Pacific Western Bank) pursuant to which Banc of California provided us with a term loan with a principal amount of \$22.5 million (the “2024 Term Loan”). Pursuant to the terms of the 2024 Loan and Security Agreement, we granted Banc of California a security interest in a cash security account at Banc of California (the “Cash Security Account”).

The 2024 Loan and Security Agreement requires us to comply with various covenants that limit our ability to, among other things:

- change our name, location, executive office or executive management, business, fiscal year, or control;
- complete mergers with or into other entities;
- incur indebtedness; and
- maintain less than \$22.5 million of unencumbered cash in the Cash Security Account.

In addition, the agreements and instruments governing future indebtedness that we may enter into may include such restrictions or additional restrictions and financial covenants. Restrictions in our current and future indebtedness could inhibit our ability to pursue our business strategies.

Additionally, the credit markets and the financial services industry have been experiencing disruption characterized by the bankruptcy, failure, collapse or sale of various financial institutions, increased volatility in securities prices, diminished liquidity and credit availability and intervention from the U.S. and other governments. As a result, the cost and availability of credit has been and may continue to be adversely affected. We cannot be certain that funding will be available when and as needed, and if available, on acceptable terms if at all. If we are unable to obtain funding when needed and on acceptable terms, our financial condition and business prospects could be adversely impacted.

Raising additional capital may cause dilution to our stockholders, restrict our operations, or require us to relinquish rights to our technologies or product candidates.

Until such time, if ever, as we can generate substantial product revenues, we expect to finance our cash needs through a combination of equity and/or debt financings and collaborations, licensing agreements or other strategic arrangements. To the extent that we raise additional capital through the sale of equity or convertible debt securities, including in underwritten and ATM offerings, stockholders’ ownership interest will be diluted, and the terms of such securities may include liquidation or other preferences that adversely affect common stockholders’ rights. For example, in March 2024, we entered into an underwriting agreement relating to the offering, issuance and sale of an aggregate of 2,500,000 shares of our common stock and warrants to purchase up to an aggregate of 2,500,000 shares of our common stock at a combined offering price of \$16.00 per share which resulted in dilution to our existing stockholders. Moreover, there is a provision in each warrant under which we may be required to purchase the warrants from the holders by paying cash in an amount equal to the Black-Scholes value of the remaining unexercised portion of the warrants in certain specified situations involving a “fundamental transaction” (as defined in the warrants), which generally includes a merger with another person or entity, the sale, transfer or other disposition of all or substantially all of our assets, another person or entity becoming the beneficial

owner of 50% of the outstanding shares of our common stock, any reclassification, reorganization or recapitalization of our common stock, any compulsory share exchange pursuant to which our common stock is effectively converted into or exchanged for other securities, cash or property, any plan or proposal for our voluntary or involuntary dissolution, liquidation or the winding up of our affairs, or if other conditions are met. It may be uncertain whether a particular transaction or series of transactions will trigger the cash-settlement provision or if the provision is triggered, what the actual payment due to a warrant holder would be in such circumstance, but any such payment could be material to us and could materially and adversely affect our financial condition. Furthermore, we may find it more difficult to raise additional equity capital needed for our business or to pursue strategic alternatives or other corporate transactions while the warrants are outstanding.

To the extent that we raise additional capital through debt financing, it would result in increased fixed payment obligations and a portion of our operating cash flows, if any, being dedicated to the payment of principal and interest on such indebtedness. In addition, debt financing may involve agreements that include restrictive covenants that impose operating restrictions, such as restrictions on the incurrence of additional debt, the making of certain capital expenditures or the declaration of dividends. To the extent we raise additional capital through arrangements with collaborators or otherwise, we may be required to relinquish some of our technologies, research programs, product development activities, product candidates and/or future revenue streams, license our technologies and/or product candidates on unfavorable terms or otherwise agree to terms unfavorable to us. Furthermore, any capital raising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to advance research programs, product development activities or product candidates.

We have a limited operating history, which makes it difficult to evaluate our current business and future prospects and may increase the risk of your investment.

We are a genome editing company with a limited operating history. We formed our company in 2006 and spent the first nine years of our company's history developing and refining our core technology, and only during the past several years have we focused our efforts on advancing the development of product candidates.

Investment in biopharmaceutical product development is a highly speculative endeavor. It entails substantial upfront capital expenditures, and there is significant risk that any product candidate will fail to demonstrate adequate efficacy or an acceptable safety profile, obtain any required regulatory approvals or become commercially viable. Our genome editing platform and the technologies we are using are new and unproven. We have not yet demonstrated an ability to successfully complete any clinical trials, obtain any required marketing approvals, manufacture products, conduct sales, marketing and distribution activities, or arrange for a third party to do any of the foregoing on our behalf. Consequently, any predictions made about our future success or viability may not be as accurate as they could be if we had a history of successfully developing and commercializing products.

Additionally, we encounter risks and difficulties frequently experienced by new and growing companies in rapidly developing and changing industries, particularly the nascent and swiftly evolving gene editing field, including challenges in forecasting accuracy, determining appropriate investments of our limited resources, gaining market acceptance of our technology, managing a complex regulatory landscape and developing new product candidates, which may make it more difficult to evaluate our likelihood of success. Our current operating model may require changes in order for us to adjust to these challenges or scale our operations efficiently. Our limited operating history, particularly in light of the rapidly evolving nature of the biopharmaceutical industry and the genome editing field, may make it difficult to evaluate our technology and business prospects or to predict our future performance. Additionally, due to the stage of our operations, we expect that our financial condition and operating results may fluctuate significantly from quarter to quarter as a result of many factors as we build our business, and you should not rely upon the results of any particular quarterly or annual period as indications of future operating performance.

We may expend our limited resources on pursuing particular research programs or product candidates that may be less successful or profitable than other programs or product candidates.

Research programs to identify new product candidates and product development platforms require substantial technical, financial and human resources. We are continually evaluating our business strategy and may modify this strategy in light of developments in our business and other factors. We may focus our efforts and resources on potential programs, product candidates or product development platforms that ultimately prove to be unsuccessful. Any time, effort and financial resources we expend on identifying and researching new product candidates and product development platforms may divert our attention from, and adversely affect our ability to continue, development and commercialization of existing research

programs, product candidates and product development platforms. Clinical trials of any of our product candidates may never commence despite the expenditure of significant resources in pursuit of their development, and our spending on current and future research and development programs, product candidates and product development platforms may not yield any commercially viable products. As a result of having limited financial and managerial resources, we may forego or delay pursuit of opportunities that later prove to have greater commercial potential. For example, as part of the ongoing strategic prioritization exercise, in 2023 we announced that while we will continue to pursue gene knock-out opportunistically, the proof-of-concept data continues to lead toward prioritizing programs involving complex edits and gene insertion. As such, we made the decision to cease pursuit of PBGENE-PCSK9 for familial hypercholesterolemia with iECURE as our partner in December 2022. We also made the choice to look for a partner in the kidney disease arena for further development of PBGENE-PH1 and will no longer develop the program on our own. There is no guarantee that this ongoing prioritization review will ultimately lead to any viable commercial products, profitable market opportunities or other value-enhancing activities. Our resource allocation decisions may cause us to fail to timely capitalize on viable commercial products or profitable market opportunities. Additionally, if we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through collaboration, licensing or other strategic arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such product candidate.

Risks Related to the Identification, Development and Commercialization of Our Product Candidates

ARCUS is a novel technology, making it difficult to predict the time, cost and potential success of product candidate development. We have not yet been able to assess the safety and efficacy of most of our product candidates in humans.

Our success depends on our ability to develop and commercialize product candidates using our novel genome editing technology. The novel nature of our technology makes it difficult to accurately predict the developmental challenges we may face for product candidates as they proceed through research, preclinical studies and clinical trials. There have been a limited number of clinical trials of products created with genome editing technologies, four of which have utilized our technology. Because our therapeutic research programs are all in preclinical or early clinical stages, we have only been able to assess limited safety and efficacy data of our product candidates in human trials. Current or future product candidates may not meet safety and efficacy requirements for continued development or ultimate approval in humans and may cause significant adverse events or toxicities. All of our product candidates are designed to act at the level of DNA, and because animal DNA differs from human DNA, it will be difficult for us to test our therapeutic product candidates in animal models for either safety or efficacy, and any testing that we conduct may not translate to their effects in humans. Moreover, animal models may not exist for some of the targets, diseases or indications that we intend to pursue. Our product candidates may not be able to properly implement desired genetic edits with sufficient accuracy to be viable therapeutic products, and there may be long-term effects associated with them that we cannot predict at this time. Any problems we experience related to the development of our genome editing technology or any of our or our collaborators' research programs or product candidates may cause significant delays or unanticipated costs, and we may not be able to satisfactorily solve such problems. These factors may prevent us or our collaborators from completing our preclinical studies or any clinical trials that we or our collaborators have ongoing or may initiate, or profitably commercializing any product candidates on a timely basis, or at all. We may also experience delays in developing a sustainable, reproducible and scalable manufacturing process as we develop and prepare to commercialize product candidates. These factors make it more difficult for us to predict the time, cost and potential success of product candidate development. If our product development activities take longer or cost more than anticipated, or if they ultimately are not successful, it would materially adversely affect our business and results of operations.

The genome editing field is relatively new and evolving rapidly, and other existing or future technologies may provide significant advantages over our ARCUS platform, which could materially harm our business.

To date, we have focused our efforts on optimizing our proprietary genome editing technology and exploring its potential applications. ARCUS is a novel genome editing technology using sequence-specific DNA-cutting enzymes, or nucleases, that is designed to perform modifications in the DNA of living cells and organisms. Other companies have previously undertaken research and development of genome editing technologies using zinc finger nucleases, transcription activator-like effector nucleases ("TALENs") and clustered regularly interspaced short palindromic repeats associated protein-9 nuclease ("CRISPR/Cas9"), although none has obtained marketing approval for an *in vivo* gene editing product candidate developed using such technologies. Other genome editing technologies in development or commercially available, or other existing or future technologies, may lead to treatments or products that may be considered better suited for use in human therapeutics, which could reduce or eliminate our commercial opportunity.

We are heavily dependent on the successful development and translation of ARCUS, and due to the early stages of our product development operations, we cannot give any assurance that any product candidates will be successfully developed and commercialized.

We are at an early stage of development of the product candidates currently in our programs and are continuing to develop our ARCUS technology. To date, we have invested substantially all of our efforts and financial resources to develop ARCUS and advance our current product development programs, including conducting preclinical studies, early stage clinical trials and other early research and development activities, and providing general and administrative support for these operations. Due to the strategic transaction with Imugene for our azer-cel for cancer, as well as our CAR T infrastructure and cell therapy teams, and the TG License Agreement, we are now solely focused on leveraging our ARCUS genome editing platform to advance a new potential class of gene editing programs that go beyond gene knockouts in the liver and carry out sophisticated edits such as gene insertions, gene excision, and gene elimination in human therapeutics. We are also currently using our ARCUS technology to develop our lead *in vivo* gene editing programs targeting HBV, DMD, and certain hemoglobinopathies, among other indications. Our future success is dependent on our ability to successfully develop and, where applicable, obtain regulatory approval for, including marketing approval for, and then successfully commercialize, product candidates, either alone or with collaborators. We have not yet developed and commercialized any product candidates, and we may not be able to do so, alone or with collaborators.

Our research and development programs may not lead to the successful identification, development or commercialization of any products.

The success of our business depends primarily upon our ability to identify, develop and commercialize products using our genome editing technology. All of our *in vivo* product candidates and product development programs we are currently pursuing are still in the discovery or preclinical stages. We may be unsuccessful in advancing those product candidates into clinical development or in identifying any developing additional product candidates. Our ability to identify and develop product candidates is subject to the numerous risks associated with preclinical and early stage biotechnology development activities, including that:

- the use of ARCUS may be ineffective in identifying additional product candidates;
- we may not be able to assemble sufficient resources to acquire or discover additional product candidates;
- we may not be able to enter into collaborative arrangements to facilitate development of product candidates, the terms of our collaborative arrangements may change, or our collaborative arrangements may be terminated;
- competitors may develop alternatives that render our product candidates obsolete or less attractive;
- our product candidates may be covered by third parties' patents or other exclusive rights;
- the regulatory pathway for a product candidate may be too complex, expensive or otherwise difficult to navigate successfully; or
- our product candidates may be shown to not be effective, have harmful side effects or otherwise pose risks not outweighed by such product candidate's benefits or have other characteristics that may make the products impractical to manufacture, unlikely to receive any required marketing approval, unlikely to generate sufficient market demand or otherwise not achieve profitable commercialization.

Our current and future product candidates may never be approved. Failure to successfully identify and develop new product candidates and obtain regulatory approvals for our products would have a material adverse effect on our business and financial condition and could cause us to cease operations.

If our product candidates do not achieve projected development milestones or commercialization in the announced or expected timeframes, the further development or commercialization of such product candidates may be delayed, and our business will be harmed.

We sometimes estimate, or may in the future estimate, the timing of the accomplishment of various scientific, clinical, manufacturing, regulatory and other product development objectives. These milestones may include our expectations regarding the commencement or completion of scientific studies or clinical trials, the submission of regulatory filings, the receipt of marketing approval or the realization of other commercialization objectives. The achievement of many of these milestones may be outside of our control. All of these milestones are based on a variety of assumptions, including assumptions regarding capital resources, constraints and priorities, progress of and results from development activities, participation of third parties including outside collaborators or vendors, the receipt of key regulatory approvals or actions,

and other factors, any of which may cause the timing of achievement of the milestones to vary considerably from our estimates. If we or our collaborators fail to achieve announced milestones in the expected timeframes, the commercialization of the product candidates may be delayed, our credibility may be undermined, our business and results of operations may be harmed, and the trading price of our common stock may decline.

Adverse public perception of genome editing may negatively impact the developmental progress or commercial success of products that we develop alone or with collaborators.

The developmental and commercial success of our current product candidates, or any that we develop alone or with collaborators in the future, will depend in part on public acceptance of the use of genome editing technology for the prevention or treatment of human diseases. Adverse public perception of applying genome editing technology for these purposes may negatively impact our ability to raise capital or enter into strategic agreements for the development of product candidates.

Any therapeutic product candidates may involve editing the human genome. The commercial success of any such potential therapeutic products, if successfully developed and approved, may be adversely affected by claims that genome editing is unsafe, unethical or immoral. This may lead to unfavorable public perception and the inability of any therapeutic product candidates to gain the acceptance of the public or the medical community. Unfavorable public perceptions may also adversely impact our or our collaborators' ability to enroll clinical trials for therapeutic product candidates. Moreover, success in commercializing any therapeutic product candidates that receive regulatory approval will depend upon physicians prescribing, and their patients being willing to receive, treatments that involve the use of such product candidates in lieu of, or in addition to, existing treatments with which they are already familiar and for which greater clinical data may be available. Publicity of any adverse events in, or unfavorable results of, preclinical studies or clinical trials for any current or future product candidates, including, without limitation, patient deaths, or with respect to the studies or trials of our competitors or of academic researchers utilizing genome editing technologies, even if not ultimately attributable to our technology or product candidates, could negatively influence public opinion. Negative public perception about the use of genome editing technology in human therapeutics, whether related to our technology or a competitor's technology, could result in increased governmental regulation, delays in the development and commercialization of product candidates or decreased demand for the resulting products, any of which may have a negative impact on our business and financial condition.

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

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

There are a number of large pharmaceutical and biotechnology companies that currently market and sell products or are pursuing the development of products for the treatment of the disease indications for which we have research programs. Some of these competitive products and therapies are based on scientific approaches that are similar to our approach, and others are based on entirely different approaches. We principally compete with others developing and utilizing genome editing technology in the human health sector. Several companies have obtained FDA approval for autologous immunotherapies, and a number of companies are pursuing allogeneic immunotherapies. We expect that our operations focused on developing products for *in vivo* gene editing will face substantial competition from others focusing on gene therapy treatments, especially those that may focus on conditions that our product candidates target. Moreover, any human therapeutics products that we develop alone or with collaborators will compete with existing standards of care for the diseases and conditions that our product candidates target and other types of treatments, such as small molecule, antibody or protein therapies.

Many of our current or potential competitors, either alone or with their collaborators, have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials,

obtaining regulatory approvals and marketing approved products than we do. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller or early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These competitors also compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs. Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any products we develop alone or with collaborators or that would render any such products obsolete or non-competitive. Our competitors also may obtain FDA or other regulatory approval for their products more rapidly than we or our collaborators may obtain approval for any that we develop, which could result in our competitors establishing a strong market position before we are able to enter the market. Additionally, technologies developed by our competitors may render our product candidates uneconomical or obsolete, and we or our collaborators may not be successful in marketing any product candidates we may develop against competitors. The availability of our competitors' products could limit the demand, and the price we are able to charge, for any products that we develop alone or with collaborators.

Our future profitability, if any, will depend in part on our ability and the ability of our collaborators or other licensees to commercialize any products that we, our collaborators, or our other licensees may develop in markets throughout the world. Commercialization of products in various markets could subject us to risks and uncertainties, including:

- obtaining, on a country-by-country basis, the applicable marketing authorization from the competent regulatory authority;
- the burden of complying with complex and changing regulatory, tax, accounting, labor and other legal requirements in each jurisdiction that we or our collaborators pursue;
- reduced protection for intellectual property rights;
- differing medical practices and customs affecting acceptance in the marketplace;
- import or export licensing requirements;
- governmental controls, trade restrictions or changes in tariffs;
- economic weakness, including inflation, political instability in particular foreign economies and markets, or civil unrest or war, such as the current conflict between Russia and Ukraine;
- production shortages resulting from any events affecting raw material supply or manufacturing capabilities abroad;
- longer accounts receivable collection times;
- longer lead times for shipping;
- language barriers;
- foreign currency exchange rate fluctuations;
- foreign reimbursement, pricing and insurance regimes; and
- the interpretation of contractual provisions governed by foreign laws in the event of a contract dispute.

We have limited or no prior experience in these areas, and our collaborators may have limited experience in these areas. Failure to successfully navigate these risks and uncertainties may limit or prevent market penetration for any products that we or our collaborators may develop, which would limit their commercial potential and our revenues.

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

We face an inherent risk of product liability and professional indemnity exposure related to the testing in clinical trials of our product candidates. We will face an even greater liability risk if we commercially sell any products that we or our collaborators may develop for human use. Manufacturing defects, errors in product distribution or storage processes, improper administration or application and known or unknown side effects of product usage may result in liability claims against us or third parties with which we have relationships. These actions could include claims resulting from acts by our collaborators, licensees and subcontractors over which we have little or no control.

For example, our liability could be sought by patients participating in clinical trials for potential therapeutic product candidates as a result of unexpected side effects, improper product administration or the deterioration of a patient's condition, patient injury or even death. Criminal or civil proceedings might be filed against us by patients, regulatory authorities, biopharmaceutical companies and any other third party using or marketing any product candidates or products that we develop alone or with collaborators. On occasion, large judgments have been awarded in class action lawsuits based on products that had unanticipated adverse effects. If we cannot successfully defend ourselves against claims that product candidates or products we develop alone or with collaborators caused harm, we could incur substantial liabilities.

Regardless of merit or eventual outcome, liability claims may result in:

- significant time and costs to defend the related litigation;
- injury to our reputation and significant negative media attention;
- diversion of management's attention from pursuing our strategy;
- withdrawal of clinical trial participants;
- delay or termination of clinical trials;
- decreased demand for any products that we develop alone or with collaborators;
- substantial monetary awards to trial participants or patients;
- product recalls, withdrawals or labeling, marketing or promotional restrictions;
- loss of revenue; and
- the inability to further develop or commercialize any products.

Although the clinical trial process is designed to identify and assess potential side effects, clinical development does not always fully characterize the safety and efficacy profile of a new medicine, and it is always possible that a drug or biologic, even after regulatory approval, may exhibit unforeseen side effects. If our product candidates were to cause adverse side effects during clinical trials or after approval, we may be exposed to substantial liabilities. Physicians and patients may not comply with any warnings that identify known potential adverse effects and patients who should not use our product candidates. If any of our product candidates are approved for commercial sale, we will be highly dependent upon consumer perceptions of us and the safety and quality of such products. We could be adversely affected if we are subject to negative publicity associated with illness or other adverse effects resulting from patients' use or misuse of such products or any similar products distributed by other companies.

Although we maintain product liability insurance coverage, it may not be adequate to cover all liabilities that we may incur. We anticipate that we will need to increase our insurance coverage if we or our collaborators successfully commercialize any products. Insurance coverage is increasingly expensive. We may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liabilities to which we may become subject.

Additional Risks Related to the Identification, Development and Commercialization of Our Therapeutic Product Candidates

The regulatory landscape that will apply to development of therapeutic product candidates by us or our collaborators is rigorous, complex, uncertain and subject to change, which could result in delays or termination of development of such product candidates or unexpected costs in obtaining regulatory approvals.

Regulatory requirements governing products created with genome editing technology or involving gene therapy treatment have changed frequently and will likely continue to change in the future. Approvals by one regulatory agency may not be

indicative of what any other regulatory agency may require for approval, and there has historically been substantial, and sometimes uncoordinated, overlap in those responsible for regulation of gene therapy products, cell therapy products and other products created with genome editing technology. For example, in the United States, the FDA has established the Office of Therapeutic Products within its Center for Biologics Evaluation and Research (“CBER”) to consolidate the review of gene therapy and related products, and the Cellular, Tissues, and Gene Therapies Advisory Committee to advise CBER on its review. Our product candidates will need to meet safety, purity, and potency standards applicable to any new biologic under the regulatory framework administered by the FDA.

In addition to the submission of an IND to the FDA, before initiation of a clinical trial in the United States, certain human clinical trials subject to the NIH Guidelines are subject to review and oversight by an institutional biosafety committee (“IBC”), a local institutional committee that reviews and oversees research utilizing recombinant or synthetic nucleic acid molecules at that institution. The IBC assesses the safety of the research and identifies any potential risk to public health or the environment, and such review may result in some delay before initiation of a clinical trial. While the NIH Guidelines are not mandatory unless the research in question is being conducted at or sponsored by institutions receiving NIH funding of recombinant or synthetic nucleic acid molecule research, many companies and other institutions not otherwise subject to the NIH Guidelines voluntarily follow them. We are subject to significant regulatory oversight by the FDA, and in addition to the government regulators, the applicable IBC and Institutional Review Board (“IRB”) of each institution at which we or our collaborators conduct clinical trials of our product candidates, or a central IRB if appropriate, would need to review and approve the proposed clinical trial.

Similar requirements apply in the EU. The European Medicine Agency (“EMA”) has a Committee for Advanced Therapies (“CAT”) that is responsible for assessing the quality, safety and efficacy of advanced therapy medicinal products (“ATMPs”). ATMPs include gene therapy medicine, somatic-cell therapy medicines and tissue-engineered medicines. The role of the CAT is to prepare a draft opinion on an application for marketing authorization for a gene therapy medicinal product candidate that is submitted to the EMA. In the EU, the development and evaluation of a gene therapy medicinal product must be considered in the context of the relevant EU guidelines. The EMA may issue new guidelines concerning the development and marketing authorization for gene therapy medicinal products and require that we comply with these new guidelines. Similarly complex regulatory environments exist in other jurisdictions in which we might consider seeking regulatory approvals for our product candidates, further complicating the regulatory landscape. As a result, the procedures and standards applied to gene therapy products and cell therapy products may be applied to any of our gene therapy or genome editing product candidates, but that remains uncertain at this point.

The clinical trial requirements of the FDA, the EMA and other foreign regulatory authorities and the criteria these regulators use to evaluate the safety and efficacy of a product candidate vary substantially according to the type, complexity, novelty and intended use and market of the potential products. The regulatory approval process for product candidates created with novel genome editing technology such as ours can be more lengthy, rigorous and expensive than the process for other better known or more extensively studied product candidates and technologies. Since we are developing novel treatments for diseases in which there is little clinical experience with new endpoints and methodologies, there is heightened risk that the FDA, the EMA or comparable regulatory bodies may not consider the clinical trial endpoints to provide clinically meaningful results, and the resulting clinical data and results may be more difficult to analyze. This may be a particularly significant risk for many of the genetically defined diseases for which we may develop product candidates alone or with collaborators due to small patient populations for those diseases, and designing and executing a rigorous clinical trial with appropriate statistical power is more difficult than with diseases that have larger patient populations. Regulatory agencies administering existing or future regulations or legislation may not allow production and marketing of products utilizing genome editing technology in a timely manner or under technically or commercially feasible conditions. Even if our product candidates obtain required regulatory approvals, such approvals may later be withdrawn as a result of changes in regulations or the interpretation of regulations by applicable regulatory agencies.

Changes in applicable regulatory guidelines may lengthen the regulatory review process for our product candidates, require additional studies or trials, increase development costs, lead to changes in regulatory positions and interpretations, delay or prevent approval and commercialization of such product candidates, or lead to significant post-approval limitations or restrictions. Additionally, adverse developments in clinical trials conducted by others of gene therapy products or products created using genome editing technology, such as products developed through the application of a CRISPR/Cas9 technology, or adverse public perception of the field of genome editing, may cause the FDA, the EMA and other regulatory bodies to revise the requirements for approval of any product candidates we may develop or limit the use of products utilizing genome editing technologies, either of which could materially harm our business. For example, on November 28, 2023, the FDA announced that it was investigating reports of T-cell malignancies, including CAR-positive lymphoma, in

patients who received treatment with BCMA- or CD19-directed autologous CAR T cell immunotherapies, and in January 2024, the FDA required the manufacturers of certain CAR-T therapies to add boxed warnings to product labeling cautioning against the risk of T-cell malignancies. Although we are no longer pursuing the development of CAR-T candidates following our strategic divestment of azer-cel, issues associated with these novel treatment modalities could lead to adverse public perceptions or otherwise affect the manner in which the FDA regulates gene editing products, such as those we are seeking to develop. Furthermore, regulatory action or private litigation could result in expenses, delays or other impediments to our research programs or the development or commercialization of current or future product candidates.

As we advance product candidates alone or with collaborators, we will be required to consult with these regulatory and advisory groups and comply with all applicable guidelines, rules and regulations. If we fail to do so, we or our collaborators may be required to delay or terminate development of such product candidates. Delay or failure to obtain, or unexpected costs in obtaining, the regulatory approval necessary to bring a product candidate to market could decrease our ability to generate sufficient product revenue to maintain our business.

We may not be able to submit INDs to the FDA or CTAs to comparable foreign authorities to commence clinical trials on the timelines we expect, and even if we are able to, the FDA or comparable foreign authorities may not permit us to proceed.

We plan to submit INDs and CTAs to enable us to conduct clinical trials for product candidates in the future, and we expect to file IND amendments to enable us to conduct clinical trials under existing INDs. We cannot be sure that submission of an IND, CTA, or IND amendment will result in us being allowed to proceed with clinical trials, or that, once begun, issues will not arise that could result in the suspension or termination such clinical trials. The manufacturing of *in vivo* therapies for genetic and infectious diseases remains an emerging and evolving field. Accordingly, we expect CMC related topics, including product specifications, will be a focus of IND and CTA reviews, which may delay receipt of authorization to proceed under INDs and CTAs. Additionally, even if such regulatory authorities agree with the design and implementation of the clinical trials set forth in an IND or CTA, we cannot guarantee that such regulatory authorities will not change their requirements in the future. Similar risks may exist in foreign jurisdictions where we intend to conduct clinical trials.

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 substantially harmed.

We and any collaborators are not permitted to commercialize, market, promote or sell any product candidate in the United States without obtaining marketing approval from the FDA. Foreign regulatory authorities impose similar requirements. 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 substantial discretion of the regulatory authorities and sufficient resources at the FDA or foreign 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. To date, we have not submitted a BLA or other marketing authorization application to the FDA or similar drug approval submissions to comparable foreign regulatory authorities for any product candidate. We and any collaborators must complete additional preclinical or nonclinical studies and clinical trials to demonstrate the safety and efficacy of our product candidates in humans to the satisfaction of the regulatory authorities before we will be able to obtain these approvals.

Our 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 or our collaborators' clinical trials;
- we or our collaborators may be unable to demonstrate to the satisfaction of the FDA or comparable foreign regulatory authorities that a product candidate is safe and 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 or our collaborators 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 or our collaborators' interpretation of data from preclinical studies or clinical trials;
- the data collected from clinical trials of product candidates may not be sufficient to support the submission of a BLA or other submission or to obtain regulatory approval in the United States or elsewhere;
- the FDA or comparable foreign regulatory authorities may fail to approve our manufacturing processes or facilities or those of third-party manufacturers with which we or our collaborators contract for clinical and commercial supplies;
- the FDA, comparable foreign regulatory authorities or notified bodies may fail to approve or certify the companion diagnostics we may contemplate developing with collaborators; and
- the approval policies or regulations of the FDA or comparable foreign regulatory authorities may significantly change in a manner rendering our or our collaborators' clinical data insufficient for approval.

This lengthy approval process as well as the unpredictability of future clinical trial results may result in our failing to obtain regulatory approval to market our product candidates, which would significantly harm our business, results of operations and prospects.

In addition, even if we were to obtain approval, regulatory authorities may approve any of our product candidates for fewer or more limited indications than we request, may impose significant limitations in the form of narrow indications, warnings, or a REMS or similar risk management measures. Regulatory authorities may not approve the price we or our collaborators intend to charge for products we may develop, 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 necessary or desirable for the successful commercialization of that product candidate. Any of the foregoing scenarios could materially harm the commercial prospects for our product candidates.

In addition, FDA and foreign regulatory authorities may change their approval policies and new regulations may be enacted. For instance, the EU pharmaceutical legislation is currently undergoing a complete review process, in the context of the Pharmaceutical Strategy for Europe initiative, launched by the European Commission in November 2020. The European Commission's proposal for revision of several legislative instruments related to medicinal products (potentially revising the duration of regulatory exclusivity, eligibility for expedited pathways, etc.) was published in April 2023. The proposal revisions, once they are agreed and adopted by the European Parliament and European Council (not expected before 2026), may have a significant impact on the biopharmaceutical industry in the long term.

Clinical trials are difficult to design and implement, expensive, time-consuming and involve an uncertain outcome, and the inability to successfully and timely conduct clinical trials and obtain regulatory approval for our product candidates would substantially harm our business.

Clinical testing is expensive and usually takes many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical trial process, and product candidates in later stages of clinical trials may fail to show the desired safety and efficacy traits despite having progressed through preclinical studies and initial clinical trials. We do not know whether any of our planned or future clinical trials will need to be redesigned, recruit and enroll patients on time or be completed on schedule, or at all. Clinical trials have been and may in the future be delayed, suspended or terminated for a variety of reasons, including in connection with:

- the inability to generate sufficient preclinical, toxicology or other *in vivo* or *in vitro* data to support the initiation of clinical trials;

- applicable regulatory authorities disagreeing as to the design or implementation of the clinical trials;
- obtaining regulatory authorization to commence a trial;
- reaching an agreement on acceptable terms with prospective CROs and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- obtaining IRB or ethics committee approval or positive opinion at each site;
- developing and validating the companion diagnostic to be used in a clinical trial, if applicable;
- insufficient or inadequate supply or quality of product candidates or other materials, including identification of lymphocyte donors meeting regulatory standards necessary for use in clinical trials, or delays in sufficiently developing, characterizing or controlling a manufacturing process suitable for clinical trials;
- recruiting and retaining enough suitable patients to participate in a trial;
- having enough patients complete a trial or return for post-treatment follow-up;
- adding a sufficient number of clinical trial sites;
- inspections of clinical trial sites or operations by applicable regulatory authorities, or the imposition of a clinical hold;
- clinical sites deviating from trial protocol or dropping out of a trial;
- the inability to demonstrate the efficacy and benefits of a product candidate;
- discovering that product candidates have unforeseen safety issues, undesirable side effects or other unexpected characteristics;
- addressing patient safety concerns that arise during the course of a trial;
- receiving untimely or unfavorable feedback from applicable regulatory authorities regarding the trial or requests from regulatory authorities to modify the design of a trial;
- non-compliance with applicable regulatory requirements by us or third parties or changes in such regulations or administrative actions;
- suspensions or terminations by IRBs of the institutions at which such trials are being conducted, by the Data Safety Monitoring Board for such trial or by the FDA or other foreign regulatory authorities due to a number of factors, including those described above;
- third parties being unable or unwilling to satisfy their contractual obligations to us;
- competitive pressures and other market conditions;
- changes in our financial priorities, greater than anticipated costs of completing a trial or our inability to continue funding the trial; or
- unforeseen events, such as natural or man-made disasters, public health emergencies, such as natural catastrophic events.

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. Additionally, we or our collaborators may experience unforeseen events during or resulting from clinical trials that could delay or prevent receipt of marketing approval for or commercialization of product candidates. For example, clinical trials of product candidates may produce negative, inconsistent or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon development programs. Regulators may also revise the requirements for approving the product candidates, or such requirements may not be as we anticipate. If we or our collaborators are required to conduct additional clinical trials or other testing of product candidates beyond those that we or our collaborators currently contemplate, if we or our collaborators are unable to successfully complete clinical trials or other testing of such product candidates, if the results of these trials or tests are not positive or are only modestly positive or if there are safety concerns, we may:

- incur unplanned costs;
- be delayed in obtaining or fail to obtain marketing approval for product candidates;
- obtain marketing approval in some countries and not in others;
- obtain marketing approval for indications or patient populations that are not as broad as intended or desired;

- obtain marketing approval with labeling that includes significant use or distribution restrictions or safety warnings, including boxed warnings;
- be subject to additional post-marketing testing requirements;
- be subject to changes in the way the product is administered;
- have regulatory authorities withdraw or suspend their approval of the product or impose restrictions on its distribution;
- be sued; or
- experience damage to our reputation.

If we or our collaborators experience delays in the commencement or completion of our clinical trials, or if we or our collaborators terminate a clinical trial prior to completion, we may experience increased costs, have difficulty raising capital and/or be required to slow down the development and approval process timelines. Furthermore, the product candidates that are the subject of such trials may never receive regulatory approval, and their commercial prospects and our ability to generate product revenues from them could be impaired or not realized at all.

Moreover, principal investigators for our clinical trials may serve as scientific advisors or consultants to us from time to time and receive compensation in connection with such services. Under certain circumstances, we may be required to report some of these relationships to the FDA or comparable foreign regulatory authorities. The FDA or comparable foreign regulatory authorities may conclude that a financial relationship between us and a principal investigator has created a conflict of interest or otherwise affected interpretation of the study. The FDA or comparable foreign regulatory authorities may therefore question the integrity of the data generated at the applicable clinical trial site and the utility of the clinical trial itself may be jeopardized. This could result in a delay in approval, or rejection, of our marketing applications by the FDA or comparable foreign regulatory authorities, as the case may be, and may ultimately lead to the denial of marketing approval of one or more of our product candidates.

In addition, the FDA's and other regulatory authorities' policies with respect to clinical trials may change and additional government regulations may be enacted. For instance, the regulatory landscape related to clinical trials in the EU recently evolved. The EU Clinical Trials Regulation ("CTR") which was adopted in April 2014 and repeals the EU Clinical Trials Directive, became applicable on January 31, 2022. While the EU Clinical Trials Directive required a separate CTA to be submitted in each member state in which the clinical trial takes place, to both the competent national health authority and an independent ethics committee, the CTR introduces a centralized process and only requires the submission of a single application for multi-center trials. The CTR allows sponsors to make a single submission to both the competent authority and an ethics committee in each member state, leading to a single decision per member state. The assessment procedure of the CTA has been harmonized as well, including a joint assessment by all member states concerned, and a separate assessment by each member state with respect to specific requirements related to its own territory, including ethics rules. Each member state's decision is communicated to the sponsor via the centralized EU portal. Once the CTA is approved, clinical study development may proceed. The CTR transition period ended on January 31, 2025, and all clinical trials (and related applications) are now fully subject to the provisions of the CTR. Compliance with the CTR requirements by us and our third-party service providers, such as CROs, may impact our developments plans.

It is currently unclear to what extent the UK will seek to align its regulations with the EU. The UK regulatory framework in relation to clinical trials is derived from the now-repealed EU Clinical Trials Directive (as implemented into UK law, through the Medicines for Human Use (Clinical Trials) Regulations 2004, as amended).

The extent to which the regulation of clinical trials in the UK will mirror the (EU) CTR in the long term is not yet certain, however, on December 12, 2024, the UK government introduced a legislative proposal - the Medicines for Human Use (Clinical Trials) Amendment Regulations 2024 - that, if implemented, will replace the current regulatory framework for clinical trials in the UK. The UK government has provided the legislative proposal to the UK Parliament for its review and approval. Once the legislative proposal is approved (with or without amendment), it will be adopted into UK law which is expected in early 2026. A decision by the UK government not to closely align its regulations with the new approach that has been adopted in the EU may have an effect on the cost of conducting clinical trials in the UK as opposed to other countries.

If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies governing clinical trials, our development plans may also be impacted.

Any product candidates that we or our collaborators may develop will be novel and may be complex and difficult to manufacture, and if we experience manufacturing problems, it could result in delays in development and commercialization of such product candidates or otherwise harm our business.

Our product candidates involve or will involve novel genome editing technology and will require processing steps that are more complex than those required for most small molecule drugs, resulting in a relatively higher manufacturing cost. Moreover, unlike small molecules, the physical and chemical properties of biologics generally cannot be fully characterized. As a result, assays of the finished product may not be sufficient to ensure that such product will perform in the intended manner. Although we intend to employ multiple steps to control the manufacturing process, we may experience manufacturing issues with any of our product candidates that could cause production interruptions, including contamination, equipment or reagent failure, improper installation or operation of equipment, facility contamination, raw material shortages or contamination, natural disasters, disruption in utility services, human error, disruptions in the operations of our suppliers, inconsistency in cell growth and variability in product characteristics. We may encounter problems achieving adequate quantities and quality of clinical-grade materials that meet FDA, EMA or other comparable applicable standards or specifications with consistent and acceptable production yields and costs. 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 product candidates or in the manufacturing facilities in which such product candidates are made, such manufacturing facilities may need to be closed for an extended period of time to investigate and remedy the contamination. Problems with the manufacturing process, even minor deviations from the normal process, could result in product defects or manufacturing failures that result in lot failures, delays in initiating or completing clinical trials, product recalls, product liability claims or insufficient inventory.

As product candidates are developed through preclinical to late-stage clinical trials towards approval and commercialization, we expect that various aspects of the development program, such as manufacturing methods, may be altered along the way in an effort to help optimize processes and results. Such changes carry the risk that they will not achieve the intended objectives, and any of these changes could cause our product candidates to perform differently and affect the results of future clinical trials or our reliance on results of trials that have previously been conducted using the product candidate in its previous form. If the manufacturing process is changed during the course of product development, we or our collaborators may be required to repeat some or all of the previously conducted trials or conduct additional bridging trials, which could increase our costs and delay or impede our ability to obtain marketing approval.

We expect our manufacturing strategy for one or more of our product candidates may involve the use of CMOs. The facilities used by us and our contract manufacturers to manufacture therapeutic product candidates must be evaluated for the manufacture of our product candidates by the FDA or foreign regulatory authorities pursuant to inspections that will be conducted after we submit a BLA to the FDA, or similar foreign applications to foreign regulatory authorities. While we work closely with our CMOs on the manufacturing processes for our product candidates, including quality audits, we do not control the manufacturing process of our contract manufacturers and are dependent on their compliance with current good manufacturing practices (“cGMP”) or similar foreign requirements for their manufacture of our product candidates. We may establish multiple manufacturing facilities as we expand our commercial footprint to multiple geographies, which will be costly and time consuming and may lead to regulatory delays. Even if we are successful, our manufacturing capabilities could be affected by cost-overruns, potential problems with scale-out, process reproducibility, stability issues, lot inconsistency, timely availability of reagents or raw materials, unexpected delays, equipment failures, labor shortages, natural disasters, utility failures, regulatory issues and other factors that could prevent us from realizing the intended benefits of our manufacturing strategy and have a material adverse effect on our business.

The FDA, the EMA and other foreign regulatory authorities may require us to submit samples of any lot of any product that may receive approval together with the protocols showing the results of applicable tests at any time. Under some circumstances, the FDA, the EMA or other foreign regulatory authorities may require that we not distribute a lot until the relevant agency authorizes its release.

Slight deviations in the manufacturing process, including those affecting quality attributes and stability, may result in unacceptable changes in the product that could result in lot failures or product recalls. Lot failures or product recalls could cause us or our collaborators to delay product launches or clinical trials, which could be costly to us and otherwise harm our business. Problems in our manufacturing process also could restrict our or our collaborators’ ability to meet market demand for products.

Any problems in our manufacturing process or facilities could make us a less attractive collaborator for potential partners, including larger pharmaceutical companies and academic research institutions, which could limit our access to additional attractive development opportunities.

Any delays or difficulties in our or our collaborators' ability to enroll patients in clinical trials, could delay or prevent receipt of regulatory approvals.

We or our collaborators may not be able to initiate or continue clinical trials on a timely basis or at all for any product candidates we or our collaborators identify or develop if we or our collaborators are unable to locate and enroll a sufficient number of eligible patients to participate in the trials as required by applicable regulations or as needed to provide appropriate statistical power for a given trial. Additionally, some of our competitors may have ongoing clinical trials for product candidates that would treat the same indications as one or more of our product candidates, and patients who would otherwise be eligible for our clinical trials may instead enroll in our competitors' clinical trials.

Patient enrollment may also be affected by many factors, including:

- severity and difficulty of diagnosing of the disease under investigation;
- the difficulty in recruiting and/or identifying eligible patients suffering from rare diseases being evaluated under our trials;
- size of the patient population and process for identifying subjects;
- eligibility and exclusion criteria for the trial in question, including unforeseen requirements by the FDA or other regulatory authorities that we restrict one or more entry criteria for the study for safety reasons;
- our or our collaborators' ability to recruit clinical trial investigators with the appropriate competencies and experience;
- design of the trial protocol;
- availability and efficacy of approved medications or therapies, or other clinical trials, for the disease or condition under investigation;
- perceived risks and benefits of the product candidate under trial or testing, or of the application of genome editing to human indications;
- availability of genetic testing for potential patients;
- efforts to facilitate timely enrollment in clinical trials;
- patient referral practices of physicians;
- ability to obtain and maintain subject consent;
- risk that enrolled subjects will drop out before completion of the trial;
- ability to monitor patients adequately during and after treatment;
- proximity and availability of clinical trial sites for prospective patients; and
- unforeseen events, such as natural or man-made disasters, public health emergencies may impact our operations, or other natural catastrophic events.

We expect that some of our product candidates will focus on rare genetically defined diseases with limited patient pools from which to draw for enrollment in clinical trials. The eligibility criteria of our clinical trials will further limit the pool of available trial participants. In addition to the factors identified above, patient enrollment in any clinical trials we or our collaborators may conduct may be adversely impacted by any negative outcomes our competitors may experience, including adverse side effects, clinical data showing inadequate efficacy or failures to obtain regulatory approval.

Furthermore, our or our collaborators' ability to successfully initiate, enroll and conduct a clinical trial outside the United States is subject to numerous additional risks, including:

- difficulty in establishing or managing relationships with CROs and physicians;
- differing standards for the conduct of clinical trials;
- differing standards of care for patients with a particular disease;

- an inability to locate qualified local consultants, physicians and partners; and
- the potential burden of complying with a variety of foreign laws, medical standards and regulatory requirements, including the regulation of pharmaceutical and biotechnology products and treatments.

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

Results of preclinical studies and early clinical trials of product candidates may not be predictive of results of later studies or trials. Our product candidates may not have favorable results in later clinical trials, if any, or receive regulatory approval.

Preclinical and clinical drug development is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the preclinical study or clinical trial process. Despite promising preclinical or clinical results, any product candidate can unexpectedly fail at any stage of preclinical or clinical development. The historical failure rate for product candidates in our industry is high.

The results from preclinical studies or early clinical trials of a product candidate may not be predictive of the results from later preclinical studies or clinical trials, and interim results of a clinical trial are not necessarily indicative of final results. Product candidates in later stages of clinical trials may fail to show the desired safety and efficacy characteristics despite having progressed through preclinical studies and initial clinical trials. Many companies in the biopharmaceutical and biotechnology industries have suffered significant setbacks at later stages of development after achieving positive results in early stages of development, and we may face similar setbacks. These setbacks have been caused by, among other things, preclinical findings made while clinical trials were underway or safety or efficacy observations made in clinical trials, including previously unreported adverse events. Moreover, non-clinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that believed their product candidates performed satisfactorily in preclinical studies and clinical trials nonetheless failed to obtain regulatory approval. Our *in vivo* gene editing technology and product candidates have never undergone testing in humans and have only been tested in a limited manner in animals, and results from animal studies may not be predictive of clinical trial results. Even if product candidates progress to clinical trials, these product candidates may fail to show the safety and efficacy in clinical development required to obtain regulatory approval, despite the observation of positive results in animal studies. Our or our collaborators' failure to replicate positive results from early research programs and preclinical studies may prevent us from further developing and commercializing those or other product candidates, which would limit our potential to generate revenues from them and harm our business and prospects.

For the foregoing reasons, we cannot be certain that any ongoing or future preclinical studies or clinical trials will be successful. Any safety or efficacy concerns observed in any one of our preclinical studies or clinical trials in a targeted area could limit the prospects for regulatory approval of product candidates in that and other areas, which could have a material adverse effect on our business and prospects.

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

From time to time, we may publish interim, initial or "top-line" data from preclinical studies or clinical trials, which is based on a preliminary analysis of then-available data, and the results and related findings and conclusions are subject to change following a more comprehensive review of the data related to the particular trial. We also make assumptions, estimations, calculations and conclusions as part of our analyses of data, and we may not have received or had the opportunity to fully and carefully evaluate all data. As a result, the top-line results that we report may differ from future results of the same studies, or different conclusions or considerations may qualify such results, once additional data have been received and fully evaluated. Initial or "top-line" data also remain subject to audit and verification procedures that may result in the final data being materially different from these initial data we previously published. As a result, interim, initial and "top-line" data should be viewed with caution until the final data are available.

Additionally, interim data from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Adverse differences between initial or interim data and final data could significantly harm our business prospects.

Further, others, including regulatory agencies, may not accept or agree with our assumptions, estimates, calculations, conclusions or analyses or may interpret or weigh the importance of data differently, which could impact the value of the particular program, the approvability or commercialization of the particular product candidate or product and our company in general. In addition, the information we choose to publicly disclose regarding a particular study or clinical trial is based on what is typically extensive information, and you or others may not agree with what we determine is the material or otherwise appropriate information to include in our disclosure. Any information we determine not to disclose may ultimately be deemed significant by you or others with respect to future decisions, conclusions, views, activities or otherwise regarding a particular product candidate or our business. If the top-line data that we report differ from actual results, or if others, including regulatory authorities, disagree with the conclusions reached, our ability to obtain approval for, and commercialize, product candidates may be harmed, which could significantly harm our business prospects.

Our product candidates may not work as intended or cause undesirable side effects that could hinder or prevent receipt of regulatory approval or realization of commercial potential for them or our other product candidates and substantially harm our business.

Our product candidates may be associated with off-target editing or other serious adverse events, undesirable side effects or unexpected characteristics, including large deletions and translocations or chromosomal abnormalities. Results of clinical trials could reveal severe or recurring side effects, toxicities or unexpected events, including death. Off-target cuts could lead to disruption of a gene or a genetic regulatory sequence at an unintended site in the DNA. In those instances where we also provide a segment of DNA, it is possible that following off-target cut events, such DNA could be integrated into the genome at an unintended site, potentially disrupting another important gene or genomic element. There may also be delayed adverse events following exposure to therapeutics made with genome editing technologies due to persistent biologic activity of the genetic material or other components of products used to carry the genetic material. In addition to serious adverse events or side effects caused by product candidates we develop alone or with collaborators, the administration process or related procedures may also cause undesirable side effects.

Further, any side effects may not be appropriately recognized or managed by the treating medical staff. We or our collaborators expect to have to educate medical personnel using any product candidates we may develop to understand the side effect profiles for our clinical trials and upon any commercialization of such product candidates. Inadequate recognition or management of the potential side effects of such product candidates could result in patient injury or death.

If any such events occur, clinical trials or commercial distribution of any product candidates or products we develop alone or with collaborators could be suspended or terminated, and our business and reputation could suffer substantial harm. Treatment-related side effects could affect patient recruitment and the ability of enrolled patients to complete the trial or result in potential liability claims. Regulatory authorities could order us or our collaborators to cease further development of, deny approval of or require us to cease selling any product candidates or products for any or all targeted indications. If we or our collaborators elect, or are required, to delay, suspend or terminate any clinical trial or commercialization efforts, the commercial prospects of such product candidates or products may be harmed, and our ability to generate product revenues from them or other product candidates that we develop may be delayed or eliminated.

Additionally, if we successfully develop a product candidate alone or with collaborators and it receives marketing approval, the FDA or foreign regulatory authorities could require us to adopt a REMS or similar risk management measures to ensure that the benefits of treatment with such product candidate outweigh the risks for each potential patient, which may include, among other things, a communication plan to health care practitioners, patient education, extensive patient monitoring or distribution systems and processes that are highly controlled, restrictive and more costly than what is typical for the industry. We or our collaborators may also be required to adopt a REMS or similar risk management measures or engage in similar actions, such as patient education, certification of health care professionals or specific monitoring, if we or others later identify undesirable side effects caused by any product that we develop alone or with collaborators. Such identification could also have several additional significant negative consequences, such as:

- regulatory authorities may suspend, withdraw or limit approvals of such product, or seek an injunction against its manufacture or distribution;

- regulatory authorities may require additional warnings on the label, including “boxed” warnings, or issue safety alerts, Dear Healthcare Provider letters, press releases or other communications containing warnings or other safety information about the product;
- we may be required to create a medication guide outlining the risks of such side effects for distribution to patients;
- we may be required to change the way a product is administered or conduct additional trials;
- the product may become less competitive;
- we or our collaborators may decide to remove the product from the marketplace;
- we may be subject to fines, injunctions or the imposition of civil or criminal penalties;
- we could be sued and be held liable for harm caused to patients; and
- our reputation may suffer.

Any of these events could prevent us or our collaborators from achieving or maintaining market acceptance of any potential product, or otherwise have a negative impact on our business.

We are subject to federal, state and foreign healthcare laws and regulations relating to our business and could face substantial penalties if we are determined not to have fully complied with such laws, which would have an adverse impact on our business.

Our business operations, as well as our current and anticipated future arrangements with investigators, healthcare professionals, consultants, third-party payors, customers and patients, expose or will expose us to broadly applicable foreign, federal, and state fraud and abuse and other healthcare laws and regulations. These laws constrain the business or financial arrangements and relationships through which we conduct our operations, including how we research, market, sell and distribute any potential products for which we may obtain marketing approval. Such laws include:

- the U.S. federal Anti-Kickback Statute, which prohibits, among other things, persons and entities from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under a U.S. healthcare program such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the U.S. federal Anti-Kickback Statute or specific intent to violate it in order to have committed a violation;
- U.S. federal civil and criminal false claims laws, including the civil False Claims Act, which can be enforced through civil whistleblower or qui tam actions, and civil monetary penalties laws, prohibits, among other things, individuals and entities from knowingly presenting, or causing to be presented, to the U.S. government, claims for payment or approval that are false or fraudulent, knowingly making, using or causing to be made or used, a false record or statement material to a false or fraudulent claim, or from knowingly making a false statement to avoid, decrease or conceal an obligation to pay money to the U.S. government. In addition, the government may assert that a claim including items or services resulting from a violation of the U.S. federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the civil False Claims Act;
- the U.S. Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), which imposes criminal and civil liability for, among other things, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, including private third-party payors, or knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false statement, in connection with the delivery of, or payment for, healthcare benefits, items or services. Similar to the U.S. federal Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation;
- the U.S. Physician Payments Sunshine Act, which requires certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children’s Health Insurance Program (with certain exceptions) to report annually to the Centers for Medicare and Medicaid Services (“CMS”) information related to payments or other “transfers of value” made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), certain non-physician practitioners such as physician assistants and nurse practitioners, and teaching hospitals, and requires applicable manufacturers and group purchasing organizations to report annually to the CMS, ownership and investment interests held by the physicians described above and their immediate family members; and

- analogous state and foreign laws and regulations, such as state anti-kickback and anti-corruption and false claims laws, which may apply to our business practices, including, but not limited to, research, distribution, sales and marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers, or by the patients themselves; state laws and foreign laws and regulations that require pharmaceutical and device companies to comply with the industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the U.S. government or foreign governmental authorities, or otherwise restrict payments that may be made to healthcare providers and other potential referral sources; state and local laws and regulations and foreign laws and regulations that require manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures and pricing information; state and local laws and foreign laws and regulations which require the registration of pharmaceutical sales representatives.

Efforts to ensure that our current and future business arrangements with third parties will comply with applicable healthcare laws and regulations will involve substantial costs. It is possible that governmental authorities may conclude that our business practices, including our relationships with certain physicians, some of whom are compensated in the form of stock options for consulting services provided, do not comply with current or future statutes, regulations, agency guidance or case law involving applicable healthcare laws. If our operations are found to be in violation of any of these or any other health regulatory laws that may apply to us, we may be subject to significant penalties, including the imposition of significant civil, criminal and administrative penalties, damages, monetary fines, disgorgement, individual imprisonment, possible exclusion from participation in Medicare, Medicaid and other U.S. or foreign healthcare programs, additional reporting requirements and oversight if we become subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws, contractual damages, reputational harm, diminished profits and future earnings, and curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations. Defending against any such actions can be costly, time-consuming and may require significant financial and personnel resources. Therefore, even if we are successful in defending against any such actions that may be brought against us, our business may be impaired. If any of the above occur, it could adversely affect our ability to operate our business and our results of operations.

Actual or perceived failures to comply with applicable data protection, privacy and security laws, regulations, standards and other requirements, and the increasing use of social media, could adversely affect our business, results of operations, and financial condition.

The global data protection landscape is rapidly evolving, and we are or may become subject to numerous state, federal and foreign laws, requirements and regulations governing the collection, use, disclosure, retention, and security of personal data, such as information that we may collect in connection with clinical trials in the U.S. and abroad. Implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future, and we cannot yet determine the impact future laws, regulations, standards, or perception of their requirements may have on our business. This evolution may create uncertainty in our business, affect our ability to operate in certain jurisdictions or to collect, store, transfer use and share personal information, necessitate the acceptance of more onerous obligations in our contracts, result in liability or impose additional costs on us. The cost of compliance with these laws, regulations and standards can be high and is likely to increase in the future. Any failure or perceived failure by us to comply with federal, state or foreign laws or regulation, our internal policies and procedures or our contracts governing our processing of personal information could result in negative publicity, government investigations and enforcement actions, claims by third parties and damage to our reputation, any of which could have a material adverse effect on our operations, financial performance and business.

As our operations and business grow, we may become subject to or affected by new or additional data protection laws and regulations and face increased scrutiny or attention from regulatory authorities. In the U.S., HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 and their implementing regulations, imposes, among other things, certain standards relating to the privacy, security, transmission and breach reporting of individually identifiable health information on covered entities (defined as health plans, health care clearinghouses and certain health care providers) and their respective business associates, individuals or entities that create, receive, maintain or transmit protected health information in connection with providing a service for or on behalf of a covered entity. HIPAA mandates the reporting of certain breaches of health information to the Department of Health and Human Services ("HHS"), affected individuals and if the breach is large enough, the media. Most healthcare providers, including research institutions from which we obtain patient health information, are subject to privacy and security regulations promulgated under HIPAA. While we do not believe that we are currently acting as a covered entity or business associate under HIPAA and thus are not directly regulated under HIPAA, any person may be prosecuted under HIPAA's criminal provisions either directly or under aiding-and-abetting or conspiracy principles. Consequently, depending on the facts and circumstances, we could face substantial criminal penalties if we knowingly receive individually identifiable health information from a

HIPAA-covered healthcare provider or research institution that has not satisfied HIPAA's requirements for disclosure of individually identifiable health information.

Certain states have also adopted comparable privacy and security laws and regulations which govern the privacy, processing, and protection of health-related and other personal information. Such laws and regulations will be subject to interpretation by various courts and other governmental authorities, thus creating potentially complex compliance issues for us and our future customers and strategic partners. For example, California enacted the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act, collectively, the CCPA requires covered businesses that process the personal information of California residents to, among other things: (i) provide certain disclosures to California residents regarding the business's collection, use, and disclosure of their personal information; (ii) receive and respond to requests from California residents to access, delete, and correct their personal information, or to opt out of certain disclosures of their personal information; and (iii) enter into specific contractual provisions with service providers that process California resident personal information on the business's behalf. Similar laws have passed in a number of states, and have been proposed in other states and at the federal level, reflecting a trend toward more stringent privacy legislation in the United States. The enactment of such laws could have potentially conflicting requirements that would make compliance challenging. In the event that we are subject to or affected by HIPAA, the CCPA, the CPRA or other domestic privacy and data protection laws, any liability from failure to comply with the requirements of these laws could adversely affect our financial condition.

In Europe, the European Union General Data Protection Regulation ("GDPR") went into effect in May 2018 and imposes strict requirements for processing the personal data of individuals within the European Economic Area ("EEA"). Companies that must comply with the GDPR face increased compliance obligations and risk, including more robust regulatory enforcement of data protection requirements, and potential fines for noncompliance of up to €20 million or 4% of the annual global revenues of the noncompliant company, whichever is greater. Since January 1, 2021 we have also been subject to compliance with the GDPR and the UK GDPR, which, together with the amended UK Data Protection Act 2018, retains the GDPR in UK national law. The UK GDPR mirrors the fines under the GDPR, i.e., fines up to the greater of €20 million/ £17 million or 4% of global turnover.

Among other requirements, the GDPR regulates transfers of personal data subject to the GDPR to third countries that have not been found to provide adequate protection to such personal data, including the United States, and the efficacy and longevity of current transfer mechanisms between the EEA, and the United States remains uncertain. Case law from the Court of Justice of the European Union ("CJEU") states that reliance on the standard contractual clauses - a standard form of contract approved by the European Commission as an adequate personal data transfer mechanism - alone may not necessarily be sufficient in all circumstances and that transfers must be assessed on a case-by-case basis. On July 10, 2023, the European Commission adopted its Adequacy Decision in relation to the new EU-US Data Privacy Framework ("DPF"), rendering the DPF effective as a GDPR transfer mechanism to U.S. entities self-certified under the DPF. Further, on October 12, 2023, the UK Extension to the DPF came into effect (as approved by the UK Government), as a data transfer mechanism from the UK to U.S. entities self-certified under the DPF. We expect the existing legal complexity and uncertainty regarding international personal data transfers to continue. In particular, we expect the DPF Adequacy Decision to be challenged and international transfers to the United States and to other jurisdictions more generally to continue to be subject to enhanced scrutiny by regulators. As a result, we may have to make certain operational changes and we will have to implement revised standard contractual clauses and other relevant documentation for existing data transfers within required time frames. As supervisory authorities issue further guidance on personal data export mechanisms, including circumstances where the standard contractual clauses cannot be used, and/or start taking enforcement action, we could suffer additional costs, complaints and/or regulatory investigations or fines, and/or if we are otherwise unable to transfer personal data between and among countries and regions in which we operate, it could affect the manner in which we provide our services, the geographical location or segregation of our relevant systems and operations, and could adversely affect our financial results.

Despite our efforts to monitor evolving social media communication guidelines and comply with applicable rules, there is risk that the use of social media by us or our employees to communicate about our product candidates or business may cause us to be found in violation of applicable requirements. In addition, our employees may knowingly or inadvertently make use of social media in ways that may not comply with our internal policies or other legal or contractual requirements, which may give rise to liability, lead to the loss of trade secrets or other intellectual property, or result in public exposure of personal information of our employees, clinical trial patients, customers and others. Our potential patient population may also be active on social media and use these platforms to comment on the effectiveness of, or adverse experiences with, our product candidates. Negative posts or comments about us or our product candidates on social media could seriously damage our reputation, brand image and goodwill.

Although we work to comply with applicable laws, regulations and standards, our contractual obligations and other legal obligations, these requirements are evolving and may be modified, interpreted and applied in an inconsistent manner from one jurisdiction to another, and may conflict with one another or other legal obligations with which we must comply. Any failure or perceived failure by us or our employees, representatives, contractors, consultants, CROs, collaborators, or other third parties to comply with such requirements or adequately address privacy and security concerns, even if unfounded, could result in additional cost and liability to us, damage our reputation, and adversely affect our business and results of operations.

Our business and operations may suffer in the event of information technology system failures, cyberattacks or deficiencies in our cybersecurity.

In the ordinary course of our business, we collect, store and transmit large amounts of confidential information, including intellectual property, proprietary business information, clinical trial data, and personal information (collectively, “Confidential Information”). It is critical that we do so in a secure manner to maintain the confidentiality and integrity of such Confidential Information.

Our information technology systems and those of our third-party service providers, strategic partners and other contractors or consultants are vulnerable to attack, damage and interruption from computer viruses and malware (e.g. ransomware), misconfigurations, “bugs” or other vulnerabilities, malicious code, natural disasters, terrorism, war, telecommunication and electrical failures, hacking, cyberattacks, phishing attacks and other social engineering schemes, employee theft or misuse, human error, fraud, denial or degradation of service attacks and sophisticated nation-state and nation-state-supported actors. 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.

The risk of a security breach or disruption, particularly through cyberattacks or cyber intrusion, including by computer hackers, foreign governments and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased and evolved. If we or our third-party vendors were to experience a significant cybersecurity breach of our or their information systems or data, the costs associated with the investigation, remediation and potential notification of the breach to counter-parties and data subjects could be material. In addition, our remediation efforts may not be successful. If we do not allocate and effectively manage the resources necessary to build and sustain the proper technology and cybersecurity infrastructure, we could suffer significant business disruption, including transaction errors, supply chain or manufacturing interruptions, processing inefficiencies, data loss or the loss of or damage to intellectual property or other Confidential Information. There can also be no assurance that our and our third-party service providers’, strategic partners’, contractors’, consultants’, CROs’ and collaborators’ cybersecurity risk management program and processes, including policies, controls or procedures, will be fully implemented, complied with or effective in protecting our systems, networks and Confidential Information.

We and certain of our service providers are from time to time subject to cyberattacks and security incidents. While we do not believe that we have experienced any significant system failure, accident or security breach to date, if such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our development programs and our business operations, whether due to a loss, corruption or unauthorized disclosure of our trade secrets, personal information or other proprietary or sensitive information or other similar disruptions. For example, the loss of clinical trial data from completed or ongoing clinical trials could result in delays in our development and regulatory approval efforts and significantly increase our costs to recover or reproduce the data.

If a security breach or other incident were to result in the unauthorized access to or unauthorized use, disclosure, release or other processing of personal information, it may be necessary to notify individuals, governmental authorities, supervisory bodies, the media and other parties pursuant to privacy and security laws. To the extent that any disruption or security breach were to result in a loss of, or damage to, our data or systems, or inappropriate disclosure of Confidential Information, we could incur liability, including litigation exposure, penalties and fines, we could become the subject of regulatory action or investigation; our competitive position could be harmed; and the further development and commercialization of our products and services could be delayed. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our business. Furthermore, federal, state and international laws and regulations can expose us to enforcement actions and investigations by regulatory authorities, and potentially result in regulatory penalties, fines and significant legal liability, if our information technology security efforts fail. Any adverse impact to the availability, integrity or confidentiality of our or third-party systems or Confidential Information can result in legal claims or proceedings (such as class actions), regulatory investigations and enforcement actions, fines and penalties,

negative reputational impacts that cause us to lose existing or future customers, and/or significant incident response, system restoration or remediation and future compliance costs.

Attacks upon information technology systems are increasing in their frequency, levels of persistence, sophistication and intensity, and are being conducted by sophisticated and organized groups and individuals with a wide range of motives and expertise. Furthermore, because the techniques used to obtain unauthorized access to, or to sabotage, systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. We may also experience security breaches that may remain undetected for an extended period. Even if identified, we may be unable to adequately investigate or remediate incidents or breaches due to attackers increasingly using tools and techniques that are designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence. We also cannot be certain that our existing insurance coverage will continue to be available on acceptable terms or in amounts sufficient to cover the potentially significant losses that may result from a security incident or breach or that the insurer will not deny coverage of any future claim.

We may seek orphan drug designation for our product candidates, but we may be unable to obtain such designations or to maintain the benefits associated with orphan drug designation, which may negatively impact our ability to develop or obtain regulatory approval for such product candidates and may reduce our revenue if we obtain such approval.

We may seek orphan drug designation for some or all of our product candidates in specific orphan indications in which there is a medically plausible basis for the use of these products. Under the Orphan Drug Act, the FDA may grant orphan designation to a drug or biologic intended to treat a rare disease or condition, defined as a disease or condition with a patient population of fewer than 200,000 in the United States, or a patient population greater than 200,000 in the United States when there is no reasonable expectation that the cost of developing and making available the drug or biologic in the United States will be recovered from sales in the United States for that drug or biologic. Orphan drug designation must be requested before submitting a BLA. In the United States, orphan drug designation entitles a party to financial incentives such as opportunities for grant funding towards clinical trial costs, tax advantages and user-fee waivers. After the FDA grants orphan drug designation, the generic identity of the drug and its potential orphan use are disclosed publicly by the FDA. Orphan drug designation does not convey any advantage in, or shorten the duration of, the regulatory review and approval process. Although we may seek orphan product designation for some or all of our other product candidates, we may never receive such designations.

If a product that has orphan drug designation subsequently receives the first FDA approval for the disease or condition for which it has such designation, the product is entitled to orphan product exclusivity, which means that the FDA may not approve any other applications, including a BLA, to market the same biologic for the same disease or condition for seven years, except in limited circumstances such as a showing of clinical superiority to the product with orphan product exclusivity or if FDA finds that the holder of the orphan drug exclusivity has not shown that it can ensure the availability of sufficient quantities of the orphan drug to meet the needs of patients with the disease or condition for which the drug was designated. Even if we or our collaborators or licensees obtain orphan drug designation for a product candidate, we or they may not be the first to obtain marketing approval for any particular orphan indication due to the uncertainties associated with developing pharmaceutical products. Exclusive marketing rights in the United States may be limited if we or our collaborators or licensees seek approval for a disease or condition broader than the orphan designated disease or condition and may be lost if the FDA later determines that the request for designation was materially defective or if the manufacturer is unable to assure sufficient quantities of the product to meet the needs of patients with the rare disease or condition. Further, even if a product obtains orphan drug exclusivity, that exclusivity may not effectively protect the product from competition because different drugs can be approved for the same condition. Even after an orphan drug is approved, the FDA can subsequently approve the same drug for the same condition if the FDA concludes that the later drug is safer, more effective, or makes a major contribution to patient care. Furthermore, the FDA can waive orphan exclusivity if we or our collaborators or licensees are unable to manufacture sufficient supply of the product.

Similarly, in the EU, a medicinal product may receive orphan designation from the European Commission after receiving the opinion of the EMA's Committee for Orphan Medicinal Products, under Article 3 of Regulation (EC) 141/2000. This applies to products (1) that are intended for a life-threatening or chronically debilitating condition; (2) either (a) such condition affects not more than five in 10,000 persons in the EU when the application is made, or (b) the product, without the benefits derived from orphan status, would be unlikely to generate sufficient returns in the EU to justify the necessary investment, and (3) there exists no satisfactory method of diagnosis, prevention or treatment of such condition authorized for marketing in the EU or, if such a method exists, the product will be of significant benefit to those affected by the condition. In the EU, orphan designation entitles a party to financial incentives such as reduction of fees, fee waivers, specific regulatory assistance and scientific advice, and access to the centralized marketing authorization procedure. Upon

grant of a marketing authorization and assuming the requirements for orphan designation are also met at the time the marketing authorization is granted, orphan medicinal products are entitled to 10 years of market exclusivity for the approved therapeutic indication, during which time no similar medicinal product for the same indication may be placed on the market. An orphan product can also obtain an additional two years of market exclusivity in the EU for complying with an agreed Pediatric Investigation Plan (“PIP”). However, the 10-year market exclusivity may be reduced to six years if, at the end of the fifth year, it is established that the product no longer meets the criteria for orphan designation, for example, if the product is judged as sufficiently profitable not to justify maintenance of market exclusivity, or when the prevalence of the condition has increased above the orphan designation threshold. Additionally, marketing authorization may be granted to a similar product for the same indication at any time if:

- the second applicant can establish that its product, although similar, is safer, more effective or otherwise clinically superior;
- the first applicant consents to a second orphan medicinal product application; or
- the first applicant cannot supply enough orphan medicinal product.

Post-Brexit, the UK has retained the EU Regulation which governs the designation of medicinal products as orphan drugs and which establishes incentives thereto (Regulation (EC) No. 141/2000) as part of UK law by virtue of the European Union (Withdrawal) Act 2018. However, any future changes to the legal requirements could lead to greater regulatory complexity and increased costs to our business.

If we or our collaborators or licensees do not receive or maintain orphan drug designation for product candidates for which we seek such designation, it could limit our ability to realize revenues from such product candidates.

If the product candidates that we or our collaborators may develop receive regulatory approval in the United States or another jurisdiction, they may never receive approval in other jurisdictions, which would limit market opportunities for such product candidate and adversely affect our business.

Approval of a product candidate in the United States by the FDA or by the requisite regulatory agencies in any other jurisdiction does not ensure approval of such product candidate by regulatory authorities in other countries or jurisdictions. The approval process varies among countries and may limit our or our collaborators’ ability to develop, manufacture, promote and sell product candidates internationally. Failure to obtain marketing approval in international jurisdictions would prevent the product candidates from being marketed outside of the jurisdictions in which regulatory approvals have been received. In order to market and sell product candidates in the EU and many other jurisdictions, we and our collaborators must obtain separate marketing approvals and comply with numerous and varying regulatory requirements. The approval procedure varies among countries and may involve additional preclinical studies or clinical trials both before and after approval. In many countries, any product candidate for human use must be approved for reimbursement before it can be approved for sale in that country. In some cases, the intended price for such product is also subject to approval. Further, while regulatory approval of a product candidate in one country does not ensure approval in any other country, a failure or delay in obtaining regulatory approval in one country may have a negative effect on the regulatory approval process in others. If we or our collaborators fail to comply with the regulatory requirements in international markets or to obtain all required marketing approvals, the target market for a particular potential product will be reduced, which would limit our ability to realize the full market potential for the product and adversely affect our business.

Current and future legislation may increase the difficulty and cost for us to obtain marketing approval of and commercialize any product candidates we or our collaborators develop and may adversely affect the prices for such product candidates.

In the United States and certain foreign jurisdictions, there have been, and we expect there will continue to be, a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could, among other things, prevent or delay marketing approval of our product candidates, restrict or regulate post-approval activities and affect our or our collaborators’ ability to profitably sell any product candidates that obtain marketing approval.

For example, in March 2010, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act, collectively the ACA, was enacted in the United States. Among the provisions of the Affordable Care Act of importance to our product candidates, the ACA established an annual, nondeductible fee on any entity that manufactures or imports specified branded prescription drugs and biologic agents, increased the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program, extended manufacturers’ Medicaid rebate liability to covered drugs dispensed to individuals who are enrolled in Medicaid managed care organizations, expanded eligibility criteria for Medicaid programs, expanded the entities eligible for discounts under the Public Health

program, addressed 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, and created a licensure framework for follow-on biologic products.

Since its enactment, there have been judicial, administrative, executive, and legislative challenges to certain aspects of the ACA, and the most recent judicial challenge to the ACA brought before the Supreme Court was dismissed in June 2021 resulting in the ACA remaining in effect in its current form.

In addition, other legislative changes have been proposed and adopted since the ACA was enacted. These changes include the American Rescue Plan Act of 2021, which, effective January 1, 2024, eliminated the statutory Medicaid drug rebate cap, which was previously set at 100% of a drug's average manufacturer price.

Further, there has been heightened governmental scrutiny recently over pharmaceutical pricing practices in light of the rising cost of prescription drugs and biologics. Such scrutiny has resulted in several Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies, rebates and price negotiation for pharmaceutical products. Most recently, on August 16, 2022, the Inflation Reduction Act of 2022 (the "IRA"), was signed into law. Among other things, the IRA requires manufacturers of certain drugs to engage in price negotiations with Medicare (beginning in 2026), with prices that can be negotiated subject to a cap; imposes rebates under Medicare Part B and Medicare Part D to penalize price increases that outpace inflation (first due in 2023); and replaces the Part D coverage gap discount program with a new discounting program (which began in 2025). The IRA permits the Secretary of the HHS to implement many of these provisions through guidance, as opposed to regulation, for the initial years. HHS has issued and will continue to issue guidance implementing the IRA, CMS has published the negotiated prices for the initial 10 drugs, which will first be effective in 2026, and has published the list of the subsequent 15 drugs that will be subject to negotiation, although the Medicare drug price negotiation program is currently subject to legal challenges. For that and other reasons, it is currently unclear how the IRA will be effectuated. At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical product and medical device pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. In addition, regional healthcare authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and medical devices to purchase and which suppliers will be included in their prescription drug and other healthcare programs.

We expect that other healthcare reform measures that may be adopted in the future, may result in more rigorous coverage criteria, new payment methodologies and in additional downward pressure on the price that we or our collaborators may receive for any approved or cleared product. Any reduction in reimbursement from Medicare or other government programs may result in a similar reduction in payments from private payors. 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 or our collaborators are slow or unable to adapt to new requirements or policies, or if we or our collaborators are not able to maintain regulatory compliance, any of our product candidates may lose any regulatory approval that may have been obtained and we may not achieve or sustain profitability, which would adversely affect our business.

In the EU, similar developments may affect our ability to profitably commercialize our product candidates, if approved. In addition to continuing pressure on prices and cost containment measures, legislative developments at the EU or member state level may result in significant additional requirements or obstacles that may increase our operating costs. The delivery of healthcare in the EU, including the establishment and operation of health services and the pricing and reimbursement of medicines, is almost exclusively a matter for national, rather than EU, law and policy. National governments and health service providers have different priorities and approaches to the delivery of health care and the pricing and reimbursement of products in that context. In general, however, the healthcare budgetary constraints in most EU member states have resulted in restrictions on the pricing and reimbursement of medicines by relevant health service providers. Coupled with ever-increasing EU and national regulatory burdens on those wishing to develop and market products, this could prevent or delay marketing approval of our product candidates, restrict or regulate post-approval activities and affect our ability to commercialize our product candidates, if approved. In markets outside of the United States and EU, reimbursement and healthcare payment systems vary significantly by country, and many countries have instituted price ceilings on specific products and therapies.

On December 13, 2021, Regulation No 2021/2282 on Health Technology Assessment (“HTA”) amending Directive 2011/24/EU, was adopted. The Regulation entered into force in January 2022 and has been applicable since January 2025, with phased implementation based on the type of product, i.e. oncology and advanced therapy medicinal products as of 2025, orphan medicinal products as of 2028, and all other medicinal products by 2030. The Regulation intends to boost cooperation among EU member states in assessing health technologies, including new medicinal products, and provide the basis for cooperation at the EU level for joint clinical assessments in these areas. It will permit EU member states to use common HTA tools, methodologies, and procedures across the EU, working together in four main areas, including joint clinical assessment of the innovative health technologies with the highest potential impact for patients, joint scientific consultations whereby developers can seek advice from HTA authorities, identification of emerging health technologies to identify promising technologies early, and continuing voluntary cooperation in other areas. Individual EU member states will continue to be responsible for assessing non-clinical (e.g., economic, social, ethical) aspects of health technology, and making decisions on pricing and reimbursement.

Even if we obtain regulatory approval for any products that we develop alone or with collaborators, such products will remain subject to ongoing regulatory requirements, which may result in significant additional expense.

Even if products we develop alone or with collaborators receive regulatory approval, they will be subject to ongoing regulatory requirements for manufacturing, labeling, packaging, distribution, storage, advertising, promotion, sampling, record-keeping and submission of safety and other post-market information, among other things. Any regulatory approvals received for such products may also be subject to limitations on the approved indicated uses for which they may be marketed or to the conditions of approval, or contain requirements for potentially costly post-marketing testing and surveillance studies. For example, the holder of an approved BLA in the United States is obligated to monitor and report adverse events and any failure of a product to meet the specifications in the BLA. FDA guidance advises that patients treated with some types of gene therapy undergo follow-up observations for potential adverse events for as long as 15 years. Similarly, in the EU, pharmacovigilance obligations are applicable to all medicinal products. In addition to those, holders of a marketing authorization for gene or cell therapy products must detail, in their application, the measures they envisage to ensure follow-up of the efficacy and safety of these products. In cases of particular concern, marketing authorization holders for gene or cell therapy products in the EU may be required to design a risk management system with a view to identifying, preventing or minimizing risks and may be obliged to carry out post-marketing studies. In the United States, the holder of an approved BLA must also submit new or supplemental applications and obtain FDA approval for certain changes to the approved product, product labeling or manufacturing process. Similar provisions apply in the EU. Advertising and promotional materials must comply with FDA rules and are subject to FDA review, in addition to other potentially applicable federal and state laws. Similarly, in the EU any promotion of medicinal products is highly regulated and, depending on the specific jurisdiction involved, may require prior vetting by the competent national regulatory authority.

In addition, product manufacturers and their facilities are subject to payment of user fees and continual review and periodic inspections by the FDA and other regulatory authorities for compliance with GMP requirements and adherence to commitments made in the BLA or foreign marketing application. If we, our collaborators or a regulatory agency discovers previously unknown problems with a product such as adverse events of unanticipated severity or frequency or problems with the facility where the product is manufactured or disagrees with the promotion, marketing or labeling of that product, a regulatory agency may impose restrictions relative to that product, the manufacturing facility or us or our collaborators, including requiring recall or withdrawal of the product from the market or suspension of manufacturing.

Moreover, if any of our product candidates are approved, our product labeling, advertising, promotion and distribution will be subject to regulatory requirements and continuing regulatory review. The FDA and foreign regulatory authorities strictly regulate the promotional claims that may be made about drug products. In particular, a product may not be promoted for uses that are not approved by the FDA and foreign regulatory authorities as reflected in the product’s approved labeling.

If we or our collaborators fail to comply with applicable regulatory requirements following approval of any potential products we may develop, authorities may:

- issue an untitled enforcement letter or a warning letter asserting a violation of the law;
- seek an injunction, impose civil and criminal penalties, and impose monetary fines, restitution or disgorgement of profits or revenues;
- suspend or withdraw regulatory approval;

- suspend or terminate any ongoing clinical trials or implement requirements to conduct post-marketing studies or clinical trials;
- refuse to approve a pending BLA or comparable foreign marketing application (or any supplements thereto) submitted by us or our collaborators;
- restrict the labeling, marketing, distribution, use or manufacturing of products;
- seize or detain products or otherwise require the withdrawal or recall of products from the market;
- refuse to approve pending applications or supplements to approved applications that we or our collaborators submit;
- refuse to permit the import or export of products; or
- refuse to allow us or our collaborators to enter into government contracts.

Any government investigation of alleged violations of law could require us to expend significant time and resources in response and could generate negative publicity. The occurrence of any event or penalty described above may inhibit our or our collaborators' ability to commercialize products and our ability to generate revenues.

In addition, the FDA's policies, and policies of foreign regulatory agencies, may change, and additional regulations may be enacted that could prevent, limit or delay regulatory approval of product candidates. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative or executive action, either in the United States or abroad. If we or our collaborators are slow or unable to adapt to changes in existing requirements or the adoption of new requirements, or if we or our collaborators are unable to maintain regulatory compliance, we or they may be subject to enforcement action and we may not achieve or sustain profitability.

The FDA and other regulatory agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses. If we are found or alleged to have improperly promoted off-label uses, we may become subject to significant liability.

The FDA and other regulatory agencies strictly regulate the promotional claims that may be made about prescription products, as our product candidates would be, if approved. In particular, a product may not be promoted for uses that are not approved by the FDA or such other regulatory agencies as reflected in the product's approved labeling. If we are found to have promoted such off-label uses, we may become subject to significant liability. The federal government has levied large civil and criminal fines against companies for alleged improper promotion and has enjoined several companies from engaging in off-label promotion. The FDA has also requested that companies enter into consent decrees or permanent injunctions under which specified promotional conduct is changed or curtailed. If we cannot successfully manage the promotion and avoid off-label promotion of our product candidates, if approved, we could become subject to significant liability, which would materially adversely affect our business and financial condition.

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

The ability of the FDA and foreign regulatory authorities to review and approve new products can be affected by a variety of factors, including government budget and funding levels, statutory, regulatory and policy changes, the FDA's or foreign regulatory authorities' ability to hire and retain key personnel and accept the payment of user fees, and other events that may otherwise affect the FDA's or foreign regulatory authorities' ability to perform routine functions. Average review times at the FDA and foreign regulatory authorities have fluctuated in recent years as a result. In addition, government funding of other government agencies that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable. Disruptions at the FDA and other agencies, such as the EMA following its relocation to Amsterdam and resulting staff changes, may also slow the time necessary for new biologics or modifications to approved biologics to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, in recent years, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA, have had to furlough critical FDA employees and stop critical activities and the new Trump Administration could impose further regulatory reform efforts that could impact certain regulatory agencies, including the FDA. At this time, it is unclear exactly what impact, if any, such changes may have on our business.

Separately, in response to the COVID-19 pandemic, the FDA postponed most inspections of domestic and foreign manufacturing facilities at various points. If a prolonged government shutdown occurs, or if renewed global health concerns prevent the FDA or other regulatory authorities from conducting their regular inspections, reviews or other regulatory activities, it could significantly impact the ability of the FDA or other regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

Even if any product we develop alone or with collaborators receives marketing approval, such product may fail to achieve the degree of market acceptance by physicians, patients, healthcare payors and others in the medical community necessary for commercial success.

The commercial success of any potential therapeutic products we develop alone or with collaborators will depend upon their degree of market acceptance by physicians, patients, third-party payors and others in the medical community. Even if any potential therapeutic products we develop alone or with collaborators receive marketing approval, they may nonetheless fail to gain sufficient market acceptance by physicians, patients, healthcare payors and others in the medical community. The degree of market acceptance of any product we develop alone or with collaborators, if approved for commercial sale, will depend on a number of factors, including:

- the efficacy and safety of such product as demonstrated in clinical trials;
- the prevalence and severity of any side effects;
- the clinical indications for which the product is approved by FDA or other regulatory authorities;
- product labeling or product insert requirements of the FDA or other regulatory authorities, including any limitations or warnings contained in a product's approved labeling;
- public attitudes regarding genome editing technologies;
- our and any collaborators' ability to educate the medical community about the safety and effectiveness of the product;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies, as well as their willingness to accept a therapeutic intervention that involves the editing of the patient's genome;
- the potential and perceived advantages compared to alternative treatments;
- convenience and ease of administration compared to alternative treatments;
- any restrictions on the use of such product together with other treatments or products;
- market introduction of competitive products;
- publicity concerning such product or competing products and treatments;
- the ability to offer such product for sale at a competitive price;
- the strength of marketing and distribution support; and
- sufficient third-party coverage and adequate reimbursement.

If any products we develop alone or with collaborators do not achieve an adequate level of acceptance, we may not generate significant product revenues, and we may not become profitable.

If we are unable to establish sales and marketing capabilities or enter into agreements with third parties to sell and market any products we develop alone or with collaborators, the commercialization of such products may not be successful if and when they are approved.

We do not have a sales or marketing infrastructure and, as a company, have no experience in the sale, marketing or distribution of biopharmaceutical or other commercial products. To achieve commercial success for any approved products for which we retain sales and marketing responsibilities, we must either develop a sales and marketing organization or outsource these functions to third parties. In the future, we may choose to build a focused sales, marketing and commercial support infrastructure to sell, or participate in sales activities with our collaborators for, certain product candidates if and when they are approved.

There are risks involved with both establishing our own commercial capabilities and entering into arrangements with third parties to perform these services. For example, restricted or closed distribution channels may make it difficult to distribute

products to segments of the patient population, and the lack of complementary medicines to be offered by sales personnel may put us at a competitive disadvantage relative to companies with more extensive product lines.

Recruiting and training a sales force or reimbursement specialists are expensive and time consuming and could delay any product launch. If the commercial launch of a product for which we recruit a sales force and establish marketing and other commercialization capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses, and our investment would be lost if we cannot retain or reposition our commercialization personnel. Factors that may inhibit our efforts to commercialize products on our own include

- unforeseen costs and expenses associated with creating an independent commercialization organization;
- our inability to recruit, train, retain and effectively manage adequate numbers of effective sales, marketing, customer service and other support personnel, including for reimbursement or medical affairs;
- the inability of sales personnel to educate adequate numbers of physicians on the benefits of our future medicines; and
- the inability of reimbursement professionals to negotiate arrangements for formulary access, reimbursement and other acceptance by payors.

If we choose to enter into arrangements with third parties to perform sales, marketing, commercial support or distribution services, we may not be successful in entering into such arrangements or may be unable to do so on terms that are favorable to us. Entering into such third-party arrangements may subject us to a variety of risks, including:

- product revenues or profitability to us being lower than if we were to market and sell any products we or our collaborators may develop ourselves;
- our inability to exercise direct control over sales and marketing activities and personnel;
- failure of the third parties to devote necessary resources and attention to, or other inability to, sell and market any products we or our collaborators may develop;
- potential disputes with third parties concerning sales and marketing expenses, calculation of royalties and sales and marketing strategies; and
- unforeseen costs and expenses associated with sales and marketing.

If we do not establish effective commercialization capabilities, either on our own or in collaboration with third parties, we will not be successful in commercializing any of our product candidates that may receive approval.

If the market opportunities for any products we develop alone or with collaborators are smaller than our estimates, or if we are unable to successfully identify enough patients, our revenues may be adversely affected.

We focus some of our research and product development on treatments for rare genetic diseases. Our and our collaborators' projections of both the number of people who have these diseases, as well as the subset of people with these diseases who have the potential to benefit from treatment with product candidates we may develop, are based on estimates. These estimates may prove to be incorrect, and new studies may change the estimated incidence or prevalence of these diseases. The number of patients in the United States, Europe and elsewhere may turn out to be lower than expected, and patients may not be amenable to treatment with products that we may develop alone or with collaborators, or may become increasingly difficult to identify or gain access to, any of which would decrease our ability to realize revenue from any such products for such diseases.

The successful commercialization of potential products will depend in part on the extent to which governmental authorities and health insurers establish coverage, and the adequacy of reimbursement levels and pricing policies, and failure to obtain or maintain coverage and adequate reimbursement for any potential products that may receive approval, could limit marketability of those products and decrease our ability to generate revenue.

The availability of coverage and adequacy of reimbursement by government healthcare programs such as Medicare and Medicaid, private health insurers and other third-party payors is essential for most patients to be able to afford prescription medications such as the potential therapeutic products we develop alone or with collaborators. The ability to achieve acceptable levels of coverage and reimbursement for any potential products that may be approved by governmental authorities will have an effect on our and our collaborators' ability to successfully commercialize such products. Even if products we develop alone or with collaborators obtain coverage by a third-party payor, the resulting reimbursement payment rates may not be adequate or may require co-payments that patients find unacceptably high. If coverage and

reimbursement in the United States, the EU or elsewhere is not available for any products we develop alone or with collaborators that may be approved, or any reimbursement that may become available is decreased or eliminated in the future, we and our collaborators may be unable to commercialize such products.

There is significant uncertainty related to the insurance coverage and reimbursement of newly approved drugs and biologics. In the United States, third-party payors, including private and governmental payors, such as the Medicare and Medicaid programs, play an important role in determining the extent to which new drugs and biologics will be covered. In August 2019, the CMS published its decision to cover autologous treatment for cancer with T-cells expressing at least one CAR when administered at healthcare facilities enrolled in the FDA risk evaluation and mitigation strategies and used for an FDA-approved indication or for other uses when the product has been FDA-approved and the use is supported in one or more CMS-approved compendia. The Medicare and Medicaid programs increasingly are used as models in the United States for how private 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 any product that we develop alone or with collaborators.

No uniform policy for coverage and reimbursement for products exists 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 will require us or our collaborators to provide scientific and clinical support for the use of any potential products that may be approved 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. Obtaining coverage and adequate reimbursement for products we develop alone or with collaborators may be particularly difficult because of the higher prices often associated with drugs administered under the supervision of a physician. In certain instances, payors may not separately reimburse for the product itself, but only for the treatments or procedures in which such product is used. A decision by a third-party payor not to cover or separately reimburse for products that we develop alone or with collaborators or procedures using such products, could reduce physician utilization of any such products that may receive approval.

Third-party payors are increasingly challenging prices charged for pharmaceutical 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. If approved, it is possible that a third-party payor may consider any products that we develop alone or with collaborators as substitutable and only offer to reimburse patients for the less expensive product. Pricing of existing third-party therapeutics may limit the amount we will be able to charge for any products that may receive approval even if we or our collaborators show improved efficacy or improved convenience of administration such products. These payors may deny or revoke the reimbursement status of a given product or establish prices for new or existing marketed products at levels that are too low to enable us to realize an appropriate return on our investment in the product. If reimbursement is not available or is available only at limited levels, we or our collaborators may not be able to successfully commercialize any of the products that we develop, even if approved, and we may not be able to obtain a satisfactory financial return on them. Moreover, increasing efforts by governmental and third-party payors in the United States and abroad to cap or reduce healthcare costs may cause such organizations to limit both coverage and the level of reimbursement for newly approved products and, as a result, they may not cover or provide adequate payment for any products we develop alone or with collaborators that may receive approval. We expect to experience pricing pressures in connection with the sale of any products that may receive approval 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.

Outside the United States, international operations are generally subject to extensive governmental price controls and other market regulations, and we believe the increasing emphasis on cost-containment initiatives in Europe and elsewhere have and will continue to put pressure on the pricing and usage of any products we develop alone or with collaborators that may receive approval. In many countries, the prices of medical products are subject to varying price control mechanisms as part of national health systems. Other countries allow companies to fix their own prices for medical products, but monitor and control company profits. Additional international price controls or other changes in pricing regulation could restrict the amount that we or our collaborators are able to charge for products that we develop that may receive approval. Accordingly, in markets outside the United States, the reimbursement for such products may be reduced compared with the United States and may be insufficient to generate commercially reasonable revenue and profits.

Our product candidates for which we intend to seek approval as biologic products may face competition sooner than anticipated.

If we are successful in achieving regulatory approval to commercialize any biologic product candidate we develop alone or with collaborators, it may face competition from biosimilar products. In the United States, our product candidates are regulated by the FDA as biologic products subject to approval under the BLA pathway. The Biologics Price Competition and Innovation Act of 2009 (the “BPCIA”) created an abbreviated pathway for the approval of biosimilar and interchangeable biologic products following the approval of an original BLA. The abbreviated regulatory pathway establishes legal authority for the FDA to review and approve biosimilar biologics, including the possible designation of a biosimilar as “interchangeable” based on its similarity to an existing brand product. Under the BPCIA, an application for a biosimilar product may not be submitted until four years following the date that the reference product was first licensed by the FDA. In addition, the approval of a biosimilar product may not be made effective by the FDA until 12 years after the reference product was first licensed by the FDA. During this 12-year period of exclusivity, another company may still market a competing version of the reference product if the FDA approves a full BLA for the competing product containing the sponsor’s own preclinical data and data from adequate and well-controlled clinical trials to demonstrate the safety, purity and potency of their product.

We believe that any of our product candidates that are approved as biological products under a BLA should qualify for the 12-year period of exclusivity. However, there is a risk that this exclusivity could be shortened due to congressional action or otherwise, or that the FDA will not consider such product candidates to be reference products for competing products, potentially creating the opportunity for generic competition sooner than anticipated. If competitors are able to obtain marketing approval for biosimilars referencing any products that we develop alone or with collaborators that may be approved, such products may become subject to competition from such biosimilars, with the attendant competitive pressure and potential adverse consequences.

Jurisdictions in addition to the U.S. have established abbreviated pathways for regulatory approval of biological products that are biosimilar to earlier approved reference products. For example, the EU has had an established regulatory pathway for biosimilars since 2006. For such products, the results of appropriate preclinical or clinical trials must be provided, and guidelines from the EMA detail the type of quantity of supplementary data to be provided for different types of biological product. There are no such guidelines for complex biological products, such as gene or cell therapy medicinal products, and so it is unlikely that biosimilars of those products will currently be approved in the EU. However, guidance from the EMA states that they will be considered in the future in light of the scientific knowledge and regulatory experience gained at the time.

Risks Related to Our Organization, Structure and Operations

We may experience difficulties in managing the needs of our business, which could disrupt our operations.

As of September 30, 2025, we had 67 full-time employees. Our future financial performance, ability to develop and commercialize product candidates alone or with collaborators and ability to compete effectively will depend in part on our ability to effectively manage the then applicable needs of our business. We may have difficulty identifying, hiring and integrating new personnel. Many of the biotechnology companies that we compete against for qualified personnel and consultants have greater financial and other resources (including the ability to offer greater cash and equity incentive compensation), different risk profiles and a longer history than we do. If we are unable to continue to attract and retain high-quality personnel and consultants, the rate and success at which we can identify and develop product candidates, enter into collaborative arrangements and otherwise operate our business will be limited.

Management may need to divert a disproportionate amount of its attention away from our day-to-day activities and devote a substantial amount of time to managing our personnel needs. Due to our limited financial resources and the limited experience of our management team in managing a company with anticipated growth, we may not be able to effectively manage the expected demands of our operations or recruit and train additional qualified personnel. Moreover, addressing our personnel needs may lead to significant costs and may divert our management and business development resources from other projects, such as the development of product candidates. If we are not able to effectively manage our operations, it may result in weaknesses in our infrastructure, increase our expenses more than expected, or give rise to operational mistakes, loss of business opportunities, loss of employees and reduced productivity. Our future financial performance, ability to successfully commercialize any of our product candidates and our ability to compete effectively will depend, in part, on our ability to effectively manage any future growth and then applicable needs.

We may engage in transactions that could disrupt our business, cause dilution to our stockholders or reduce our financial resources.

In the future, we may enter into transactions to acquire or in-license rights to product candidates, products or technologies or that involve the acquisition of or investment in other businesses. If we do identify suitable candidates, we may not be able to enter into such transactions on favorable terms, or at all. Any such acquisitions, investments or in-licenses may not strengthen our competitive position, and these transactions may be viewed negatively by customers or investors. We may decide to incur debt in connection with an acquisition, investment or in-license, which may negatively impact our financial condition and restrict our operations, or issue our common stock or other equity securities to the stockholders of the acquired company, which would reduce the percentage ownership of our existing stockholders. In addition, we are exposed to risks related to our investments, and we may realize losses in the fair value of our investments or a complete loss of our investments, which would have a negative effect on our financial condition. We could incur losses resulting from undiscovered liabilities of the acquired business that are not covered by the indemnification we may obtain from the sellers of the acquired business. In addition, we may not be able to successfully integrate the acquired personnel, technologies and operations into our existing business in an effective, timely and non-disruptive manner. Such transactions may also divert management attention from day-to-day responsibilities, increase our expenses and reduce our cash available for operations and other uses. We cannot predict the number, timing or size of future acquisitions, investments or in-licenses or the effect that they might have on our operating results.

Our future success depends on our key executives, as well as attracting, retaining and motivating qualified personnel.

We are highly dependent on the research and development experience, technical skills, leadership and continued service of certain members of our management and scientific teams. Although we have formal employment agreements with our executive officers, these agreements do not prevent them from terminating their employment with us at any time. The loss of the services of any of these persons could impede the achievement of our research, development and commercialization objectives.

Recruiting and retaining qualified scientific, clinical, manufacturing and, if we retain commercialization responsibility for any product candidate we develop alone or with collaborators, sales and marketing personnel will also be critical to our success. We may not be able to attract new or successor personnel on acceptable terms or at all given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development and commercialization strategies. Our consultants and advisors may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us. The inability to recruit, integrate, motivate and retain additional skilled and qualified personnel, 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.

We are subject to increased costs as a result of operating as a public company, and our management will be required to devote substantial time to maintaining compliance initiatives and corporate governance practices, including establishing and maintaining proper and effective internal control over financial reporting.

As a public company, we have incurred and will continue to incur significant legal, accounting and other expenses that we did not incur as a private company. We are subject to the Securities Exchange Act of 1934, as amended (the “Exchange Act”), including the reporting requirements thereunder, the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of Nasdaq and other applicable securities rules and regulations, including requirements related to the establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel will need to continue to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations have increased our legal and financial compliance costs, making some activities more difficult, time consuming or costly, and increasing demand on our systems and resources.

Pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 (“Section 404”) we are required to furnish a report by our management on our internal control over financial reporting. However, while we remain a non-accelerated filer within the meaning of the Exchange Act, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. If we fail to implement the requirements of Section 404 in the required timeframe, we may be subject to sanctions or investigations by regulatory authorities, including the

SEC and Nasdaq. Furthermore, if we are unable to conclude that our internal control over financial reporting is effective, our 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 regulatory authorities. Failure to implement or maintain an effective internal control system could also restrict our future access to the capital markets.

Our business and operations may suffer in the event of information technology system failures, cyber-attacks or deficiencies in our security, which could materially affect our results.

Despite the implementation of security measures, our information technology systems, as well as those of third parties with which we have relationships, are vulnerable to attack, interruption, and damage from computer viruses and malware (e.g., ransomware), malicious code, cyberattacks, hacking, phishing attacks and other social engineering schemes, denial or degradation of service attacks, natural and man-made disasters, terrorism, war and telecommunication and electrical failures, malfeasance by external or internal parties (e.g., employee theft or misuse, attacks by sophisticated nation-state and nation-state-supported actors), and human error. The aforementioned third parties with which we have relationships include service providers and vendors who provide to us a broad array of software and other technologies as well as products, services and functions (e.g., human resources, finance, communications, data transmission, risk, compliance) that enable us to conduct, monitor and/or protect our business, operations, systems and data assets.

Attacks upon information technology systems are increasing in their frequency, levels of persistence, sophistication and intensity, and are being conducted by sophisticated and organized groups and individuals with a wide range of motives and expertise. Furthermore, because the technologies used to obtain unauthorized access to, or to sabotage or disrupt, systems change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or implement adequate preventative measures. We may also experience security breaches that may remain undetected for an extended period. Even if identified, we may be unable to adequately investigate or remediate incidents or breaches due to attackers increasingly using tools and techniques that are designed to circumvent controls, to avoid detection, and to remove or obfuscate forensic evidence. We may also face increased cybersecurity risks due to our reliance on internet technology and the number of our and our service providers' employees who work remotely, which may create additional opportunities for cybercriminals to exploit vulnerabilities. The White House, SEC and other regulators have also increased their focus on companies' cybersecurity vulnerabilities and risks. There can be no assurance that our cybersecurity risk management program and processes, including our policies, controls or procedures, will be fully implemented, complied with or effective in protecting our systems and information.

We and certain of our service providers are from time to time, subject to cyberattacks and security incidents. While we do not believe that we have experienced any material impact to our business strategy, results of operations, or financial condition resulting from a system failure, accident or security breach to date, if such an event were to occur and cause interruptions in our or our critical third parties' operations, it could result in delays and/or material disruptions of our research and development programs, our operations and ultimately, our financial results. For example, the loss of trial data from completed, ongoing or planned trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. To the extent that any disruption or security breach were to result in a loss of or damage to data or applications, or inappropriate disclosure of personal, confidential or proprietary information, we could incur liability due to delays in the development of our product candidates and/or due to reputational harm, litigation, regulatory investigations and enforcement, fines and penalties, or increased costs of compliance and system remediation. Any losses, costs or liabilities may not be covered by, or may exceed the coverage limits of, any or all applicable insurance policies.

Federal, state and foreign legislators and regulators globally have enacted or proposed legal requirements regarding the collection, distribution, disclosure, use, processing, security and storage of personally identifiable information and other types of regulated data, including online information and data online. In the ordinary course of our business, we and third parties with which we have relationships will continue to collect and store sensitive data, including intellectual property, clinical trial data, proprietary business information, personal data and personally identifiable information of our clinical trial subjects and employees, in data centers and on networks. The secure processing, maintenance and transmission of this information is critical to our operations. Despite security measures that we and our critical third parties (e.g., collaborators) implement, our information technology systems, infrastructure and data may be vulnerable to attacks by hackers or internal bad actors, breaches due to human error, technical vulnerabilities, malfeasance or other disruptions. A number of proposed and enacted federal, state and international laws and regulations obligate companies to notify individuals and other parties of security breaches involving particular types of information, which could result from breaches experienced by us or by third parties, including collaborators, vendors, contractors or other organizations with which we have formed relationships that involve the handling or processing of such information.

Even though we may have contractual protections with third parties who process or handle sensitive information, any breach could compromise our or their networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure, notifications, follow-up actions related to such a security breach or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information and significant costs, including regulatory penalties, fines and legal expenses, and such an event could disrupt our operations, cause us to incur remediation costs, damage our reputation and cause a loss of confidence in us and our or such third parties' ability to conduct clinical trials, which could adversely affect our reputation and delay our research and development programs.

Our insurance policies are expensive and protect us only from some business risks, which leaves us exposed to significant uninsured liabilities.

We do not carry insurance for all categories of risk that our business may encounter. If we obtain marketing approval for any product candidates that we or our collaborators may develop, we intend to acquire insurance coverage to include the sale of commercial products, but we may be unable to obtain such insurance on commercially reasonable terms or in adequate amounts. We do not carry specific biological or hazardous waste insurance coverage, and our property, casualty and general liability insurance policies specifically exclude coverage for damages and fines arising from biological or hazardous waste exposure or contamination.

Accordingly, in the event of contamination or injury, we could be held liable for damages or be penalized with fines in an amount exceeding our resources, and clinical trials or regulatory approvals for any of our product candidates could be suspended. We also expect that operating as a public company will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors, our board committees or as our executive officers.

Insurance coverage is becoming increasingly expensive, and in the future, we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses. We do not know if we will be able to maintain existing insurance with adequate levels of coverage, and any liability insurance coverage we acquire in the future may not be sufficient to reimburse us for any expenses or losses we may suffer. A successful liability claim or series of claims brought against us could require us to pay substantial amounts and cause our share price to decline and, if judgments exceed our insurance coverage, could adversely affect our results of operations and business, including preventing or limiting the development and commercialization of any product candidates that we or our collaborators may develop.

If we or any of our contract manufacturers or other suppliers fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur significant costs.

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

Compliance with applicable environmental laws and regulations may be expensive, and current or future environmental laws and regulations may impair our research and product development efforts. In addition, we cannot entirely eliminate the risk of accidental injury or contamination from these materials or wastes.

Although we maintain workers' compensation insurance to cover us for costs and expenses, we may incur due to injuries to our employees resulting from the use of hazardous materials, this insurance may not provide adequate coverage against potential liabilities. We do not carry specific biological or hazardous waste insurance coverage, and our property, casualty and general liability insurance policies (under which we currently have an aggregate of approximately \$10 million in coverage) specifically exclude coverage for damages and fines arising from biological or hazardous waste exposure or

contamination. Accordingly, in the event of contamination or injury, we could be held liable for damages or be penalized with fines in an amount exceeding our resources, and our clinical trials or regulatory approvals for any product candidate we develop alone or with collaborators could be suspended, which could have a material adverse effect on our business and financial condition.

In addition, we may incur substantial costs in order to comply with current or future environmental, health and safety laws, regulations and permitting requirements, and any third-party contract manufacturers and suppliers we engage will also be subject to such current and future regulations and requirements. These current or future laws, regulations and permitting requirements may impair our research, development or production efforts. Failure to comply with these laws, regulations and permitting requirements, either by us or by any third-party contract manufacturers and suppliers we engage, also may result in substantial fines, penalties or other sanctions or business disruption.

Our business operations, including our current and future relationships with third parties, may expose us to penalties for potential misconduct or improper activity, including non-compliance with regulatory standards and requirements.

Complex laws constrain our business and the financial arrangements and relationships through which we conduct our operations, including how we may research, market, sell and distribute product candidates alone or with collaborators. We are exposed to the risk of fraud or other misconduct by our employees, consultants and collaborators and, if we or our collaborators commence clinical trials and proceed to commercialization, our principal investigators and commercial partners, as well as healthcare professionals, third-party payors, patient organizations and customers. For example, misconduct by these parties could include intentional failures to comply with FDA regulations or the regulations applicable in the EU and other jurisdictions, provide accurate information to the FDA and other regulatory authorities, comply with healthcare fraud and abuse laws and regulations in the United States and abroad, report financial information or data accurately or disclose unauthorized activities to us. In particular, sales, marketing and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, false and/or misleading statements, corruption of government officials, self-dealing and other abusive practices. These laws and regulations restrict or prohibit a wide range of pricing, discounting, marketing, promotion, sales commission and customer incentive programs and other business arrangements. Such misconduct also could involve the improper use or misrepresentation of information obtained in the course of clinical trials, creating fraudulent data in preclinical studies or clinical trials, illegal misappropriation of study materials or other property, or improper interactions with the FDA or other regulatory authorities, which could result in regulatory sanctions and cause serious harm to our or our collaborators' reputations.

Ensuring that our internal operations and current and future business arrangements with third parties comply with applicable healthcare laws and regulations will involve substantial costs. Additionally, we are subject to the risk that a person or government could allege such fraud or other misconduct, even if none occurred. It is possible that governmental authorities will conclude that our business practices do not comply with current or future statutes, regulations, agency guidance or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of the laws described above or any other governmental laws and regulations that may apply to us, we may be subject to significant penalties, including civil, criminal and administrative penalties, damages, fines, exclusion from government-funded healthcare programs, such as Medicare and Medicaid or similar programs in other countries or jurisdictions, additional reporting requirements and oversight if subject to a corporate integrity agreement or similar agreement to resolve allegations of non-compliance with these laws, disgorgement, individual imprisonment, contractual damages, reputational harm, diminished profits and the curtailment or restructuring of our operations. If any of the physicians or other providers or entities with whom we expect to do business are found to not be in compliance with applicable laws, they may be subject to similar penalties, such as criminal, civil or administrative sanctions, including exclusions from government-funded healthcare programs and imprisonment, which could affect our ability to operate our business. Further, defending against any such actions can be costly and time-consuming and may require significant personnel resources. Therefore, even if we are successful in defending against any such actions that may be brought against us, our business may be impaired. We have adopted policies applicable to all of our employees, but it is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent such activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from government investigations or other actions or lawsuits stemming from a failure to comply with applicable laws or regulations. Additionally, we are subject to the risk that a person could allege such fraud or other misconduct, even if none occurred. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could result in the imposition of any of the penalties discussed above and have a significant impact on our business and financial condition.

We are subject to complex tax rules relating to our business, and any audits, investigations or tax proceedings could have a material adverse effect on our business, results of operations and financial condition.

We are subject to income and non-income taxes in the United States. Income tax accounting often involves complex issues, and judgment is required in determining our provision for income taxes and other tax liabilities. We may operate in foreign jurisdictions in the future. We could become subject to income and non-income taxes in foreign jurisdictions as well. In addition, many jurisdictions have detailed transfer pricing rules, which require that all transactions with non-resident related parties be priced using arm's length pricing principles within the meaning of such rules. The application of withholding tax, goods and services tax, sales taxes and other non-income taxes is not always clear, and we may be subject to tax audits relating to such withholding or non-income taxes. We believe that our tax positions are reasonable, and our tax reserves are adequate to cover any potential liability. We are currently not subject to any tax audits. However, the Internal Revenue Service ("IRS") or other taxing authorities may disagree with our positions. If the IRS or any other tax authorities were successful in challenging our positions, we may be liable for additional tax and penalties and interest related thereto or other taxes, as applicable, in excess of any reserves established therefor, which may have a significant impact on our results and operations and future cash flow.

We may not be able to utilize all, or any, of our net operating loss carryforwards.

We have incurred substantial losses during our history, do not expect to become profitable in the near future, and may not achieve profitability. As of December 31, 2024, we had U.S. federal and state net operating loss ("NOL") carryforwards of \$235.5 million and \$212.0 million, respectively. Our federal NOL carryforwards carry forward indefinitely. Our state NOL carryforwards begin to expire in 2027. In addition, as of year ended December 31, 2024, we have U.S. federal and state R&D tax credits of \$20.2 million and an amount less than \$0.1 million available to offset future U.S. federal and state income taxes, which begin to expire in 2029 and 2030, respectively. Additionally, for the year ended December 31, 2024, we had federal Orphan Drug credits of \$13.5 million, which begin to expire in 2038.

Changes in tax laws or regulations may adversely impact our ability to utilize all, or any, of our NOL carryforwards. For example, legislation enacted in 2017, informally titled the Tax Cuts and Jobs Act (the "TCJA"), significantly revised the Internal Revenue Code of 1986, as amended (the "Code"). Future guidance from the IRS and other tax authorities with respect to the TCJA may affect us, and certain aspects of the TCJA could be repealed or modified in future legislation. For example, the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") modified certain provisions of the TCJA. Under the CARES Act, NOLs arising in a tax year beginning after December 31, 2017, and before January 1, 2021, generally may now be carried back five years. Under the TCJA, as modified by the CARES Act, unused losses generated in taxable years ending after December 31, 2017 will not expire and may be carried forward indefinitely, but the deductibility of such NOLs in tax years beginning after December 31, 2020, is limited to 80% of taxable income. It is uncertain if and to what extent various states will conform to the TCJA or the CARES Act.

As of December 31, 2024, we have a valuation allowance for the full amount of our net deferred tax assets as the realization of the net deferred tax assets is not determined to be more likely than not. In addition, Sections 382 and 383 of the Code limit a corporation's ability to utilize its NOL carryforwards and certain other tax attributes (including research credits) to offset any future taxable income or tax if the corporation experiences a cumulative ownership change of more than 50% over any rolling three-year period. State NOL carryforwards (and certain other tax attributes) may be similarly limited. A Section 382 ownership change can therefore result in significantly greater tax liabilities than a corporation would incur in the absence of such a change, and any increased liabilities could adversely affect the corporation's business, results of operations, financial condition and cash flow. We have not yet determined if any prior change in the ownership of our equity or any change in such ownership in connection with our IPO, would trigger a Section 382 ownership change. It is possible that such a Section 382 ownership change has already occurred in prior periods. Furthermore, additional ownership changes may occur in the future as a result of events over which we will have little or no control, including purchases and sales of our equity by our 5% stockholders, the emergence of new 5% stockholders, additional equity offerings or redemptions of our stock or certain changes in the ownership of any of our 5% stockholders. As a result, our pre-2018 NOL carryforwards (and research tax credits) may expire prior to being used, and our NOL carryforwards and tax credits generated in 2018 and thereafter will be subject to a percentage limitation, upon an ownership change. Similar provisions of state tax law may also apply to limit our use of accumulated state tax attributes. As a result, even if we attain profitability, we may be unable to use all or a material portion of our NOLs and other tax attributes, which could adversely affect our future cash flows.

Risks Related to Our Reliance on Third Parties

We have entered into significant arrangements with collaborators and expect to depend on collaborations with third parties for certain research, development and commercialization activities, and if any such collaborations are not successful, it may harm our business and prospects.

We have sought in the past, and anticipate that we will continue to seek in the future, third-party collaborators for the research, development and commercialization of certain product candidates and the research and development of certain technologies. Our potential collaborators for product research and development arrangements likely include large and mid-size pharmaceutical and biotechnology companies, and our potential collaborators for other technology research and development arrangements likely include universities and other research institutions.

Working with collaborators poses several significant risks. We have limited control over the amount and timing of resources that our collaborators dedicate to the product candidates or technologies we may seek to develop with them. A variety of factors may impact resource allocation decisions of collaborators, such as study or trial results, changes in the collaborator's strategic focus, turnover in personnel responsible for the development activities, financial capacity or external factors such as a business combination or change in control that diverts resources or creates competing priorities. Collaboration agreements may not lead to development or commercialization of product candidates or the development of technologies in the most efficient manner or at all. Resource allocation and other developmental decisions made by our collaborators may result in the delay or termination of research programs, studies or trials, repetition of or initiation of new studies or trials or provision of insufficient funding or resources for the completion of studies or trials or the successful marketing and distribution of any product candidates that may receive approval. Collaborators could independently develop, or develop with third parties, product candidates or technologies that compete directly or indirectly with our product candidates or technologies if the collaborators believe that competitive products or technologies are more likely to be successfully developed or can be commercialized under terms that are more economically attractive than ours. Collaborators may not properly obtain, maintain, enforce or defend our intellectual property or proprietary rights or may use our proprietary information in such a way that could jeopardize or invalidate our proprietary information or expose us to potential litigation. Disputes may arise between us and our collaborators that result in the delay or termination of the research, development or commercialization activities or that result in costly litigation or arbitration that diverts management attention and resources.

Our ability to generate revenues from these arrangements will depend on our collaborators' abilities to successfully perform the functions assigned to them in these arrangements. If our collaborations do not result in the successful development and commercialization of product candidates or technologies, or if one of our collaborators terminates its agreement with us, we may not receive any future funding or milestone or royalty payments under the collaboration. If we do not receive the funding we expect under these agreements, our development of product candidates or technologies could be delayed, and we may need additional resources to develop such product candidates or technologies. For example, we waived earned, but unpaid milestone payments in connection with the termination of the development and commercial license agreement by and between Les Laboratoires Servier and Institut de Recherches Internationales, Servier (collectively "Servier"). If any of our collaborators terminates its agreement with us, we may be unable to find a suitable replacement collaborator or attract new collaborators and may need to raise additional capital to pursue further development or commercialization of the applicable product candidates or technologies. These events could delay development programs, negatively impact the perception of our company in business and financial communities or cause us to have to cease development of the product candidate covered by the collaboration arrangement. Failure to develop or maintain relationships with any current collaborators could result in the loss of opportunity to work with that collaborator or reputational damage that could impact our relationships with other collaborators in the relatively small industry communities in which we operate. Moreover, all of the risks relating to product development, regulatory approval and commercialization described in this Quarterly Report on Form 10-Q apply to the activities of our collaborators. If our current or future collaboration agreements or other collaborative or strategic relationships are not effective and successful, it may damage our reputation and business prospects, delay or prevent the development and commercialization of product candidates and inhibit or preclude our ability to realize any revenues.

If we are not able to establish collaborations on commercially reasonable terms, we may have to alter our research, development and commercialization plans.

Our research and product development programs and the potential commercialization of any product candidates we develop alone or with collaborators will require substantial additional cash to fund expenses, and we expect to continue to seek collaborative arrangements with others in connection with the development and potential commercialization of current

and future product candidates or the development of ancillary technologies. We face significant competition in establishing relationships with appropriate 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. Whether we reach a definitive agreement for a collaboration will depend, among other things, upon our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator's evaluation of a number of factors. Those factors may include, among other things and as applicable for the type of potential product or technology, an assessment of the opportunities and risks of our technology, the design or results of studies or trials, the likelihood of approval, if necessary, 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 and technologies and industry and market conditions generally.

Current or future collaborators 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. Additionally, we may be restricted under our collaboration and other licensing agreements from entering into future agreements on certain terms or for certain development activities with potential collaborators. Our collaboration agreements have in the past and may in the future contain non-competition provisions that could limit our ability to enter into strategic collaborations with future collaborators.

Collaborations are complex and time-consuming to negotiate and document. We may not be able to negotiate collaborations on a timely basis, on acceptable terms, or at all. If we do enter into additional collaboration agreements, the negotiated terms may force us to relinquish rights that diminish our potential profitability from development and commercialization of the subject product candidates or others. If we are unable to enter into additional collaboration agreements, or to maintain our existing collaborative or other out-licensing arrangements, we may have to curtail the research and development of the product candidate or technology for which we are seeking to collaborate, reduce or delay research and development programs, delay potential commercialization timelines, reduce the scope of any sales or marketing activities or undertake research, development or commercialization activities at our own expense. If we elect to increase our expenditures to fund research, 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.

We rely on third parties to conduct, supervise and monitor our clinical trials and some aspects of our research and preclinical testing, and if those third parties do not successfully carry out their contractual duties, comply with regulatory requirements, or otherwise perform in a satisfactory manner, we may not be able to obtain regulatory approval or commercialize product candidates, or such approval or commercialization may be delayed, and our business may be substantially harmed.

We rely on medical institutions, universities, clinical investigators, contract laboratories and other third parties, such as CROs, to conduct preclinical studies and future clinical trials for our product candidates. Nevertheless, we will be responsible for ensuring that each of our studies and trials is conducted in accordance with the applicable protocol, legal and regulatory requirements and scientific standards, and our reliance on such third parties will not relieve us of our regulatory responsibilities.

Although we intend to design the trials for our product candidates either alone or with collaborators, third parties may conduct all of the trials. As a result, many important aspects of our research and development programs, including their conduct and timing, will be outside of our direct control. Our reliance on third parties to conduct future studies and trials will also result in less direct control over the management of data developed through studies and trials than would be the case if we were relying entirely upon our own staff. Communicating with outside parties can also be challenging, potentially leading to mistakes and difficulties in coordinating activities. Outside parties may have staffing difficulties, fail to comply with contractual obligations, experience regulatory compliance issues, undergo changes in priorities, become financially distressed or form relationships with other entities, some of which may be our competitors. We also face the risk of potential unauthorized disclosure or misappropriation of our intellectual property by CROs or other third parties, which may reduce our trade secret protection and allow our potential competitors to access and exploit our proprietary technology. For any violations of laws and regulations during the conduct of our preclinical studies and future clinical trials, we could be subject to warning letters or enforcement action that may include civil penalties up to and including criminal prosecution.

For example, we will remain responsible for ensuring that each of our clinical trials is conducted in accordance with the general investigational plan and protocols for the trial. Moreover, the FDA requires us to comply with regulations,

commonly referred to as GCPs, for conducting, monitoring, recording and reporting the results of clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of trial participants are protected. If we, our collaborators, our CROs or other third parties fail to comply with applicable GCPs, the clinical data generated in our clinical trials may be deemed unreliable and FDA or comparable foreign regulatory authorities may require us to perform additional clinical trials before approving our marketing applications. We also are required to register certain ongoing clinical trials and post the results of such completed clinical trials on a government-sponsored database, ClinicalTrials.gov, within certain timeframes. Failure to do so can result in fines, adverse publicity and civil and criminal sanctions.

If our CROs or other third parties do not successfully carry out their contractual duties or obligations, fail to meet expected deadlines, or if the quality or accuracy of the clinical data they obtain is compromised due to the failure to adhere to our clinical protocols or regulatory requirements or for any other reasons, trials for product candidates may be extended, delayed or terminated, and we or our collaborators may not be able to obtain regulatory approval for, or successfully commercialize, any product candidate that we develop. If we are required to repeat, extend the duration of or increase the size of any trials we conduct, it could significantly delay commercialization and require significantly greater expenditures. As a result of any of these factors, our financial results and the commercial prospects for any product candidate that we or our collaborators may develop would be harmed, our costs could increase and our ability to generate revenues could be delayed.

We rely on third parties to supply raw materials or manufacture product supplies that are necessary for the conduct of preclinical studies, clinical trials and manufacturing of our product candidates, and failure by third parties to provide us with sufficient quantities of products, or to do so at acceptable quality levels or prices and on a timely basis, could harm our business.

We are dependent on third parties for the supply of various biological materials, such as cells, cytokines and antibodies, and the manufacture of product supplies, such as media, plasmids, mRNA and AAV viral vectors, which are necessary to produce our product candidates. The supply of these materials could be reduced or interrupted at any time. In such case, identifying and engaging an alternative supplier or manufacturer could result in delay, and we may not be able to find other acceptable suppliers or manufacturers on acceptable terms, or at all. Switching suppliers or manufacturers may involve substantial costs and is likely to result in a delay in our desired clinical and commercial timelines. If we change suppliers or manufacturers for commercial production, applicable regulatory agencies may require us to conduct additional studies or trials. If key suppliers or manufacturers are lost, or if the supply of the materials is diminished or discontinued, we or our collaborators may not be able to develop, manufacture and market product candidates in a timely and competitive manner, or at all. If any of our product candidates receives approval, we will likely need to seek alternative sources of supply of raw materials or manufactured product supplies and there can be no assurance that we will be able to establish such relationships to provide such supplies on commercially reasonable terms or at acceptable quality levels, if at all. If we are unable to identify and procure additional sources of supply that fit our required needs, we could face substantial delays or incur additional costs in procuring such materials. In addition, manufactured product supplies are subject to stringent manufacturing processes and rigorous testing. Delays in the completion and validation of facilities and manufacturing processes of these materials could adversely affect the ability to complete studies or trials and commercialize any product candidates that may receive approval. Furthermore, if our suppliers or manufacturers encounter challenges relating to employee turnover, the supply and manufacturing of our materials could be delayed or adversely affected as such parties seek to hire and train new employees. These factors could cause the delay of studies or trials, regulatory submissions, required approvals or commercialization of product candidates that we or our collaborators may develop, cause us to incur higher costs and prevent us from commercializing products successfully. Furthermore, if our suppliers or manufacturers fail to meet contractual requirements, and we are unable to secure one or more replacements capable of production at a substantially equivalent cost, our or our collaborators' studies or trials may be delayed and we could lose potential revenue.

We rely on third parties for the manufacturing process of product candidates, and failure by those parties to adequately perform their obligations could harm our business.

We rely on outside vendors for the manufacturing process, including process development, of product candidates that we or our collaborators may develop. The facilities used by our contract manufacturers to manufacture product candidates must be approved by the FDA or other foreign regulatory agencies pursuant to inspections that will be conducted after we submit an application to the FDA or other foreign regulatory agencies. To the extent that we or our collaborators engage third parties for manufacturing services, we will not control the manufacturing process of, and will be completely dependent on, our contract manufacturing providers for compliance with cGMP requirements for manufacture of the product candidates. We have not yet caused any product candidates to be manufactured or processed on a commercial scale and may not be

able to do so. We anticipate making changes as we work to optimize the manufacturing process, and we cannot be sure that even minor changes in the process will result in products that are safe and effective. If our contract manufacturers cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA or other regulatory authorities, they will not be able to secure and/or maintain regulatory approval for their manufacturing facilities. In addition, we have no control over the ability of our contract manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If the FDA or a comparable foreign regulatory authority does not approve these facilities for the manufacture of product candidates or if it withdraws any such approval in the future, we may need to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain regulatory approval for or market any of our or our collaborators' potential products.

Risks Related to Intellectual Property

Our ability to compete may decline if we do not adequately protect our proprietary rights, and if our proprietary rights do not provide a competitive advantage.

Our commercial success depends upon obtaining and maintaining proprietary rights to our intellectual property estate, including rights relating to ARCUS and to our product candidates, as well as successfully defending these rights against third-party challenges and successfully enforcing these rights to prevent third-party infringement. We will only be able to protect ARCUS and product candidates from unauthorized use by third parties to the extent that valid and enforceable patents cover them. Our ability to obtain and maintain patent protection for ARCUS and our product candidates is uncertain due to a number of factors, including that:

- we may not have been the first to invent the technology covered by our pending patent applications or issued patents;
- we may not be the first to file patent applications covering product candidates, including their compositions or methods of use, as patent applications in the United States and most other countries are confidential for a period of time after filing;
- our compositions and methods may not be patentable;
- our disclosures in patent applications may not be sufficient to meet the statutory requirements for patentability;
- any or all of our pending patent applications may not result in issued patents;
- others may independently develop identical, similar or alternative technologies, products or compositions or methods of use thereof;
- others may design around our patent claims to produce competitive technologies or products that fall outside of the scope of our patents;
- we may fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection;
- we may not seek or obtain patent protection in countries that may eventually provide us a significant business opportunity;
- any patents issued to us may not provide a basis for commercially viable products, may not provide any competitive advantages or may be successfully challenged by third parties;
- others may identify prior art or other bases upon which to challenge and ultimately invalidate our patents or otherwise render them unenforceable; and
- the growing scientific and patent literature relating to engineered endonucleases, including our own patents and publications, may make it increasingly difficult or impossible to patent new engineered nucleases in the future.

Even if we have or obtain patents covering ARCUS or any product candidates or compositions, we and our collaborators may still be barred from making, using and selling such product candidates or technologies because of the patent rights of others. Others may have filed, and in the future may file, patent applications covering compositions, products or methods that are similar or identical to ours, which could materially affect our ability to successfully develop any product candidates or to successfully commercialize any approved products alone or with collaborators. In addition, because patent applications can take many years to issue, there may be currently pending applications unknown to us that may later result in issued patents that we or our collaborators may infringe. These patent applications may have priority over patent applications filed by us.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and our owned and licensed patents have been, and may in the future be, challenged in the courts or patent offices in the United States and abroad. Such challenges may result in loss of exclusivity or freedom to operate or in patent claims being narrowed, invalidated or held unenforceable, in whole or in part, which could limit our ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection of our technology and products. For example, proceedings held by the Patent Trial and Appeal Board (the "PTAB"), of the USPTO could result in an adverse outcome, affecting our competitive position, including, without limitation, loss of some or all of any involved patent claims, limiting our ability to stop others from using or commercializing similar or identical technology and products, which could harm our business, financial condition and results of operations. Protecting our patent rights in connection with such proceedings may also be expensive and may involve the diversion of significant management time.

Furthermore, we cannot guarantee that any patents will be issued from any pending or future owned or licensed patent applications. Thus, even if our patent applications issue as patents, they may not issue in a form that will provide us with meaningful protection, prevent competitors from competing with us or otherwise provide us with any competitive advantage. In addition, third parties may be able to develop products that are similar to, or better than, ours in a way that is not covered by the claims of our patents, or may have blocking patents that could prevent us from marketing our products or practicing our own patented technology. Moreover, patents have a limited lifespan. In the United States, the natural expiration of a patent is generally 20 years after it is filed. Various extensions may be available; however, the life of a patent, and the protection it affords, is limited. Without patent protection for current or future product candidates, we may be open to competition from generic versions of such potential products. Given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to those we or our collaborators may develop.

Obtaining and maintaining a patent portfolio entails significant expense, including periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and patent applications. These expenditures can be at numerous stages of prosecuting patent applications and over the lifetime of maintaining and enforcing issued patents. We may or may not choose to pursue or maintain protection for particular intellectual property in our portfolio. If we choose to forgo patent protection or to allow a patent application or patent to lapse purposefully or inadvertently, our competitive position could suffer. There are situations, however, in which failure to make certain payments or noncompliance with certain requirements in the patent process can result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, our competitors might be able to enter the market, which would have a material adverse effect on our business.

Legal action that may be required to enforce our patent rights can be expensive and may involve the diversion of significant management time. There can be no assurance that we will have sufficient financial or other resources to file and pursue infringement claims, which typically last for years before they are concluded. In addition, these legal actions could be unsuccessful and result in the invalidation of our patents, a finding that they are unenforceable or a requirement that we enter into a licensing agreement with or pay monies to a third party for use of technology covered by our patents. We may or may not choose to pursue litigation or other actions against those that have infringed on our patents, or have used them without authorization, due to the associated expense and time commitment of monitoring these activities. If we fail to successfully protect or enforce our intellectual property rights, our competitive position could suffer, which could harm our results of operations.

Many biotechnology companies and academic institutions are currently pursuing a variety of different nuclease systems for genome editing technologies using zinc finger nucleases, TALENs, and CRISPR/Cas9 and the use of those nucleases in cancer immunotherapy, gene therapy and genome editing. Although those nucleases are physically and chemically different from our ARCUS nucleases, those companies and institutions may seek patents that broadly cover aspects of cancer immunotherapy, gene therapy and genome editing using nucleases generally. Such patents, if issued, valid and enforceable, could prevent us from marketing our product candidates, if approved, practicing our own patented technology, or might require us to take a license which might not be available on commercially reasonable terms or at all. While we expect that we will continue to be able to patent our ARCUS nucleases for the foreseeable future, as the scientific and patent literature relating to engineered endonucleases increases, including our own patents and publications, it may become more difficult or impossible to patent new engineered endonucleases in the future.

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

We are a party to a number of intellectual property license agreements that are important to our business and expect to enter into additional license agreements in the future. Our existing license agreements impose, and we expect that future license agreements will impose, various diligence, milestone payment, royalty and other obligations on us. We may need to outsource and rely on third parties for many aspects of the development, sales and marketing of any products covered under our current and future license agreements. Delay or failure by these third parties could adversely affect the continuation of our license agreements with our licensors. If we fail to comply with any of our obligations under these agreements, or we are subject to a bankruptcy, our licensors may have the right to terminate the license, in which event we would not be able to market any products covered by the license.

In addition, disputes may arise regarding the payment of the royalties due to licensors in connection with our exploitation of the rights we license from them. Licensors may contest the basis of royalties we retained and claim that we are obligated to make payments under a broader basis. In addition to the costs of any litigation we may face as a result, any legal action against us could increase our payment obligations under the respective agreement and require us to pay interest and potentially damages to such licensors.

In some cases, patent prosecution of our licensed technology is controlled solely by the licensor. If such licensor fails to obtain and maintain patent or other protection for the proprietary intellectual property we license from such licensor, we could lose our rights to such intellectual property or the exclusivity of such rights, and our competitors could market competing products using such intellectual property. In that event, we may be required to expend significant time and resources to develop or license replacement technology. If we are unable to do so, we or our collaborators may be unable to develop or commercialize the affected product candidates, which could harm our business significantly. In other cases, we control the prosecution of patents resulting from licensed technology. In the event we breach any of our obligations related to such prosecution, we may incur significant liability to our licensing partners.

For example, our license agreement (the “Duke License”) with Duke University (“Duke”) imposes various payment, royalty and other obligations on us in order to maintain the license. If we fail to make royalty payments or milestone payments required under the Duke License, Duke may terminate the agreement. If we or our affiliates obtain a license from a third party to practice the Duke technology, we must use commercially reasonable efforts to secure a covenant not to sue Duke, or any of its faculty, students, employees or agents, for any research and development efforts conducted at Duke that resulted in the creation of any of its inventions or intellectual property rights arising therefrom. Additionally, because development of the Duke technology was funded in part by the U.S. government, it is subject to certain government rights and obligations, including the requirement that any products sold in the United States based upon such technology be substantially manufactured in the United States.

In addition, our cross-license agreement (the “Collectis License”) with Collectis S.A. (“Collectis”) imposes various obligations on us in order to maintain the license. In particular, if we participate in or provide assistance to a third party challenging the validity, enforceability and/or patentability of any claim of any patent licensed to us by Collectis under this agreement, Collectis may terminate the agreement. The Collectis License does not provide exclusive rights to use the licensed intellectual property and technology or rights in all relevant fields in which we may wish to develop or commercialize our technology and products in the future. As a result, we are not able to prevent competitors from developing and commercializing competitive products and technology that may use this technology. Additionally, we do not have the right to control the preparation, filing, prosecution, maintenance, enforcement and defense of patents and patent applications covering the technology that we license from Collectis. Therefore, we cannot be certain that these patents and patent applications will be prepared, filed, prosecuted, maintained and defended in a manner consistent with the best interests of our business. If Collectis or other licensors fail to prosecute, maintain, enforce and defend the patents subject to such licenses, or lose rights to those patents or patent applications, the rights we have licensed may be reduced or eliminated, and our right to develop and commercialize any of our products that are the subject of such licensed rights could be adversely affected.

If we fail to comply with our obligations under the Duke License or the Collectis License, or arrangements with any other licensors, our counterparties may have the right to terminate these agreements, in which event we might not be able to develop, manufacture or market any product candidate that is covered by these agreements, which could materially adversely affect the value of any such product candidate. Termination of these agreements or reduction or elimination of our rights under these agreements may result in our having to negotiate new or reinstated agreements with less favorable

terms, or cause us to lose our rights under these agreements, including our rights to important intellectual property or technology.

Disputes may arise regarding intellectual property subject to a license agreement, including:

- the scope of rights granted under the license agreement and other interpretation-related issues;
- the amounts of royalties, milestones or other payments due to our licensors;
- the extent to which our technology and processes infringe on intellectual property of the licensor that is not subject to the license agreement;
- the sublicensing of patent and other rights under our collaborative development relationships;
- our diligence obligations under the license agreement and what activities satisfy those diligence obligations;
- the ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and us and our collaborators; and
- the priority of invention of patented technology.

Such disputes may be costly to resolve and may divert management's attention away from day-to-day activities. If disputes over intellectual property that we have licensed from third parties prevent or impair our ability to maintain our licensing arrangements on acceptable terms, we or our collaborators may be unable to successfully develop and commercialize the affected product candidates.

Some of our in-licensed intellectual property has been discovered through government funded research and thus may be subject to federal regulations such as "march-in" rights, certain reporting requirements and a preference for U.S.-based companies, and compliance with such regulations may limit our exclusive rights and our ability to contract with foreign manufacturers.

Certain intellectual property rights that have been in-licensed pursuant to the Duke License have been generated through the use of U.S. government funding and are therefore subject to certain federal regulations. As a result, the U.S. government may have certain rights to intellectual property embodied in our current or future product candidates pursuant to the Bayh-Dole Act of 1980, or the Patent and Trademark Law Amendments Act. These U.S. government rights include a non-exclusive, non-transferable, irrevocable worldwide license to use inventions for any governmental purpose. In addition, the U.S. government has the right, under certain limited circumstances, to require the licensor to grant exclusive, partially exclusive or non-exclusive licenses to any of these inventions to a third party if it determines that (1) adequate steps have not been taken to commercialize the invention, (2) government action is necessary to meet public health or safety needs or (3) government action is necessary to meet requirements for public use under federal regulations (also referred to as "march-in rights"). The U.S. government also has the right to take title to these inventions if the licensor fails to disclose the invention to the government or fails to file an application to register the intellectual property within specified time limits. Intellectual property generated under a government funded program is also subject to certain reporting requirements, compliance with which may require us to expend substantial resources. In addition, the U.S. government requires that any products embodying any of these inventions or produced through the use of any of these inventions be manufactured substantially in the United States, and the Duke License requires that we comply with this requirement. This preference for U.S. industry may be waived by the federal agency that provided the funding if the owner or assignee of the intellectual property can show that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture the products substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible. This preference for U.S. industry may limit our ability to contract with foreign product manufacturers for products covered by such intellectual property. To the extent any of our owned or licensed future intellectual property is also generated through the use of U.S. government funding, the provisions of the Bayh-Dole Act may similarly apply.

If we do not obtain patent term extension in the United States under the Hatch-Waxman Act and in foreign countries under similar legislation with respect to our product candidates, thereby potentially extending the term of marketing exclusivity for such product candidates, our business may be harmed.

In the United States, a patent that covers an FDA-approved drug or biologic may be eligible for a term extension designed to restore the period of the patent term that is lost during the premarket regulatory review process conducted by the FDA. Depending upon the timing, duration and conditions of FDA marketing approval of our product candidates, one or more of our U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term

Restoration Act of 1984, or the Hatch-Waxman Act, which permits a patent term extension of up to five years for a patent covering an approved product as compensation for effective patent term lost during product development and the FDA regulatory review process. In the EU, our product candidates may be eligible for term extensions based on similar legislation. In either jurisdiction, however, we may not receive an extension if we fail to apply within applicable deadlines, fail to apply prior to expiration of relevant patents or otherwise fail to satisfy applicable requirements. Even if we are granted such extension, the duration of such extension may be less than our request. If we are unable to obtain a patent term extension, or if the term of any such extension is less than our request, the period during which we can enforce our patent rights for that product will be in effect shortened and our competitors may obtain approval to market competing products sooner. The resulting reduction of years of revenue from applicable products could be substantial.

Patents and patent applications involve highly complex legal and factual questions, which, if determined adversely to us, could negatively impact our patent position.

The patent positions of biopharmaceutical and biotechnology companies and other actors in our fields of business can be highly uncertain and typically involve complex scientific, legal and factual analyses. In particular, the interpretation and breadth of claims allowed in some patents covering biopharmaceutical compositions may be uncertain and difficult to determine, and are often affected materially by the facts and circumstances that pertain to the patented compositions and the related patent claims. The standards of the USPTO and its foreign counterparts are sometimes uncertain and could change in the future. Consequently, the issuance and scope of patents cannot be predicted with certainty. Patents, if issued, may be challenged, invalidated or circumvented. U.S. patents and patent applications may also be subject to interference or derivation proceedings, and U.S. patents may be subject to reexamination proceedings, post-grant review and/or *inter partes* review in the USPTO. International patents may also be subject to opposition or comparable proceedings in the corresponding international patent office, which could result in either loss of the patent or denial of the patent application or loss or reduction in the scope of one or more of the claims of the patent or patent application. In addition, such interference, derivation, reexamination, post-grant review, *inter partes* review and opposition proceedings may be costly. Accordingly, rights under any issued patents may not provide us with sufficient protection against competitive products or processes.

Furthermore, even if not challenged, our patents and patent applications may not adequately protect our technology and any product candidates or products that we develop alone or with collaborators or prevent others from designing their products to avoid being covered by our claims. If the breadth or strength of protection provided by the patent applications we hold with respect to product candidates or potential products is threatened, it could dissuade companies from collaborating with us to develop, and could threaten our or their ability to successfully commercialize, such product candidates. Furthermore, for U.S. applications in which any claim is entitled to a priority date before March 16, 2013, an interference proceeding can be provoked by a third party or instituted by the USPTO in order to determine who was the first to invent any of the subject matter covered by such patent claims.

In addition, changes in, or different interpretations of, patent laws in the United States and other countries may permit others to use our discoveries or to develop and commercialize our technology and product candidates or products without providing any compensation to us, or may limit the scope of patent protection that we are able to obtain. The laws of some countries do not protect intellectual property rights to the same extent as U.S. laws, and those countries may lack adequate rules and procedures for defending our intellectual property rights.

If the patent applications we hold or have in-licensed with respect to our current and future research and development programs and product candidates fail to issue, if their validity, breadth or strength of protection is threatened, or if they fail to provide meaningful exclusivity for our technology or any products and product candidates that we or our collaborators may develop, it could dissuade companies from collaborating with us to develop product candidates, encourage competitors to develop competing products or technologies and threaten our or our collaborators' ability to commercialize future product candidates. Any such outcome could have a material adverse effect on our business.

Third parties may assert claims against us alleging infringement of their patents and proprietary rights, or we may need to become involved in lawsuits to defend or enforce our patents, either of which could result in substantial costs or loss of productivity, delay or prevent the development and commercialization of product candidates, prohibit our use of proprietary technology or sale of potential products or put our patents and other proprietary rights at risk.

Our commercial success depends in part upon our ability to develop, manufacture, market and sell product candidates without alleged or actual infringement, misappropriation or other violation of the patents and proprietary rights of third parties. Litigation relating to infringement or misappropriation of patent and other intellectual property rights in the

pharmaceutical and biotechnology industries is common, including patent infringement lawsuits, interferences, oppositions and reexamination proceedings before the USPTO and corresponding international patent offices. The various markets in which we plan to operate are subject to frequent and extensive litigation regarding patents and other intellectual property rights. In addition, many companies in intellectual property-dependent industries, including the biotechnology and pharmaceutical industries, have employed intellectual property litigation as a means to gain an advantage over their competitors. Numerous United States, EU and other internationally issued patents and pending patent applications, which are owned by third parties, exist in the fields in which we and our collaborators are developing product candidates, and as the biotechnology and pharmaceutical industries expand and more patents are issued, the risk increases that our product candidates may be subject to claims of infringement of the intellectual property rights of third parties. As a result of any patent infringement claims, or in order to avoid any potential infringement claims, we may choose to seek, or be required to seek, a license from the third party, which may require payment of substantial royalties or fees, or require us to grant a cross-license under our intellectual property rights, similar to the cross license we granted Collectis as part of our patent litigation settlement. These licenses may not be available on reasonable terms or at all. Even if a license can be obtained on reasonable terms, the rights may be nonexclusive, which would give our competitors access to the same intellectual property rights. If we are unable to enter into a license on acceptable terms, we or our collaborators could be prevented from commercializing one or more product candidates, or forced to modify such product candidates, or to cease some aspect of our business operations, which could harm our business significantly. We or our collaborators might also be forced to redesign or modify our technology or product candidates so that we no longer infringe the third-party intellectual property rights, which may result in significant cost or delay to us, or which redesign or modification could be impossible or technically infeasible. Even if we were ultimately to prevail, any of these events could require us to divert substantial financial and management resources that we would otherwise be able to devote to our business.

Further, if a patent infringement suit is brought against us, our collaborators or our third-party service providers, our development, manufacturing or sales activities relating to the product or product candidate that is the subject of the suit may be delayed or terminated. In addition, defending such claims has in the past and may in the future cause us to incur substantial expenses and, if successful, could cause us to pay substantial damages if we are found to be infringing a third party's patent rights. These damages potentially include increased damages and attorneys' fees if we are found to have infringed such rights willfully. Some claimants may have substantially greater resources than we do and may be able to sustain the costs of complex intellectual property litigation to a greater degree and for longer periods of time than we could. In addition, patent holding companies that focus solely on extracting royalties and settlements by enforcing patent rights may target us. In addition, if the breadth or strength of protection provided by the patents and patent applications we own or in-license is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize current or future product candidates.

We have been and may in the future be subject to third-party claims and similar adversarial proceedings or litigation in other jurisdictions regarding our infringement of the patent rights of third parties. Even if such claims are without merit, a court of competent jurisdiction could hold that these third-party patents are valid, enforceable and infringed, and the holders of any such patents may be able to block or our collaborators' ability to further develop or commercialize the applicable product candidate unless we obtain a license under the applicable patents, or until such patents expire or are finally determined to be invalid or unenforceable. Similarly, if any third-party patents were held by a court of competent jurisdiction to cover aspects of our technologies, compositions, formulations, or methods of treatment, prevention or use, the holders of any such patents may be able to prohibit our use of those technologies, compositions, formulations, methods of treatment, prevention or use or other technologies, effectively blocking our or our collaborators' ability to develop and commercialize the applicable product candidate until such patent expires or is finally determined to be invalid or unenforceable or unless we or our collaborators obtain a license.

Some of our competitors may be able to sustain the costs of complex intellectual property litigation more effectively than we can because they have substantially greater resources. In addition, intellectual property litigation, regardless of its outcome, may cause negative publicity, adversely impact prospective customers, cause product shipment delays or prohibit us from manufacturing, marketing or otherwise commercializing our products, services and technology. Any uncertainties resulting from the initiation and continuation of any litigation could have a material adverse effect on our ability to raise additional funds or otherwise have a material adverse effect on our business, results of operation, financial condition or cash flows.

If we or one of our licensors were to initiate legal proceedings against a third party to enforce a patent covering our technology or a product candidate, the defendant could counterclaim that our patent is invalid or unenforceable. In patent litigation in the United States and Europe, defendant counterclaims alleging invalidity or unenforceability are common. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, for example,

lack of novelty, obviousness or non-enablement. Third parties might allege unenforceability of our patents because during prosecution of the patent an individual connected with such prosecution withheld relevant information, or made a misleading statement. The outcome of proceedings involving assertions of invalidity and unenforceability during patent litigation is unpredictable. With respect to the validity of patents, for example, we cannot be certain that there is no invalidating prior art of which we and the patent examiner were unaware during prosecution, but that an adverse third party may identify and submit in support of such assertions of invalidity. If a defendant were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent protection on our technology or product candidates. Our patents and other intellectual property rights also will not protect our technology if competitors design around our protected technology without infringing our patents or other intellectual property rights. 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, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. There could also be public announcements of the results of hearings, motions or other interim proceedings or developments, and if securities analysts or investors view these announcements in a negative light, the price of our common stock could be adversely affected. Such litigation or proceedings could substantially increase our operating losses and reduce our resources available for development activities. We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings.

Developments in patent law could have a negative impact on our business.

From time to time, the Supreme Court, other federal courts, the United States Congress, (“Congress”), the USPTO and similar international authorities may change the standards of patentability, and any such changes could have a negative impact on our business. For example, the America Invents Act (the “AIA”), which was passed in September 2011, resulted in significant changes to the U.S. patent system. An important change introduced by the AIA is that, as of March 16, 2013, the United States transitioned from a “first-to-invent” to a “first-to-file” system for deciding which party should be granted a patent when two or more patent applications are filed by different parties claiming the same invention. Under a “first-to-file” system, assuming the other requirements for patentability are met, the first inventor to file a patent application generally will be entitled to a patent on the invention regardless of whether another inventor had made the invention earlier. A third party that files a patent application in the USPTO after that date but before us could therefore be awarded a patent covering an invention of ours even if we made the invention before it was made by the third party. Circumstances could prevent us from promptly filing patent applications on our inventions.

The AIA limited where a patentee may file a patent infringement suit and provided opportunities for third parties to challenge any issued patent in the USPTO. Those provisions apply to all of our U.S. patents, regardless of when issued. Because of a lower evidentiary standard in USPTO proceedings compared to the evidentiary standard in U.S. federal courts necessary to invalidate a patent claim, a third party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a claim invalid even though the same evidence would be insufficient to invalidate the claim if first presented in a district court action. Accordingly, a third party may attempt to use the USPTO procedures to invalidate our patent claims that would not have been invalidated if first challenged by the third party as a defendant in a district court action. These provisions could increase the uncertainties and costs surrounding the prosecution of our or our licensors’ patent applications and the enforcement or defense of our or our licensors’ issued patents.

Additionally, the Supreme Court has ruled on several patent cases in recent years either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations, and there are other open questions under patent law that courts have yet to decisively address. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of our patents and patent applications. Depending on decisions by Congress, the federal courts and the USPTO, the laws and regulations governing patents could change in unpredictable ways and could weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future. In addition, the European patent system is relatively stringent in the type of amendments that are allowed during prosecution, but the complexity and uncertainty of European patent laws has also increased in recent years. Complying with these laws and regulations could limit our ability to obtain new patents in the future that may be important for our business.

If we were unable to protect the confidentiality of our trade secrets and enforce our intellectual property assignment agreements, our business and competitive position would be harmed.

In addition to patent protection, because we operate in the highly technical field of development of product candidates and products using genome editing, we rely significantly on trade secret protection in order to protect our proprietary technology and processes. Trade secrets are difficult to protect. Our policy is to enter into confidentiality and intellectual property assignment agreements with our employees, consultants, outside scientific collaborators, sponsored researchers and other advisors. These agreements generally require that the other party keep confidential and not disclose to third parties all confidential information developed by the party or made known to the party by us during the course of the party's relationship with us. These agreements also generally provide that inventions conceived by the party in the course of rendering services to us will be our exclusive property. However, we may be unsuccessful in executing such an agreement with each party who in fact conceives or develops intellectual property that we regard as our own. Our assignment agreements may not be self-executing or may be breached, and we may be forced to bring claims against third parties, or defend claims they may bring against us, to determine the ownership of what we regard as our intellectual property. In addition, these agreements may be held unenforceable and may not effectively assign intellectual property rights to us. If our trade secrets and other unpatented or unregistered proprietary information are disclosed, we are likely to lose such trade secret protection.

In addition, 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.

In addition, agreements with third parties typically restrict the ability of such third parties to publish data potentially relating to our trade secrets. Our academic collaborators typically have rights to publish data, provided that we are notified in advance and may delay publication for a specified period of time in order to secure our intellectual property rights arising from the arrangement. In other cases, publication rights are controlled exclusively by us, although in some cases we may share these rights with other parties. We also conduct joint research and product development activities that may require us to share trade secrets under the terms of our research and development collaborations or similar agreements. In addition to contractual measures, we try to protect the confidential nature of our proprietary information using physical and technological security measures. Such measures may not provide adequate protection for our proprietary information. For example, our security measures may not prevent an employee or consultant with authorized access from misappropriating our trade secrets and providing them to a competitor, and the recourse we have available against such misconduct may not provide an adequate remedy to protect our interests fully. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive and time consuming, and the outcome is unpredictable. In addition, courts outside the United States may be less willing to protect trade secrets. Furthermore, our proprietary information may be independently developed by others in a manner that could prevent legal recourse by us. Competitors could purchase any products we may develop and commercialize and attempt to reverse engineer and replicate some or all of the competitive advantages we derive from our development efforts, willfully infringe our intellectual property rights or design around our protected technology. In addition, our key employees, consultants, suppliers or other individuals with access to our proprietary technology and know-how may incorporate that technology and know-how into projects and inventions developed independently or with third parties. As a result, disputes may arise regarding the ownership of the proprietary rights to such technology or know-how, and any such dispute may not be resolved in our favor. If any of our confidential or proprietary information, including our trade secrets, were to be disclosed or misappropriated, or if any such information was independently developed by a competitor, our competitive position could be harmed and such disclosure or misappropriation could have a material adverse effect on our business.

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

Filing, prosecuting and defending patents on product candidates in all countries and jurisdictions throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States could be less extensive than those in the United States, assuming that rights are obtained in the United States. In-licensing patents covering product candidates in all countries throughout the world may similarly be prohibitively expensive, if such opportunities are available at all. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, or from selling or importing products made using our inventions in and into the United States or other jurisdictions.

We generally apply for patents in those countries where we intend to make, have made, use, offer for sale or sell products and where we assess the risk of infringement to justify the cost of seeking patent protection. However, we do not seek protection in all countries where we sell products and we may not accurately predict all the countries where patent protection would ultimately be desirable. If we fail to timely file a patent application in any such country or major market, we may be precluded from doing so at a later date. Competitors may use our technologies in jurisdictions where we do not pursue and obtain patent protection to develop their own products and may export otherwise infringing products to territories where we have patent protection, but where our ability to enforce our patent rights is not as strong as in the United States. These products may compete with any products that we or our collaborators may develop, and our patents or other intellectual property rights may not be effective or sufficient to prevent such competition.

The laws of some other countries do not protect intellectual property rights to the same extent as the laws of the United States. For example, European patent law restricts the patentability of methods of treatment of the human body more than U.S. law does. Patent protection must ultimately be sought on a country-by-country basis, which is an expensive and time-consuming process with uncertain outcomes. Accordingly, we may choose not to seek patent protection in certain countries, and we will not have the benefit of patent protection in such countries. In addition, the legal systems of some countries, particularly developing countries, do not favor the enforcement of patents and other intellectual property protection, especially those relating to biopharmaceuticals or biotechnologies. As a result, many companies have encountered significant difficulties in protecting and defending intellectual property rights in certain jurisdictions outside the United States. Such issues may make it difficult for us to stop the infringement of our patents, if obtained, or the misappropriation of our other intellectual property rights. For example, many other countries, including countries in the EU, have compulsory licensing laws under which a patent owner must grant licenses to third parties. In addition, many countries limit the enforceability of patents against third parties, including government agencies or government contractors. In these countries, patents may provide limited or no benefit. In those countries, we and our licensors may have limited remedies if patents are infringed or if we or our licensors are compelled to grant a license to a third party, which could materially diminish the value of those patents and could limit our potential revenue opportunities. Accordingly, our and our licensors' efforts to enforce intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we own or license.

The European Union's Unified Patent Court may in particular present uncertainties for our ability to protect and enforce our patent rights against competitors in Europe. In 2012, the European Patent Package, or ("EU Patent Package") regulations were passed with the goal of providing a single pan-European Unitary Patent and a new European Unified Patent Court, or UPC, for litigation involving European patents. Implementation of the EU Patent Package occurred in June 2023. Under the UPC, all European patents, including those issued prior to ratification of the European Patent Package, will by default automatically fall under the jurisdiction of the UPC. The UPC provides our competitors with a central forum and unified patent laws to predictably apply to existing European patents, replacing the unpredictable nature of applying individual national laws to each patent. Moreover, the UPC allows for the possibility of a competitor to obtain an injunction in all UPC-contracting states. It will be several years before we will understand the scope of patent rights that will be recognized and the strength of patent remedies that are provided by the UPC. Under the EU Patent Package, we have the right to opt our patents out of the UPC over the first seven years of the court's existence, but doing so may preclude us from realizing the benefits of the new unified court.

Furthermore, 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, subject our patents to the risk of being invalidated or interpreted narrowly, subject our patent applications to the risk of not issuing or 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 to us, if any, may not be commercially meaningful, while the damages and other remedies we may be ordered to pay such third parties may be significant. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

We may not be successful in obtaining or maintaining necessary rights to product components and processes for our development pipeline through acquisitions and in-licenses.

We have rights, through licenses from third parties and under patents that we own, to the intellectual property to develop the product candidates we are currently developing alone or with collaborators. Because our programs may involve additional product candidates that may require the use of proprietary rights held by third parties, the growth of our business may depend in part on our ability to acquire, in-license or use these proprietary rights. In addition, product candidates may require specific formulations to work effectively and efficiently, and these rights may be held by others. We may be unable to acquire or in-license any compositions, methods of use, processes or other third-party intellectual property rights from

third parties that we identify. The licensing and acquisition of third-party intellectual property rights is a competitive area, and a number of more established companies, or companies that have greater resources than we do, may also be pursuing strategies to license or acquire third-party intellectual property rights that we may consider necessary or attractive to develop or commercialize product candidates. These established companies may have a competitive advantage over us due to their size and greater cash resources and clinical development and commercialization capabilities. We may not be able to successfully complete such negotiations and ultimately acquire the rights to the intellectual property surrounding product candidates that we may seek to acquire.

For example, we sometimes collaborate with academic institutions to accelerate our preclinical research or development under written agreements with these institutions. Typically, these institutions provide us with an option to negotiate a license to any of the institution's rights in technology resulting from the strategic alliance. Regardless of such right of first negotiation, we may be unable to negotiate a license within the specified time frame or under terms that are acceptable to us, and the institution may license such intellectual property rights to third parties, potentially blocking our ability to pursue our development and commercialization plans.

In addition, companies that perceive us to be a competitor may be unwilling to assign or license to us intellectual property rights that we require in order to successfully develop and commercialize potential products. We also may be unable to obtain such a license or assignment on terms that would allow us to make an appropriate return on our investment. In either event, our business and prospects for growth could suffer.

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.

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. We may not be able to protect our rights to our trademarks and trade names, which we need to build name recognition among potential collaborators 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 unregistered trademarks or trade names. Over the long term, if we are unable to successfully register our trademarks and trade names and 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 and 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.

Risks Related to Owning Our Common Stock

We could be subject to securities class action litigation.

In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. This risk is especially relevant to us as a biopharmaceutical company, as our stock price can significantly fluctuate as a result of public announcements regarding the progress of our development efforts for our discovery platform and our product candidates. If we face such litigation, it could result in substantial costs and a diversion of management's attention and resources, which could harm our business.

We do not currently intend to pay dividends on our common stock.

We do not intend to pay any dividends to holders of our common stock for the foreseeable future. We currently intend to invest our future earnings, if any, to fund our growth. In addition, our future debt instruments may materially restrict our ability to pay dividends on our common stock. Therefore, you are not likely to receive any dividends on your common stock for the foreseeable future, and the success of an investment in our common stock will depend upon any future appreciation in its value. Consequently, you may need to sell all or part of your common stock after price appreciation, which may never occur, as the only way to realize any future gains on your investment.

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws or Delaware law might discourage, delay or prevent a change in control of our company or changes in our management and therefore depress the trading price of our common stock.

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

- a classified board of directors with three-year staggered terms, which may delay the ability of stockholders to change the membership of a majority of our board of directors;
- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- the exclusive right of our board of directors to elect a director to fill a vacancy created by the expansion of the board of directors or the resignation, death or removal of a director, which prevents stockholders from filling vacancies on our board of directors;
- the ability of our board of directors to authorize the issuance of shares of preferred stock and to determine the terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the ability of our board of directors to alter our amended and restated bylaws without obtaining stockholder approval;
- the required approval of the holders of at least two-thirds of the shares entitled to vote at an election of directors to adopt, amend or repeal our amended and restated bylaws or repeal the provisions of our amended and restated certificate of incorporation regarding the election and removal of directors;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- the requirement that a special meeting of stockholders may be called only by the chairman of the board of directors, our chief executive officer (or our president, in the absence of a chief executive officer) or a majority of our board of directors, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors; and
- advance notice procedures that stockholders must comply with in order to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.

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

Our amended and restated certificate of incorporation and our amended and restated bylaws include exclusive forum provisions for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum to the fullest extent permitted by law, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim for breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (3) any action asserting a claim arising pursuant to any provision of the General Corporation Law of the State of Delaware, our amended and restated certificate of incorporation or our amended and restated bylaws, or (4) any action asserting a claim

governed by the internal affairs doctrine. Under our amended and restated certificate of incorporation, this exclusive forum provision will not apply to claims which are vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery of the State of Delaware, or for which the Court of Chancery of the State of Delaware does not have subject matter jurisdiction. For instance, the provision would not apply to actions arising under federal securities laws, including suits brought to enforce any liability or duty created by the Exchange Act or the rules and regulations thereunder. Further, our amended and restated bylaws provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States will be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act and that any person or entity purchasing or otherwise acquiring or holding any interest in shares of our capital stock are deemed to have notice of and consented to this provision. These exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and other employees. For example, stockholders who do bring a claim in the Court of Chancery could face additional litigation costs in pursuing any such claim, particularly if they do not reside in or near the State of Delaware. The Court of Chancery 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.

We are a "smaller reporting company" and the reduced disclosure requirements applicable to smaller reporting companies may make our common stock less attractive to investors.

We are a "smaller reporting company" as defined under applicable regulations promulgated by the SEC. We will continue to be a smaller reporting company if either (i) the market value of our stock held by non-affiliates is less than \$250 million or (ii) our annual revenue is less than \$100 million during the most recently completed fiscal year and the market value of our stock held by non-affiliates is less than \$700 million. As a smaller reporting company, we are able to take advantage of certain exemptions from disclosure requirements, including presenting only the two most recent fiscal years of audited financial statements and reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements.

We cannot predict whether investors will find our common stock less attractive if we rely on the exemptions available to smaller reporting companies. If 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 reduced or more volatile. To the extent we take advantage of such reduced disclosure obligations, it may also make comparison of our financial statements with other public companies difficult or impossible.

General Risk Factors

We or third parties with whom we have relationships may be adversely affected by natural or man-made disasters, public health emergencies and other natural catastrophic events, and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster.

Natural or man-made disasters could severely disrupt our operations and have a material adverse effect on our business, results of operations, financial condition and prospects. If a natural disaster, public health emergency, power outage or other event occurred that prevented us from using all or a significant portion of our facilities, that damaged our infrastructure or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible for us to continue our business for a substantial period of time, and our research and development activities could be setback or delayed. The disaster recovery and business continuity plans we have in place may prove inadequate in the event of a serious disaster or similar event. We may incur substantial expenses as a result of the limited nature of our disaster recovery and business continuity plans, which could have a material adverse effect on our business, and such an event could disrupt our operations, cause us to incur remediation costs, damage our reputation and cause a loss of confidence in us and our or third parties' ability to conduct clinical trials, which could adversely affect our reputation and delay our research and development programs.

Unstable market and economic conditions may have serious adverse consequences on our business, financial condition and stock price.

Global credit and financial markets have experienced extreme volatility and disruptions in the recent past, including severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, increases in unemployment rates, exchange rate impacts and uncertainty about economic stability, and similar deterioration

in the credit and financial markets and confidence in economic conditions may occur in the future. Our general business strategy may be adversely affected by any such economic downturn, volatile business environment or unpredictable and unstable market conditions. If the current equity and credit markets deteriorate, or do not improve, it may make any necessary debt or equity financing more difficult, more costly and more dilutive. If we are unable to obtain sufficient funding on a timely basis or on favorable terms, we may be required to significantly delay, alter, reduce or eliminate one or more of our research or product development programs and/or commercialization efforts, or to grant rights to develop and market products or product candidates that we would otherwise prefer to develop and market ourselves. We may also be otherwise unable to execute our business plan or growth strategy, or capitalize on business opportunities as desired.

In addition, there is a risk that one or more of our current service providers, manufacturers or others with whom we have strategic relationships may not survive any difficult economic times, which could directly affect our ability to attain our operating goals.

As of September 30, 2025, we had cash, cash equivalents and restricted cash of \$71.2 million. While we are not aware of any downgrades, material losses or other significant deterioration in the fair value of our cash equivalents since September 30, 2025, deterioration of the global credit and financial markets could negatively impact our current portfolio of cash equivalents or our ability to meet our financing objectives. In addition, we may have bank deposits at financial institutions in excess of FDIC insured limits, and we currently maintain and are required to maintain such deposits at the Banc of California pursuant to the 2024 Loan and Security Agreement. Market conditions can impact the viability of these institutions and, in the event of failure of the financial institution where we maintain our cash and cash equivalents, if the treatment of our cash sweep accounts were called into question in a bank receivership or if there is continued turmoil in the banking industry generally, we may not be able to access uninsured funds in a timely manner or at all, which would adversely impact our business, financial condition and results of operations. Furthermore, our stock price may decline due in part to the volatility of the stock market and any general economic downturn.

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

The market price of our common stock is likely to be highly volatile and may fluctuate substantially due to many factors, including:

- inconsistent trading volume levels of our common stock;
- announcements or expectations regarding debt or equity financing efforts;
- sales of common stock by us, our insiders or our other stockholders;
- actual or anticipated fluctuations in our financial condition and operating results;
- failure to meet or exceed financial estimates and projections of the investment community or that we provide to the public;
- results from or delays in our studies or trials, or those of our collaborators, competitors or companies perceived to be similar to us;
- delay, failure or discontinuation of any of our product development and research programs, or those of our collaborators, competitors or companies perceived to be similar to us;
- announcements about new research programs or product candidates from us or our collaborators, our competitors or companies perceived to be similar to us;
- announcements by us, our collaborators, our competitors or companies perceived to be similar to us relating to significant acquisitions, strategic partnerships or alliances, joint ventures, collaborations or capital commitments;
- actual or anticipated changes in our growth rate relative to our competitors or companies perceived to be similar to us;
- fluctuations in the valuation of our collaborators, our competitors or companies perceived to be comparable to us;
- a lack of, limited or withdrawal of coverage by security analysts, or positive or negative recommendations by them;
- actual or expected changes in estimates as to financial results, development timelines or recommendations by securities analysts;

- publication of research reports about us, genome editing or the biopharmaceutical industries;
- developments or changing views regarding the use of genomic products, including those that involve genome editing;
- our ability to effectively manage our growth;
- the recruitment or departure of key personnel;
- the results of any efforts by us to identify, develop, acquire or in-license additional product candidates, products or technologies;
- unanticipated serious safety concerns related to the use of any of our product candidates, or those of our competitors or companies perceived to be similar to us;
- the termination of a collaboration agreement, licensing agreement or other strategic arrangement or the inability to establish additional strategic arrangements on favorable terms, or at all;
- regulatory actions with respect to any of our product candidates, or those of our competitors or companies perceived to be similar to us;
- developments or disputes concerning patent applications, issued patents or other proprietary rights;
- regulatory or legal developments in the United States and other countries;
- changes in physician, hospital, or healthcare provider practices that may make our or our collaborators' products less useful;
- changes in the structure of healthcare payment systems;
- significant lawsuits, such as products liability, patent or stockholder litigation;
- short sales of our common stock; and
- general economic, industry and market conditions.

These and other market and industry factors may cause the market price and demand for our common stock to fluctuate substantially, regardless of our actual operating performance. These factors may have a material adverse effect on the market price and liquidity of our common stock, which may limit or prevent you from readily selling your shares of common stock and may affect our ability to obtain financing or enter into desired strategic relationships.

Our failure to meet the continued listing requirements of The Nasdaq Capital Market could result in a delisting of our common stock.

As previously disclosed, on April 24, 2023, we received a letter from Nasdaq (the "Nasdaq Notice") indicating that we were not in compliance with Nasdaq Listing Rule 5450(a)(1) because the closing bid price per share for our common stock was below \$1.00 for the previous 30 consecutive business days (the "Minimum Bid Price Requirement"). The Nasdaq Notice provided an initial period of 180 calendar days in which to regain compliance with the Minimum Bid Price Requirement by achieving a minimum bid price per share of our common stock of at least \$1.00 for at least 10 consecutive business days.

On October 24, 2023, we received approval from the Listing Qualifications Department of Nasdaq to transfer the listing of our common stock from The Nasdaq Global Select Market to The Nasdaq Capital Market (the "Approval"). Our common stock was transferred to The Nasdaq Capital Market effective as of the open of business on October 26, 2023, and continues to trade under the symbol "DTIL." The Nasdaq Capital Market operates in substantially the same manner as The Nasdaq Global Select Market, and listed companies must meet certain financial requirements and comply with Nasdaq's corporate governance requirements. As a result of the Approval and transfer to The Nasdaq Capital Market, we were granted an additional 180-day grace period, or until April 22, 2024, to regain compliance with the Minimum Bid Price Requirement.

On January 18, 2024, our stockholders approved a proposal to amend our amended and restated certificate of incorporation to effect a reverse stock split of our common stock at a ratio of not less than 1-for-10 and not more than 1-for-30, with such ratio and the implementation and timing of such reverse stock split to be determined by our board of directors in its sole discretion. On February 6, 2024, our board of directors approved a 1-for-30 reverse stock split of our issued and outstanding common stock, and on February 13, 2024, we filed with the Secretary of State of the State of Delaware a certificate of amendment to our amended and restated certificate of incorporation in order to effect the reverse stock split.

As a result of the reverse stock split, every 30 shares of our common stock issued or outstanding were automatically reclassified into one new share of common stock, and the number of our issued and outstanding shares of common stock was reduced to 4,191,053 and 4,164,038, respectively. Trading of our common stock on The Nasdaq Capital Market commenced on a split-adjusted basis on February 14, 2024. The primary goal of the reverse stock split was to increase the per share market price of our common stock to meet the Minimum Bid Price Requirement. All references to numbers of shares of common stock and per-share information in this Quarterly Report on Form 10-Q have been adjusted retroactively, as appropriate, to reflect the reverse stock split.

On March 1, 2024, we were notified by Nasdaq Listing Qualifications that the closing bid price of our common stock had been \$1.00 per share or greater for 10 consecutive business days, from February 14, 2024 to February 29, 2024. Accordingly, we have regained compliance with the Minimum Bid Price Requirement. Although we regained compliance with the Minimum Bid Price Requirement, there can be no guarantee that we can continue to remain compliant or that we will be able to maintain compliance with the other Nasdaq listing standards.

Delisting our common stock may make it more difficult for us to raise capital on favorable terms in the future and would likely have a negative effect on the price of our common stock and would impair our stockholders' ability to sell or purchase our common stock. In the event of a delisting, we can provide no assurance that any action taken by us to restore compliance with listing requirements would allow our common stock to become listed again, stabilize the market price or improve the liquidity of our common stock, prevent our common stock from dropping below the Minimum Bid Price Requirement or prevent future non-compliance with Nasdaq's listing requirements. If for any reason our common stock does not maintain eligibility for listing on Nasdaq, we may list our common stock elsewhere, such as one of the over-the-counter markets, which are generally considered less liquid and more volatile than a national securities exchange, and could mean that certain institutional investors could no longer hold or purchase our stock, and as a result, a purchaser of our common stock may find it more difficult to dispose of, or to obtain accurate quotations as to the price of their shares. This could materially and adversely affect the liquidity of our common stock.

If securities or industry analysts issue an adverse or misleading opinion regarding our common stock, our stock price and trading volume could decline.

The trading market for our common stock relies in part on the research and reports that industry or securities analysts publish about us or our business. We do not control these analysts. If any of the analysts who cover us issue an adverse or misleading opinion regarding us, our business model, our intellectual property or our stock performance, or if our preclinical studies and operating results fail to meet the expectations of analysts, our stock price would likely decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

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

None.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Rule 10b5-1 Trading Plan

On September 29, 2025, Dario Scimeca, our General Counsel, entered into a trading plan intended to satisfy the affirmative defense conditions under Rule 10b5-1(c). Mr. Scimeca's trading plan provides for the sale of, in the aggregate, up to 2,821 shares of our common stock from December 30, 2025 through November 10, 2026, unless the plan is earlier terminated. The 2,821 share aggregate limit represents the maximum number of shares that may be sold pursuant to Mr. Scimeca's Rule

10b5-1 plan. The actual number of shares sold will be dependent on the satisfaction of certain conditions set forth in the written plan.

Termination of Novartis Agreement

On October 31, 2025, we received written notice from Novartis Pharma AG (“Novartis”) of its termination of the Collaboration and License Agreement, dated June 14, 2022, between Novartis and us (the “Novartis Agreement”). The notice informed us that Novartis was exercising its right pursuant to Section 15.3.2 of the Novartis Agreement to terminate the Novartis Agreement in its entirety without cause upon 90 days’ prior written notice to us. The termination will be effective on January 30, 2026. Although Novartis and Precision have concluded work in the area of hemoglobinopathies, Precision and Novartis continue to explore a research collaboration in an area of joint therapeutic interest, which has not been disclosed.

We and Novartis entered into the Novartis Agreement to collaborate to discover and develop *in vivo* gene editing products incorporating our custom ARCUS nucleases for the purpose of seeking to research and develop potential treatments for certain diseases, including certain hemoglobinopathies such as sickle cell disease and beta thalassemia. Pursuant to the Novartis Agreement, in exchange for upfront and potential milestone, option, and royalty payments, as well as certain research funding and a related equity investment by Novartis, we granted Novartis exclusive licenses and options to certain licensed products. As of the effective date of the termination, all options and licenses granted to Novartis will be terminated and will revert to us, including with respect to sickle cell disease and beta thalassemia, and we will no longer be required to satisfy any remaining performance obligations under the Novartis Agreement or entitled to receive any future milestone, royalty, option or other payments from Novartis.

As a result of the progress made to develop a nuclease for sickle cell disease, we intend to explore opportunities to develop the returned programs in partnership with others. Importantly, the return of these programs does not impact our near-term clinical priorities to finish the Phase 1 ELIMINATE-B trial for PBGENE-HBV and commence the Phase 1 trial for PBGENE-DMD, or our expected cash runway to achieve these clinical data milestones.

Item 6. Exhibits.

Exhibit Number	Description	Form	File No.	Exhibit	Filing Date	Filed/Furnished Herewith
3.1	Amended and Restated Certificate of Incorporation of Precision BioSciences, Inc.	8-K	001-38841	3.1	4/1/2019	
3.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Precision BioSciences, Inc.	8-K	001-38841	3.1	2/13/2024	
3.3	Amended and Restated Bylaws of Precision BioSciences, Inc.	8-K	001-38841	3.2	12/22/2023	
10.1	Amended and Restated Executive Employment Agreement, dated August 26, 2025, by and between Michael Amoroso and Precision BioSciences, Inc.					*
10.2	Amended and Restated Executive Employment Agreement, dated August 26, 2025, by and between Alex Kelly and Precision BioSciences, Inc.					*
10.3	Amended and Restated Executive Employment Agreement, dated August 26, 2025, by and between Jeff Smith and Precision BioSciences, Inc.					*
10.4	Amended and Restated Executive Employment Agreement, dated August 26, 2025, by and between Dario Scimeca and Precision BioSciences, Inc.					*
10.5	Consulting Agreement, dated June 23, 2025 by and between Stanley R. Frankel and Precision BioSciences, Inc.					*
31.1	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.					*

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31.2	<u>Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>	*
32.1	<u>Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>	**
32.2	<u>Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>	**
101.INS	Inline XBRL Instance Document	*
101.SCH	Inline XBRL Taxonomy Extension Schema With Embedded Linkbase Documents	*
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)	*

* Filed herewith.

** Furnished herewith.

SIGNATURES

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

Precision BioSciences, Inc.

Date: November 3, 2025

By: _____ /s/ Michael Amoroso
Michael Amoroso
President, Chief Executive Officer and Director
(principal executive officer and authorized signatory)

Date: November 3, 2025

By: _____ /s/ John Alexander Kelly
John Alexander Kelly
Chief Financial Officer
(principal financial officer and principal accounting officer)

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (the “Agreement”) is made and entered into as of this 26th day of August, 2025 (the “Effective Date”), by and between Precision BioSciences, Inc. (the “Company”), and Michael Amoroso (“Executive”). The Company and Executive are sometimes referred to in this Agreement individually as a “Party” and collectively as the “Parties.”

BACKGROUND

WHEREAS, the Company wishes to continue to employ Executive on the terms set forth in this Agreement, and Executive wishes to accept such employment on the same terms.

WHEREAS, due to Executive’s significant institutional knowledge and biotechnology operational experience, the Company wishes to retain Executive and Executive agrees to use Executive’s best efforts to continue to assist the Company with commercial viability and additional financing.

WHEREAS, the Company and Executive agree that it is a substantial benefit to the Company and its stockholders to make the severance changes herein in consideration for the services to be provided hereunder and following a Restructuring Event (as defined below) in lieu of providing additional compensation in the form of an immediately payable cash retention bonus.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises herein, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending legally to be bound, hereby agree as follows:

1. EMPLOYMENT. As of the Effective Date, the Company hereby continues to employ Executive as the President and Chief Executive Officer of the Company upon the terms and conditions of this Agreement and Executive accepts continued employment with the Company upon the terms and conditions of this Agreement. This Agreement amends and restates and supersedes and replaces Executive’s Employment Agreement with the Company dated January 22, 2024 (the “Prior Employment Agreement”).

2. NATURE OF EMPLOYMENT/DUTIES. Executive shall serve as the President and Chief Executive Officer of the Company and shall have such responsibilities and

authority as the Company may designate from time to time consistent with Executive's title and position.

2.1 Executive shall perform all duties and exercise all authority in accordance with, and otherwise comply with, all Company policies, procedures, practices and directions.

2.2 Executive shall devote substantially all working time, best efforts, knowledge and experience to perform successfully Executive's duties and advance the Company's interests, including continued commercial viability and additional financing. During Executive's employment, Executive may, with the Board of Director's (the "Board") consent (which shall not be unreasonably withheld), engage in other business activities for compensation (including board memberships), provided that, such activities do not present a conflict of interest nor violate the Restrictive Covenant Agreement (defined in Section 6), nor otherwise prohibit Executive from fulfilling Executive's obligations hereunder.

3. COMPENSATION.

3.1 Base Salary. During the Term, Executive's annual base salary for all services rendered shall be Six Hundred Fifty-Four Thousand, Fifty and 00/100 Dollars (\$654,050.00) (less applicable taxes and withholdings) payable in accordance with the Company's payroll practices as they may exist from time to time ("Base Salary"). Base Salary may be reviewed and adjusted by the Company, at its discretion, in accordance with the Company's policies, procedures, and practices as they may exist from time to time, provided that the Base Salary shall not be decreased unless the decrease is an across-the-board decrease for all senior management employees of the Company.

3.2 Business Expenses. Executive shall be reimbursed for reasonable and necessary expenses actually incurred by Executive in performing services under this Agreement in accordance with and subject to the terms and conditions of the applicable Company reimbursement policies, procedures, and practices as they may exist from time to time. All such reimbursements shall be made no later than the end of the calendar year following the year in which the expense was incurred.

3.3 Bonus. During the Term, Executive may participate in any Company bonus plan the Company may adopt for senior management subject to the terms, conditions, and any eligibility requirements that may exist in such plan or plans. Executive's annual incentive compensation under such bonus plan (the "Annual Bonus") shall be targeted at sixty percent (60%) of Executive's Base Salary (such target, as may be increased by the Board from time to time, the "Target Annual Bonus"). The Annual Bonus payable under the bonus plan shall be based on the achievement of performance goals to be determined by the Board. The payment of any Annual Bonus pursuant to the bonus plan shall be subject to Executive's continued employment with the Company through the date of payment.

3.4 Equity Compensation. Executive has received equity compensation from the Company and will continue to be eligible for awards of equity compensation in the Board's (or its delegates) discretion.

3.5 Benefits. During the Term, Executive may participate in all medical, dental and disability insurance, 401(k), personal leave and other employee benefit plans and programs of the Company for which Executive is eligible, provided, however, that Executive's participation in benefit plans and programs is subject to the applicable terms, conditions and eligibility requirements of these plans and programs, some of which are within the plan administrator's discretion, as they may exist from time to time. The Company shall pay annual dues and expenses for Executive's membership and participation in such professional organizations as may be approved by the Board.

3.6 Indemnification; D&O Insurance. Both during and after the Term, the Company hereby agrees to indemnify Executive and hold Executive harmless to the maximum extent permitted by the Company's organizational documents as in effect from time to time against and in respect of any and all actions, suits, proceedings, investigations, claims, demands, judgments, costs, expenses (including reasonable attorney's fees), losses, and damages resulting from Executive's good faith performance of Executive's duties and obligations with the Company hereunder; provided, that, while Executive may have rights to indemnification with respect to certain matters related to a restatement or other event, Executive shall have no rights to indemnification with respect to any amounts that are subject to recoupment from Executive or forfeiture by Executive pursuant to a Clawback (as defined below). The Company shall cover the Executive under directors' and officers' liability insurance to the same extent as the Company covers its other active officers and directors. The foregoing obligations shall survive the termination of Executive's employment with the Company.

4. TERM OF EMPLOYMENT AND TERMINATION. The Company and Executive acknowledge that Executive's employment is and shall continue to be at-will, as defined under applicable law, and that Executive's employment with the Company may be terminated by either Party at any time for any or no reason (subject to the notice requirements of this Section 4). This "at-will" nature of Executive's employment shall remain unchanged during Executive's tenure as an employee and may not be changed, except in an express writing signed by Executive and a duly authorized officer of the Company. The term of this Agreement and Executive's employment hereunder shall commence on the Effective Date and continue until terminated as set forth in this Section 4. The date on which Executive's employment terminates, as determined by the Company, regardless of the reason, shall be referred to herein as the "Separation Date." Upon termination of Executive's employment for any reason, Executive shall be deemed to have resigned from all offices and directorships, if any, then held with the Company or any of its subsidiaries.

4.1 Without Cause, Upon Notice. Either the Company or Executive may terminate Executive's employment and this Agreement without Cause at any time upon giving

the other party thirty (30) days written notice. In addition, the Company hereby terminates Executive's employment with the Company without Cause on the earlier of the date of a Change in Control and a Restructuring Event. A "Restructuring Event" means the earlier to occur of the Board's approval of the Company's commencement of (i) a proceeding under state or federal law to effect a winding up or dissolution of the Company (other than a case under chapter 11 of title 11 of the US Code) (a "Liquidation"), or (ii) a case under chapter 11 of title 11 of the US Code, in any case, within four years following the Effective Date (a "Bankruptcy"). In the event Executive's employment with the Company terminates pursuant to a Restructuring Event, Executive agrees to provide reasonable consulting services to the Company during any federal bankruptcy process as reasonably requested by the Company (taking into account Executive's other obligations) and subject to the Company's payment of a reasonable fee to Executive, which fee shall be in addition to any other payments due to Executive under this Agreement.

4.2 For Cause. The Company may terminate Executive's employment and this Agreement immediately without notice at any time for "Cause," which shall mean the following:

4.2.1 Executive's material failure to perform Executive's duties or to carry out the reasonable and lawful instructions of the Chief Executive Officer or the Board (other than any such failure resulting from incapacity due to physical or mental illness);

4.2.2 Executive's engagement in dishonesty, illegal conduct, or gross misconduct, which is, in each case, materially injurious to the Company or its affiliates;

4.2.3 Executive's embezzlement, misappropriation, or fraud, whether or not related to the Executive's employment with the Company;

4.2.4 Executive's conviction of or plea of guilty or nolo contendere to a crime that constitutes a felony (or state law equivalent);

4.2.5 Executive's failure to cooperate with the Company in any investigation or formal proceeding;

4.2.6 Executive's material breach of any material obligation under this Agreement, the Restrictive Covenant Agreement (as defined in Section 6), or any other written agreement between the Executive and the Company; or

4.2.7 any material failure by Executive to comply with the Company's written policies or rules, as they may be in effect from time to time.

4.2.8 Provided, however, that prior to termination based on Sections 4.2.1, 4.2.5, 4.2.6 or 4.2.7, Executive shall be given written notice of the facts allegedly constituting Cause and a ten (10) day opportunity to cure.

4.3 By Death or Disability. Executive's employment and this Agreement shall terminate upon Executive's Disability or death. For purposes of this Agreement, "Disability" shall mean Executive's inability, due to physical or mental incapacity, to perform the essential functions of Executive's job, with or without reasonable accommodation, for one hundred eighty (180) days out of any three hundred sixty-five (365) day period; provided however, in the event that the Company temporarily replaces the Executive, or transfers the Executive's duties or responsibilities to another individual on account of the Executive's inability to perform such duties due to a mental or physical incapacity which is, or is reasonably expected to become, a Disability, then the Executive's employment shall not be deemed terminated by the Company and the Executive shall not be able to resign with Good Reason as a result thereof. Any question as to the existence of the Executive's Disability as to which the Executive and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to the Executive and the Company. If the Executive and the Company cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Company and the Executive shall be final and conclusive for all purposes of this Agreement. The Company shall give Executive written notice of termination for Disability and the termination shall be effective as of the date specified in such notice.

4.4 For Good Reason. Executive may terminate Executive's employment for "Good Reason," which shall mean the occurrence of any of the following, in each case without the Executive's written consent:

4.4.1 a material reduction in Executive's Base Salary by an amount equivalent to ten percent (10%) or greater;

4.4.2 material, adverse change in Executive's title, authority, duties, or responsibilities (other than temporarily while the Executive is physically or mentally incapacitated or as required by applicable law);

4.4.3 an involuntary relocation of the Executive's principal place of employment by more than thirty five (35) miles; or

4.4.4 the Company's failure to obtain an agreement from any successor to the Company to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no succession had taken place, except where such assumption occurs by operation of law.

4.4.5 Executive cannot terminate Executive's employment for Good Reason unless Executive has provided written notice to the Company of the existence of the circumstances providing grounds for termination for Good Reason within sixty (60) days of the initial existence of such grounds and the Company has had at least thirty (30) days from the date on which such notice is

provided to cure such circumstances. If the Executive does not terminate Executive's employment for Good Reason within one-hundred (100) days after the first occurrence of the applicable grounds, then the Executive will be deemed to have waived Executive's right to terminate for Good Reason with respect to such grounds.

5. COMPENSATION AND BENEFITS UPON TERMINATION. If Executive's employment terminates for any reason, Executive shall not be entitled to any payments, benefits, damages, award or compensation other than as provided in this Agreement or otherwise agreed to in writing by the Company or as provided by applicable law. Upon termination of Executive's employment pursuant to any of the circumstances listed in Section 4, Executive (or Executive's estate) shall be entitled to receive the sum of: (i) the portion of Executive's Base Salary earned through the Separation Date, but not yet paid to Executive; (ii) any expense reimbursements owed to Executive pursuant to Section 3.2; and (iii) any amount accrued and arising from Executive's participation in, or benefits accrued under any employee benefit plans, programs or arrangements, which amounts shall be payable in accordance with the terms and conditions of such employee benefit plans, programs or arrangements (collectively, the "Accrued Obligations"). Except as otherwise expressly required by law (e.g., COBRA) or as specifically provided herein, all of Executive's rights to salary, severance, benefits, bonuses and other compensatory amounts hereunder (if any) shall cease upon the termination of Executive's employment hereunder. In the event that Executive's employment is terminated by the Company for any reason, Executive's sole and exclusive remedy shall be to receive the payments and benefits described in this Section 5.

5.1 By the Company for Cause or because of Executive's Death or Disability, or by Executive Without Cause, Upon Notice. If Executive's employment and this Agreement are terminated by the Company for Cause or because of Executive's death or Disability, or by Executive pursuant to Section 4.1 (Without Cause, Upon Notice), then the Company's obligation to compensate Executive ceases on the Separation Date except for the Accrued Obligations.

5.2 By the Company Without Cause or by Executive for Good Reason. If the Company terminates Executive's employment and this Agreement pursuant to Section 4.1 (Without Cause, Upon Notice) or Executive terminates Executive's employment and this Agreement pursuant to Section 4.4 (for Good Reason), subject to Executive's continued compliance with Executive's obligations under the Restrictive Covenant Agreement then the Company shall pay Executive the Accrued Obligations and subject to Section 5.5 (Required Release), Executive shall be entitled to the following; provided, however, if the Separation Date occurs for the reasons set forth in this Section 5.2 within two (2) years following the Effective Date (other than in connection with a Restructuring Event), Executive shall be entitled to the payments and benefits set forth in Section 5.3 in lieu of any payments or benefits under Section 5.2, subject to the conditions set forth therein:

5.2.1 pay Executive an amount equal to eighteen (18) months of Executive's then current monthly Annual Base Salary (less applicable taxes and withholdings) (the "Severance Amount"), payable in a lump sum payment on the first payroll date on or following the Release Effective Date (as defined in Section 5.5 below), but not later than thirty (30) days following the Separation Date;

5.2.2 an amount equal to one and a half (1.5) times the Target Annual Bonus, payable in a lump sum on the first payroll date on or following the Release Effective Date (as defined in Section 5.5 below), but not later than thirty (30) days following the Separation Date;

5.2.3 If Executive timely and properly elects health continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), during the Severance Period, the Company shall reimburse Executive for the difference between the monthly COBRA premium paid by the Executive and the monthly premium amount paid by Executive immediately prior to the date that Executive's employment terminated. Such reimbursement shall be paid to the Executive on or before the tenth (10th) day of the month immediately following the month in which the Executive timely remits the premium payment, with such reimbursements to commence when the payments under Section 5.2.1 commence. Executive shall be eligible to receive such reimbursement until the earliest of: (i) the end of the Severance Period; (ii) the date the Executive is no longer eligible to receive COBRA continuation coverage; and (iii) the date on which the Executive becomes eligible to receive substantially similar coverage from another employer or other source. Notwithstanding the foregoing, if the Company's making payments under this Section 5.2.3 would violate the nondiscrimination rules applicable to non-grandfathered plans under the Affordable Care Act (the "ACA"), or result in the imposition of penalties under the ACA and the related regulations and guidance promulgated thereunder), the parties agree to reform this Section 5.2.3 in a manner as is necessary to comply with the ACA. Executive shall provide the Company with notice of subsequent employment and comparable coverage within thirty (30) days of commencement of such comparable coverage;

5.2.4 Executive's unvested time-based equity grants shall vest as of the Separation Date with respect to that portion of such unvested time-based equity grants that would have vested within the twenty-five (25) month period immediately following the Separation Date based solely on the passage of time had Executive remained employed by the Company through such period, provided that such equity shall remain subject to the other terms and conditions of the applicable Company incentive award plan(s) and individual award agreement(s); and

5.2.5 The right to exercise any outstanding and vested stock options to purchase Company common stock until the earlier of (a) the date one (1) year following the Separation Date (two (2) years if the Separation Date occurs within two (2) years following the Effective Date), (b) the maximum term of the applicable stock option, and (c)

unless such options are assumed or substituted in the Change in Control, the date of a Change in Control.

5.3 During the Change in Control Termination Period, by the Company Without Cause or by Executive for Good Reason. If during the Change in Control Termination Period, as defined herein, either the Company terminates Executive's employment and this Agreement pursuant to Section 4.1 (Without Cause, Upon Notice) or Executive terminates Executive's employment and this Agreement pursuant to Section 4.4 (for Good Reason), then in lieu of any payments or benefits under Section 5.2, and subject to Executive's continued compliance with Executive's obligations under the Restrictive Covenant Agreement, the Company shall pay Executive the Accrued Obligations and, subject to Section 5.5 (Required Release), Executive shall be entitled to the following:

5.3.1 The Company shall pay Executive an amount equal to twenty-four (24) months of Executive's then current monthly base salary (less applicable taxes and withholdings) (the "CIC Severance Period") plus two (2) times Executive's target bonus for the year during which the Separation Date occurs, payable in lump sum no later than thirty (30) days following the Separation Date; provided, that, if the Separation Date occurs within three (3) months prior to a Change in Control, any amounts payable under this Section 5.3.1 (excluding any amount payable under either Section 5.2.1 or 5.2.2 prior to the date thirty (30) days following the date of the Change in Control) shall be paid no later than the date thirty (30) days following the date of the Change in Control;

5.3.2 If Executive timely and properly elects health continuation coverage under COBRA, during the eighteen (18) month period following the Separation Date, the Company shall reimburse Executive for the difference between the monthly COBRA premium paid by the Executive and the monthly premium amount paid by Executive immediately prior to the date that Executive's employment terminated. Such reimbursement shall be paid to the Executive on or before the tenth (10th) day of the month immediately following the month in which Executive timely remits the premium payment, with such reimbursements to commence in the month following the month the release under Section 5.4 becomes effective and non-revocable. Executive shall be eligible to receive such reimbursement until the earliest of: (i) the eighteen-month anniversary of the Separation Date; (ii) the date the Executive is no longer eligible to receive COBRA continuation coverage; and (iii) the date on which the Executive becomes eligible to receive substantially similar coverage from another employer or other source. Notwithstanding the foregoing, if the Company's making payments under this Section 5.3.2 would violate the nondiscrimination rules applicable to non-grandfathered plans under the ACA, or result in the imposition of penalties under the ACA and the related regulations and guidance promulgated thereunder), the parties agree to reform this Section 5.3.2 in a manner as is necessary to comply with the ACA. Executive shall provide the Company with notice of subsequent employment and comparable coverage within thirty (30) days of commencement of such comparable coverage;

5.3.3 All unvested time-based equity grants shall vest in full as of the Separation Date, provided that such equity shall remain subject to the other terms and conditions of the applicable Company incentive award plan(s) and individual award agreement(s); and

5.3.4 The right to exercise any outstanding and vested stock options to purchase Company common stock until the earlier of (a) the date two (2) years following the Separation Date, (b) the maximum term of the applicable stock option, and (c) unless the applicable options are assumed or substituted in the Change in Control, the date of a Change in Control.

5.4 Definition of Change in Control and Change in Control Termination Period.

5.4.1 “Change in Control” means and includes each of the following:

(a) A transaction or series of transactions (other than an offering of Common Stock to the general public through a registration statement filed with the Securities and Exchange Commission or a transaction or series of transactions that meets the requirements of clauses (i) and (ii) of subsection (c) below) whereby any “person” or related “group” of “persons” (as such terms are used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) (other than the Company, any of its Subsidiaries, an employee benefit plan maintained by the Company or any of its Subsidiaries or a “person” that, prior to such transaction, directly or indirectly controls, is controlled by, or is under common control with, the Company) directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than 50% of the total combined voting power of the Company’s securities outstanding immediately after such acquisition; provided, however, that for purposes of this Agreement, “Subsidiary” means any entity (other than the Company), whether domestic or foreign, in an unbroken chain of entities beginning with the Company if each of the entities other than the last entity in the unbroken chain beneficially owns, at the time of the determination, securities or interests representing at least 50% of the total combined voting power of all classes of securities or interests in one of the other entities in such chain; or

(b) During any period of two consecutive years, individuals who, at the beginning of such period, constitute the Board together with any new director(s) of the Board (other than a director designated by a person who shall have entered into an agreement with the Company to effect a transaction described in subsections (a) or (c)) whose election by the Board or nomination for election by the Company’s stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the two-year period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; or

(c) The consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more intermediaries) of (x) a merger, consolidation, reorganization, or business combination or (y) a sale or other disposition of all or substantially all of the Company’s assets in any single transaction or series of related

transactions or (z) the acquisition of assets or stock of another entity, in each case other than a transaction:

(i) which results in the Company's voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the Company or the person that, as a result of the transaction, controls, directly or indirectly, the Company or owns, directly or indirectly, all or substantially all of the Company's assets or otherwise succeeds to the business of the Company (the Company or such person, the "Successor Entity")) directly or indirectly, at least a majority of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction, and

(ii) after which no person or group beneficially owns voting securities representing 50% or more of the combined voting power of the Successor Entity; provided, however, that no person or group shall be treated for purposes of this clause (ii) as beneficially owning 50% or more of the combined voting power of the Successor Entity solely as a result of the voting power held in the Company prior to the consummation of the transaction, and

(iii) after which at least a majority of the members of the board of directors (or the analogous governing body) of the Successor Entity immediately following the date of such transaction were Board members immediately prior to the date of such transaction.

5.4.2 "Change in Control Termination Period" shall mean the period beginning three (3) months prior to and ending twelve (12) months following the occurrence of a Change in Control.

5.5 **Required Release.** Notwithstanding any provision of this Agreement to the contrary, the Company's obligation to provide the payments, acceleration, exercise extension and reimbursements under Sections 5.2 and 5.3 is conditioned upon Executive's execution of the Separation Agreement and Release attached hereto as Exhibit A (the "Release") and Executive's compliance with the Restrictive Covenant Agreement. If Executive chooses not to execute such the Release or fails to comply with the Restrictive Covenant Agreement, then the Company's obligation to compensate Executive ceases on the Separation Date except as to amounts due at the time. The Release must be executed by Executive no earlier than the date of Executive's termination and Executive must execute it within twenty-one days from the date of Executive's termination; provided, that, with respect to a Restructuring Event, Executive may execute the Release prior to termination and approve the release of Executive's signature page effective as of the date of the Restructuring Event, which Release shall be effective immediately. Such Release shall not be effective until any applicable revocation period has expired (the "Release Effective Date").

5.6 **Benefits in Lieu of Other Severance.** Executive is not entitled to receive any compensation or benefits upon Executive's termination except as: (i) set forth in this

Agreement; (ii) otherwise required by law; or (iii) otherwise required by any employee benefit plan in which Executive participates. Moreover, the terms and conditions afforded Executive under this Agreement are in lieu of any severance benefits to which Executive otherwise might be entitled pursuant to any severance plan, policy and practice of the Company.

5.7 Escrow. As soon as reasonably practicable following the Effective Date, the Company agrees to maintain an escrow account (the "Escrow Account") with a national bank (the "Escrow Agent") for the benefit of Executive and in an amount necessary to satisfy seventy-two percent (72%) of the Company's obligations under Sections 5.2.1, 5.2.2, 5.3.1 and 5.3.2 (as applicable, the "Obligations"), the remaining twenty-eight percent (28%) of which will be used by the Company to pay tax withholding due on such payments, which tax withholding will be reported on the Form W-2 filed by the Company for the applicable tax year. The Escrow Account shall remain outstanding until the later of (i) the date four years following the Effective Date, and (ii) in the event Executive incurs a termination of employment from the Company prior to the date four years following the Effective Date, the date the Company has satisfied the Obligations to Executive under Section 5.2.1 and 5.2.2 or 5.3.1 and 5.3.2 of this Agreement, as applicable. Notwithstanding the foregoing, the Company shall not be required to maintain such Escrow Account in the event Executive incurs termination of employment from the Company where Executive is not entitled to any payments under Section 5.2.1, 5.2.2, 5.3.1 or 5.3.2. In addition to the Obligations that Executive may be entitled to under this Agreement, in the event of a Restructuring Event Change in Control that occurs within four years following the Effective Date, Executive shall be paid an additional \$84,000 that Executive may use for legal fees incurred by Executive in the event the payment of the Obligations is challenged by the Company or a third party, \$60,480 of which will be held in the Escrow Account (the "Legal Fund") and the remainder of which will be used by the Company to pay tax withholding due on such payment. Upon the occurrence of a Restructuring Event or Change in Control (or as soon as reasonably practicable thereafter, but in all events prior to filing for bankruptcy), Executive shall instruct the Escrow Agent to release the amounts necessary to satisfy seventy-two percent (72%) of such Obligations and Legal Fund, and such release shall be deemed to occur concurrently with the instructions to the Escrow Agent. If, in connection with a Restructuring Event or Change in Control, Executive instructs the Escrow Agent to release the amounts necessary to satisfy seventy-two percent (72%) of such Obligations and/or Legal Fund (\$60,480), Executive agrees to instruct the Escrow Agent to deliver to the Company any portion of the Escrow Account set aside for such Obligations and/or Legal Fund that Executive is not entitled to receive under this Agreement or that is required to be withheld by the Company for taxes with respect to such Obligations and Legal Fund, as applicable. In all cases, in the event there is any such release of money from the Escrow Account to Executive as a result of the Restructuring Event or Change in Control, Executive shall be deemed to have received the full amount of the Obligations that would have been payable to Executive under 5.2.1 and 5.2.2, in the event of a Restructuring Event, or 5.3.1 and 5.3.2, in the event of a Change in Control, and Legal Fund, as applicable, with any amount not paid directly to Executive by the Company used to satisfy the Company's tax withholding obligations with respect to such full amount of such Obligations and Legal Fund.

Executive agrees to refund to the Company any portion of the Legal Fund that is not used by Executive to pay expenses in connection with any challenge by the Company or any third party arising from the payment of the Obligations, less any amount allocated to tax withholding obligations of the Company, which refund shall occur within thirty (30) days following (i) with respect to a Liquidation, the date thirty-six (36) months following Executive's termination of employment from the Company, and (ii) with respect to a Bankruptcy, the date eighteen (18) months following Executive's termination of employment from the Company. If requested by the Company, Executive agrees to provide the Company with reasonable documentation regarding such expenses.

6. **RESTRICTIVE COVENANTS.** As a condition of continued employment, Executive will continue to be subject to the Proprietary Information, Inventions, Non-Competition and Non-Solicitation Agreement, which the Executive previously executed (the "Restrictive Covenant Agreement"). Executive agrees to continue to abide by the terms of the Restrictive Covenant Agreement, or any other subsequent agreement with the Company relating to proprietary information, inventions, intellectual property, non-competition or non-solicitation, the terms of which are hereby incorporated by reference into this Agreement. Executive acknowledges that the provisions of the Restrictive Covenant Agreement, or any subsequent similar agreement, will survive the termination of Executive's employment and/or the termination of this Agreement.

7. **COMPANY PROPERTY.** Upon the termination of Executive's employment or upon Company's earlier request, Executive shall: (i) deliver to the Company all records, memoranda, data, documents and other property of any description which refer or relate in any way to trade secrets or confidential information, including all copies thereof, which are in Executive's possession, custody or control; (ii) deliver to the Company all Company property (including, but not limited to, keys, credit cards, customer files, contracts, proposals, work in process, manuals, forms, computer-stored work in process and other computer data, research materials, other items of business information concerning any Company customer, or Company business or business methods, including all copies thereof) which is in Executive's possession, custody or control; (iii) bring all such records, files and other materials up to date before returning them; and (iv) fully cooperate with the Company in winding up Executive's work and transferring that work to other individuals designated by the Company.

8. **EMPLOYEE REPRESENTATION.** Executive represents and warrants that Executive's employment and obligations under this Agreement will not (i) breach any duty or obligation Executive owes to another or (ii) violate any law, recognized ethics standard or recognized business custom.

9. **AMENDMENTS; WAIVERS.** This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by Executive and a duly authorized officer of Company. By an instrument in writing similarly executed, Executive or a duly authorized officer of the Company may waive compliance by the other Party with any

specifically identified provision of this Agreement that such other Party was or is obligated to comply with or perform; *provided, however*, that such waiver shall not operate as a waiver of, or estoppel with respect to, any other or subsequent failure. No failure to exercise and no delay in exercising any right, remedy, or power hereunder will preclude any other or further exercise of any other right, remedy, or power provided herein or by law or in equity.

10. ENTIRE AGREEMENT. Except as expressly provided in this Agreement, this Agreement: (i) supersedes and cancels all other understandings and agreements, oral or written, with respect to Executive's employment with the Company, including the Prior Employment Agreement; (ii) supersedes all other understandings and agreements, oral or written, between the parties with respect to the subject matter of this Agreement; and (iii) constitutes the sole agreement between the parties with respect to this subject matter. Each party acknowledges that: (i) no representations, inducements, promises or agreements, oral or written, have been made by any party or by anyone acting on behalf of any party, which are not embodied in this Agreement; and (ii) no agreement, statement or promise not contained in this Agreement shall be valid. No change or modification of this Agreement shall be valid or binding upon the parties unless such change or modification is in writing and is signed by the parties.

11. SEVERABILITY. If a court of competent jurisdiction holds that any provision or sub-part thereof contained in this Agreement is invalid, illegal, or unenforceable, that invalidity, illegality, or unenforceability shall not affect any other provision in this Agreement.

12. ASSIGNMENT AND SUCCESSORS. The Company may assign its rights and obligations under this Agreement to any of its affiliates or to any successor to all or substantially all of the business or the assets of the Company (by merger or otherwise), and may assign or encumber this Agreement and its rights hereunder as security for indebtedness of the Company and its affiliates. This Agreement shall be binding upon and inure to the benefit of the Company, Executive and their respective successors, assigns, personnel and legal representatives, executors, administrators, heirs, distributees, devisees, and legatees, as applicable. None of Executive's rights or obligations may be assigned or transferred by Executive, other than Executive's rights to payments hereunder, which may be transferred only by will or operation of law.

13. GOVERNING LAW. This Agreement shall be construed, interpreted, and governed in accordance with and by North Carolina law and the applicable provisions of federal law ("Applicable Federal Law"). Any and all claims, controversies, and causes of action arising out of or relating to this Agreement, whether sounding in contract, tort, or statute, shall be governed by the laws of the state of North Carolina, including its statutes of limitations, except for Applicable Federal Law, without giving effect to any North Carolina conflict-of-laws rule that would result in the application of the laws of a different jurisdiction. Both Executive and the Company acknowledge and agree that the state or federal courts located in North Carolina have personal jurisdiction over them and over any dispute arising under this Agreement, and both Executive and the Company irrevocably consent to the jurisdiction of such courts.

14. COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be an original, with the same effect as if the signatures affixed thereto were upon the same instrument.

15. NOTICES. Any notice, request, claim, demand, document and other communication hereunder to any Party shall be effective upon receipt (or refusal of receipt) and shall be in writing and delivered personally or sent by facsimile or certified or registered mail, postage prepaid, as follows:

15.1 If to the Company, to the General Counsel of the Company at the Company's headquarters,

15.2 If to Executive, to the last address that the Company has in its personnel records for Executive, or

15.3 At any other address as any Party shall have specified by notice in writing to the other Party.

16. SECTION 409A OF THE INTERNAL REVENUE CODE. The parties intend that the provisions of this Agreement comply with or are exempt from Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder (collectively, "Section 409A") and all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. If any provision of this Agreement (or of any award of compensation, including equity compensation or benefits) would cause Executive to incur any additional tax or interest under Section 409A, the Company shall, upon the specific request of Executive, use its reasonable business efforts to in good faith reform such provision to comply with Code Section 409A; provided, that to the maximum extent practicable, the original intent and economic benefit to Executive and the Company of the applicable provision shall be maintained, and the Company shall have no obligation to make any changes that could create any additional economic cost or loss of benefit to the Company. The Company shall timely use its reasonable business efforts to amend any plans and programs in which Executive participates to bring it in compliance with Section 409A. Notwithstanding the foregoing, the Company shall have no liability with regard to any failure to comply with Section 409A so long as it has acted in good faith with regard to compliance therewith.

16.1 Separation from Service. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination also constitutes a "Separation from Service" within the meaning of Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment," "separation from service" or like terms shall mean Separation from Service.

16.2 Separate Payments. Each installment payment required under this Agreement shall be considered a separate payment for purposes of Section 409A.

16.3 Reimbursements. To the extent required by Section 409A, each reimbursement or in-kind benefit provided under this Agreement shall be provided in accordance with the following: (a) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during each calendar year cannot affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year; (b) any reimbursement of an eligible expense shall be paid to Executive on or before the last day of the calendar year following the calendar year in which the expense was incurred; and (c) any right to reimbursements or in-kind benefits under this Agreement shall not be subject to liquidation or exchange for another benefit.

17. PARACHUTE PAYMENTS. Notwithstanding any other provisions of this Agreement or any Company equity plan or agreement, in the event that any payment or benefit by the Company or otherwise to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (all such payments and benefits, including the payments and benefits under Section 5 hereof, being hereinafter referred to as the "Total Payments"), would be subject (in whole or in part) to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Total Payments shall be reduced (in the order provided in Section 16.1) to the minimum extent necessary to avoid the imposition of the Excise Tax on the Total Payments, but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income and employment taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments), is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income and employment taxes on such Total Payments and the amount of the Excise Tax to which Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

17.1 Order of Reduction. The Total Payments shall be reduced in the following order: (i) reduction on a pro-rata basis of any cash severance payments that are exempt from Section 409A of the Code ("Section 409A"), (ii) reduction on a pro-rata basis of any non-cash severance payments or benefits that are exempt from Section 409A, (iii) reduction on a pro-rata basis of any other payments or benefits that are exempt from Section 409A, and (iv) reduction of any payments or benefits otherwise payable to Executive on a pro-rata basis or such other manner that complies with Section 409A; provided, in case of clauses (ii), (iii) and (iv), that reduction of any payments attributable to the acceleration of vesting of Company equity awards shall be first applied to Company equity awards that would otherwise vest last in time.

17.2 Determinations. All determinations regarding the application of this Section 17 shall be made by an accounting firm or consulting group with experience in

performing calculations regarding the applicability of Section 280G of the Code and the Excise Tax selected by the Company (the "Independent Advisors"). For purposes of determinations, no portion of the Total Payments shall be taken into account which, in the opinion of the Independent Advisors, (i) does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) or (ii) constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation. The costs of obtaining such determination and all related fees and expenses (including related fees and expenses incurred in any later audit) shall be borne by the Company.

17.3 Additional Reductions. In the event it is later determined that a greater reduction in the Total Payments should have been made to implement the objective and intent of this Section 17, the excess amount shall be returned promptly by Executive to the Company.

18. WITHHOLDING. The Company shall be entitled to withhold from any amounts payable under this Agreement any federal, state, local or foreign withholding or other taxes or charges which the Company is required to withhold.

19. CLAWBACK. If any law, rule, or regulation applicable to the Company or its Subsidiaries (including any rule or requirement of any nationally recognized stock exchange on which the stock of the Company or its Subsidiaries is listed), or any policy of the Company or its Subsidiaries reasonably designed to comply therewith, requires the forfeiture or recoupment of any amount paid or payable to the Executive hereunder (or under any other agreement between the Executive and the Company or its Subsidiaries or under any plan in which the Executive participates, or otherwise payable to the Executive as compensation for services), the Executive hereby consents to such forfeiture or recoupment, in each case in the time and manner determined by the Company in its reasonable good faith discretion (collectively, the "Clawback").

[The remainder of this page is intentionally left blank.]

[Signature Page for Employment Agreement]

IN WITNESS WHEREOF, the parties have entered into this Agreement on the day and year first written above.

MICHAEL AMOROSO

/s/ Michael Amoroso

PRECISION BIOSCIENCES, INC.

/s/ Dario Scimeca

By: Dario Scimeca

Title: General Counsel

EXHIBIT A

Separation Agreement and Release

This Separation Agreement and Release (“Agreement”) is made by and between Michael Amoroso (“Executive”) and Precision BioSciences, Inc. (together with any successor thereto, the “Company”) (collectively, referred to as the “Parties” or individually referred to as a “Party”). Capitalized terms used but not defined in this Agreement shall have the meanings set forth in the Employment Agreement (as defined below).

WHEREAS, the Parties have previously entered into that certain Employment Agreement, dated as of August 26, 2025 (the “Employment Agreement”); and

WHEREAS, in connection with Executive’s termination of employment with the Company or a subsidiary or affiliate of the Company, the Parties wish to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions, and demands that Executive may have against the Company and any of the Releasees as defined below, with respect to any and all claims arising out of or in any way related to Executive’s employment with or separation from the Company or its subsidiaries or affiliates but, for the avoidance of doubt, nothing herein will be deemed to release any rights or remedies in connection with Executive’s right to vested benefits under any employee benefit plan of the Company or one of its affiliates or Executive’s right to indemnification by the Company or any of its affiliates pursuant to contract or applicable law or Executive’s rights under any applicable directors’ and officers’ insurance policy (collectively, the “Retained Claims”).

NOW, THEREFORE, in consideration of the severance payments and benefits described in the Employment Agreement, which, pursuant to the Employment Agreement, are conditioned on Executive’s execution and non-revocation of this Agreement, and in consideration of the mutual promises made herein, the Company and Executive hereby agree as follows:

1. Severance Payments and Benefits; Salary and Benefits. The Company agrees to provide Executive with the severance payments and benefits described in Sections 5.2 and 5.3 of the Employment Agreement, payable at the times set forth in, and subject to the terms and conditions of, the Employment Agreement. In addition, to the extent not already paid, and subject to the terms and conditions of the Employment Agreement, the Company shall pay or provide to Executive all Accrued Obligations.

2. Release of Claims. Executive agrees that, other than with respect to the Retained Claims, the foregoing consideration represents settlement in full of all outstanding obligations owed to Executive by the Company any of their direct or indirect subsidiaries and affiliates, and any of their current and former officers, directors, equity holders, managers, employees, agents, investors, attorneys, shareholders, administrators, affiliates, benefit plans, plan administrators, insurers, trustees, divisions, and subsidiaries and predecessor and successor corporations and assigns, each in their capacity as such (collectively, the

“Releasees”). Executive, on Executive’s own behalf and on behalf of any of Executive’s affiliated companies or entities and any of their respective heirs, family members, executors, agents, and assigns, other than with respect to the Retained Claims, hereby and forever releases the Releasees from, and agrees not to sue concerning, or in any manner to institute, prosecute, or pursue, any claim, complaint, charge, duty, obligation, or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Executive may possess against any of the Releasees arising from any omissions, acts, facts, or damages that have occurred up until and including the execution of this Agreement, including, without limitation:

(a) any and all claims relating to or arising from Executive’s employment or service relationship with the Company or any of its direct or indirect subsidiaries or affiliates and the termination of that relationship;

(b) any and all claims relating to, or arising from, Executive’s right to purchase, or actual purchase of any shares of stock or other equity interests of the Company or any of its affiliates, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state law, and securities fraud under any state or federal law;

(c) any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; harassment; retaliation; breach of contract, both express and implied; breach of covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; fraud; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; conversion; and disability benefits;

(d) any and all claims for violation of any federal, state, or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Equal Pay Act; the Fair Labor Standards Act; the Fair Credit Reporting Act; the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; and the Sarbanes-Oxley Act of 2002;

(e) any and all claims for violation of the federal or any state constitution;

(f) any and all claims arising out of any other laws and regulations relating to employment or employment discrimination;

(g) any claim for any loss, cost, damage, or expense arising out of any dispute over the non-withholding or other tax treatment of any of the proceeds received by Executive as a result of this Agreement; and

(h) any and all claims for attorneys' fees and costs.

Executive agrees that the release set forth in this section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not release claims that cannot be released as a matter of law, including, but not limited to, Executive's right to file a charge with or participate in a charge by the Equal Employment Opportunity Commission, or any other local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, against the Company (with the understanding that Executive's release of claims herein bars Executive from recovering such monetary relief from the Company or any Releasee), claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law, claims to continued participation in certain of the Company's group benefit plans pursuant to the terms and conditions of COBRA, claims to any benefit entitlements vested as the date of separation of Executive's employment, pursuant to written terms of any employee benefit plan of the Company or its affiliates and Executive's right under applicable law and any Retained Claims. This release further does not release claims for breach of Section 5.2 or 5.3 of the Employment Agreement or prevent Executive from reporting possible violations of federal law or regulation to any United States governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or any other whistleblower protection provisions of state or federal law or regulation (including the right to receive an award for information provided to any such government agencies).

3. Acknowledgment of Waiver of Claims under ADEA. Executive understands and acknowledges that Executive is waiving and releasing any rights Executive may have under the Age Discrimination in Employment Act of 1967 ("ADEA"), and that this waiver and release is knowing and voluntary. Executive understands and agrees that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the Effective Date of this Agreement. Executive understands and acknowledges that the consideration given for this waiver and release is in addition to anything of value to which Executive was already entitled. Executive further understands and acknowledges that Executive has been advised by this writing that: (a) Executive should consult with an attorney prior to executing this Agreement; (b) Executive has 21 days within which to consider this Agreement; (c) Executive has 7 days following Executive's execution of this Agreement to revoke this Agreement pursuant to written notice to the General Counsel of the Company (the "Revocation Period"); (d) this Agreement shall not be effective until after the Revocation Period has expired; and (e) nothing in this Agreement prevents or precludes Executive from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties, or costs for doing so, unless specifically authorized by federal law. In the event Executive signs this

Agreement and returns it to the Company in less than the 21 day period identified above, Executive hereby acknowledges that Executive has freely and voluntarily chosen to waive the time period allotted for considering this Agreement. Notwithstanding the foregoing, the Revocation Period will expire when Executive executes this Agreement if Executive's termination occurs pursuant to Section 4.1 of the Employment Agreement.

4. Severability. In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision or portion of provision.

5. No Oral Modification. This Agreement may only be amended in a writing signed by Executive and a duly authorized officer of the Company.

6. Governing Law; Notice; Counterparts. This Agreement shall be subject to the provisions of Sections 13, 14 and 15 of the Employment Agreement.

7. Effective Date. If Executive has attained or is over the age of 40 as of the date of Executive's termination of employment, then, except as provided in the next sentence, each Party has seven days after that Party signs this Agreement to revoke it and this Agreement will become effective on the eighth day after Executive signed this Agreement, so long as it has been signed by the Parties and has not been revoked by either Party before that date (the "Effective Date"). If Executive has not attained the age of 40 as of the date of Executive's termination of employment or if Executive's termination occurs pursuant to Section 4.1 of the Employment Agreement, then the "Effective Date" shall be the date on which Executive signs this Agreement.

8. Trade Secrets; Whistleblower Protections. In accordance with 18 U.S.C. §1833, notwithstanding anything to the contrary in this Agreement, the Employment Agreement, or any other agreement between Executive and the Company or any of its subsidiaries in effect as of the date Executive receives this Agreement (together, the "Subject Documents"): (a) Executive will not be in breach of the Subject Document, and shall not be held criminally or civilly liable under any federal or state trade secret law (i) for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (ii) for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (b) if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney, and may use the trade secret information in the court proceeding, if Executive files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order. Furthermore, the Parties agree that nothing in the Subject Documents prohibits Executive from reporting possible violations of federal law or regulation to any governmental

agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or any other whistleblower protection provisions of state or federal law or regulation or releases or restrains Executive's right to receive an award for information provided to any such government agencies.

9. Voluntary Execution of Agreement. Executive understands and agrees that Executive executed this Agreement voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party, with the full intent of releasing all of Executive's claims against the Company and any of the other Releasees, except as otherwise provided in this Agreement. Executive acknowledges that: (a) Executive has read this Agreement; (b) Executive has not relied upon any representations or statements made by the Company that are not specifically set forth in this Agreement; (c) Executive has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of Executive's own choice or has elected not to retain legal counsel; (d) Executive understands the terms and consequences of this Agreement and of the releases it contains; and (e) Executive is fully aware of the legal and binding effect of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

EXECUTIVE

Dated: _____

COMPANY

Dated: _____

By: _____

Name:

Title:

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (the “Agreement”) is made and entered into as of this 26th day of August, 2025 (the “Effective Date”), by and between Precision BioSciences, Inc. (the “Company”), and James Jefferson Smith (“Executive”). The Company and Executive are sometimes referred to in this Agreement individually as a “Party” and collectively as the “Parties.”

BACKGROUND

WHEREAS, the Company wishes to continue to employ Executive on the terms set forth in this Agreement, and Executive wishes to accept such employment on the same terms.

WHEREAS, due to Executive’s significant institutional knowledge and biotechnology operational experience, the Company wishes to retain Executive and Executive agrees to use Executive’s best efforts to continue to assist the Company with commercial viability and additional financing.

WHEREAS, the Company and Executive agree that it is a substantial benefit to the Company and its stockholders to make the severance changes herein in consideration for the services to be provided hereunder and following a Restructuring Event (as defined below) in lieu of providing additional compensation in the form of an immediately payable cash retention bonus.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises herein, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending legally to be bound, hereby agree as follows:

1. EMPLOYMENT. As of the Effective Date, the Company hereby continues to employ Executive as Chief Research Officer of the Company upon the terms and conditions of this Agreement and Executive accepts continued employment with the Company upon the terms and conditions of this Agreement. This Agreement amends and restates and supersedes and replaces Executive’s Employment Agreement with the Company dated January 22, 2024 (the “Prior Employment Agreement”).

2. NATURE OF EMPLOYMENT/DUTIES. Executive shall serve as Chief Research Officer of the Company and shall have such responsibilities and authority as the Company may designate from time to time consistent with Executive’s title and position.

2.1 Executive shall perform all duties and exercise all authority in accordance with, and otherwise comply with, all Company policies, procedures, practices and directions.

2.2 Executive shall devote substantially all working time, best efforts, knowledge and experience to perform successfully Executive's duties and advance the Company's interests, including continued commercial viability and additional financing. During Executive's employment, Executive may, with the Board's consent (which shall not be unreasonably withheld), engage in other business activities for compensation (including board memberships), provided that, such activities do not present a conflict of interest nor violate the Restrictive Covenant Agreement (defined in Section 6), nor otherwise prohibit Executive from fulfilling Executive's obligations hereunder.

3. COMPENSATION.

3.1 Base Salary. During the Term, Executive's annual base salary for all services rendered shall be Four Hundred Twelve Thousand and 00/100 Dollars (\$412,000.00) (less applicable taxes and withholdings) payable in accordance with the Company's payroll practices as they may exist from time to time ("Base Salary"). Base Salary may be reviewed and adjusted by the Company, at its discretion, in accordance with the Company's policies, procedures, and practices as they may exist from time to time, provided that the Base Salary shall not be decreased unless the decrease is an across-the-board decrease for all senior management employees of the Company.

3.2 Business Expenses. Executive shall be reimbursed for reasonable and necessary expenses actually incurred by Executive in performing services under this Agreement in accordance with and subject to the terms and conditions of the applicable Company reimbursement policies, procedures, and practices as they may exist from time to time. All such reimbursements shall be made no later than the end of the calendar year following the year in which the expense was incurred.

3.3 Bonus. During the Term, Executive may participate in any Company bonus plan the Company may adopt for senior management subject to the terms, conditions, and any eligibility requirements that may exist in such plan or plans. Executive's annual incentive compensation under such bonus plan (the "Annual Bonus") shall be targeted at forty percent (40%) of Executive's Base Salary (such target, as may be increased by the Board from time to time, the "Target Annual Bonus"). The Annual Bonus payable under the bonus plan shall be based on the achievement of performance goals to be determined by the Board. The payment of any Annual Bonus pursuant to the bonus plan shall be subject to Executive's continued employment with the Company through the date of payment.

3.4 Benefits. During the Term, Executive may participate in all medical, dental and disability insurance, 401(k), personal leave and other employee benefit plans and programs of the Company for which Executive is eligible, provided, however, that Executive's

participation in benefit plans and programs is subject to the applicable terms, conditions and eligibility requirements of these plans and programs, some of which are within the plan administrator's discretion, as they may exist from time to time. The Company shall pay annual dues and expenses for Executive's membership and participation in such professional organizations as may be approved by the Board.

3.5 Indemnification; D&O Insurance. Both during and after the Term, the Company hereby agrees to indemnify Executive and hold Executive harmless to the maximum extent permitted by the Company's organizational documents as in effect from time to time against and in respect of any and all actions, suits, proceedings, investigations, claims, demands, judgments, costs, expenses (including reasonable attorney's fees), losses, and damages resulting from Executive's good faith performance of Executive's duties and obligations with the Company hereunder; provided, that, Executive shall have no rights to indemnification with respect to any amounts subject to Clawback (as defined below). The Company shall cover the Executive under directors' and officers' liability insurance to the same extent as the Company covers its other active officers and directors. The foregoing obligations shall survive the termination of Executive's employment with the Company.

4. TERM OF EMPLOYMENT AND TERMINATION. The Company and Executive acknowledge that Executive's employment is and shall continue to be at-will, as defined under applicable law, and that Executive's employment with the Company may be terminated by either Party at any time for any or no reason (subject to the notice requirements of this Section 4). This "at-will" nature of Executive's employment shall remain unchanged during Executive's tenure as an employee and may not be changed, except in an express writing signed by Executive and a duly authorized officer of the Company. The term of this Agreement and Executive's employment hereunder shall commence on the Effective Date and continue until terminated as set forth in this Section 4. The date on which Executive's employment terminates, as determined by the Company, regardless of the reason, shall be referred to herein as the "Separation Date." Upon termination of Executive's employment for any reason, Executive shall be deemed to have resigned from all offices and directorships, if any, then held with the Company or any of its subsidiaries.

4.1 Without Cause, Upon Notice. Either the Company or Executive may terminate Executive's employment and this Agreement without Cause at any time upon giving the other party thirty (30) days written notice. In addition, the Company hereby terminates Executive's employment with the Company without Cause on the earlier of the date of a Change in Control and a Restructuring Event. A "Restructuring Event" means the earlier to occur of the Board's approval of the Company's commencement of (i) a proceeding under state or federal law to effect a winding up or dissolution of the Company (other than a case under chapter 11 of title 11 of the US Code) (a "Liquidation"), or (ii) commencing a case under chapter 11 of title 11 of the US Code, in any case, within four (4) years following the Effective Date (a "Bankruptcy"). In the event Executive's employment with the Company terminates pursuant to a Restructuring Event, Executive agrees to provide reasonable consulting services to the Company during any

federal bankruptcy process as reasonably requested by the Company (taking into account Executive's other obligations) and subject to the Company's payment of a reasonable fee to Executive, which fee shall be in addition to any other payments due to Executive under this Agreement.

4.2 For Cause. The Company may terminate Executive's employment and this Agreement immediately without notice at any time for "Cause," which shall mean the following:

4.2.1 Executive's material failure to perform Executive's duties or to carry out the reasonable and lawful instructions of the Chief Executive Officer or the Board of Directors (other than any such failure resulting from incapacity due to physical or mental illness);

4.2.2 Executive's engagement in dishonesty, illegal conduct, or gross misconduct, which is, in each case, materially injurious to the Company or its affiliates;

4.2.3 Executive's embezzlement, misappropriation, or fraud, whether or not related to the Executive's employment with the Company;

4.2.4 Executive's conviction of or plea of guilty or nolo contendere to a crime that constitutes a felony (or state law equivalent) or a crime that constitutes a misdemeanor involving moral turpitude;

4.2.5 Executive's failure to cooperate with the Company in any investigation or formal proceeding;

4.2.6 Executive's material breach of any material obligation under this Agreement, the Restrictive Covenant Agreement (as defined in Section 6), or any other written agreement between the Executive and the Company; or

4.2.7 any material failure by Executive to comply with the Company's written policies or rules, as they may be in effect from time to time.

4.2.8 Provided, however, that prior to termination based on Sections 4.2.1, 4.2.5, 4.2.6 or 4.2.7, Executive shall be given written notice of the facts allegedly constituting Cause and a ten (10) day opportunity to cure.

4.3 By Death or Disability. Executive's employment and this Agreement shall terminate upon Executive's Disability or death. For purposes of this Agreement, "Disability" shall mean Executive's inability, due to physical or mental incapacity, to perform the essential functions of Executive's job, with or without reasonable accommodation, for one

hundred eighty (180) days out of any three hundred sixty-five (365) day period; provided however, in the event that the Company temporarily replaces the Executive, or transfers the Executive's duties or responsibilities to another individual on account of the Executive's inability to perform such duties due to a mental or physical incapacity which is, or is reasonably expected to become, a Disability, then the Executive's employment shall not be deemed terminated by the Company and the Executive shall not be able to resign with Good Reason as a result thereof. Any question as to the existence of the Executive's Disability as to which the Executive and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to the Executive and the Company. If the Executive and the Company cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Company and the Executive shall be final and conclusive for all purposes of this Agreement. The Company shall give Executive written notice of termination for Disability and the termination shall be effective as of the date specified in such notice.

4.4 For Good Reason. Executive may terminate Executive's employment for "Good Reason," which shall mean the occurrence of any of the following, in each case without the Executive's written consent:

4.4.1 a material reduction in Executive's Base Salary by an amount equivalent to ten percent (10%) or greater;

4.4.2 a material, adverse change in Executive's title, authority, duties, or responsibilities (other than temporarily while the Executive is physically or mentally incapacitated or as required by applicable law);

4.4.3 an involuntary relocation of the Executive's principal place of employment by more than thirty five (35) miles; or

4.4.4 the Company's failure to obtain an agreement from any successor to the Company to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no succession had taken place, except where such assumption occurs by operation of law.

4.4.5 Executive cannot terminate Executive's employment for Good Reason unless Executive has provided written notice to the Company of the existence of the circumstances providing grounds for termination for Good Reason within sixty (60) days of the initial existence of such grounds and the Company has had at least thirty (30) days from the date on which such notice is provided to cure such circumstances. If the Executive does not terminate Executive's employment for Good Reason within one-hundred (100) days after the first occurrence of the

applicable grounds, then the Executive will be deemed to have waived Executive's right to terminate for Good Reason with respect to such grounds.

5. COMPENSATION AND BENEFITS UPON TERMINATION. If Executive's employment terminates for any reason, Executive shall not be entitled to any payments, benefits, damages, award or compensation other than as provided in this Agreement or otherwise agreed to in writing by the Company or as provided by applicable law. Upon termination of Executive's employment pursuant to any of the circumstances listed in Section 4, Executive (or Executive's estate) shall be entitled to receive the sum of: (i) the portion of Executive's Base Salary earned through the Separation Date, but not yet paid to Executive; (ii) any expense reimbursements owed to Executive pursuant to Section 3.2; and (iii) any amount accrued and arising from Executive's participation in, or benefits accrued under any employee benefit plans, programs or arrangements, which amounts shall be payable in accordance with the terms and conditions of such employee benefit plans, programs or arrangements (collectively, the "Accrued Obligations"). Except as otherwise expressly required by law (e.g., COBRA) or as specifically provided herein, all of Executive's rights to salary, severance, benefits, bonuses and other compensatory amounts hereunder (if any) shall cease upon the termination of Executive's employment hereunder. In the event that Executive's employment is terminated by the Company for any reason, Executive's sole and exclusive remedy shall be to receive the payments and benefits described in this Section 5.

5.1 By the Company for Cause or because of Executive's Death or Disability, or by Executive Without Cause, Upon Notice. If Executive's employment and this Agreement are terminated by the Company for Cause or because of Executive's death or Disability, or by Executive pursuant to Section 4.1 (Without Cause, Upon Notice), then the Company's obligation to compensate Executive ceases on the Separation Date except for the Accrued Obligations.

5.2 By the Company Without Cause or by Executive for Good Reason. If the Company terminates Executive's employment and this Agreement pursuant to Section 4.1 (Without Cause, Upon Notice) or Executive terminates Executive's employment and this Agreement pursuant to Section 4.4 (for Good Reason), subject to Executive's continued compliance with Executive's obligations under the Restrictive Covenant Agreement then the Company shall pay Executive the Accrued Obligations and subject to Section 5.5 (Required Release), Executive shall be entitled to the following:

5.2.1 an amount equal to twelve (12) months of Executive's then current monthly Annual Base Salary (less applicable taxes and withholdings) (the "Severance Amount"), payable in a lump sum payment on the first payroll date on or following the Release Effective Date (as defined in Section 5.5 below), but not later than thirty (30) days following the Separation Date;

5.2.2 an amount equal to one (1.0) times the Target Annual Bonus, payable in a lump sum on the first payroll date on or following the Release Effective Date (as defined in Section 5.5 below), but not later than thirty (30) days following the Separation Date;

5.2.3 if Executive timely and properly elects health continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), during the twelve (12)-month period following the Release Effective Date (the "Severance Period"), the Company shall reimburse Executive for the difference between the monthly COBRA premium paid by the Executive and the monthly premium amount paid by Executive immediately prior to the date that Executive's employment terminated. Such reimbursement shall be paid to the Executive on or before the tenth (10th) day of the month immediately following the month in which the Executive timely remits the premium payment, with such reimbursements to commence when the payments under Section 5.2.1 commence. Executive shall be eligible to receive such reimbursement until the earliest of: (i) the end of the Severance Period; (ii) the date the Executive is no longer eligible to receive COBRA continuation coverage; and (iii) the date on which the Executive becomes eligible to receive substantially similar coverage from another employer or other source. Notwithstanding the foregoing, if the Company's making payments under this Section 5.2.3 would violate the nondiscrimination rules applicable to non-grandfathered plans under the Affordable Care Act (the "ACA"), or result in the imposition of penalties under the ACA and the related regulations and guidance promulgated thereunder), the parties agree to reform this Section 5.2.3 in a manner as is necessary to comply with the ACA. Executive shall provide the Company with notice of subsequent employment and comparable coverage within thirty (30) days of commencement of such comparable coverage;

5.2.4 Executive's unvested time-based equity grants shall vest as of the Separation Date with respect to that portion of such unvested time-based equity grants that would have vested within the thirteen (13) month period immediately following the Separation Date based solely on the passage of time had Executive remained employed by the Company through such period, provided that such equity shall remain subject to the other terms and conditions of the applicable Company incentive award plan(s) and individual award agreement(s); and

5.2.5 the right to exercise any outstanding and vested stock options to purchase Company common stock until the earlier of (a) the date one (1) year following the Separation Date, (b) the maximum term of the applicable stock option, and (c) unless such options are assumed or substituted in the Change in Control, the date of a Change in Control.

5.3 **During the Change in Control Termination Period, by the Company Without Cause or by Executive for Good Reason.** If during the Change in Control Termination Period, as defined herein, either the Company terminates Executive's employment and this Agreement pursuant to Section 4.1 (Without Cause, Upon Notice) or Executive

terminates Executive's employment and this Agreement pursuant to Section 4.4 (for Good Reason), then in lieu of any payments or benefits under Section 5.2, and subject to Executive's continued compliance with Executive's obligations under the Restrictive Covenant Agreement, the Company shall pay Executive the Accrued Obligations and, subject to Section 5.5 (Required Release), Executive shall be entitled to the following:

5.3.1 the Company shall pay Executive an amount equal to eighteen (18) months of Executive's then current monthly base salary (less applicable taxes and withholdings) plus one and a half (1.5) times Executive's target bonus for the year during which the Separation Date occurs, payable in lump sum no later than thirty (30) days following the Separation Date; provided, that, if the Separation Date occurs within three (3) months prior to a Change in Control, any amounts payable under this Section 5.3.1 (excluding any amount payable under either Section 5.2.1 or 5.2.2 prior to the date thirty (30) days following the date of the Change in Control) shall be paid no later than the date thirty (30) days following the date of the Change in Control;

5.3.2 if Executive timely and properly elects health continuation coverage under COBRA, during the eighteen (18) month period following the Separation Date, the Company shall reimburse Executive for the difference between the monthly COBRA premium paid by the Executive and the monthly premium amount paid by Executive immediately prior to the date that Executive's employment terminated. Such reimbursement shall be paid to the Executive on or before the tenth (10th) day of the month immediately following the month in which Executive timely remits the premium payment, with such reimbursements to commence in the month following the month the release under Section 5.4 becomes effective and non-revocable. Executive shall be eligible to receive such reimbursement until the earliest of: (i) the eighteen-month anniversary of the Separation Date; (ii) the date the Executive is no longer eligible to receive COBRA continuation coverage; and (iii) the date on which the Executive becomes eligible to receive substantially similar coverage from another employer or other source. Notwithstanding the foregoing, if the Company's making payments under this Section 5.3.2 would violate the nondiscrimination rules applicable to non-grandfathered plans under the ACA, or result in the imposition of penalties under the ACA and the related regulations and guidance promulgated thereunder), the parties agree to reform this Section 5.3.2 in a manner as is necessary to comply with the ACA. Executive shall provide the Company with notice of subsequent employment and comparable coverage within thirty (30) days of commencement of such comparable coverage;

5.3.3 all unvested time-based equity grants shall vest in full as of the Separation Date, provided that such equity shall remain subject to the other terms and conditions of the applicable Company incentive award plan(s) and individual award agreement(s); and

5.3.4 the right to exercise any outstanding and vested stock options to purchase Company common stock until the earlier of (a) the date one (1) year

following the Separation Date, (b) the maximum term of the applicable stock option, and (c) unless the applicable options are assumed or substituted in the Change in Control, the date of a Change in Control.

5.4 Definition of Change in Control and Change in Control Termination Period.

5.4.1 “Change in Control” means and includes each of the following:

(a) a transaction or series of transactions (other than an offering of Common Stock to the general public through a registration statement filed with the Securities and Exchange Commission or a transaction or series of transactions that meets the requirements of clauses (i) and (ii) of subsection (c) below) whereby any “person” or related “group” of “persons” (as such terms are used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) (other than the Company, any of its Subsidiaries, an employee benefit plan maintained by the Company or any of its Subsidiaries or a “person” that, prior to such transaction, directly or indirectly controls, is controlled by, or is under common control with, the Company) directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than 50% of the total combined voting power of the Company’s securities outstanding immediately after such acquisition; provided, however, that for purposes of this Agreement, “Subsidiary” means any entity (other than the Company), whether domestic or foreign, in an unbroken chain of entities beginning with the Company if each of the entities other than the last entity in the unbroken chain beneficially owns, at the time of the determination, securities or interests representing at least 50% of the total combined voting power of all classes of securities or interests in one of the other entities in such chain; or

(b) during any period of two consecutive years, individuals who, at the beginning of such period, constitute the Board of Directors (the “Board”) together with any new director(s) of the Board (other than a director designated by a person who shall have entered into an agreement with the Company to effect a transaction described in subsections (a) or (c)) whose election by the Board or nomination for election by the Company’s stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the two-year period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; or

(c) the consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more intermediaries) of (x) a merger, consolidation, reorganization, or business combination or (y) a sale or other disposition of all or substantially all of the Company’s assets in any single transaction or series of related transactions or (z) the acquisition of assets or stock of another entity, in each case other than a transaction:

(i) which results in the Company’s voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the Company or the person that, as a result of the transaction, controls, directly or indirectly, the Company or owns, directly or

indirectly, all or substantially all of the Company's assets or otherwise succeeds to the business of the Company (the Company or such person, the "Successor Entity") directly or indirectly, at least a majority of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction, and

(ii) after which no person or group beneficially owns voting securities representing 50% or more of the combined voting power of the Successor Entity; provided, however, that no person or group shall be treated for purposes of this clause (ii) as beneficially owning 50% or more of the combined voting power of the Successor Entity solely as a result of the voting power held in the Company prior to the consummation of the transaction, and

(iii) after which at least a majority of the members of the board of directors (or the analogous governing body) of the Successor Entity immediately following the date of such transaction were Board members immediately prior to the date of such transaction.

5.4.2 "Change in Control Termination Period" shall mean the period beginning three (3) months prior to and ending twelve (12) months following the occurrence of a Change in Control.

5.5 Required Release. Notwithstanding any provision of this Agreement to the contrary, the Company's obligation to provide the payments, acceleration, exercise extension and reimbursements under Sections 5.2 and 5.3 is conditioned upon Executive's execution of the Separation Agreement and Release attached hereto as Exhibit A (the "Release") and Executive's compliance with the Restrictive Covenant Agreement. If Executive chooses not to execute such the Release or fails to comply with the Restrictive Covenant Agreement, then the Company's obligation to compensate Executive ceases on the Separation Date except as to amounts due at the time. The Release must be executed by Executive no earlier than the date of Executive's termination and Executive must execute it within twenty-one (21) days from the date of Executive's termination; provided, that, with respect to a Restructuring Event, Executive may execute the Release prior to termination and approve the release of Executive's signature page effective as of the date of the Restructuring Event, which Release shall be effective immediately. Such Release shall not be effective until any applicable revocation period has expired (the "Release Effective Date").

5.6 Benefits in Lieu of Other Severance. Executive is not entitled to receive any compensation or benefits upon Executive's termination except as: (i) set forth in this Agreement; (ii) otherwise required by law; or (iii) otherwise required by any employee benefit plan in which Executive participates. Moreover, the terms and conditions afforded Executive under this Agreement are in lieu of any severance benefits to which Executive otherwise might be entitled pursuant to any severance plan, policy and practice of the Company.

5.7 Escrow. As soon as reasonably practicable following the Effective Date, the Company agrees to maintain an escrow account (the “Escrow Account”) with a national bank (the “Escrow Agent”) for the benefit of Executive and in an amount necessary to satisfy seventy-two percent (72%) of the Company’s obligations under Sections 5.2.1, 5.2.2, 5.3.1 and 5.3.2 (as applicable, the “Obligations”), the remaining twenty-eight percent (28%) of which will be used by the Company to pay tax withholding due on such payments, which tax withholding will be reported on the Form W-2 filed by the Company for the applicable tax year. The Escrow Account shall remain outstanding until the later of (i) the date four years following the Effective Date, and (ii) in the event Executive incurs a termination of employment from the Company prior to the date four years following the Effective Date, the date the Company has satisfied the Obligations to Executive under Section 5.2.1 and 5.2.2 or 5.3.1 and 5.3.2 of this Agreement, as applicable. Notwithstanding the foregoing, the Company shall not be required to maintain such Escrow Account in the event Executive incurs termination of employment from the Company where Executive is not entitled to any payments under Section 5.2.1, 5.2.2, 5.3.1 or 5.3.2. In addition to the Obligations that Executive may be entitled to under this Agreement, in the event of a Restructuring Event or Change in Control that occurs within four years following the Effective Date, Executive shall be paid an additional \$84,000 that Executive may use for legal fees incurred by Executive in the event the payment of the Obligations is challenged by the Company or a third party, \$60,480 of which will be held in the Escrow Account (the “Legal Fund”) and the remainder of which will be used by the Company to pay tax withholding due on such payment. Upon the occurrence of a Restructuring Event or Change in Control (or as soon as reasonably practicable thereafter, but in all events prior to filing for bankruptcy), Executive shall instruct the Escrow Agent to release the amounts necessary to satisfy seventy-two percent (72%) of such Obligations and Legal Fund, and such release shall be deemed to occur concurrently with the instructions to the Escrow Agent. If, in connection with a Restructuring Event or Change in Control, Executive instructs the Escrow Agent to release the amounts necessary to satisfy seventy-two percent (72%) of such Obligations and/or Legal Fund (\$60,480), Executive agrees to instruct the Escrow Agent to deliver to the Company any portion of the Escrow Account set aside for such Obligations and/or Legal Fund that Executive is not entitled to receive under this Agreement or that is required to be withheld by the Company for taxes with respect to such Obligations and Legal Fund, as applicable. In all cases, in the event there is any such release of money from the Escrow Account to Executive as a result of the Restructuring Event or Change in Control, Executive shall be deemed to have received the full amount of the Obligations that would have been payable to Executive under 5.2.1 and 5.2.2, in the event of a Restructuring Event, or 5.3.1 and 5.3.2, in the event of a Change in Control, and Legal Fund, as applicable, with any amount not paid directly to Executive by the Company used to satisfy the Company’s tax withholding obligations with respect to such full amount of such Obligations and Legal Fund. Executive agrees to refund to the Company any portion of the Legal Fund that is not used by Executive to pay expenses in connection with any challenge by the Company or any third party arising from the payment of the Obligations, less any amount allocated to tax withholding obligations of the Company, which refund shall occur within thirty (30) days following (i) with respect to a Liquidation, the date thirty-six (36) months following Executive’s

termination of employment from the Company, and (ii) with respect to a Bankruptcy, the date eighteen (18) months following Executive's termination of employment from the Company. If requested by the Company, Executive agrees to provide the Company with reasonable documentation regarding such expenses.

6. **RESTRICTIVE COVENANTS.** As a condition of continued employment, Executive will continue to be subject to the Proprietary Information, Inventions, Non-Competition and Non-Solicitation Agreement, which the Executive previously executed (the "Restrictive Covenant Agreement"). Executive agrees to continue to abide by the terms of the Restrictive Covenant Agreement, or any other subsequent agreement with the Company relating to proprietary information, inventions, intellectual property, non-competition or non-solicitation, the terms of which are hereby incorporated by reference into this Agreement. Executive acknowledges that the provisions of the Restrictive Covenant Agreement, or any subsequent similar agreement, will survive the termination of Executive's employment and/or the termination of this Agreement.

7. **COMPANY PROPERTY.** Upon the termination of Executive's employment or upon Company's earlier request, Executive shall: (i) deliver to the Company all records, memoranda, data, documents and other property of any description which refer or relate in any way to trade secrets or confidential information, including all copies thereof, which are in Executive's possession, custody or control; (ii) deliver to the Company all Company property (including, but not limited to, keys, credit cards, customer files, contracts, proposals, work in process, manuals, forms, computer-stored work in process and other computer data, research materials, other items of business information concerning any Company customer, or Company business or business methods, including all copies thereof) which is in Executive's possession, custody or control; (iii) bring all such records, files and other materials up to date before returning them; and (iv) fully cooperate with the Company in winding up Executive's work and transferring that work to other individuals designated by the Company.

8. **EMPLOYEE REPRESENTATION.** Executive represents and warrants that Executive's employment and obligations under this Agreement will not (i) breach any duty or obligation Executive owes to another or (ii) violate any law, recognized ethics standard or recognized business custom.

9. **AMENDMENTS; WAIVERS.** This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by Executive and a duly authorized officer of Company. By an instrument in writing similarly executed, Executive or a duly authorized officer of the Company may waive compliance by the other Party with any specifically identified provision of this Agreement that such other Party was or is obligated to comply with or perform; *provided, however*, that such waiver shall not operate as a waiver of, or estoppel with respect to, any other or subsequent failure. No failure to exercise and no delay in exercising any right, remedy, or power hereunder will preclude any other or further exercise of any other right, remedy, or power provided herein or by law or in equity.

10. ENTIRE AGREEMENT. Except as expressly provided in this Agreement, this Agreement: (i) supersedes and cancels all other understandings and agreements, oral or written, with respect to Executive's employment with the Company, including the Prior Employment Agreement; (ii) supersedes all other understandings and agreements, oral or written, between the parties with respect to the subject matter of this Agreement; and (iii) constitutes the sole agreement between the parties with respect to this subject matter. Each party acknowledges that: (i) no representations, inducements, promises or agreements, oral or written, have been made by any party or by anyone acting on behalf of any party, which are not embodied in this Agreement; and (ii) no agreement, statement or promise not contained in this Agreement shall be valid. No change or modification of this Agreement shall be valid or binding upon the parties unless such change or modification is in writing and is signed by the parties.

11. SEVERABILITY. If a court of competent jurisdiction holds that any provision or sub-part thereof contained in this Agreement is invalid, illegal, or unenforceable, that invalidity, illegality, or unenforceability shall not affect any other provision in this Agreement.

12. ASSIGNMENT AND SUCCESSORS. The Company may assign its rights and obligations under this Agreement to any of its affiliates or to any successor to all or substantially all of the business or the assets of the Company (by merger or otherwise), and may assign or encumber this Agreement and its rights hereunder as security for indebtedness of the Company and its affiliates. This Agreement shall be binding upon and inure to the benefit of the Company, Executive and their respective successors, assigns, personnel and legal representatives, executors, administrators, heirs, distributees, devisees, and legatees, as applicable. None of Executive's rights or obligations may be assigned or transferred by Executive, other than Executive's rights to payments hereunder, which may be transferred only by will or operation of law.

13. GOVERNING LAW. This Agreement shall be construed, interpreted, and governed in accordance with and by North Carolina law and the applicable provisions of federal law ("Applicable Federal Law"). Any and all claims, controversies, and causes of action arising out of or relating to this Agreement, whether sounding in contract, tort, or statute, shall be governed by the laws of the state of North Carolina, including its statutes of limitations, except for Applicable Federal Law, without giving effect to any North Carolina conflict-of-laws rule that would result in the application of the laws of a different jurisdiction. Both Executive and the Company acknowledge and agree that the state or federal courts located in North Carolina have personal jurisdiction over them and over any dispute arising under this Agreement, and both Executive and the Company irrevocably consent to the jurisdiction of such courts.

14. COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be an original, with the same effect as if the signatures affixed thereto were upon the same instrument.

15. NOTICES. Any notice, request, claim, demand, document and other communication hereunder to any Party shall be effective upon receipt (or refusal of receipt) and

shall be in writing and delivered personally or sent by facsimile or certified or registered mail, postage prepaid, as follows:

- 15.1 if to the Company, to the General Counsel of the Company at the Company's headquarters,
- 15.2 if to Executive, to the last address that the Company has in its personnel records for Executive, or
- 15.3 at any other address as any Party shall have specified by notice in writing to the other Party.

16. **SECTION 409A OF THE INTERNAL REVENUE CODE.** The parties intend that the provisions of this Agreement comply with or are exempt from Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder (collectively, "Section 409A") and all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. If any provision of this Agreement (or of any award of compensation, including equity compensation or benefits) would cause Executive to incur any additional tax or interest under Section 409A, the Company shall, upon the specific request of Executive, use its reasonable business efforts to in good faith reform such provision to comply with Code Section 409A; provided, that to the maximum extent practicable, the original intent and economic benefit to Executive and the Company of the applicable provision shall be maintained, and the Company shall have no obligation to make any changes that could create any additional economic cost or loss of benefit to the Company. The Company shall timely use its reasonable business efforts to amend any plans and programs in which Executive participates to bring it in compliance with Section 409A. Notwithstanding the foregoing, the Company shall have no liability with regard to any failure to comply with Section 409A so long as it has acted in good faith with regard to compliance therewith.

16.1 **Separation from Service.** A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination also constitutes a "Separation from Service" within the meaning of Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment," "separation from service" or like terms shall mean Separation from Service.

16.2 **Separate Payments.** Each installment payment required under this Agreement shall be considered a separate payment for purposes of Section 409A.

16.3 **Reimbursements.** To the extent required by Section 409A, each reimbursement or in-kind benefit provided under this Agreement shall be provided in accordance

with the following: (a) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during each calendar year cannot affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year; (b) any reimbursement of an eligible expense shall be paid to Executive on or before the last day of the calendar year following the calendar year in which the expense was incurred; and (c) any right to reimbursements or in-kind benefits under this Agreement shall not be subject to liquidation or exchange for another benefit.

17. PARACHUTE PAYMENTS. Notwithstanding any other provisions of this Agreement or any Company equity plan or agreement, in the event that any payment or benefit by the Company or otherwise to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (all such payments and benefits, including the payments and benefits under Section 5 hereof, being hereinafter referred to as the "Total Payments"), would be subject (in whole or in part) to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Total Payments shall be reduced (in the order provided in Section 16.1) to the minimum extent necessary to avoid the imposition of the Excise Tax on the Total Payments, but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income and employment taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments), is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income and employment taxes on such Total Payments and the amount of the Excise Tax to which Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

17.1 Order of Reduction. The Total Payments shall be reduced in the following order: (i) reduction on a pro-rata basis of any cash severance payments that are exempt from Section 409A of the Code ("Section 409A"), (ii) reduction on a pro-rata basis of any non-cash severance payments or benefits that are exempt from Section 409A, (iii) reduction on a pro-rata basis of any other payments or benefits that are exempt from Section 409A, and (iv) reduction of any payments or benefits otherwise payable to Executive on a pro-rata basis or such other manner that complies with Section 409A; provided, in case of clauses (ii), (iii) and (iv), that reduction of any payments attributable to the acceleration of vesting of Company equity awards shall be first applied to Company equity awards that would otherwise vest last in time.

17.2 Determinations. All determinations regarding the application of this Section 17 shall be made by an accounting firm or consulting group with experience in performing calculations regarding the applicability of Section 280G of the Code and the Excise Tax selected by the Company (the "Independent Advisors"). For purposes of determinations, no portion of the Total Payments shall be taken into account which, in the opinion of the Independent Advisors, (i) does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) or

(ii) constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation. The costs of obtaining such determination and all related fees and expenses (including related fees and expenses incurred in any later audit) shall be borne by the Company.

17.3 Additional Reductions. In the event it is later determined that a greater reduction in the Total Payments should have been made to implement the objective and intent of this Section 17, the excess amount shall be returned promptly by Executive to the Company.

18. WITHHOLDING. The Company shall be entitled to withhold from any amounts payable under this Agreement any federal, state, local or foreign withholding or other taxes or charges which the Company is required to withhold.

19. CLAWBACK. If any law, rule, or regulation applicable to the Company or its Subsidiaries (including any rule or requirement of any nationally recognized stock exchange on which the stock of the Company or its Subsidiaries is listed), or any policy of the Company or its Subsidiaries reasonably designed to comply therewith, requires the forfeiture or recoupment of any amount paid or payable to the Executive hereunder (or under any other agreement between the Executive and the Company or its Subsidiaries or under any plan in which the Executive participates, or otherwise payable to the Executive as compensation for services), the Executive hereby consents to such forfeiture or recoupment, in each case in the time and manner determined by the Company in its reasonable good faith discretion (collectively, the "Clawback").

[The remainder of this page is intentionally left blank.]

[Signature Page for Employment Agreement]

IN WITNESS WHEREOF, the parties have entered into this Agreement on the day and year first written above.

JAMES JEFFERSON SMITH

/s/ James Jefferson Smith

PRECISION BIOSCIENCES, INC.

/s/ Michael Amoroso

By: Michael Amoroso

Title: President and Chief Executive Officer

EXHIBIT A

Separation Agreement and Release

This Separation Agreement and Release ("Agreement") is made by and between James Jefferson Smith ("Executive") and Precision BioSciences, Inc. (together with any successor thereto, the "Company") (collectively, referred to as the "Parties" or individually referred to as a "Party"). Capitalized terms used but not defined in this Agreement shall have the meanings set forth in the Employment Agreement (as defined below).

WHEREAS, the Parties have previously entered into that certain Employment Agreement, dated as of August 26, 2025 (the "Employment Agreement"); and

WHEREAS, in connection with Executive's termination of employment with the Company or a subsidiary or affiliate of the Company, the Parties wish to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions, and demands that Executive may have against the Company and any of the Releasees as defined below, with respect to any and all claims arising out of or in any way related to Executive's employment with or separation from the Company or its subsidiaries or affiliates but, for the avoidance of doubt, nothing herein will be deemed to release any rights or remedies in connection with Executive's right to vested benefits under any employee benefit plan of the Company or one of its affiliates or Executive's right to indemnification by the Company or any of its affiliates pursuant to contract or applicable law or Executive's rights under any applicable directors' and officers' insurance policy (collectively, the "Retained Claims").

NOW, THEREFORE, in consideration of the severance payments and benefits described in the Employment Agreement, which, pursuant to the Employment Agreement, are conditioned on Executive's execution and non-revocation of this Agreement, and in consideration of the mutual promises made herein, the Company and Executive hereby agree as follows:

1. Severance Payments and Benefits; Salary and Benefits. The Company agrees to provide Executive with the severance payments and benefits described in Sections 5.2 and 5.3 of the Employment Agreement, payable at the times set forth in, and subject to the terms and conditions of, the Employment Agreement. In addition, to the extent not already paid, and subject to the terms and conditions of the Employment Agreement, the Company shall pay or provide to Executive all Accrued Obligations.

2. Release of Claims. Executive agrees that, other than with respect to the Retained Claims, the foregoing consideration represents settlement in full of all outstanding obligations owed to Executive by the Company any of their direct or indirect subsidiaries and affiliates, and any of their current and former officers, directors, equity holders, managers, employees, agents, investors, attorneys, shareholders, administrators, affiliates, benefit plans, plan administrators, insurers, trustees, divisions, and subsidiaries and predecessor and successor corporations and assigns, each in their capacity as such (collectively, the "Releasees"). Executive, on Executive's own behalf and on behalf of any of Executive's affiliated companies or entities and any of their respective heirs, family members, executors, agents, and assigns, other than with respect to the Retained Claims, hereby and forever releases the Releasees from, and

agrees not to sue concerning, or in any manner to institute, prosecute, or pursue, any claim, complaint, charge, duty, obligation, or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Executive may possess against any of the Releasees arising from any omissions, acts, facts, or damages that have occurred up until and including the execution of this Agreement, including, without limitation:

(a) any and all claims relating to or arising from Executive's employment or service relationship with the Company or any of its direct or indirect subsidiaries or affiliates and the termination of that relationship;

(b) any and all claims relating to, or arising from, Executive's right to purchase, or actual purchase of any shares of stock or other equity interests of the Company or any of its affiliates, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state law, and securities fraud under any state or federal law;

(c) any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; harassment; retaliation; breach of contract, both express and implied; breach of covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; fraud; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; conversion; and disability benefits;

(d) any and all claims for violation of any federal, state, or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Equal Pay Act; the Fair Labor Standards Act; the Fair Credit Reporting Act; the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; and the Sarbanes-Oxley Act of 2002;

(e) any and all claims for violation of the federal or any state constitution;

(f) any and all claims arising out of any other laws and regulations relating to employment or employment discrimination;

(g) any claim for any loss, cost, damage, or expense arising out of any dispute over the non-withholding or other tax treatment of any of the proceeds received by Executive as a result of this Agreement; and

(h) any and all claims for attorneys' fees and costs.

Executive agrees that the release set forth in this section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not release claims that cannot be

released as a matter of law, including, but not limited to, Executive's right to file a charge with or participate in a charge by the Equal Employment Opportunity Commission, or any other local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, against the Company (with the understanding that Executive's release of claims herein bars Executive from recovering such monetary relief from the Company or any Releasee), claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law, claims to continued participation in certain of the Company's group benefit plans pursuant to the terms and conditions of COBRA, claims to any benefit entitlements vested as the date of separation of Executive's employment, pursuant to written terms of any employee benefit plan of the Company or its affiliates and Executive's right under applicable law and any Retained Claims. This release further does not release claims for breach of Section 5.2 or 5.3 of the Employment Agreement or prevent Executive from reporting possible violations of federal law or regulation to any United States governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or any other whistleblower protection provisions of state or federal law or regulation (including the right to receive an award for information provided to any such government agencies).

3. Acknowledgment of Waiver of Claims under ADEA. Executive understands and acknowledges that Executive is waiving and releasing any rights Executive may have under the Age Discrimination in Employment Act of 1967 ("ADEA"), and that this waiver and release is knowing and voluntary. Executive understands and agrees that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the Effective Date of this Agreement. Executive understands and acknowledges that the consideration given for this waiver and release is in addition to anything of value to which Executive was already entitled. Executive further understands and acknowledges that Executive has been advised by this writing that: (a) Executive should consult with an attorney prior to executing this Agreement; (b) Executive has 21 days within which to consider this Agreement; (c) Executive has 7 days following Executive's execution of this Agreement to revoke this Agreement pursuant to written notice to the General Counsel of the Company (the "Revocation Period"); (d) this Agreement shall not be effective until after the Revocation Period has expired; and (e) nothing in this Agreement prevents or precludes Executive from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties, or costs for doing so, unless specifically authorized by federal law. In the event Executive signs this Agreement and returns it to the Company in less than the 21 day period identified above, Executive hereby acknowledges that Executive has freely and voluntarily chosen to waive the time period allotted for considering this Agreement. Notwithstanding the foregoing, the Revocation Period will expire when Executive executes this Agreement if Executive's termination occurs pursuant to Section 4.1 of the Employment Agreement.

4. Severability. In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision or portion of provision.

5. No Oral Modification. This Agreement may only be amended in a writing signed by Executive and a duly authorized officer of the Company.

6. Governing Law; Notice; Counterparts. This Agreement shall be subject to the provisions of Sections 13, 14 and 15 of the Employment Agreement.

7. Effective Date. If Executive has attained or is over the age of 40 as of the date of Executive's termination of employment, then, except as provided in the next sentence, each Party has seven days after that Party signs this Agreement to revoke it and this Agreement will become effective on the eighth day after Executive signed this Agreement, so long as it has been signed by the Parties and has not been revoked by either Party before that date (the "Effective Date"). If Executive has not attained the age of 40 as of the date of Executive's termination of employment or if Executive's termination occurs pursuant to Section 4.1 of the Employment Agreement, then the "Effective Date" shall be the date on which Executive signs this Agreement.

8. Trade Secrets; Whistleblower Protections. In accordance with 18 U.S.C. §1833, notwithstanding anything to the contrary in this Agreement, the Employment Agreement, or any other agreement between Executive and the Company or any of its subsidiaries in effect as of the date Executive receives this Agreement (together, the "Subject Documents"): (a) Executive will not be in breach of the Subject Document, and shall not be held criminally or civilly liable under any federal or state trade secret law (i) for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (ii) for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (b) if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney, and may use the trade secret information in the court proceeding, if Executive files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order. Furthermore, the Parties agree that nothing in the Subject Documents prohibits Executive from reporting possible violations of federal law or regulation to any governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or any other whistleblower protection provisions of state or federal law or regulation or releases or restrains Executive's right to receive an award for information provided to any such government agencies.

9. Voluntary Execution of Agreement. Executive understands and agrees that Executive executed this Agreement voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party, with the full intent of releasing all of Executive's claims against the Company and any of the other Releasees, except as otherwise provided in this Agreement. Executive acknowledges that: (a) Executive has read this Agreement; (b) Executive has not relied upon any representations or statements made by the Company that are not specifically set forth in this Agreement; (c) Executive has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of Executive's own choice or has elected not to retain legal counsel; (d) Executive

understands the terms and consequences of this Agreement and of the releases it contains; and (e) Executive is fully aware of the legal and binding effect of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

EXECUTIVE

Dated: _____

COMPANY

Dated: _____

By: _____

Name:

Title:

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (the “Agreement”) is made and entered into as of this 26th day of August, 2025 (the “Effective Date”), by and between Precision BioSciences, Inc. (the “Company”), and Dario Scimeca (“Executive”). The Company and Executive are sometimes referred to in this Agreement individually as a “Party” and collectively as the “Parties.”

BACKGROUND

WHEREAS, the Company wishes to continue to employ Executive on the terms set forth in this Agreement, and Executive wishes to accept such employment on the same terms.

WHEREAS, due to Executive’s significant institutional knowledge and biotechnology operational experience, the Company wishes to retain Executive and Executive agrees to use Executive’s best efforts to continue to assist the Company with commercial viability and additional financing.

WHEREAS, the Company and Executive agree that it is a substantial benefit to the Company and its stockholders to make the severance changes herein in consideration for the services to be provided hereunder and following a Restructuring Event (as defined below) in lieu of providing additional compensation in the form of an immediately payable cash retention bonus.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises herein, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending legally to be bound, hereby agree as follows:

1. EMPLOYMENT. As of the Effective Date, the Company hereby continues to employ Executive as General Counsel and Corporate Secretary of the Company upon the terms and conditions of this Agreement and Executive accepts continued employment with the Company upon the terms and conditions of this Agreement. This Agreement amends and restates and supersedes and replaces Executive’s Employment Agreement with the Company dated January 22, 2024 (the “Prior Employment Agreement”).

2. NATURE OF EMPLOYMENT/DUTIES. Executive shall serve as General Counsel and Corporate Secretary of the Company and shall have such responsibilities and authority as the Company may designate from time to time consistent with Executive’s title and position.

2.1 Executive shall perform all duties and exercise all authority in accordance with, and otherwise comply with, all Company policies, procedures, practices and directions.

2.2 Executive shall devote substantially all working time, best efforts, knowledge and experience to perform successfully Executive's duties and advance the Company's interests, including continued commercial viability and additional financing. During Executive's employment, Executive may, with the Board's consent (which shall not be unreasonably withheld), engage in other business activities for compensation (including board memberships), provided that, such activities do not present a conflict of interest nor violate the Restrictive Covenant Agreement (defined in Section 6), nor otherwise prohibit Executive from fulfilling Executive's obligations hereunder.

3. COMPENSATION.

3.1 Base Salary. During the Term, Executive's annual base salary for all services rendered shall be Four Hundred Forty-Eight Thousand, Fifty and 00/100 Dollars (\$448,050.00) (less applicable taxes and withholdings) payable in accordance with the Company's payroll practices as they may exist from time to time ("Base Salary"). Base Salary may be reviewed and adjusted by the Company, at its discretion, in accordance with the Company's policies, procedures, and practices as they may exist from time to time, provided that the Base Salary shall not be decreased unless the decrease is an across-the-board decrease for all senior management employees of the Company.

3.2 Business Expenses. Executive shall be reimbursed for reasonable and necessary expenses actually incurred by Executive in performing services under this Agreement in accordance with and subject to the terms and conditions of the applicable Company reimbursement policies, procedures, and practices as they may exist from time to time. All such reimbursements shall be made no later than the end of the calendar year following the year in which the expense was incurred.

3.3 Bonus. During the Term, Executive may participate in any Company bonus plan the Company may adopt for senior management subject to the terms, conditions, and any eligibility requirements that may exist in such plan or plans. Executive's annual incentive compensation under such bonus plan (the "Annual Bonus") shall be targeted at forty percent (40%) of Executive's Base Salary (such target, as may be increased by the Board from time to time, the "Target Annual Bonus"). The Annual Bonus payable under the bonus plan shall be based on the achievement of performance goals to be determined by the Board. The payment of any Annual Bonus pursuant to the bonus plan shall be subject to Executive's continued employment with the Company through the date of payment.

3.4 Benefits. During the Term, Executive may participate in all medical, dental and disability insurance, 401(k), personal leave and other employee benefit plans and programs of the Company for which Executive is eligible, provided, however, that Executive's

participation in benefit plans and programs is subject to the applicable terms, conditions and eligibility requirements of these plans and programs, some of which are within the plan administrator's discretion, as they may exist from time to time. The Company shall pay annual dues and expenses for Executive's membership and participation in such professional organizations as may be approved by the Board.

3.5 Indemnification; D&O Insurance. Both during and after the Term, the Company hereby agrees to indemnify Executive and hold Executive harmless to the maximum extent permitted by the Company's organizational documents as in effect from time to time against and in respect of any and all actions, suits, proceedings, investigations, claims, demands, judgments, costs, expenses (including reasonable attorney's fees), losses, and damages resulting from Executive's good faith performance of Executive's duties and obligations with the Company hereunder; provided, that, Executive shall have no rights to indemnification with respect to any amounts subject to Clawback (as defined below). The Company shall cover the Executive under directors' and officers' liability insurance to the same extent as the Company covers its other active officers and directors. The foregoing obligations shall survive the termination of Executive's employment with the Company.

4. TERM OF EMPLOYMENT AND TERMINATION. The Company and Executive acknowledge that Executive's employment is and shall continue to be at-will, as defined under applicable law, and that Executive's employment with the Company may be terminated by either Party at any time for any or no reason (subject to the notice requirements of this Section 4). This "at-will" nature of Executive's employment shall remain unchanged during Executive's tenure as an employee and may not be changed, except in an express writing signed by Executive and a duly authorized officer of the Company. The term of this Agreement and Executive's employment hereunder shall commence on the Effective Date and continue until terminated as set forth in this Section 4. The date on which Executive's employment terminates, as determined by the Company, regardless of the reason, shall be referred to herein as the "Separation Date." Upon termination of Executive's employment for any reason, Executive shall be deemed to have resigned from all offices and directorships, if any, then held with the Company or any of its subsidiaries.

4.1 Without Cause, Upon Notice. Either the Company or Executive may terminate Executive's employment and this Agreement without Cause at any time upon giving the other party thirty (30) days written notice. In addition, the Company hereby terminates Executive's employment with the Company without Cause on the earlier of the date of a Change in Control and a Restructuring Event. A "Restructuring Event" means the earlier to occur of the Board's approval of the Company's commencement of (i) a proceeding under state or federal law to effect a winding up or dissolution of the Company (other than a case under chapter 11 of title 11 of the US Code) (a "Liquidation"), or (ii) commencing a case under chapter 11 of title 11 of the US Code, in any case, within four (4) years following the Effective Date (a "Bankruptcy"). In the event Executive's employment with the Company terminates pursuant to a Restructuring Event, Executive agrees to provide reasonable consulting services to the Company during any

federal bankruptcy process as reasonably requested by the Company (taking into account Executive's other obligations) and subject to the Company's payment of a reasonable fee to Executive, which fee shall be in addition to any other payments due to Executive under this Agreement.

4.2 For Cause. The Company may terminate Executive's employment and this Agreement immediately without notice at any time for "Cause," which shall mean the following:

4.2.1 Executive's material failure to perform Executive's duties or to carry out the reasonable and lawful instructions of the Chief Executive Officer or the Board of Directors (other than any such failure resulting from incapacity due to physical or mental illness);

4.2.2 Executive's engagement in dishonesty, illegal conduct, or gross misconduct, which is, in each case, materially injurious to the Company or its affiliates;

4.2.3 Executive's embezzlement, misappropriation, or fraud, whether or not related to the Executive's employment with the Company;

4.2.4 Executive's conviction of or plea of guilty or nolo contendere to a crime that constitutes a felony (or state law equivalent) or a crime that constitutes a misdemeanor involving moral turpitude;

4.2.5 Executive's failure to cooperate with the Company in any investigation or formal proceeding;

4.2.6 Executive's material breach of any material obligation under this Agreement, the Restrictive Covenant Agreement (as defined in Section 6), or any other written agreement between the Executive and the Company; or

4.2.7 any material failure by Executive to comply with the Company's written policies or rules, as they may be in effect from time to time.

4.2.8 Provided, however, that prior to termination based on Sections 4.2.1, 4.2.5, 4.2.6 or 4.2.7, Executive shall be given written notice of the facts allegedly constituting Cause and a ten (10) day opportunity to cure.

4.3 By Death or Disability. Executive's employment and this Agreement shall terminate upon Executive's Disability or death. For purposes of this Agreement, "Disability" shall mean Executive's inability, due to physical or mental incapacity, to perform the essential functions of Executive's job, with or without reasonable accommodation, for one

hundred eighty (180) days out of any three hundred sixty-five (365) day period; provided however, in the event that the Company temporarily replaces the Executive, or transfers the Executive's duties or responsibilities to another individual on account of the Executive's inability to perform such duties due to a mental or physical incapacity which is, or is reasonably expected to become, a Disability, then the Executive's employment shall not be deemed terminated by the Company and the Executive shall not be able to resign with Good Reason as a result thereof. Any question as to the existence of the Executive's Disability as to which the Executive and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to the Executive and the Company. If the Executive and the Company cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Company and the Executive shall be final and conclusive for all purposes of this Agreement. The Company shall give Executive written notice of termination for Disability and the termination shall be effective as of the date specified in such notice.

4.4 For Good Reason. Executive may terminate Executive's employment for "Good Reason," which shall mean the occurrence of any of the following, in each case without the Executive's written consent:

4.4.1 a material reduction in Executive's Base Salary by an amount equivalent to ten percent (10%) or greater;

4.4.2 a material, adverse change in Executive's title, authority, duties, or responsibilities (other than temporarily while the Executive is physically or mentally incapacitated or as required by applicable law);

4.4.3 an involuntary relocation of the Executive's principal place of employment by more than thirty five (35) miles; or

4.4.4 the Company's failure to obtain an agreement from any successor to the Company to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no succession had taken place, except where such assumption occurs by operation of law.

4.4.5 Executive cannot terminate Executive's employment for Good Reason unless Executive has provided written notice to the Company of the existence of the circumstances providing grounds for termination for Good Reason within sixty (60) days of the initial existence of such grounds and the Company has had at least thirty (30) days from the date on which such notice is provided to cure such circumstances. If the Executive does not terminate Executive's employment for Good Reason within one-hundred (100) days after the first occurrence of the

applicable grounds, then the Executive will be deemed to have waived Executive's right to terminate for Good Reason with respect to such grounds.

5. COMPENSATION AND BENEFITS UPON TERMINATION. If Executive's employment terminates for any reason, Executive shall not be entitled to any payments, benefits, damages, award or compensation other than as provided in this Agreement or otherwise agreed to in writing by the Company or as provided by applicable law. Upon termination of Executive's employment pursuant to any of the circumstances listed in Section 4, Executive (or Executive's estate) shall be entitled to receive the sum of: (i) the portion of Executive's Base Salary earned through the Separation Date, but not yet paid to Executive; (ii) any expense reimbursements owed to Executive pursuant to Section 3.2; and (iii) any amount accrued and arising from Executive's participation in, or benefits accrued under any employee benefit plans, programs or arrangements, which amounts shall be payable in accordance with the terms and conditions of such employee benefit plans, programs or arrangements (collectively, the "Accrued Obligations"). Except as otherwise expressly required by law (e.g., COBRA) or as specifically provided herein, all of Executive's rights to salary, severance, benefits, bonuses and other compensatory amounts hereunder (if any) shall cease upon the termination of Executive's employment hereunder. In the event that Executive's employment is terminated by the Company for any reason, Executive's sole and exclusive remedy shall be to receive the payments and benefits described in this Section 5.

5.1 By the Company for Cause or because of Executive's Death or Disability, or by Executive Without Cause, Upon Notice. If Executive's employment and this Agreement are terminated by the Company for Cause or because of Executive's death or Disability, or by Executive pursuant to Section 4.1 (Without Cause, Upon Notice), then the Company's obligation to compensate Executive ceases on the Separation Date except for the Accrued Obligations.

5.2 By the Company Without Cause or by Executive for Good Reason. If the Company terminates Executive's employment and this Agreement pursuant to Section 4.1 (Without Cause, Upon Notice) or Executive terminates Executive's employment and this Agreement pursuant to Section 4.4 (for Good Reason), subject to Executive's continued compliance with Executive's obligations under the Restrictive Covenant Agreement then the Company shall pay Executive the Accrued Obligations and subject to Section 5.5 (Required Release), Executive shall be entitled to the following:

5.2.1 an amount equal to twelve (12) months of Executive's then current monthly Annual Base Salary (less applicable taxes and withholdings) (the "Severance Amount"), payable in a lump sum payment on the first payroll date on or following the Release Effective Date (as defined in Section 5.5 below), but not later than thirty (30) days following the Separation Date;

5.2.2 an amount equal to one (1.0) times the Target Annual Bonus, payable in a lump sum on the first payroll date on or following the Release Effective Date (as defined in Section 5.5 below), but not later than thirty (30) days following the Separation Date;

5.2.3 if Executive timely and properly elects health continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), during the twelve (12)-month period following the Release Effective Date (the "Severance Period"), the Company shall reimburse Executive for the difference between the monthly COBRA premium paid by the Executive and the monthly premium amount paid by Executive immediately prior to the date that Executive's employment terminated. Such reimbursement shall be paid to the Executive on or before the tenth (10th) day of the month immediately following the month in which the Executive timely remits the premium payment, with such reimbursements to commence when the payments under Section 5.2.1 commence. Executive shall be eligible to receive such reimbursement until the earliest of: (i) the end of the Severance Period; (ii) the date the Executive is no longer eligible to receive COBRA continuation coverage; and (iii) the date on which the Executive becomes eligible to receive substantially similar coverage from another employer or other source. Notwithstanding the foregoing, if the Company's making payments under this Section 5.2.3 would violate the nondiscrimination rules applicable to non-grandfathered plans under the Affordable Care Act (the "ACA"), or result in the imposition of penalties under the ACA and the related regulations and guidance promulgated thereunder), the parties agree to reform this Section 5.2.3 in a manner as is necessary to comply with the ACA. Executive shall provide the Company with notice of subsequent employment and comparable coverage within thirty (30) days of commencement of such comparable coverage;

5.2.4 Executive's unvested time-based equity grants shall vest as of the Separation Date with respect to that portion of such unvested time-based equity grants that would have vested within the thirteen (13) month period immediately following the Separation Date based solely on the passage of time had Executive remained employed by the Company through such period, provided that such equity shall remain subject to the other terms and conditions of the applicable Company incentive award plan(s) and individual award agreement(s); and

5.2.5 the right to exercise any outstanding and vested stock options to purchase Company common stock until the earlier of (a) the date one (1) year following the Separation Date, (b) the maximum term of the applicable stock option, and (c) unless such options are assumed or substituted in the Change in Control, the date of a Change in Control.

5.3 **During the Change in Control Termination Period, by the Company Without Cause or by Executive for Good Reason.** If during the Change in Control Termination Period, as defined herein, either the Company terminates Executive's employment and this Agreement pursuant to Section 4.1 (Without Cause, Upon Notice) or Executive

terminates Executive's employment and this Agreement pursuant to Section 4.4 (for Good Reason), then in lieu of any payments or benefits under Section 5.2, and subject to Executive's continued compliance with Executive's obligations under the Restrictive Covenant Agreement, the Company shall pay Executive the Accrued Obligations and, subject to Section 5.5 (Required Release), Executive shall be entitled to the following:

5.3.1 the Company shall pay Executive an amount equal to eighteen (18) months of Executive's then current monthly base salary (less applicable taxes and withholdings) plus one and a half (1.5) times Executive's target bonus for the year during which the Separation Date occurs, payable in lump sum no later than thirty (30) days following the Separation Date; provided, that, if the Separation Date occurs within three (3) months prior to a Change in Control, any amounts payable under this Section 5.3.1 (excluding any amount payable under either Section 5.2.1 or 5.2.2 prior to the date thirty (30) days following the date of the Change in Control) shall be paid no later than the date thirty (30) days following the date of the Change in Control;

5.3.2 if Executive timely and properly elects health continuation coverage under COBRA, during the eighteen (18) month period following the Separation Date, the Company shall reimburse Executive for the difference between the monthly COBRA premium paid by the Executive and the monthly premium amount paid by Executive immediately prior to the date that Executive's employment terminated. Such reimbursement shall be paid to the Executive on or before the tenth (10th) day of the month immediately following the month in which Executive timely remits the premium payment, with such reimbursements to commence in the month following the month the release under Section 5.4 becomes effective and non-revocable. Executive shall be eligible to receive such reimbursement until the earliest of: (i) the eighteen-month anniversary of the Separation Date; (ii) the date the Executive is no longer eligible to receive COBRA continuation coverage; and (iii) the date on which the Executive becomes eligible to receive substantially similar coverage from another employer or other source. Notwithstanding the foregoing, if the Company's making payments under this Section 5.3.2 would violate the nondiscrimination rules applicable to non-grandfathered plans under the ACA, or result in the imposition of penalties under the ACA and the related regulations and guidance promulgated thereunder), the parties agree to reform this Section 5.3.2 in a manner as is necessary to comply with the ACA. Executive shall provide the Company with notice of subsequent employment and comparable coverage within thirty (30) days of commencement of such comparable coverage;

5.3.3 all unvested time-based equity grants shall vest in full as of the Separation Date, provided that such equity shall remain subject to the other terms and conditions of the applicable Company incentive award plan(s) and individual award agreement(s); and

5.3.4 the right to exercise any outstanding and vested stock options to purchase Company common stock until the earlier of (a) the date one (1) year

following the Separation Date, (b) the maximum term of the applicable stock option, and (c) unless the applicable options are assumed or substituted in the Change in Control, the date of a Change in Control.

5.4 Definition of Change in Control and Change in Control Termination Period.

5.4.1 “Change in Control” means and includes each of the following:

(a) a transaction or series of transactions (other than an offering of Common Stock to the general public through a registration statement filed with the Securities and Exchange Commission or a transaction or series of transactions that meets the requirements of clauses (i) and (ii) of subsection (c) below) whereby any “person” or related “group” of “persons” (as such terms are used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) (other than the Company, any of its Subsidiaries, an employee benefit plan maintained by the Company or any of its Subsidiaries or a “person” that, prior to such transaction, directly or indirectly controls, is controlled by, or is under common control with, the Company) directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than 50% of the total combined voting power of the Company’s securities outstanding immediately after such acquisition; provided, however, that for purposes of this Agreement, “Subsidiary” means any entity (other than the Company), whether domestic or foreign, in an unbroken chain of entities beginning with the Company if each of the entities other than the last entity in the unbroken chain beneficially owns, at the time of the determination, securities or interests representing at least 50% of the total combined voting power of all classes of securities or interests in one of the other entities in such chain; or

(b) during any period of two consecutive years, individuals who, at the beginning of such period, constitute the Board of Directors (the “Board”) together with any new director(s) of the Board (other than a director designated by a person who shall have entered into an agreement with the Company to effect a transaction described in subsections (a) or (c)) whose election by the Board or nomination for election by the Company’s stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the two-year period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; or

(c) the consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more intermediaries) of (x) a merger, consolidation, reorganization, or business combination or (y) a sale or other disposition of all or substantially all of the Company’s assets in any single transaction or series of related transactions or (z) the acquisition of assets or stock of another entity, in each case other than a transaction:

(i) which results in the Company’s voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the Company or the person that, as a result of the transaction, controls, directly or indirectly, the Company or owns, directly or

indirectly, all or substantially all of the Company's assets or otherwise succeeds to the business of the Company (the Company or such person, the "Successor Entity") directly or indirectly, at least a majority of the combined voting power of the Successor Entity's outstanding voting securities immediately after the transaction, and

(ii) after which no person or group beneficially owns voting securities representing 50% or more of the combined voting power of the Successor Entity; provided, however, that no person or group shall be treated for purposes of this clause (ii) as beneficially owning 50% or more of the combined voting power of the Successor Entity solely as a result of the voting power held in the Company prior to the consummation of the transaction, and

(iii) after which at least a majority of the members of the board of directors (or the analogous governing body) of the Successor Entity immediately following the date of such transaction were Board members immediately prior to the date of such transaction.

5.4.2 "Change in Control Termination Period" shall mean the period beginning three (3) months prior to and ending twelve (12) months following the occurrence of a Change in Control.

5.5 **Required Release.** Notwithstanding any provision of this Agreement to the contrary, the Company's obligation to provide the payments, acceleration, exercise extension and reimbursements under Sections 5.2 and 5.3 is conditioned upon Executive's execution of the Separation Agreement and Release attached hereto as Exhibit A (the "Release") and Executive's compliance with the Restrictive Covenant Agreement. If Executive chooses not to execute such the Release or fails to comply with the Restrictive Covenant Agreement, then the Company's obligation to compensate Executive ceases on the Separation Date except as to amounts due at the time. The Release must be executed by Executive no earlier than the date of Executive's termination and Executive must execute it within twenty-one (21) days from the date of Executive's termination; provided, that, with respect to a Restructuring Event, Executive may execute the Release prior to termination and approve the release of Executive's signature page effective as of the date of the Restructuring Event, which Release shall be effective immediately. Such Release shall not be effective until any applicable revocation period has expired (the "Release Effective Date").

5.6 **Benefits in Lieu of Other Severance.** Executive is not entitled to receive any compensation or benefits upon Executive's termination except as: (i) set forth in this Agreement; (ii) otherwise required by law; or (iii) otherwise required by any employee benefit plan in which Executive participates. Moreover, the terms and conditions afforded Executive under this Agreement are in lieu of any severance benefits to which Executive otherwise might be entitled pursuant to any severance plan, policy and practice of the Company.

5.7 Escrow. As soon as reasonably practicable following the Effective Date, the Company agrees to maintain an escrow account (the “Escrow Account”) with a national bank (the “Escrow Agent”) for the benefit of Executive and in an amount necessary to satisfy seventy-two percent (72%) of the Company’s obligations under Sections 5.2.1, 5.2.2, 5.3.1 and 5.3.2 (as applicable, the “Obligations”), the remaining twenty-eight percent (28%) of which will be used by the Company to pay tax withholding due on such payments, which tax withholding will be reported on the Form W-2 filed by the Company for the applicable tax year. The Escrow Account shall remain outstanding until the later of (i) the date four years following the Effective Date, and (ii) in the event Executive incurs a termination of employment from the Company prior to the date four years following the Effective Date, the date the Company has satisfied the Obligations to Executive under Section 5.2.1 and 5.2.2 or 5.3.1 and 5.3.2 of this Agreement, as applicable. Notwithstanding the foregoing, the Company shall not be required to maintain such Escrow Account in the event Executive incurs termination of employment from the Company where Executive is not entitled to any payments under Section 5.2.1, 5.2.2, 5.3.1 or 5.3.2. In addition to the Obligations that Executive may be entitled to under this Agreement, in the event of a Restructuring Event or Change in Control that occurs within four years following the Effective Date, Executive shall be paid an additional \$84,000 that Executive may use for legal fees incurred by Executive in the event the payment of the Obligations is challenged by the Company or a third party, \$60,480 of which will be held in the Escrow Account (the “Legal Fund”) and the remainder of which will be used by the Company to pay tax withholding due on such payment. Upon the occurrence of a Restructuring Event or Change in Control (or as soon as reasonably practicable thereafter, but in all events prior to filing for bankruptcy), Executive shall instruct the Escrow Agent to release the amounts necessary to satisfy seventy-two percent (72%) of such Obligations and Legal Fund, and such release shall be deemed to occur concurrently with the instructions to the Escrow Agent. If, in connection with a Restructuring Event or Change in Control, Executive instructs the Escrow Agent to release the amounts necessary to satisfy seventy-two percent (72%) of such Obligations and/or Legal Fund (\$60,480), Executive agrees to instruct the Escrow Agent to deliver to the Company any portion of the Escrow Account set aside for such Obligations and/or Legal Fund that Executive is not entitled to receive under this Agreement or that is required to be withheld by the Company for taxes with respect to such Obligations and Legal Fund, as applicable. In all cases, in the event there is any such release of money from the Escrow Account to Executive as a result of the Restructuring Event or Change in Control, Executive shall be deemed to have received the full amount of the Obligations that would have been payable to Executive under 5.2.1 and 5.2.2, in the event of a Restructuring Event, or 5.3.1 and 5.3.2, in the event of a Change in Control, and Legal Fund, as applicable, with any amount not paid directly to Executive by the Company used to satisfy the Company’s tax withholding obligations with respect to such full amount of such Obligations and Legal Fund. Executive agrees to refund to the Company any portion of the Legal Fund that is not used by Executive to pay expenses in connection with any challenge by the Company or any third party arising from the payment of the Obligations, less any amount allocated to tax withholding obligations of the Company, which refund shall occur within thirty (30) days following (i) with respect to a Liquidation, the date thirty-six (36) months following Executive’s

termination of employment from the Company, and (ii) with respect to a Bankruptcy, the date eighteen (18) months following Executive's termination of employment from the Company. If requested by the Company, Executive agrees to provide the Company with reasonable documentation regarding such expenses.

6. **RESTRICTIVE COVENANTS.** As a condition of continued employment, Executive will continue to be subject to the Proprietary Information, Inventions, Non-Competition and Non-Solicitation Agreement, which the Executive previously executed (the "Restrictive Covenant Agreement"). Executive agrees to continue to abide by the terms of the Restrictive Covenant Agreement, or any other subsequent agreement with the Company relating to proprietary information, inventions, intellectual property, non-competition or non-solicitation, the terms of which are hereby incorporated by reference into this Agreement. Executive acknowledges that the provisions of the Restrictive Covenant Agreement, or any subsequent similar agreement, will survive the termination of Executive's employment and/or the termination of this Agreement.

7. **COMPANY PROPERTY.** Upon the termination of Executive's employment or upon Company's earlier request, Executive shall: (i) deliver to the Company all records, memoranda, data, documents and other property of any description which refer or relate in any way to trade secrets or confidential information, including all copies thereof, which are in Executive's possession, custody or control; (ii) deliver to the Company all Company property (including, but not limited to, keys, credit cards, customer files, contracts, proposals, work in process, manuals, forms, computer-stored work in process and other computer data, research materials, other items of business information concerning any Company customer, or Company business or business methods, including all copies thereof) which is in Executive's possession, custody or control; (iii) bring all such records, files and other materials up to date before returning them; and (iv) fully cooperate with the Company in winding up Executive's work and transferring that work to other individuals designated by the Company.

8. **EMPLOYEE REPRESENTATION.** Executive represents and warrants that Executive's employment and obligations under this Agreement will not (i) breach any duty or obligation Executive owes to another or (ii) violate any law, recognized ethics standard or recognized business custom.

9. **AMENDMENTS; WAIVERS.** This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by Executive and a duly authorized officer of Company. By an instrument in writing similarly executed, Executive or a duly authorized officer of the Company may waive compliance by the other Party with any specifically identified provision of this Agreement that such other Party was or is obligated to comply with or perform; *provided, however*, that such waiver shall not operate as a waiver of, or estoppel with respect to, any other or subsequent failure. No failure to exercise and no delay in exercising any right, remedy, or power hereunder will preclude any other or further exercise of any other right, remedy, or power provided herein or by law or in equity.

10. ENTIRE AGREEMENT. Except as expressly provided in this Agreement, this Agreement: (i) supersedes and cancels all other understandings and agreements, oral or written, with respect to Executive's employment with the Company, including the Prior Employment Agreement; (ii) supersedes all other understandings and agreements, oral or written, between the parties with respect to the subject matter of this Agreement; and (iii) constitutes the sole agreement between the parties with respect to this subject matter. Each party acknowledges that: (i) no representations, inducements, promises or agreements, oral or written, have been made by any party or by anyone acting on behalf of any party, which are not embodied in this Agreement; and (ii) no agreement, statement or promise not contained in this Agreement shall be valid. No change or modification of this Agreement shall be valid or binding upon the parties unless such change or modification is in writing and is signed by the parties.

11. SEVERABILITY. If a court of competent jurisdiction holds that any provision or sub-part thereof contained in this Agreement is invalid, illegal, or unenforceable, that invalidity, illegality, or unenforceability shall not affect any other provision in this Agreement.

12. ASSIGNMENT AND SUCCESSORS. The Company may assign its rights and obligations under this Agreement to any of its affiliates or to any successor to all or substantially all of the business or the assets of the Company (by merger or otherwise), and may assign or encumber this Agreement and its rights hereunder as security for indebtedness of the Company and its affiliates. This Agreement shall be binding upon and inure to the benefit of the Company, Executive and their respective successors, assigns, personnel and legal representatives, executors, administrators, heirs, distributees, devisees, and legatees, as applicable. None of Executive's rights or obligations may be assigned or transferred by Executive, other than Executive's rights to payments hereunder, which may be transferred only by will or operation of law.

13. GOVERNING LAW. This Agreement shall be construed, interpreted, and governed in accordance with and by North Carolina law and the applicable provisions of federal law ("Applicable Federal Law"). Any and all claims, controversies, and causes of action arising out of or relating to this Agreement, whether sounding in contract, tort, or statute, shall be governed by the laws of the state of North Carolina, including its statutes of limitations, except for Applicable Federal Law, without giving effect to any North Carolina conflict-of-laws rule that would result in the application of the laws of a different jurisdiction. Both Executive and the Company acknowledge and agree that the state or federal courts located in North Carolina have personal jurisdiction over them and over any dispute arising under this Agreement, and both Executive and the Company irrevocably consent to the jurisdiction of such courts.

14. COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be an original, with the same effect as if the signatures affixed thereto were upon the same instrument.

15. NOTICES. Any notice, request, claim, demand, document and other communication hereunder to any Party shall be effective upon receipt (or refusal of receipt) and

shall be in writing and delivered personally or sent by facsimile or certified or registered mail, postage prepaid, as follows:

- 15.1 if to the Company, to the Chief Executive Officer of the Company at the Company's headquarters,
- 15.2 if to Executive, to the last address that the Company has in its personnel records for Executive, or
- 15.3 at any other address as any Party shall have specified by notice in writing to the other Party.

16. **SECTION 409A OF THE INTERNAL REVENUE CODE.** The parties intend that the provisions of this Agreement comply with or are exempt from Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations thereunder (collectively, "Section 409A") and all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. If any provision of this Agreement (or of any award of compensation, including equity compensation or benefits) would cause Executive to incur any additional tax or interest under Section 409A, the Company shall, upon the specific request of Executive, use its reasonable business efforts to in good faith reform such provision to comply with Code Section 409A; provided, that to the maximum extent practicable, the original intent and economic benefit to Executive and the Company of the applicable provision shall be maintained, and the Company shall have no obligation to make any changes that could create any additional economic cost or loss of benefit to the Company. The Company shall timely use its reasonable business efforts to amend any plans and programs in which Executive participates to bring it in compliance with Section 409A. Notwithstanding the foregoing, the Company shall have no liability with regard to any failure to comply with Section 409A so long as it has acted in good faith with regard to compliance therewith.

16.1 **Separation from Service.** A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination also constitutes a "Separation from Service" within the meaning of Section 409A and, for purposes of any such provision of this Agreement, references to a "termination," "termination of employment," "separation from service" or like terms shall mean Separation from Service.

16.2 **Separate Payments.** Each installment payment required under this Agreement shall be considered a separate payment for purposes of Section 409A.

16.3 **Reimbursements.** To the extent required by Section 409A, each reimbursement or in-kind benefit provided under this Agreement shall be provided in accordance

with the following: (a) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during each calendar year cannot affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year; (b) any reimbursement of an eligible expense shall be paid to Executive on or before the last day of the calendar year following the calendar year in which the expense was incurred; and (c) any right to reimbursements or in-kind benefits under this Agreement shall not be subject to liquidation or exchange for another benefit.

17. PARACHUTE PAYMENTS. Notwithstanding any other provisions of this Agreement or any Company equity plan or agreement, in the event that any payment or benefit by the Company or otherwise to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (all such payments and benefits, including the payments and benefits under Section 5 hereof, being hereinafter referred to as the "Total Payments"), would be subject (in whole or in part) to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Total Payments shall be reduced (in the order provided in Section 16.1) to the minimum extent necessary to avoid the imposition of the Excise Tax on the Total Payments, but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income and employment taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments), is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income and employment taxes on such Total Payments and the amount of the Excise Tax to which Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

17.1 Order of Reduction. The Total Payments shall be reduced in the following order: (i) reduction on a pro-rata basis of any cash severance payments that are exempt from Section 409A of the Code ("Section 409A"), (ii) reduction on a pro-rata basis of any non-cash severance payments or benefits that are exempt from Section 409A, (iii) reduction on a pro-rata basis of any other payments or benefits that are exempt from Section 409A, and (iv) reduction of any payments or benefits otherwise payable to Executive on a pro-rata basis or such other manner that complies with Section 409A; provided, in case of clauses (ii), (iii) and (iv), that reduction of any payments attributable to the acceleration of vesting of Company equity awards shall be first applied to Company equity awards that would otherwise vest last in time.

17.2 Determinations. All determinations regarding the application of this Section 17 shall be made by an accounting firm or consulting group with experience in performing calculations regarding the applicability of Section 280G of the Code and the Excise Tax selected by the Company (the "Independent Advisors"). For purposes of determinations, no portion of the Total Payments shall be taken into account which, in the opinion of the Independent Advisors, (i) does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) or

(ii) constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation. The costs of obtaining such determination and all related fees and expenses (including related fees and expenses incurred in any later audit) shall be borne by the Company.

17.3 Additional Reductions. In the event it is later determined that a greater reduction in the Total Payments should have been made to implement the objective and intent of this Section 17, the excess amount shall be returned promptly by Executive to the Company.

18. WITHHOLDING. The Company shall be entitled to withhold from any amounts payable under this Agreement any federal, state, local or foreign withholding or other taxes or charges which the Company is required to withhold.

19. CLAWBACK. If any law, rule, or regulation applicable to the Company or its Subsidiaries (including any rule or requirement of any nationally recognized stock exchange on which the stock of the Company or its Subsidiaries is listed), or any policy of the Company or its Subsidiaries reasonably designed to comply therewith, requires the forfeiture or recoupment of any amount paid or payable to the Executive hereunder (or under any other agreement between the Executive and the Company or its Subsidiaries or under any plan in which the Executive participates, or otherwise payable to the Executive as compensation for services), the Executive hereby consents to such forfeiture or recoupment, in each case in the time and manner determined by the Company in its reasonable good faith discretion (collectively, the "Clawback").

[The remainder of this page is intentionally left blank.]

[Signature Page for Employment Agreement]

IN WITNESS WHEREOF, the parties have entered into this Agreement on the day and year first written above.

DARIO SCIMECA

/s/ Dario Scimeca

PRECISION BIOSCIENCES, INC.

/s/ Michael Amoroso

By: Michael Amoroso

Title: President and Chief Executive Officer

EXHIBIT A

Separation Agreement and Release

This Separation Agreement and Release (“Agreement”) is made by and between Dario Scimeca (“Executive”) and Precision BioSciences, Inc. (together with any successor thereto, the “Company”) (collectively, referred to as the “Parties” or individually referred to as a “Party”). Capitalized terms used but not defined in this Agreement shall have the meanings set forth in the Employment Agreement (as defined below).

WHEREAS, the Parties have previously entered into that certain Employment Agreement, dated as of August 26, 2025 (the “Employment Agreement”); and

WHEREAS, in connection with Executive’s termination of employment with the Company or a subsidiary or affiliate of the Company, the Parties wish to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions, and demands that Executive may have against the Company and any of the Releasees as defined below, with respect to any and all claims arising out of or in any way related to Executive’s employment with or separation from the Company or its subsidiaries or affiliates but, for the avoidance of doubt, nothing herein will be deemed to release any rights or remedies in connection with Executive’s right to vested benefits under any employee benefit plan of the Company or one of its affiliates or Executive’s right to indemnification by the Company or any of its affiliates pursuant to contract or applicable law or Executive’s rights under any applicable directors’ and officers’ insurance policy (collectively, the “Retained Claims”).

NOW, THEREFORE, in consideration of the severance payments and benefits described in the Employment Agreement, which, pursuant to the Employment Agreement, are conditioned on Executive’s execution and non-revocation of this Agreement, and in consideration of the mutual promises made herein, the Company and Executive hereby agree as follows:

1. Severance Payments and Benefits; Salary and Benefits. The Company agrees to provide Executive with the severance payments and benefits described in Sections 5.2 and 5.3 of the Employment Agreement, payable at the times set forth in, and subject to the terms and conditions of, the Employment Agreement. In addition, to the extent not already paid, and subject to the terms and conditions of the Employment Agreement, the Company shall pay or provide to Executive all Accrued Obligations.

2. Release of Claims. Executive agrees that, other than with respect to the Retained Claims, the foregoing consideration represents settlement in full of all outstanding obligations owed to Executive by the Company any of their direct or indirect subsidiaries and affiliates, and any of their current and former officers, directors, equity holders, managers, employees, agents, investors, attorneys, shareholders, administrators, affiliates, benefit plans, plan administrators, insurers, trustees, divisions, and subsidiaries and predecessor and successor corporations and assigns, each in their capacity as such (collectively, the “Releasees”). Executive, on Executive’s own behalf and on behalf of any of Executive’s affiliated companies or entities and any of their respective heirs, family members, executors, agents, and assigns, other than with respect to the Retained Claims, hereby and forever releases the Releasees from, and

agrees not to sue concerning, or in any manner to institute, prosecute, or pursue, any claim, complaint, charge, duty, obligation, or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Executive may possess against any of the Releasees arising from any omissions, acts, facts, or damages that have occurred up until and including the execution of this Agreement, including, without limitation:

(a) any and all claims relating to or arising from Executive's employment or service relationship with the Company or any of its direct or indirect subsidiaries or affiliates and the termination of that relationship;

(b) any and all claims relating to, or arising from, Executive's right to purchase, or actual purchase of any shares of stock or other equity interests of the Company or any of its affiliates, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state law, and securities fraud under any state or federal law;

(c) any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; harassment; retaliation; breach of contract, both express and implied; breach of covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; fraud; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; conversion; and disability benefits;

(d) any and all claims for violation of any federal, state, or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Equal Pay Act; the Fair Labor Standards Act; the Fair Credit Reporting Act; the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; and the Sarbanes-Oxley Act of 2002;

(e) any and all claims for violation of the federal or any state constitution;

(f) any and all claims arising out of any other laws and regulations relating to employment or employment discrimination;

(g) any claim for any loss, cost, damage, or expense arising out of any dispute over the non-withholding or other tax treatment of any of the proceeds received by Executive as a result of this Agreement; and

(h) any and all claims for attorneys' fees and costs.

Executive agrees that the release set forth in this section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not release claims that cannot be

released as a matter of law, including, but not limited to, Executive's right to file a charge with or participate in a charge by the Equal Employment Opportunity Commission, or any other local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, against the Company (with the understanding that Executive's release of claims herein bars Executive from recovering such monetary relief from the Company or any Releasee), claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law, claims to continued participation in certain of the Company's group benefit plans pursuant to the terms and conditions of COBRA, claims to any benefit entitlements vested as the date of separation of Executive's employment, pursuant to written terms of any employee benefit plan of the Company or its affiliates and Executive's right under applicable law and any Retained Claims. This release further does not release claims for breach of Section 5.2 or 5.3 of the Employment Agreement or prevent Executive from reporting possible violations of federal law or regulation to any United States governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or any other whistleblower protection provisions of state or federal law or regulation (including the right to receive an award for information provided to any such government agencies).

3. Acknowledgment of Waiver of Claims under ADEA. Executive understands and acknowledges that Executive is waiving and releasing any rights Executive may have under the Age Discrimination in Employment Act of 1967 ("ADEA"), and that this waiver and release is knowing and voluntary. Executive understands and agrees that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the Effective Date of this Agreement. Executive understands and acknowledges that the consideration given for this waiver and release is in addition to anything of value to which Executive was already entitled. Executive further understands and acknowledges that Executive has been advised by this writing that: (a) Executive should consult with an attorney prior to executing this Agreement; (b) Executive has 21 days within which to consider this Agreement; (c) Executive has 7 days following Executive's execution of this Agreement to revoke this Agreement pursuant to written notice to the General Counsel of the Company (the "Revocation Period"); (d) this Agreement shall not be effective until after the Revocation Period has expired; and (e) nothing in this Agreement prevents or precludes Executive from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties, or costs for doing so, unless specifically authorized by federal law. In the event Executive signs this Agreement and returns it to the Company in less than the 21 day period identified above, Executive hereby acknowledges that Executive has freely and voluntarily chosen to waive the time period allotted for considering this Agreement. Notwithstanding the foregoing, the Revocation Period will expire when Executive executes this Agreement if Executive's termination occurs pursuant to Section 4.1 of the Employment Agreement.

4. Severability. In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision or portion of provision.

5. No Oral Modification. This Agreement may only be amended in a writing signed by Executive and a duly authorized officer of the Company.

6. Governing Law; Notice; Counterparts. This Agreement shall be subject to the provisions of Sections 13, 14 and 15 of the Employment Agreement.

7. Effective Date. If Executive has attained or is over the age of 40 as of the date of Executive's termination of employment, then, except as provided in the next sentence, each Party has seven days after that Party signs this Agreement to revoke it and this Agreement will become effective on the eighth day after Executive signed this Agreement, so long as it has been signed by the Parties and has not been revoked by either Party before that date (the "Effective Date"). If Executive has not attained the age of 40 as of the date of Executive's termination of employment or if Executive's termination occurs pursuant to Section 4.1 of the Employment Agreement, then the "Effective Date" shall be the date on which Executive signs this Agreement.

8. Trade Secrets; Whistleblower Protections. In accordance with 18 U.S.C. §1833, notwithstanding anything to the contrary in this Agreement, the Employment Agreement, or any other agreement between Executive and the Company or any of its subsidiaries in effect as of the date Executive receives this Agreement (together, the "Subject Documents"): (a) Executive will not be in breach of the Subject Document, and shall not be held criminally or civilly liable under any federal or state trade secret law (i) for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (ii) for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (b) if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney, and may use the trade secret information in the court proceeding, if Executive files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order. Furthermore, the Parties agree that nothing in the Subject Documents prohibits Executive from reporting possible violations of federal law or regulation to any governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or any other whistleblower protection provisions of state or federal law or regulation or releases or restrains Executive's right to receive an award for information provided to any such government agencies.

9. Voluntary Execution of Agreement. Executive understands and agrees that Executive executed this Agreement voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party, with the full intent of releasing all of Executive's claims against the Company and any of the other Releasees, except as otherwise provided in this Agreement. Executive acknowledges that: (a) Executive has read this Agreement; (b) Executive has not relied upon any representations or statements made by the Company that are not specifically set forth in this Agreement; (c) Executive has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of Executive's own choice or has elected not to retain legal counsel; (d) Executive

understands the terms and consequences of this Agreement and of the releases it contains; and (e) Executive is fully aware of the legal and binding effect of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

EXECUTIVE

Dated: _____

COMPANY

Dated: _____

By: _____

Name:

Title:

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement (the “Agreement”) is made and entered into as of this 26th day of August, 2025 (the “Effective Date”), by and between Precision BioSciences, Inc. (the “Company”), and John Alexander Kelly (“Executive”). The Company and Executive are sometimes referred to in this Agreement individually as a “Party” and collectively as the “Parties.”

BACKGROUND

WHEREAS, the Company wishes to continue to employ Executive on the terms set forth in this Agreement, and Executive wishes to accept such employment on the same terms.

WHEREAS, due to Executive’s significant institutional knowledge and biotechnology operational experience, the Company wishes to retain Executive and Executive agrees to use Executive’s best efforts to continue to assist the Company with commercial viability and additional financing.

WHEREAS, the Company and Executive agree that it is a substantial benefit to the Company and its stockholders to make the severance changes herein in consideration for the services to be provided hereunder and following a Restructuring Event (as defined below) in lieu of providing additional compensation in the form of an immediately payable cash retention bonus.

NOW, THEREFORE, in consideration of the foregoing, of the mutual promises herein, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto, intending legally to be bound, hereby agree as follows:

1. EMPLOYMENT. As of the Effective Date, the Company hereby continues to employ Executive as Chief Financial Officer of the Company upon the terms and conditions of this Agreement and Executive accepts continued employment with the Company upon the terms and conditions of this Agreement. This Agreement amends and restates and supersedes and replaces Executive’s Employment Agreement with the Company dated January 22, 2024 (the “Prior Employment Agreement”).

2. NATURE OF EMPLOYMENT/DUTIES. Executive shall serve as Chief Financial Officer of the Company and shall have such responsibilities and authority as the Company may designate from time to time consistent with Executive’s title and position.

2.1 Executive shall perform all duties and exercise all authority in accordance with, and otherwise comply with, all Company policies, procedures, practices and directions.

2.2 Executive shall devote substantially all working time, best efforts, knowledge and experience to perform successfully Executive's duties and advance the Company's interests, including continued commercial viability and additional financing. During Executive's employment, Executive may, with the Board's consent (which shall not be unreasonably withheld), engage in other business activities for compensation (including board memberships), provided that, such activities do not present a conflict of interest nor violate the Restrictive Covenant Agreement (defined in Section 6), nor otherwise prohibit Executive from fulfilling Executive's obligations hereunder.

3. COMPENSATION.

3.1 Base Salary. During the Term, Executive's annual base salary for all services rendered shall be Four Hundred Seventy-Four Thousand, Eight Hundred Thirty and 00/100 Dollars (\$474,830.00) (less applicable taxes and withholdings) payable in accordance with the Company's payroll practices as they may exist from time to time ("Base Salary"). Base Salary may be reviewed and adjusted by the Company, at its discretion, in accordance with the Company's policies, procedures, and practices as they may exist from time to time, provided that the Base Salary shall not be decreased unless the decrease is an across-the-board decrease for all senior management employees of the Company.

3.2 Business Expenses. Executive shall be reimbursed for reasonable and necessary expenses actually incurred by Executive in performing services under this Agreement in accordance with and subject to the terms and conditions of the applicable Company reimbursement policies, procedures, and practices as they may exist from time to time. All such reimbursements shall be made no later than the end of the calendar year following the year in which the expense was incurred.

3.3 Bonus. During the Term, Executive may participate in any Company bonus plan the Company may adopt for senior management subject to the terms, conditions, and any eligibility requirements that may exist in such plan or plans. Executive's annual incentive compensation under such bonus plan (the "Annual Bonus") shall be targeted at forty percent (40%) of Executive's Base Salary (such target, as may be increased by the Board from time to time, the "Target Annual Bonus"). The Annual Bonus payable under the bonus plan shall be based on the achievement of performance goals to be determined by the Board. The payment of any Annual Bonus pursuant to the bonus plan shall be subject to Executive's continued employment with the Company through the date of payment.

3.4 Benefits. During the Term, Executive may participate in all medical, dental and disability insurance, 401(k), personal leave and other employee benefit plans and programs of the Company for which Executive is eligible, provided, however, that Executive's participation in benefit plans and programs is subject to the applicable terms, conditions and

eligibility requirements of these plans and programs, some of which are within the plan administrator's discretion, as they may exist from time to time. The Company shall pay annual dues and expenses for Executive's membership and participation in such professional organizations as may be approved by the Board.

3.5 Indemnification; D&O Insurance. Both during and after the Term, the Company hereby agrees to indemnify Executive and hold Executive harmless to the maximum extent permitted by the Company's organizational documents as in effect from time to time against and in respect of any and all actions, suits, proceedings, investigations, claims, demands, judgments, costs, expenses (including reasonable attorney's fees), losses, and damages resulting from Executive's good faith performance of Executive's duties and obligations with the Company hereunder; provided, that, Executive shall have no rights to indemnification with respect to any amounts subject to Clawback (as defined below). The Company shall cover the Executive under directors' and officers' liability insurance to the same extent as the Company covers its other active officers and directors. The foregoing obligations shall survive the termination of Executive's employment with the Company.

4. TERM OF EMPLOYMENT AND TERMINATION. The Company and Executive acknowledge that Executive's employment is and shall continue to be at-will, as defined under applicable law, and that Executive's employment with the Company may be terminated by either Party at any time for any or no reason (subject to the notice requirements of this Section 4). This "at-will" nature of Executive's employment shall remain unchanged during Executive's tenure as an employee and may not be changed, except in an express writing signed by Executive and a duly authorized officer of the Company. The term of this Agreement and Executive's employment hereunder shall commence on the Effective Date and continue until terminated as set forth in this Section 4. The date on which Executive's employment terminates, as determined by the Company, regardless of the reason, shall be referred to herein as the "Separation Date." Upon termination of Executive's employment for any reason, Executive shall be deemed to have resigned from all offices and directorships, if any, then held with the Company or any of its subsidiaries.

4.1 Without Cause, Upon Notice. Either the Company or Executive may terminate Executive's employment and this Agreement without Cause at any time upon giving the other party thirty (30) days written notice. In addition, the Company hereby terminates Executive's employment with the Company without Cause on the earlier of the date of a Change in Control and a Restructuring Event. A "Restructuring Event" means the earlier to occur of the Board's approval of the Company's commencement of (i) a proceeding under state or federal law to effect a winding up or dissolution of the Company (other than a case under chapter 11 of title 11 of the US Code) (a "Liquidation"), or (ii) commencing a case under chapter 11 of title 11 of the US Code, in any case, within four (4) years following the Effective Date (a "Bankruptcy"). In the event Executive's employment with the Company terminates pursuant to a Restructuring Event, Executive agrees to provide reasonable consulting services to the Company during any federal bankruptcy process as reasonably requested by the Company (taking into account Executive's other obligations) and subject to the Company's payment of a reasonable fee to

Executive, which fee shall be in addition to any other payments due to Executive under this Agreement.

4.2 For Cause. The Company may terminate Executive's employment and this Agreement immediately without notice at any time for "Cause," which shall mean the following:

4.2.1 Executive's material failure to perform Executive's duties or to carry out the reasonable and lawful instructions of the Chief Executive Officer or the Board of Directors (other than any such failure resulting from incapacity due to physical or mental illness);

4.2.2 Executive's engagement in dishonesty, illegal conduct, or gross misconduct, which is, in each case, materially injurious to the Company or its affiliates;

4.2.3 Executive's embezzlement, misappropriation, or fraud, whether or not related to the Executive's employment with the Company;

4.2.4 Executive's conviction of or plea of guilty or nolo contendere to a crime that constitutes a felony (or state law equivalent) or a crime that constitutes a misdemeanor involving moral turpitude;

4.2.5 Executive's failure to cooperate with the Company in any investigation or formal proceeding;

4.2.6 Executive's material breach of any material obligation under this Agreement, the Restrictive Covenant Agreement (as defined in Section 6), or any other written agreement between the Executive and the Company; or

4.2.7 any material failure by Executive to comply with the Company's written policies or rules, as they may be in effect from time to time.

4.2.8 Provided, however, that prior to termination based on Sections 4.2.1, 4.2.5, 4.2.6 or 4.2.7, Executive shall be given written notice of the facts allegedly constituting Cause and a ten (10) day opportunity to cure.

4.3 By Death or Disability. Executive's employment and this Agreement shall terminate upon Executive's Disability or death. For purposes of this Agreement, "Disability" shall mean Executive's inability, due to physical or mental incapacity, to perform the essential functions of Executive's job, with or without reasonable accommodation, for one hundred eighty (180) days out of any three hundred sixty-five (365) day period; provided however, in the event that the Company temporarily replaces the Executive, or transfers the Executive's duties or responsibilities to another individual on account of the Executive's inability

to perform such duties due to a mental or physical incapacity which is, or is reasonably expected to become, a Disability, then the Executive's employment shall not be deemed terminated by the Company and the Executive shall not be able to resign with Good Reason as a result thereof. Any question as to the existence of the Executive's Disability as to which the Executive and the Company cannot agree shall be determined in writing by a qualified independent physician mutually acceptable to the Executive and the Company. If the Executive and the Company cannot agree as to a qualified independent physician, each shall appoint such a physician and those two physicians shall select a third who shall make such determination in writing. The determination of Disability made in writing to the Company and the Executive shall be final and conclusive for all purposes of this Agreement. The Company shall give Executive written notice of termination for Disability and the termination shall be effective as of the date specified in such notice.

4.4 For Good Reason. Executive may terminate Executive's employment for "Good Reason," which shall mean the occurrence of any of the following, in each case without the Executive's written consent:

4.4.1 a material reduction in Executive's Base Salary by an amount equivalent to ten percent (10%) or greater;

4.4.2 a material, adverse change in Executive's title, authority, duties, or responsibilities (other than temporarily while the Executive is physically or mentally incapacitated or as required by applicable law);

4.4.3 an involuntary relocation of the Executive's principal place of employment by more than thirty five (35) miles; or

4.4.4 the Company's failure to obtain an agreement from any successor to the Company to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no succession had taken place, except where such assumption occurs by operation of law.

4.4.5 Executive cannot terminate Executive's employment for Good Reason unless Executive has provided written notice to the Company of the existence of the circumstances providing grounds for termination for Good Reason within sixty (60) days of the initial existence of such grounds and the Company has had at least thirty (30) days from the date on which such notice is provided to cure such circumstances. If the Executive does not terminate Executive's employment for Good Reason within one-hundred (100) days after the first occurrence of the applicable grounds, then the Executive will be deemed to have waived Executive's right to terminate for Good Reason with respect to such grounds.

5. COMPENSATION AND BENEFITS UPON TERMINATION. If Executive's employment terminates for any reason, Executive shall not be entitled to any payments, benefits, damages, award or compensation other than as provided in this Agreement or otherwise agreed to in writing by the Company or as provided by applicable law. Upon termination of Executive's employment pursuant to any of the circumstances listed in Section 4, Executive (or Executive's estate) shall be entitled to receive the sum of: (i) the portion of Executive's Base Salary earned through the Separation Date, but not yet paid to Executive; (ii) any expense reimbursements owed to Executive pursuant to Section 3.2; and (iii) any amount accrued and arising from Executive's participation in, or benefits accrued under any employee benefit plans, programs or arrangements, which amounts shall be payable in accordance with the terms and conditions of such employee benefit plans, programs or arrangements (collectively, the "Accrued Obligations"). Except as otherwise expressly required by law (e.g., COBRA) or as specifically provided herein, all of Executive's rights to salary, severance, benefits, bonuses and other compensatory amounts hereunder (if any) shall cease upon the termination of Executive's employment hereunder. In the event that Executive's employment is terminated by the Company for any reason, Executive's sole and exclusive remedy shall be to receive the payments and benefits described in this Section 5.

5.1 By the Company for Cause or because of Executive's Death or Disability, or by Executive Without Cause, Upon Notice. If Executive's employment and this Agreement are terminated by the Company for Cause or because of Executive's death or Disability, or by Executive pursuant to Section 4.1 (Without Cause, Upon Notice), then the Company's obligation to compensate Executive ceases on the Separation Date except for the Accrued Obligations.

5.2 By the Company Without Cause or by Executive for Good Reason. If the Company terminates Executive's employment and this Agreement pursuant to Section 4.1 (Without Cause, Upon Notice) or Executive terminates Executive's employment and this Agreement pursuant to Section 4.4 (for Good Reason), subject to Executive's continued compliance with Executive's obligations under the Restrictive Covenant Agreement then the Company shall pay Executive the Accrued Obligations and subject to Section 5.5 (Required Release), Executive shall be entitled to the following:

5.2.1 an amount equal to twelve (12) months of Executive's then current monthly Annual Base Salary (less applicable taxes and withholdings) (the "Severance Amount"), payable in a lump sum payment on the first payroll date on or following the Release Effective Date (as defined in Section 5.5 below), but not later than thirty (30) days following the Separation Date;

5.2.2 an amount equal to one (1.0) times the Target Annual Bonus, payable in a lump sum on the first payroll date on or following the Release Effective Date (as defined in Section 5.5 below), but not later than thirty (30) days following the Separation Date;

5.2.3 if Executive timely and properly elects health continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA"), during the twelve (12)-month period following the Release Effective Date (the "Severance Period"), the Company shall reimburse Executive for the difference between the monthly COBRA premium paid by the Executive and the monthly premium amount paid by Executive immediately prior to the date that Executive's employment terminated. Such reimbursement shall be paid to the Executive on or before the tenth (10th) day of the month immediately following the month in which the Executive timely remits the premium payment, with such reimbursements to commence when the payments under Section 5.2.1 commence. Executive shall be eligible to receive such reimbursement until the earliest of: (i) the end of the Severance Period; (ii) the date the Executive is no longer eligible to receive COBRA continuation coverage; and (iii) the date on which the Executive becomes eligible to receive substantially similar coverage from another employer or other source. Notwithstanding the foregoing, if the Company's making payments under this Section 5.2.3 would violate the nondiscrimination rules applicable to non-grandfathered plans under the Affordable Care Act (the "ACA"), or result in the imposition of penalties under the ACA and the related regulations and guidance promulgated thereunder), the parties agree to reform this Section 5.2.3 in a manner as is necessary to comply with the ACA. Executive shall provide the Company with notice of subsequent employment and comparable coverage within thirty (30) days of commencement of such comparable coverage;

5.2.4 Executive's unvested time-based equity grants shall vest as of the Separation Date with respect to that portion of such unvested time-based equity grants that would have vested within the thirteen (13) month period immediately following the Separation Date based solely on the passage of time had Executive remained employed by the Company through such period, provided that such equity shall remain subject to the other terms and conditions of the applicable Company incentive award plan(s) and individual award agreement(s); and

5.2.5 the right to exercise any outstanding and vested stock options to purchase Company common stock until the earlier of (a) the date one (1) year following the Separation Date, (b) the maximum term of the applicable stock option, and (c) unless such options are assumed or substituted in the Change in Control, the date of a Change in Control.

5.3 During the Change in Control Termination Period, by the Company Without Cause or by Executive for Good Reason. If during the Change in Control Termination Period, as defined herein, either the Company terminates Executive's employment and this Agreement pursuant to Section 4.1 (Without Cause, Upon Notice) or Executive terminates Executive's employment and this Agreement pursuant to Section 4.4 (for Good Reason), then in lieu of any payments or benefits under Section 5.2, and subject to Executive's continued compliance with Executive's obligations under the Restrictive Covenant Agreement, the Company shall pay Executive the Accrued Obligations and, subject to Section 5.5 (Required Release), Executive shall be entitled to the following:

5.3.1 the Company shall pay Executive an amount equal to eighteen (18) months of Executive's then current monthly base salary (less applicable taxes and withholdings) plus one and a half (1.5) times Executive's target bonus for the year during which the Separation Date occurs, payable in lump sum no later than thirty (30) days following the Separation Date; provided, that, if the Separation Date occurs within three (3) months prior to a Change in Control, any amounts payable under this Section 5.3.1 (excluding any amount payable under either Section 5.2.1 or 5.2.2 prior to the date thirty (30) days following the date of the Change in Control) shall be paid no later than the date thirty (30) days following the date of the Change in Control;

5.3.2 if Executive timely and properly elects health continuation coverage under COBRA, during the eighteen (18) month period following the Separation Date, the Company shall reimburse Executive for the difference between the monthly COBRA premium paid by the Executive and the monthly premium amount paid by Executive immediately prior to the date that Executive's employment terminated. Such reimbursement shall be paid to the Executive on or before the tenth (10th) day of the month immediately following the month in which Executive timely remits the premium payment, with such reimbursements to commence in the month following the month the release under Section 5.4 becomes effective and non-revocable. Executive shall be eligible to receive such reimbursement until the earliest of: (i) the eighteen-month anniversary of the Separation Date; (ii) the date the Executive is no longer eligible to receive COBRA continuation coverage; and (iii) the date on which the Executive becomes eligible to receive substantially similar coverage from another employer or other source. Notwithstanding the foregoing, if the Company's making payments under this Section 5.3.2 would violate the nondiscrimination rules applicable to non-grandfathered plans under the ACA, or result in the imposition of penalties under the ACA and the related regulations and guidance promulgated thereunder), the parties agree to reform this Section 5.3.2 in a manner as is necessary to comply with the ACA. Executive shall provide the Company with notice of subsequent employment and comparable coverage within thirty (30) days of commencement of such comparable coverage;

5.3.3 all unvested time-based equity grants shall vest in full as of the Separation Date, provided that such equity shall remain subject to the other terms and conditions of the applicable Company incentive award plan(s) and individual award agreement(s); and

5.3.4 the right to exercise any outstanding and vested stock options to purchase Company common stock until the earlier of (a) the date one (1) year following the Separation Date, (b) the maximum term of the applicable stock option, and (c) unless the applicable options are assumed or substituted in the Change in Control, the date of a Change in Control.

5.4 Definition of Change in Control and Change in Control Termination Period.

5.4.1 “Change in Control” means and includes each of the following:

(a) a transaction or series of transactions (other than an offering of Common Stock to the general public through a registration statement filed with the Securities and Exchange Commission or a transaction or series of transactions that meets the requirements of clauses (i) and (ii) of subsection (c) below) whereby any “person” or related “group” of “persons” (as such terms are used in Sections 13(d) and 14(d)(2) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)) (other than the Company, any of its Subsidiaries, an employee benefit plan maintained by the Company or any of its Subsidiaries or a “person” that, prior to such transaction, directly or indirectly controls, is controlled by, or is under common control with, the Company) directly or indirectly acquires beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act) of securities of the Company possessing more than 50% of the total combined voting power of the Company’s securities outstanding immediately after such acquisition; provided, however, that for purposes of this Agreement, “Subsidiary” means any entity (other than the Company), whether domestic or foreign, in an unbroken chain of entities beginning with the Company if each of the entities other than the last entity in the unbroken chain beneficially owns, at the time of the determination, securities or interests representing at least 50% of the total combined voting power of all classes of securities or interests in one of the other entities in such chain; or

(b) during any period of two consecutive years, individuals who, at the beginning of such period, constitute the Board of Directors (the “Board”) together with any new director(s) of the Board (other than a director designated by a person who shall have entered into an agreement with the Company to effect a transaction described in subsections (a) or (c)) whose election by the Board or nomination for election by the Company’s stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the two-year period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof; or

(c) the consummation by the Company (whether directly involving the Company or indirectly involving the Company through one or more intermediaries) of (x) a merger, consolidation, reorganization, or business combination or (y) a sale or other disposition of all or substantially all of the Company’s assets in any single transaction or series of related transactions or (z) the acquisition of assets or stock of another entity, in each case other than a transaction:

(i) which results in the Company’s voting securities outstanding immediately before the transaction continuing to represent (either by remaining outstanding or by being converted into voting securities of the Company or the person that, as a result of the transaction, controls, directly or indirectly, the Company or owns, directly or indirectly, all or substantially all of the Company’s assets or otherwise succeeds to the business of the Company (the Company or such person, the “Successor Entity”)) directly or indirectly, at least a majority of the combined voting power of the Successor Entity’s outstanding voting securities immediately after the transaction, and

(ii) after which no person or group beneficially owns voting securities representing 50% or more of the combined voting power of the Successor Entity; provided, however, that no person or group shall be treated for purposes of this clause (ii) as

beneficially owning 50% or more of the combined voting power of the Successor Entity solely as a result of the voting power held in the Company prior to the consummation of the transaction, and

(iii) after which at least a majority of the members of the board of directors (or the analogous governing body) of the Successor Entity immediately following the date of such transaction were Board members immediately prior to the date of such transaction.

5.4.2 “Change in Control Termination Period” shall mean the period beginning three (3) months prior to and ending twelve (12) months following the occurrence of a Change in Control.

5.5 **Required Release**. Notwithstanding any provision of this Agreement to the contrary, the Company’s obligation to provide the payments, acceleration, exercise extension and reimbursements under Sections 5.2 and 5.3 is conditioned upon Executive’s execution of the Separation Agreement and Release attached hereto as Exhibit A (the “Release”) and Executive’s compliance with the Restrictive Covenant Agreement. If Executive chooses not to execute such the Release or fails to comply with the Restrictive Covenant Agreement, then the Company’s obligation to compensate Executive ceases on the Separation Date except as to amounts due at the time. The Release must be executed by Executive no earlier than the date of Executive’s termination and Executive must execute it within twenty-one (21) days from the date of Executive’s termination; provided, that, with respect to a Restructuring Event, Executive may execute the Release prior to termination and approve the release of Executive’s signature page effective as of the date of the Restructuring Event, which Release shall be effective immediately. Such Release shall not be effective until any applicable revocation period has expired (the “Release Effective Date”).

5.6 **Benefits in Lieu of Other Severance**. Executive is not entitled to receive any compensation or benefits upon Executive’s termination except as: (i) set forth in this Agreement; (ii) otherwise required by law; or (iii) otherwise required by any employee benefit plan in which Executive participates. Moreover, the terms and conditions afforded Executive under this Agreement are in lieu of any severance benefits to which Executive otherwise might be entitled pursuant to any severance plan, policy and practice of the Company.

5.7 **Escrow**. As soon as reasonably practicable following the Effective Date, the Company agrees to maintain an escrow account (the “Escrow Account”) with a national bank (the “Escrow Agent”) for the benefit of Executive and in an amount necessary to satisfy seventy-two percent (72%) of the Company’s obligations under Sections 5.2.1, 5.2.2, 5.3.1 and 5.3.2 (as applicable, the “Obligations”), the remaining twenty-eight percent (28%) of which will be used by the Company to pay tax withholding due on such payments, which tax withholding will be reported on the Form W-2 filed by the Company for the applicable tax year. The Escrow Account shall remain outstanding until the later of (i) the date four years following the Effective Date, and (ii) in the event Executive incurs a termination of employment from the Company prior to the date four years following the Effective Date, the date the Company has satisfied the

Obligations to Executive under Section 5.2.1 and 5.2.2 or 5.3.1 and 5.3.2 of this Agreement, as applicable. Notwithstanding the foregoing, the Company shall not be required to maintain such Escrow Account in the event Executive incurs termination of employment from the Company where Executive is not entitled to any payments under Section 5.2.1, 5.2.2, 5.3.1 or 5.3.2. In addition to the Obligations that Executive may be entitled to under this Agreement, in the event of a Restructuring Event or Change in Control that occurs within four years following the Effective Date, Executive shall be paid an additional \$84,000 that Executive may use for legal fees incurred by Executive in the event the payment of the Obligations is challenged by the Company or a third party, \$60,480 of which will be held in the Escrow Account (the "Legal Fund") and the remainder of which will be used by the Company to pay tax withholding due on such payment. Upon the occurrence of a Restructuring Event or Change in Control (or as soon as reasonably practicable thereafter, but in all events prior to filing for bankruptcy), Executive shall instruct the Escrow Agent to release the amounts necessary to satisfy seventy-two percent (72%) of such Obligations and Legal Fund, and such release shall be deemed to occur concurrently with the instructions to the Escrow Agent. If, in connection with a Restructuring Event or Change in Control, Executive instructs the Escrow Agent to release the amounts necessary to satisfy seventy-two percent (72%) of such Obligations and/or Legal Fund (\$60,480), Executive agrees to instruct the Escrow Agent to deliver to the Company any portion of the Escrow Account set aside for such Obligations and/or Legal Fund that Executive is not entitled to receive under this Agreement or that is required to be withheld by the Company for taxes with respect to such Obligations and Legal Fund, as applicable. In all cases, in the event there is any such release of money from the Escrow Account to Executive as a result of the Restructuring Event or Change in Control, Executive shall be deemed to have received the full amount of the Obligations that would have been payable to Executive under 5.2.1 and 5.2.2, in the event of a Restructuring Event, or 5.3.1 and 5.3.2, in the event of a Change in Control, and Legal Fund, as applicable, with any amount not paid directly to Executive by the Company used to satisfy the Company's tax withholding obligations with respect to such full amount of such Obligations and Legal Fund. Executive agrees to refund to the Company any portion of the Legal Fund that is not used by Executive to pay expenses in connection with any challenge by the Company or any third party arising from the payment of the Obligations, less any amount allocated to tax withholding obligations of the Company, which refund shall occur within thirty (30) days following (i) with respect to a Liquidation, the date thirty-six (36) months following Executive's termination of employment from the Company, and (ii) with respect to a Bankruptcy, the date eighteen (18) months following Executive's termination of employment from the Company. If requested by the Company, Executive agrees to provide the Company with reasonable documentation regarding such expenses.

6. **RESTRICTIVE COVENANTS.** As a condition of continued employment, Executive will continue to be subject to the Proprietary Information, Inventions, Non-Competition and Non-Solicitation Agreement, which the Executive previously executed (the "Restrictive Covenant Agreement"). Executive agrees to continue to abide by the terms of the Restrictive Covenant Agreement, or any other subsequent agreement with the Company relating to proprietary information, inventions, intellectual property, non-competition or non-solicitation, the terms of which are hereby incorporated by reference into this Agreement. Executive acknowledges that the provisions of the Restrictive Covenant Agreement, or any subsequent similar agreement, will survive the termination of Executive's employment and/or the termination of this Agreement.

7. **COMPANY PROPERTY.** Upon the termination of Executive's employment or upon Company's earlier request, Executive shall: (i) deliver to the Company all records, memoranda, data, documents and other property of any description which refer or relate in any way to trade secrets or confidential information, including all copies thereof, which are in Executive's possession, custody or control; (ii) deliver to the Company all Company property (including, but not limited to, keys, credit cards, customer files, contracts, proposals, work in process, manuals, forms, computer-stored work in process and other computer data, research materials, other items of business information concerning any Company customer, or Company business or business methods, including all copies thereof) which is in Executive's possession, custody or control; (iii) bring all such records, files and other materials up to date before returning them; and (iv) fully cooperate with the Company in winding up Executive's work and transferring that work to other individuals designated by the Company.

8. **EMPLOYEE REPRESENTATION.** Executive represents and warrants that Executive's employment and obligations under this Agreement will not (i) breach any duty or obligation Executive owes to another or (ii) violate any law, recognized ethics standard or recognized business custom.

9. **AMENDMENTS; WAIVERS.** This Agreement may not be modified, amended, or terminated except by an instrument in writing, signed by Executive and a duly authorized officer of Company. By an instrument in writing similarly executed, Executive or a duly authorized officer of the Company may waive compliance by the other Party with any specifically identified provision of this Agreement that such other Party was or is obligated to comply with or perform; *provided, however*, that such waiver shall not operate as a waiver of, or estoppel with respect to, any other or subsequent failure. No failure to exercise and no delay in exercising any right, remedy, or power hereunder will preclude any other or further exercise of any other right, remedy, or power provided herein or by law or in equity.

10. **ENTIRE AGREEMENT.** Except as expressly provided in this Agreement, this Agreement: (i) supersedes and cancels all other understandings and agreements, oral or written, with respect to Executive's employment with the Company, including the Prior Employment Agreement; (ii) supersedes all other understandings and agreements, oral or written, between the parties with respect to the subject matter of this Agreement; and (iii) constitutes the sole

agreement between the parties with respect to this subject matter. Each party acknowledges that: (i) no representations, inducements, promises or agreements, oral or written, have been made by any party or by anyone acting on behalf of any party, which are not embodied in this Agreement; and (ii) no agreement, statement or promise not contained in this Agreement shall be valid. No change or modification of this Agreement shall be valid or binding upon the parties unless such change or modification is in writing and is signed by the parties.

11. SEVERABILITY. If a court of competent jurisdiction holds that any provision or sub-part thereof contained in this Agreement is invalid, illegal, or unenforceable, that invalidity, illegality, or unenforceability shall not affect any other provision in this Agreement.

12. ASSIGNMENT AND SUCCESSORS. The Company may assign its rights and obligations under this Agreement to any of its affiliates or to any successor to all or substantially all of the business or the assets of the Company (by merger or otherwise), and may assign or encumber this Agreement and its rights hereunder as security for indebtedness of the Company and its affiliates. This Agreement shall be binding upon and inure to the benefit of the Company, Executive and their respective successors, assigns, personnel and legal representatives, executors, administrators, heirs, distributees, devisees, and legatees, as applicable. None of Executive's rights or obligations may be assigned or transferred by Executive, other than Executive's rights to payments hereunder, which may be transferred only by will or operation of law.

13. GOVERNING LAW. This Agreement shall be construed, interpreted, and governed in accordance with and by North Carolina law and the applicable provisions of federal law ("Applicable Federal Law"). Any and all claims, controversies, and causes of action arising out of or relating to this Agreement, whether sounding in contract, tort, or statute, shall be governed by the laws of the state of North Carolina, including its statutes of limitations, except for Applicable Federal Law, without giving effect to any North Carolina conflict-of-laws rule that would result in the application of the laws of a different jurisdiction. Both Executive and the Company acknowledge and agree that the state or federal courts located in North Carolina have personal jurisdiction over them and over any dispute arising under this Agreement, and both Executive and the Company irrevocably consent to the jurisdiction of such courts.

14. COUNTERPARTS. This Agreement may be executed in counterparts, each of which shall be an original, with the same effect as if the signatures affixed thereto were upon the same instrument.

15. NOTICES. Any notice, request, claim, demand, document and other communication hereunder to any Party shall be effective upon receipt (or refusal of receipt) and shall be in writing and delivered personally or sent by facsimile or certified or registered mail, postage prepaid, as follows:

15.1 if to the Company, to the General Counsel of the Company at the Company's headquarters,

15.2 if to Executive, to the last address that the Company has in its personnel records for Executive, or

15.3 at any other address as any Party shall have specified by notice in writing to the other Party.

16. SECTION 409A OF THE INTERNAL REVENUE CODE. The parties intend that the provisions of this Agreement comply with or are exempt from Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”), and the regulations thereunder (collectively, “Section 409A”) and all provisions of this Agreement shall be construed in a manner consistent with the requirements for avoiding taxes or penalties under Section 409A. If any provision of this Agreement (or of any award of compensation, including equity compensation or benefits) would cause Executive to incur any additional tax or interest under Section 409A, the Company shall, upon the specific request of Executive, use its reasonable business efforts to in good faith reform such provision to comply with Code Section 409A; provided, that to the maximum extent practicable, the original intent and economic benefit to Executive and the Company of the applicable provision shall be maintained, and the Company shall have no obligation to make any changes that could create any additional economic cost or loss of benefit to the Company. The Company shall timely use its reasonable business efforts to amend any plans and programs in which Executive participates to bring it in compliance with Section 409A. Notwithstanding the foregoing, the Company shall have no liability with regard to any failure to comply with Section 409A so long as it has acted in good faith with regard to compliance therewith.

16.1 Separation from Service. A termination of employment shall not be deemed to have occurred for purposes of any provision of this Agreement providing for the payment of any amounts or benefits upon or following a termination of employment unless such termination also constitutes a “Separation from Service” within the meaning of Section 409A and, for purposes of any such provision of this Agreement, references to a “termination,” “termination of employment,” “separation from service” or like terms shall mean Separation from Service.

16.2 Separate Payments. Each installment payment required under this Agreement shall be considered a separate payment for purposes of Section 409A.

16.3 Reimbursements. To the extent required by Section 409A, each reimbursement or in-kind benefit provided under this Agreement shall be provided in accordance with the following: (a) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during each calendar year cannot affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other calendar year; (b) any reimbursement of an eligible expense shall be paid to Executive on or before the last day of the calendar year following the calendar year in which the expense was incurred; and (c) any right to reimbursements or in-kind benefits under this Agreement shall not be subject to liquidation or exchange for another benefit.

17. PARACHUTE PAYMENTS. Notwithstanding any other provisions of this Agreement or any Company equity plan or agreement, in the event that any payment or benefit by the Company or otherwise to or for the benefit of Executive, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise (all such payments and benefits, including the payments and benefits under Section 5 hereof, being hereinafter referred to as the "Total Payments"), would be subject (in whole or in part) to the excise tax imposed by Section 4999 of the Code (the "Excise Tax"), then the Total Payments shall be reduced (in the order provided in Section 16.1) to the minimum extent necessary to avoid the imposition of the Excise Tax on the Total Payments, but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income and employment taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments), is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income and employment taxes on such Total Payments and the amount of the Excise Tax to which Executive would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

17.1 Order of Reduction. The Total Payments shall be reduced in the following order: (i) reduction on a pro-rata basis of any cash severance payments that are exempt from Section 409A of the Code ("Section 409A"), (ii) reduction on a pro-rata basis of any non-cash severance payments or benefits that are exempt from Section 409A, (iii) reduction on a pro-rata basis of any other payments or benefits that are exempt from Section 409A, and (iv) reduction of any payments or benefits otherwise payable to Executive on a pro-rata basis or such other manner that complies with Section 409A; provided, in case of clauses (ii), (iii) and (iv), that reduction of any payments attributable to the acceleration of vesting of Company equity awards shall be first applied to Company equity awards that would otherwise vest last in time.

17.2 Determinations. All determinations regarding the application of this Section 17 shall be made by an accounting firm or consulting group with experience in performing calculations regarding the applicability of Section 280G of the Code and the Excise Tax selected by the Company (the "Independent Advisors"). For purposes of determinations, no portion of the Total Payments shall be taken into account which, in the opinion of the Independent Advisors, (i) does not constitute a "parachute payment" within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) or (ii) constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the "base amount" (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation. The costs of obtaining such determination and all related fees and expenses (including related fees and expenses incurred in any later audit) shall be borne by the Company.

17.3 Additional Reductions. In the event it is later determined that a greater reduction in the Total Payments should have been made to implement the objective and intent of this Section 17, the excess amount shall be returned promptly by Executive to the Company.

18. WITHHOLDING. The Company shall be entitled to withhold from any amounts payable under this Agreement any federal, state, local or foreign withholding or other taxes or charges which the Company is required to withhold.

19. CLAWBACK. If any law, rule, or regulation applicable to the Company or its Subsidiaries (including any rule or requirement of any nationally recognized stock exchange on which the stock of the Company or its Subsidiaries is listed), or any policy of the Company or its Subsidiaries reasonably designed to comply therewith, requires the forfeiture or recoupment of any amount paid or payable to the Executive hereunder (or under any other agreement between the Executive and the Company or its Subsidiaries or under any plan in which the Executive participates, or otherwise payable to the Executive as compensation for services), the Executive hereby consents to such forfeiture or recoupment, in each case in the time and manner determined by the Company in its reasonable good faith discretion (collectively, the "Clawback").

[The remainder of this page is intentionally left blank.]

[Signature Page for Employment Agreement]

IN WITNESS WHEREOF, the parties have entered into this Agreement on the day and year first written above.

JOHN ALEXANDER KELLY

/s/ John Alexander Kelly

PRECISION BIOSCIENCES, INC.

/s/ Michael Amoroso

By: Michael Amoroso

Title: President and Chief Executive Officer

EXHIBIT A

Separation Agreement and Release

This Separation Agreement and Release (“Agreement”) is made by and between John Alexander Kelly (“Executive”) and Precision BioSciences, Inc. (together with any successor thereto, the “Company”) (collectively, referred to as the “Parties” or individually referred to as a “Party”). Capitalized terms used but not defined in this Agreement shall have the meanings set forth in the Employment Agreement (as defined below).

WHEREAS, the Parties have previously entered into that certain Employment Agreement, dated as of August 26, 2025 (the “Employment Agreement”); and

WHEREAS, in connection with Executive’s termination of employment with the Company or a subsidiary or affiliate of the Company, the Parties wish to resolve any and all disputes, claims, complaints, grievances, charges, actions, petitions, and demands that Executive may have against the Company and any of the Releasees as defined below, with respect to any and all claims arising out of or in any way related to Executive’s employment with or separation from the Company or its subsidiaries or affiliates but, for the avoidance of doubt, nothing herein will be deemed to release any rights or remedies in connection with Executive’s right to vested benefits under any employee benefit plan of the Company or one of its affiliates or Executive’s right to indemnification by the Company or any of its affiliates pursuant to contract or applicable law or Executive’s rights under any applicable directors’ and officers’ insurance policy (collectively, the “Retained Claims”).

NOW, THEREFORE, in consideration of the severance payments and benefits described in the Employment Agreement, which, pursuant to the Employment Agreement, are conditioned on Executive’s execution and non-revocation of this Agreement, and in consideration of the mutual promises made herein, the Company and Executive hereby agree as follows:

1. Severance Payments and Benefits; Salary and Benefits. The Company agrees to provide Executive with the severance payments and benefits described in Sections 5.2 and 5.3 of the Employment Agreement, payable at the times set forth in, and subject to the terms and conditions of, the Employment Agreement. In addition, to the extent not already paid, and subject to the terms and conditions of the Employment Agreement, the Company shall pay or provide to Executive all Accrued Obligations.

2. Release of Claims. Executive agrees that, other than with respect to the Retained Claims, the foregoing consideration represents settlement in full of all outstanding obligations owed to Executive by the Company any of their direct or indirect subsidiaries and affiliates, and any of their current and former officers, directors, equity holders, managers, employees, agents, investors, attorneys, shareholders, administrators, affiliates, benefit plans, plan administrators, insurers, trustees, divisions, and subsidiaries and predecessor and successor corporations and assigns, each in their capacity as such (collectively, the “Releasees”). Executive, on Executive’s own behalf and on behalf of any of Executive’s affiliated companies or entities and any of their respective heirs, family members, executors, agents, and assigns, other than with respect to the Retained Claims, hereby and forever releases the Releasees from, and

agrees not to sue concerning, or in any manner to institute, prosecute, or pursue, any claim, complaint, charge, duty, obligation, or cause of action relating to any matters of any kind, whether presently known or unknown, suspected or unsuspected, that Executive may possess against any of the Releasees arising from any omissions, acts, facts, or damages that have occurred up until and including the execution of this Agreement, including, without limitation:

(a) any and all claims relating to or arising from Executive's employment or service relationship with the Company or any of its direct or indirect subsidiaries or affiliates and the termination of that relationship;

(b) any and all claims relating to, or arising from, Executive's right to purchase, or actual purchase of any shares of stock or other equity interests of the Company or any of its affiliates, including, without limitation, any claims for fraud, misrepresentation, breach of fiduciary duty, breach of duty under applicable state law, and securities fraud under any state or federal law;

(c) any and all claims for wrongful discharge of employment; termination in violation of public policy; discrimination; harassment; retaliation; breach of contract, both express and implied; breach of covenant of good faith and fair dealing, both express and implied; promissory estoppel; negligent or intentional infliction of emotional distress; fraud; negligent or intentional misrepresentation; negligent or intentional interference with contract or prospective economic advantage; unfair business practices; defamation; libel; slander; negligence; personal injury; assault; battery; invasion of privacy; false imprisonment; conversion; and disability benefits;

(d) any and all claims for violation of any federal, state, or municipal statute, including, but not limited to, Title VII of the Civil Rights Act of 1964; the Civil Rights Act of 1991; the Rehabilitation Act of 1973; the Americans with Disabilities Act of 1990; the Equal Pay Act; the Fair Labor Standards Act; the Fair Credit Reporting Act; the Age Discrimination in Employment Act of 1967; the Older Workers Benefit Protection Act; the Employee Retirement Income Security Act of 1974; the Worker Adjustment and Retraining Notification Act; the Family and Medical Leave Act; and the Sarbanes-Oxley Act of 2002;

(e) any and all claims for violation of the federal or any state constitution;

(f) any and all claims arising out of any other laws and regulations relating to employment or employment discrimination;

(g) any claim for any loss, cost, damage, or expense arising out of any dispute over the non-withholding or other tax treatment of any of the proceeds received by Executive as a result of this Agreement; and

(h) any and all claims for attorneys' fees and costs.

Executive agrees that the release set forth in this section shall be and remain in effect in all respects as a complete general release as to the matters released. This release does not release claims that cannot be

released as a matter of law, including, but not limited to, Executive's right to file a charge with or participate in a charge by the Equal Employment Opportunity Commission, or any other local, state, or federal administrative body or government agency that is authorized to enforce or administer laws related to employment, against the Company (with the understanding that Executive's release of claims herein bars Executive from recovering such monetary relief from the Company or any Releasee), claims for unemployment compensation or any state disability insurance benefits pursuant to the terms of applicable state law, claims to continued participation in certain of the Company's group benefit plans pursuant to the terms and conditions of COBRA, claims to any benefit entitlements vested as the date of separation of Executive's employment, pursuant to written terms of any employee benefit plan of the Company or its affiliates and Executive's right under applicable law and any Retained Claims. This release further does not release claims for breach of Section 5.2 or 5.3 of the Employment Agreement or prevent Executive from reporting possible violations of federal law or regulation to any United States governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or any other whistleblower protection provisions of state or federal law or regulation (including the right to receive an award for information provided to any such government agencies).

3. Acknowledgment of Waiver of Claims under ADEA. Executive understands and acknowledges that Executive is waiving and releasing any rights Executive may have under the Age Discrimination in Employment Act of 1967 ("ADEA"), and that this waiver and release is knowing and voluntary. Executive understands and agrees that this waiver and release does not apply to any rights or claims that may arise under the ADEA after the Effective Date of this Agreement. Executive understands and acknowledges that the consideration given for this waiver and release is in addition to anything of value to which Executive was already entitled. Executive further understands and acknowledges that Executive has been advised by this writing that: (a) Executive should consult with an attorney prior to executing this Agreement; (b) Executive has 21 days within which to consider this Agreement; (c) Executive has 7 days following Executive's execution of this Agreement to revoke this Agreement pursuant to written notice to the General Counsel of the Company (the "Revocation Period"); (d) this Agreement shall not be effective until after the Revocation Period has expired; and (e) nothing in this Agreement prevents or precludes Executive from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties, or costs for doing so, unless specifically authorized by federal law. In the event Executive signs this Agreement and returns it to the Company in less than the 21 day period identified above, Executive hereby acknowledges that Executive has freely and voluntarily chosen to waive the time period allotted for considering this Agreement. Notwithstanding the foregoing, the Revocation Period will expire when Executive executes this Agreement if Executive's termination occurs pursuant to Section 4.1 of the Employment Agreement.

4. Severability. In the event that any provision or any portion of any provision hereof or any surviving agreement made a part hereof becomes or is declared by a court of competent jurisdiction or arbitrator to be illegal, unenforceable, or void, this Agreement shall continue in full force and effect without said provision or portion of provision.

5. No Oral Modification. This Agreement may only be amended in a writing signed by Executive and a duly authorized officer of the Company.

6. Governing Law; Notice; Counterparts. This Agreement shall be subject to the provisions of Sections 13, 14 and 15 of the Employment Agreement.

7. Effective Date. If Executive has attained or is over the age of 40 as of the date of Executive's termination of employment, then, except as provided in the next sentence, each Party has seven days after that Party signs this Agreement to revoke it and this Agreement will become effective on the eighth day after Executive signed this Agreement, so long as it has been signed by the Parties and has not been revoked by either Party before that date (the "Effective Date"). If Executive has not attained the age of 40 as of the date of Executive's termination of employment or if Executive's termination occurs pursuant to Section 4.1 of the Employment Agreement, then the "Effective Date" shall be the date on which Executive signs this Agreement.

8. Trade Secrets; Whistleblower Protections. In accordance with 18 U.S.C. §1833, notwithstanding anything to the contrary in this Agreement, the Employment Agreement, or any other agreement between Executive and the Company or any of its subsidiaries in effect as of the date Executive receives this Agreement (together, the "Subject Documents"): (a) Executive will not be in breach of the Subject Document, and shall not be held criminally or civilly liable under any federal or state trade secret law (i) for the disclosure of a trade secret that is made in confidence to a federal, state, or local government official or to an attorney solely for the purpose of reporting or investigating a suspected violation of law, or (ii) for the disclosure of a trade secret that is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal; and (b) if Executive files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Executive may disclose the trade secret to Executive's attorney, and may use the trade secret information in the court proceeding, if Executive files any document containing the trade secret under seal, and does not disclose the trade secret, except pursuant to court order. Furthermore, the Parties agree that nothing in the Subject Documents prohibits Executive from reporting possible violations of federal law or regulation to any governmental agency or entity in accordance with the provisions of and rules promulgated under Section 21F of the Securities Exchange Act of 1934 or Section 806 of the Sarbanes-Oxley Act of 2002, or any other whistleblower protection provisions of state or federal law or regulation or releases or restrains Executive's right to receive an award for information provided to any such government agencies.

9. Voluntary Execution of Agreement. Executive understands and agrees that Executive executed this Agreement voluntarily, without any duress or undue influence on the part or behalf of the Company or any third party, with the full intent of releasing all of Executive's claims against the Company and any of the other Releasees, except as otherwise provided in this Agreement. Executive acknowledges that: (a) Executive has read this Agreement; (b) Executive has not relied upon any representations or statements made by the Company that are not specifically set forth in this Agreement; (c) Executive has been represented in the preparation, negotiation, and execution of this Agreement by legal counsel of Executive's own choice or has elected not to retain legal counsel; (d) Executive

understands the terms and consequences of this Agreement and of the releases it contains; and (e) Executive is fully aware of the legal and binding effect of this Agreement.

IN WITNESS WHEREOF, the Parties have executed this Agreement on the respective dates set forth below.

EXECUTIVE

Dated: _____

COMPANY

Dated: _____

By: _____

Name:

Title:

CONSULTING AGREEMENT

This CONSULTING AGREEMENT (“**Agreement**”) is made by and between Precision BioSciences, Inc., a Delaware corporation having a place of business at 302 East Pettigrew Street, Dibrell Building, Suite A-100, Durham, NC 27701 (“**Company**”), and Dr. Stanley R. Frankel, MD, an individual having an address at [***] (the “**Independent Contractor**”) as of June 23, 2025 (the “**Effective Date**”).

The Company desires to retain the services of the Independent Contractor to act as Company’s Clinical Advisor, and the Independent Contractor desires to perform certain services for the Company including review and approval of clinical trial protocols and safety related submissions or concerns among other responsibilities.

In consideration of the mutual covenants and promises contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties hereto, the parties agree as follows:

1. ENGAGEMENT OF SERVICES.

The Company hereby engages the Independent Contractor, and the Independent Contractor accepts the engagement to provide the Company with such consulting, advisory and related services as may reasonably be requested by the Company from time to time (“**Services**”), including:

- Reviews and approves any clinical protocol, ICF, Data Monitoring Committee (“**DMC**”) charter and similar amendments/revisions, including signing such documents where required.
- Reviews all safety-related submissions to regulatory agencies, including DSURs, IND safety reporting, SUSARs, etc.
- Represents the Company from a medical perspective during DMC meetings and reviews all documents and materials for the DMC meetings.
- Presents, discusses, and adjudicates any safety concerns with the DMC as well as investigators.
- Responsible for the review and adjudication of SAEs or emerging safety signals as any arise, including interactions with the investigator and DMC.
- Review and approval of required regulatory communications and/or memorandums.
- Participates in discussions/ reviews involving investigators’ concerns or new safety concerns that may arise during the trial.

- Provides clinical perspective if sites or investigators raise concerns about patient safety or study execution. Monthly review and approval of the safety database, as part of sponsor oversight.

All Services will be performed by Independent Contractor in a diligent and professional manner and may be performed remotely. It is expected that the time commitment to matters relating to the Services, excluding travel, will require approximately forty (40) hours per month, during the Term.

2. CASH COMPENSATION.

In consideration of the Services to be performed by the Independent Contractor under this Agreement, the Company will pay the Independent Contractor (i) a cash retainer of \$33,000 per month in exchange for forty (40) hours of Services per month through December 31, 2025, and (ii) the flat rate of eight hundred twenty five dollars (\$825) per hour for additional time spent performing the Services during the Term (as defined herein). The Company and the Independent Contractor shall meet no later than December 5, 2025 to negotiate in good faith the amount of the monthly retainer to be applied from January 1, 2026 through the remainder of the Term. The Independent Contractor shall submit monthly written reports of the time spent performing the Services. The Company shall pay the Independent Contractor the amounts due on a monthly basis. The Company will notify the Independent Contractor when aggregate compensation reaches \$110,000. Invoices are to be submitted to accounts.payable@precisionbiosciences.com. The Independent Contractor understands and acknowledges that for the Independent Contractor to receive payment, the Company must receive from Independent Contractor a completed and signed IRS Form W-9 or W-8, as applicable, and ACH information.

3. EXPENSES.

The Independent Contractor will be reimbursed for all reasonable and necessary, documented out-of-pocket travel and related business expenses incurred by the Independent Contractor in the performance of the Services (“**Expenses**”) and in accordance with the Company’s Travel and Expense Policy appended hereto. The Independent Contractor shall provide expense reimbursement statements monthly, and the Company shall reimburse the Independent Contractor within thirty (30) days of receipt thereof.

4. INVENTIONS.

The Independent Contractor agrees that the Independent Contractor will hold in trust for the sole right and benefit of the Company, and hereby assign and transfer to the Company, or to Company’s designee, all rights, title and interest throughout the world in and to any and all inventions, original works of authorship, developments, concepts, know-how, improvements or trade secrets, and all intellectual property rights therein, whether or not patentable or registrable under copyright or similar laws, which the Independent Contractor may solely or jointly conceive or develop or reduce to practice, or cause to be conceived or developed or reduced to practice, during or in connection with the performance of services under this Agreement or with the use of Confidential Information (collectively referred to as “**Inventions**”). The Independent Contractor will communicate promptly and disclose to the Company, in such form as the Company requests, all information, details and

data pertaining to the Inventions; and the Independent Contractor agrees to execute and deliver to the Company such formal transfers and assignments and such other papers and documents as may be necessary or required of the Independent Contractor to permit the Company or any person or entity designated by the Company to file and prosecute the patent applications and, as to copyrightable material, to obtain copyright thereof. The Independent Contractor agrees to keep and maintain adequate and current written records of all Inventions made by the Independent Contractor (solely or jointly with others) during the term of this Agreement and for a period of six (6) months following its termination or expiration. The records may be in the form of notes, sketches, drawings, flow charts, electronic data or recordings, laboratory notebooks, and any other format. The records will be available to and remain the sole property and Confidential Information (as defined below) of the Company at all times, unless there is another agreement to share invention rights in place.

5. REPRESENTATIONS AND WARRANTIES.

The Independent Contractor represents and warrants that the Independent Contractor has the right and unrestricted ability to enter this Agreement and to perform all its obligations contained herein. Without limiting the foregoing, the Independent Contractor represents and warrants that it has the right to assign the entire right, title and interest in and to the Work Product to the Company pursuant to Section 5.

The Independent Contractor and Company understand and agree that it is the Independent Contractor's responsibility to ensure that the Services provided hereunder do not employ proprietary or confidential information of any third party or make use of a third party's time or resources, and that the Services contemplated hereunder are in compliance with the Independent Contractor's other consulting relationships.

6. NO DEBARMENT.

The Independent Contractor represents and warrants that neither Independent Contractor nor any of its employees nor any other person engaged by it to perform the Services:

- A. Is presently debarred, disqualified or convicted for a crime for which a person or entity can be debarred under the Generic Drug Enforcement Act of 1992 (21USC335a) or under any similar law or regulation of any country (collectively, the "**Acts**");
- B. Is presently indicted or otherwise criminally or civilly charged by any government entity with commission of the kinds of conduct for which a person or entity can be debarred or disqualified under the Acts;
- C. Will employ or otherwise engage any individual who has been (i) debarred or disqualified or (ii) convicted of a crime for which a person or entity can be debarred or disqualified under the Acts, in any capacity in connection with the Services.

The Independent Contractor shall immediately notify the Company if it becomes aware of any circumstances that may cause the foregoing representation and warranty to become untrue, including if the Independent Contractor comes under investigation by any governmental agency for debarment or disqualification or is debarred or disqualified.

7. INDEPENDENT CONTRACTOR RELATIONSHIP.

The Independent Contractor's relationship with the Company is that of an independent contractor, and nothing in this Agreement is intended to, or should be construed to, create a partnership, agency, joint venture or employment relationship. The Independent Contractor shall not be entitled to any of the benefits that the Company may make available to its employees, including, but not limited to, group health (medical, dental, vision), life and disability insurance (including IDI), hospital indemnity, profit sharing, or retirement benefits. The Independent Contractor is not authorized to make any representation, contract, or commitment on behalf of the Company unless specifically requested or authorized in writing to do so by an executive officer of the Company. The Independent Contractor is solely responsible for, and will file, on a timely basis, all tax returns and payments required to be filed with, or made to, any federal, state, or local tax authority with respect to the performance of services and receipt of fees under this Agreement. The Independent Contractor is solely responsible for, and must maintain adequate records of, expenses incurred in the course of performing services under this Agreement. The Company will not withhold for the payment of any social security, federal, state, or any other employee payroll taxes payable with respect to the Independent Contractor. The Company will, as applicable, regularly report amounts paid to the Independent Contractor by filing Form 1099-MISC with the Internal Revenue Service as required by law. In the event that any agency of the United States or other taxing authority should determine that amounts paid as stated in this Agreement were subject to withholding of taxes, Independent Contractor agrees to indemnify and hold the Company harmless for any amount of taxes, interest or penalties that may be found to be due and owing.

8. CONFIDENTIAL INFORMATION.

The Independent Contractor agrees at all times during the Term of this Agreement and thereafter, to hold in strictest confidence, and not to use, except for the benefit of the Company, or to disclose to any person, firm, corporation or other entity without written authorization of an officer of the Company, any Confidential Information of the Company which is disclosed to the Independent Contractor, or which the Independent Contractor observes, discovers, obtains or creates. The Independent Contractor further agrees not to make copies of such Confidential Information except as authorized by the Company. The Independent Contractor understands that "**Confidential Information**" means any Company proprietary information, technical data, trade secrets or know-how, including, but not limited to, research, development plans, product plans, services, suppliers, and financials, prices and costs, markets, software, developments, inventions, laboratory notebooks, processes, formulas, technology, designs, drawings, engineering, hardware configuration information, marketing, licenses, finances, budgets or other business information disclosed or made available to the Independent Contractor by the Company either directly or indirectly in writing, orally or by drawings or observation or created by the Independent Contractor during the term of this Agreement, including any Inventions. The Independent Contractor understands that the term Confidential Information includes, but is not limited to, (i) information pertaining to any aspects of the Company's business which is either information not known by or available to actual or potential competitors of the Company or is proprietary information of the Company or its customers or

suppliers, whether of a technical nature or otherwise; and (ii) any notes, analyses, compilations, studies, interpretations, memoranda, or other documents prepared by the Independent Contractor to the extent that they contain, reflect or are based upon, in whole or in part, any Confidential Information of the Company. The Independent Contractor further understands that Confidential Information does not include any of the foregoing items, if such items become publicly and widely known and made generally available through no wrongful act of the Independent Contractor or of others who were under confidentiality obligations as to the item or items involved. In the event that the Independent Contractor becomes legally compelled to disclose any Confidential Information, the Independent Contractor will provide the Company with prompt written notice of the potential disclosure so that the Company may obtain a protective order and/or waive compliance with the provisions of this Agreement. In the event that such protective order is not obtained, or the Company waives compliance with the terms of this Agreement, the Independent Contractor shall furnish only that portion of the Confidential Information that the Independent Contractor is legally required to disclose and exercise reasonable efforts to obtain reliable assurance that confidential treatment will be afforded to the Confidential Information. The Independent Contractor recognizes that the Company may receive confidential or proprietary information from third parties. The Independent Contractor agrees to hold all such confidential or proprietary information in the strictest confidence and not to disclose it to any person, firm or corporation or to use it except as necessary in carrying out the Independent Contractor's work for the Company consistent with the Company's agreement with such third party. At no time should the scope of work, budgets, strategic information, Company product information, or any other information not publicly disclosed be released by the Independent Contractor.

9. DOCUMENTS, EQUIPMENT AND MATERIALS, DATA.

Upon termination of this Agreement for any reason, or at any other time upon the Company's request, the Independent Contractor will promptly deliver to the Company, without retaining any copies in any form, all documents, materials and property belonging to or furnished to the Independent Contractor by the Company, prepared by the Independent Contractor for the Company or otherwise relating to the Company's business, including, without limitation, all written and tangible material in the Independent Contractor's possession incorporating any of Confidential Information except that the Independent Contractor may retain a copy in order to maintain confidentiality obligations hereunder. The Independent Contractor further agrees that any property situated on the Company's premises and owned by the Company, including disks and other storage media, filing cabinets or other work areas, is subject to inspection by Company personnel at any time with or without notice. The Company owns and shall continue to own all right, title and interest in any of the Company's data, including but not limited to personnel information, information, documents and files, ("**Company Data**") provided to the Independent Contractor or accessed by the Independent Contractor in the course of performing the Services. The Independent Contractor shall not use Company Data except as necessary to perform services under this Agreement. The Independent Contractor will maintain commercially reasonable administrative, physical and technical safeguards designed for the protection, confidentiality and integrity of Company Data, with such security measures being at least as rigorous as those the Independent

Contractor uses to protect its own data of a similar nature. Without the Company's written consent, the Independent Contractor shall not modify Company Data or provide Company Data to any third party. If the Company issues the Independent Contractor a unique account to access Company instruments or Company Data, the Independent Contractor shall be responsible for maintaining the confidentiality of the account and for ensuring that the account is only used by the Independent Contractor. The Independent Contractor is solely responsible for all activities performed from use or access of the Independent Contractor's account. The Independent Contractor agrees to notify the Company in writing within two (2) business days of any reasonably suspected or known security incident or breach involving Company Data (including but not limited to loss or theft of a device on which Company Data is stored, or unauthorized use or access of the Independent Contractor's account provided by the Company). Upon the termination or expiration of this Agreement, the Independent Contractor shall discontinue all access to Company Data and return or destroy any tangible embodiments thereof.

10. NO CONFLICT OF INTEREST.

The Independent Contractor represents that he has the right and authority to enter into this Agreement and by doing such will not be in breach of any existing agreements.

11. TERM AND TERMINATION.

- A. **TERM:** The term of this Agreement shall commence as of the Effective Date and end on June 30, 2026, unless this Agreement is extended by mutual written agreement or earlier terminated as provided below (the "**Term**"). The Independent Contractor's obligation of confidentiality with respect to any particular item of Confidential Information obtained under this Agreement shall continue subject to Section 8, notwithstanding the termination or expiration of this Agreement.
- B. **TERMINATION BY COMPANY:** The Company may terminate this Agreement at any time, with or without cause, and without prejudice to any right or remedy it may have due to any failure of the Independent Contractor to perform its obligations under this Agreement, including failure to perform Services in a diligent and professional manner, upon thirty (30) days written notice of termination to the Independent Contractor. In the event that the Company terminates the Independent Contractor's services hereunder, the Company shall (i) promptly pay the Independent Contractor all monies due through the date of notice of termination and (ii) pay the Independent Contractor for non-cancellable Expenses incurred hereunder prior to the date of notice of termination.
- C. **TERMINATION BY INDEPENDENT CONTRACTOR:** The Independent Contractor may terminate this Agreement at any time, with or without cause, upon thirty (30) days written notice of termination to the Company.
- D. **EFFECT OF TERMINATION; SURVIVAL:** Upon notice of termination pursuant to Section 11B or 11C, unless otherwise requested in writing by the Company with respect to the thirty (30) day termination notice period, the Independent Contractor shall stop all work under this Agreement and incur no further expenses hereunder. If the Independent Contractor performs additional Services or incurs additional Expenses at the Company's written request in such thirty (30) day

period, the Company shall pay the Independent Contractor for such Services and reimburse the Independent Contractor for such Expenses. The rights and obligations contained in (“Inventions”), (“Representations and Warranties”), (“Confidential Information”), (“Documents, Equipment and Materials, Data”), (“No Conflict of Interest”), (“Governing Law”) and (“Injunctive Relief for Breach”) shall survive any termination or expiration of this Agreement.

12. PERSONAL INFORMATION DISCLOSURE.

Personally Identifiable Information (“**PII**”) is information that can be used on its own or with other information to identify, contact, or locate a single person (e.g., name, address, social security number or other identifying number or code, telephone number, email address), or to identify an individual in context. In carrying out the terms of this Agreement, the Company may provide the Independent Contractor’s PII, such as fully executed W-9 forms, to the Company’s third-party vendors or agencies. The Independent Contractor hereby consents to the transmission of such PII by and between the Company and the Company’s third-party vendors or agencies.

13. INDEMNIFICATION

The Company shall defend, indemnify and hold the Independent Contractor harmless from all third party claims, losses, damages, expenses, fees (including reasonable attorneys’ fees), costs and judgments (“Losses”) that may be asserted against or incurred by the Independent Contractor resulting from or arising out of Services that are provided to the Company by the Independent Contractor and to the extent permitted by applicable law. Notwithstanding the foregoing, the Company shall not be obligated to indemnify the Independent Contractor for Losses arising from the Independent Contractor’s gross negligence or willful misconduct, as finally determined in accordance with Section 17 hereof.

14. SUCCESSORS AND ASSIGNS.

The Independent Contractor may not subcontract or otherwise delegate its obligations under this Agreement or assign this Agreement without the Company’s prior written consent, and any attempt without such consent shall be null and void. This Agreement will be for the benefit of the Company’s successors and assigns, and subject to the foregoing sentence, will be binding on the Independent Contractor’s assignees.

15. NOTICES.

Any notice required or permitted by this Agreement shall be in writing and shall be delivered as follows with notice deemed given as indicated: (i) by personal delivery when delivered personally; (i) by overnight courier upon written verification of receipt; (iii) by telecopy or facsimile transmission upon acknowledgment of receipt of electronic transmission; or (iv) by certified or registered mail, return receipt requested, upon verification of receipt. Notice shall be sent to the addresses set forth below or such other address as either party may specify in writing.

16. GOVERNING LAW.

This Agreement shall be governed by and constructed in accordance with the laws of the State of North Carolina, excluding that body of law known as choice of law, and shall be binding upon the parties hereto in the United States and worldwide.

17. MANDATORY ARBITRATION.

ANY DISPUTE ARISING UNDER OR RELATED TO THIS AGREEMENT SHALL BE RESOLVED EXCLUSIVELY BY BINDING ARBITRATION IN ACCORDANCE WITH THE THEN EFFECTIVE COMMERCIAL ARBITRATION RULES OF THE AMERICAN ARBITRATION ASSOCIATION. THE DECISION OF THE ARBITRATOR(S) SHALL BE FINAL AND BINDING AND THE PARTIES WAIVE THE RIGHT TO TRIAL BY JURY. Notwithstanding the foregoing, nothing in this Agreement shall be interpreted to prevent either party from seeking injunctive or equitable relief and/or a decree of specific performance in any court of competent jurisdiction.

18. SEVERABILITY.

Should any provisions of this Agreement be held by a court of law to be illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining provisions of this Agreement shall not be affected or impaired thereby.

19. WAIVER.

The waiver by the Company of a breach of any provision of this Agreement by the Independent Contractor shall not operate or be construed as a waiver of any other or subsequent breach by the Independent Contractor.

20. INJUNCTIVE RELIEF FOR BREACH.

The Independent Contractor's obligations under this Agreement are of a unique character that gives them particular value; breach or any threatened breach of any of such obligations will result in irreparable and continuing damage to the Company for which there will be no adequate remedy at law; and, in the event of such breach, the Company will be entitled to injunctive relief and/or a decree for specific performance, and such other and further relief as may be proper (including monetary damages if appropriate).

21. ENTIRE AGREEMENT.

This Agreement constitutes the entire agreement between the parties relating to this subject matter and supersedes all prior or contemporaneous oral or written agreements concerning such subject matter. The terms of this Agreement will govern all services undertaken by the Independent Contractor for the Company. This Agreement may only be changed by mutual agreement of authorized representatives of the parties in writing. This Agreement and any related amendments may be executed and delivered by facsimile or PDF and in one or more counterparts, each of which shall be deemed an original and all of which together shall constitute one document.

[signature page follows on the next page]

[Signature Page to Consulting Agreement]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

PRECISION BIOSCIENCES, INC. INDEPENDENT CONTRACTOR

Sign: /s/ Cindy Atwell Sign: /s/ Stanley R. Frankel

Name: Cindy Atwell Name: Dr. Stanley R. Frankel

Title: Chief Development & Business Officer Date: 7/10/2025

Date: 7/10/2025

[Intentionally Omitted – Company’s Travel & Expense Policy]

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael Amoroso, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2025 of Precision BioSciences, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2025

By: _____ /s/ Michael Amoroso

Michael Amoroso
President, Chief Executive Officer and Director
(principal executive officer)

**CERTIFICATION PURSUANT TO
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, John Alexander Kelly, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2025 of Precision BioSciences, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2025

By: _____ /s/ John Alexander Kelly

John Alexander Kelly
Chief Financial Officer
(principal financial officer)

