As filed with the Securities and Exchange Commission on February 8, 2021.

Registration No. 333-252360

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

Amendment No. 1
to
FORM S-1
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

Talis Biomedical Corporation

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**3826**	**46-3122255**
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

Talis Biomedical Corporation
230 Constitution Drive
Menlo Park, California 94025
(650) 433-3000
(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive Offices)

Brian Coe
Chief Executive Officer
Talis Biomedical Corporation
230 Constitution Drive
Menlo Park, California 94025
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Approximate date of commencement of proposed sale to the public:
As soon as practicable after the effective date of this registration statement.

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

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

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

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

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

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

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

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED(1)	PROPOSED MAXIMUM OFFERING PRICE PER SHARE(2)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE(1)(2)	AMOUNT OF REGISTRATION FEE(2)(3)
Common Stock, $0.0001 par value per share	11,500,000	$16.00	$184,000,000	$20,074.40

(1) Includes 1,500,000 shares of common stock that the underwriters have the option to purchase.

(2) Estimated solely for the purpose of calculating the amount of the registration fee pursuant to Rule 457(a) under the Securities Act of 1933, as amended.

(3) The Registrant previously paid a registration fee of $16,365 in connection with the initial filing of this Registration Statement.

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

Table of Contents

The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and we are not soliciting offers to buy these securities in any jurisdiction where the offer or sale is not permitted.

Subject to completion, dated February 8, 2021

Preliminary prospectus

10,000,000 shares

Common stock

This is the initial public offering of shares of common stock of Talis Biomedical Corporation. We are offering 10,000,000 shares of our common stock. Prior to this offering, there has been no public market for our common stock. The initial public offering price of our common stock is expected to be between $14.00 and $16.00 per share.

We have applied to list our common stock on The Nasdaq Global Market under the symbol “TLIS.”

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

	Per share	Total
Initial public offering price	$	$
Underwriting discounts and commissions(1)	$	$
Proceeds to Talis Biomedical Corporation, before expenses	$	$

(1) See the section titled “Underwriting” for a description of the compensation payable to the underwriters.

We have granted the underwriters an option for a period of 30 days to purchase up to a total of 1,500,000 additional shares of common stock from us at the initial public offering price less the underwriting discounts and commissions.

Investing in our common stock involves a high degree of risk. See “Risk factors” beginning on page 18.

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

The underwriters expect to deliver the shares of common stock to purchasers on or about , 2021.

J.P. Morgan **BofA Securities** **Piper Sandler**

BTIG

, 2021

Table of contents

We have not, and the underwriters have not, authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses prepared by or on behalf of us or to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This prospectus is an offer to sell only the shares offered hereby, but only under circumstances and in jurisdictions where it is lawful to do so. The information contained in this prospectus or in any applicable free writing prospectus is current only as of its date, regardless of its time of delivery or any sale of shares of our common stock. Our business, financial condition, results of operations and prospects may have changed since that date.

Through and including , 2021 (25 days after the date of this prospectus), all dealers that buy, sell or trade shares of our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the dealers' obligation to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

This prospectus includes statistical and other industry and market data that we obtained from industry publications and research, surveys and studies conducted by third parties. Industry publications and third-party research, surveys and studies generally indicate that their information has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information.

For investors outside the United States: We have not, and the underwriters have not, done anything that would permit this offering or possession or distribution of this prospectus in any jurisdiction where action for that purpose is required, other than in the United States. Persons outside the United States who come into possession of this prospectus must inform themselves about, and observe any restrictions relating to, the offering of the shares of common stock and the distribution of this prospectus outside the United States.

Prospectus summary

This summary highlights information contained in other parts of this prospectus. Because it is only a summary, it does not contain all of the information that you should consider before investing in shares of our common stock and it is qualified in its entirety by, and should be read in conjunction with, the more detailed information appearing elsewhere in this prospectus. You should read the entire prospectus carefully, especially "Risk factors" and our financial statements and the related notes, before deciding to buy shares of our common stock. Unless the context requires otherwise, references in this prospectus to "Talis Biomedical," "Talis," "the Company," "we," "us" and "our" refer to Talis Biomedical Corporation.

Overview

Talis aims to transform diagnostic testing by developing and commercializing innovative products that are designed to enable accurate, reliable, low cost and rapid molecular testing for infectious diseases and other conditions at the point-of-care. While timely diagnosis of infectious diseases is critically important to enable effective treatment, testing is primarily performed in centralized laboratories, which require samples to be shipped for processing, delaying the return of results by days. Point-of-care testing solves this problem by delivering the timely information necessary for clinical care. We are developing the Talis One platform, a sample-to-answer, cloud-enabled molecular diagnostic platform that, once authorized, could be rapidly deployed to distributed diagnostic settings in the United States and around the world to diagnose infectious disease at the point-of-care. The Talis One platform comprises a compact instrument, single-use test cartridges and software, including a central cloud database, which work together and are designed to provide central laboratory levels of accuracy and be operated by an untrained user.

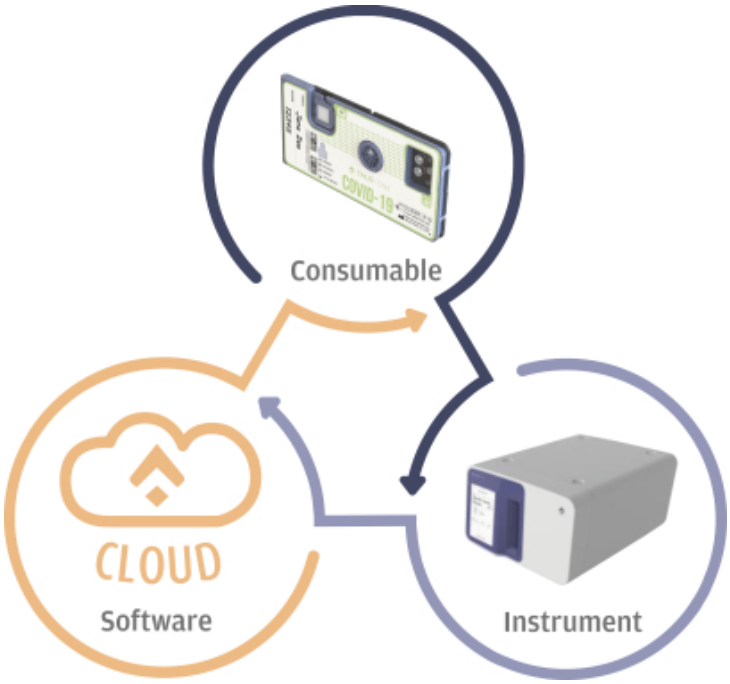
We are developing Talis One tests for respiratory infections, infections related to women's health and sexually transmitted infections. In January 2021, we submitted a request for an Emergency Use Authorization (EUA) to the U.S. Food and Drug Administration (FDA) for our Talis One platform with COVID-19 molecular diagnostic assay for the automated detection of nucleic acid from the SARS-CoV-2 virus in nasal swab samples from individuals suspected of COVID-19 by their healthcare provider. Our regulatory strategy is to initially submit for the equivalent of a CLIA-moderate authorization to be followed shortly thereafter with a subsequent filing for the equivalent of a CLIA-waived authorization for use in non-laboratory settings. We are also developing influenza A and influenza B tests to be included as part of a respiratory panel with our COVID-19 test (COVID-Flu Panel). In addition, we plan to initiate a clinical trial to support clearance of a pre-market notification under Section 510(k) of the Federal Food, Drug, and Cosmetic Act (FDCA) of our Talis One instrument with a test for chlamydia and gonorrhea in the second half of 2021 and submit a 510(k) pre-market notification in the first half of 2022. To support our anticipated commercial launch of our COVID-19 test, we have invested in automated cartridge manufacturing lines capable of producing one million cartridges per month, which are scheduled to begin to come on-line in the first quarter of 2021 and we expect will scale to full capacity through 2021. We estimate that the potential annualized market opportunity for COVID-19 point-of-care diagnostic tests in the United States exceeds $7.0 billion. We estimate that the potential annualized market opportunity in the United States for our COVID-Flu Panel and for women's health diagnostics and sexually transmitted infection diagnostics in our development pipeline was approximately $5.5 billion in 2020.

The COVID-19 crisis is accelerating the adoption of point-of-care platforms in both traditional and non-traditional care settings, and we believe the Talis One platform is well positioned to meet this growing demand. While a variety of technologies are commercially available, we believe that few, if any, sufficiently meet the needs of healthcare providers in order to drive broad adoption of, and transition to, point-of-care testing for infectious diseases. For example, antigen detection technologies, which detect proteins from the

pathogen, are rapid and relatively low cost, but they have higher limits of detection. Molecular technologies that detect nucleic acids are generally considered highly accurate for infectious disease testing. However, we believe that some currently available point-of-care molecular technologies have sacrificed accuracy to increase speed. Lower accuracy limits a test's utility, particularly in the case of testing for dangerous infectious diseases, such as COVID-19, for which an incorrect test result can have severe consequences. We believe that the ideal point-of-care technology for diagnosing infectious diseases would not only be highly accurate and rapid, but would also be easy to use, low cost, cloud-compatible and enable multiplexing to detect multiple pathogens at the same time.

The Talis One platform

We are developing the Talis One platform to address limitations of existing point-of-care diagnostic testing technologies for infectious diseases. Our platform combines robust sample preparation with highly-optimized and rapid isothermal nucleic acid amplification technology to enable rapid detection of infectious pathogens in a variety of unpurified patient sample types. The Talis One is an integrated platform that includes a compact instrument, single-use test cartridges and software, including a central cloud database:



Talis One cartridge. Versatile shelf-stable and single-use test cartridge that is designed to fully integrate proprietary, highly-optimized nucleic acid isothermal amplification assays with sample preparation. The cartridge is designed to handle a wide range of sample types, including nasal swab, vaginal swab, saliva, urine, whole blood, plasma, serum and sputum, to be compatible with lysis by bead beating in order to process a wide range of pathogens, including viral, bacterial and hard-to-lyse fungal pathogens, and to enable multiplex (multiple pathogen) testing.

Talis One instrument. The Talis One instrument is designed to enable sample-to-answer capabilities without user intervention. We designed the instrument to be low cost, portable and easy to use. We believe the modular design, which is divided into major subsystems for performing cartridge handling, sample preparation, amplification and detection, will facilitate automated assembly and low-cost manufacturing.

Talis One software and IT. The Talis One platform incorporates software and information technology (IT) capabilities. The instrument is designed to communicate test results to a central cloud database that can be remotely and securely accessed to obtain key data required to collect, screen, collate, report, and monitor disease infection and pandemic spread on a micro and macro level. The cellular connectivity built into each Talis One instrument is also designed to enable Health Insurance Portability and Accountability Act of 1996 (HIPAA)-compliant transmission, storage and review, and we expect to make such features available with a planned post-launch software upgrade.

We believe the Talis One platform provides the following competitive advantages:

- ***The Talis One platform has the potential to provide a compelling and differentiated value proposition for key stakeholders.*** We believe the Talis One platform could, if authorized for marketing, empower more healthcare providers to deliver better care, improve the patient experience, respond to public health threats and ultimately lower healthcare costs for payors by providing an accurate and timely diagnosis at the point-of-care. Additionally, our platform may create revenue and profit opportunities for healthcare providers who currently use centralized laboratories for their testing by enabling them to bring testing in-house. We believe the tests that we are developing for our Talis One platform have established reimbursement codes, which would enable healthcare providers to submit for reimbursement.
- ***We designed the Talis One platform to provide central lab levels of accuracy at the point-of-care.*** Our single-use test cartridge is designed to fully integrate nucleic acid amplification and detection with sample preparation, including nucleic acid extraction and purification. We believe this could result in higher sensitivity and specificity than other alternatives that omit the sample preparation step. The large sample volume input (1 mL) is designed to enable detection of pathogens at low concentrations, which is critical for sensitivity. We developed bioinformatics software to design isothermal assays which we applied to design primers for the detection of SARS-CoV-2. Implemented on a cartridge, our COVID-19 test has demonstrated a limit of detection for SARS-CoV-2 of £500 viral particles per milliliter. The Talis One platform has detected bacterial pathogens at concentrations as low as one infectious unit per milliliter (IFU/mL) in a variety of unpurified patient sample types, including nasal swab, vaginal swab, saliva and urine. We believe this demonstrates the power of our platform to detect disease at high sensitivity and specificity and the technical capability to rapidly develop additional assays on the Talis One platform.
- ***The Talis One platform is designed to be rapid and easy to use.*** The Talis One platform is designed to provide actionable information to clinicians in approximately 25 minutes. Faster turnaround time can inform quicker clinical decision making, which is critical for COVID-19 patients, as well as patients with other infectious diseases, where immediate treatment is important to reduce community transmission and achieve optimal outcomes. In addition, our platform is designed to be operated by untrained personnel and incorporate safety and convenience features, including automated cartridge-based sample preparation for reliable results, closed cartridges to mitigate contamination, room-temperature cartridge storage for convenient storage, and cloud connectivity for easily accessed results and records. The Talis One platform is designed to require two minutes or less of hands-on time for the operator to run a test.

- ***The Talis One platform is designed to enable efficient menu expansion.*** The Talis One platform is designed to enable single organism as well as multiplex detection for a plurality of infectious pathogens from one point-of-care system, which increases the potential value proposition of the platform for our customers. The modular design and multiplex capability of the single-use test cartridges is intended to enable us to use such cartridges for each of the tests we develop, which we believe could enable us to rapidly expand our test menu to meet customer needs and produce an attractive platform for a variety of providers and facilities. Following receipt of marketing authorization, we plan to launch our COVID-19 test and we have additional tests in development for other respiratory infections, infections related to women's health and sexually transmitted infections.
- ***The Talis One instrument includes a cellular connection and capacity for a cloud-based reporting and management system.*** The cellular connectivity built into the Talis One instrument is designed to enable HIPAA-compliant transmission, storage, review and printing of results, which we expect to be released with an upcoming software upgrade in 2021 for all installed instruments. We believe such centralized storage and information management could provide for (i) improved clinical workflow at healthcare sites and institutions, (ii) the creation of a public health interface granting access to select information to governmental entities and/or (iii) the automatic transmission of "reportable infections," such as COVID-19, to public health authorities. Additionally, administrators could remotely monitor, in real-time, the status of any instrument in an organization, as well as manage users and certain security features.
- ***The Talis One platform is designed to be scalable for different throughput requirements*****.** The portable and compact design enables the Talis One instruments to be stacked on top of, and be located next to, additional Talis One instruments, with the goal of increasing testing throughput capability at the point-of-care. Instruments are designed to be stacked three by three, in groups of nine without impact to the cellular connection.
- ***We designed the Talis One platform to enable scalable low-cost manufacturing from raw material supply through the entire supply chain*****.** We believe the scalable and low-cost manufacturing features of the Talis One platform could enable us to maintain our margins, offer attractive pricing to our customers and be competitive in price sensitive environments. The modular design of the single-use test cartridges requires only swapping target-specific assay reagents on small plug-in components inserted into the cartridge to change the assay.

Talis One tests

We are a development stage company and, to date, we have not generated revenue from product sales. As reflected in the table below, we are developing Talis One tests for respiratory infections, infections related to women's health and sexually transmitted infections. While our initial focus was on the development of tests for infections related to women's health and sexually transmitted infections, we have paused such development in order to focus on a COVID-19 test and our current focus is on the detection of SARS-CoV-2, the virus that causes COVID-19. We are also developing additional tests for the detection of other respiratory infections, such as a respiratory panel test to detect influenza A and influenza B plus COVID-19. We intend to submit for a 510(k) clearance to commercialize our Talis One platform with a test for *Chlamydia trachomatis* (CT) and *Neisseria gonorrhoeae* (NG) in the first half of 2022. For other tests that are not eligible for an EUA, we intend to complete the requirements for and submit a 510(k) pre-market notification to the FDA (if available to us; otherwise we would plan to submit another form of marketing authorization under the FDA's standard medical device authorities). We chose our assay development roadmap to address the most common clinically relevant tests which require high sensitivity and specificity and for which timely results provide significant clinical benefit.

Respiratory infections

The Talis One COVID-19 test

The Talis One COVID-19 test is our first assay in development for respiratory infections. The test cartridge for COVID-19 diagnosis contains a nucleic acid amplification test (NAAT) designed for optimal sensitivity and specificity to provide highly accurate results. The assay on the Talis One cartridge is an isothermal NAAT targeting two physically separated locations in the SARS-CoV-2 genome to increase sensitivity and inclusivity. While natural evolution of the SARS-CoV-2 virus is to be expected, the inclusion of two distinct targets reduces the likelihood that natural mutations in the virus would cause a false negative result when using the Talis One COVID-19 test.

We submitted a request for an EUA to the FDA for our Talis One COVID-19 test in January 2021. An EUA would allow us to market and sell our Talis One platform and COVID-19 test without 510(k) clearance or any other marketing authorization. The duration of any EUA we may receive is uncertain as the FDA may revoke an EUA when it determines the health emergency is over or no longer warrants such authorization or if we fail to comply with the conditions of the EUA. After the emergency period is declared to be over, we expect that the FDA will require companies operating under an EUA to submit a 510(k) pre-market notification for tests such as our COVID-19 test, but we believe the FDA will provide a grace period for such submissions. Accordingly, we plan to complete the requirements for and submit a 510(k) pre-market notification to the FDA for our Talis One COVID-19 test to enable continued marketing when the public health emergency period is declared to be over.

Performance of the Talis One COVID-19 test

As part of our development of our COVID-19 test we assessed the performance of the Talis One platform using anterior or mid-turbinate nasal specimens to tests conducted in a centralized laboratory using the Centers for Disease Control and Prevention (CDC) quantitative polymerase chain reaction assay. In a preclinical assessment comparing the Talis One platform to a reference lab test on 60 matched anterior or mid-turbinate nasal specimens, the Talis One test results exactly matched the central lab results with 100% positive percentage agreement (PPA) and 100% negative percentage agreement (NPA) for detection of SARS-CoV-2, the virus that causes COVID-19. The high PPA and NPA is suggestive of clinical sensitivity and specificity in the broader clinical population and is driven by the very low limits of detection possible on the Talis One platform, e.g. 500 viral particles per milliliter.

Respiratory panels

We also anticipate developing respiratory panels incorporating our COVID-19 test. We are developing tests targeting influenza A and influenza B. If we successfully commercialize the Talis One platform for the diagnosis of COVID-19, we plan to incorporate these flu tests with the COVID-19 test in an upper respiratory panel on a single cartridge and seeking marketing authorizations for such multi-panel tests, whether through the EUA process (if available to us) or through a 510(k) clearance process once available to us.

Infections related to women's health and sexually transmitted infections

We are also developing our Talis One platform to be used for infections related to women's health and sexually transmitted infections. Immediately prior to the current pandemic, we were beginning the process of verification, validation and conducting clinical trials of our Talis One platform for chlamydia and gonorrhea (CT/NG). While we have postponed our CT/NG program to focus on the COVID-19 test, we intend to complete clinical development in this indication and submit a 510(k) pre-market notification to the FDA in the first half of 2022 and pursue authorization to affix a CE Mark from the European Medicines Agency (EMA) by the end of 2022 or approximately six months after 510(k) clearance, if obtained. If cleared or otherwise authorized for marketing, this would be our first commercial offering in our women's health menu. We are planning to develop additional tests for infections related to women's health, including a panel for sexually transmitted infections (STIs) and other infections, such as bacterial vaginosis (BV), urinary tract infections (UTI) and herpes simplex virus (HSV).

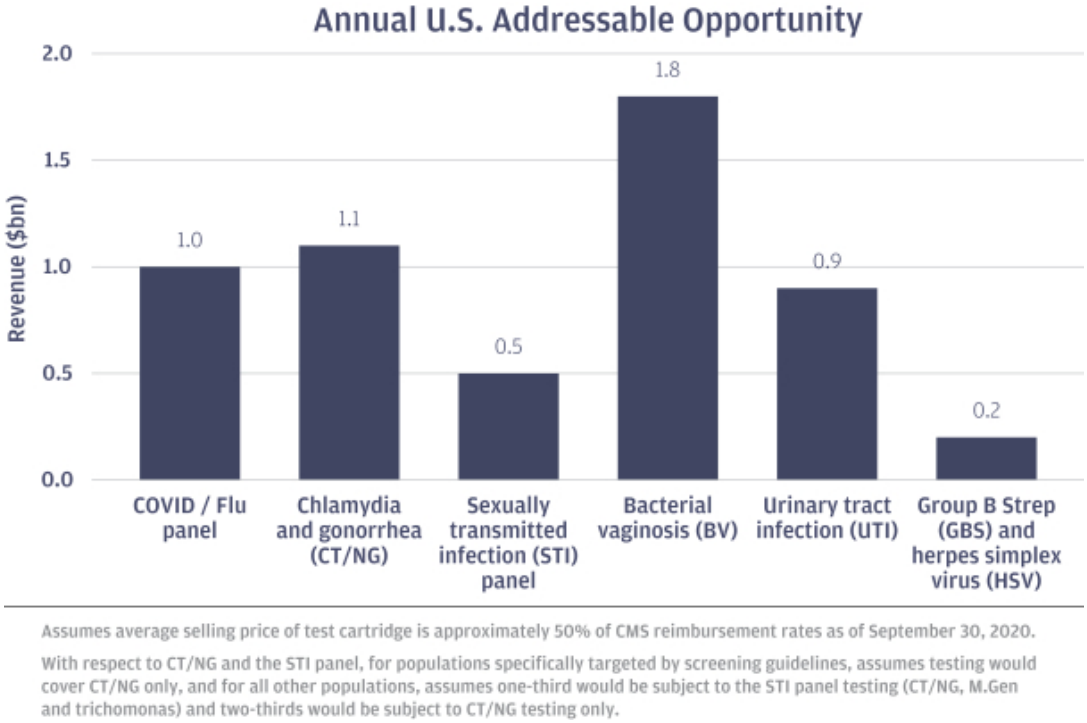
Future applications

We are developing new algorithms and a bioinformatics pipeline to design rapid isothermal assays that are based on isothermal amplification chemistries. On the Talis One platform, we have observed limits of detection

of bacterial pathogens as low as one IFU/mL in a variety of unpurified patient sample types, including nasal swab, vaginal swab, saliva and urine. We have also demonstrated, in a research setting, rapid detection of similarly low concentrations for a variety of bacterial, fungal, parasitic and viral pathogens.

Market opportunity

We are currently developing Talis One tests for COVID-19, other respiratory infections, infections related to women's health and sexually transmitted infections. We estimate that the total potential annualized addressable market opportunity for COVID-19 tests in the United States exceeds $7.0 billion, based on an estimate of daily testing demand of 750,000 tests as of June 2020 and an estimated price of $25 per COVID-19 test, which is roughly 50% of the Centers for Medicare & Medicaid Services (CMS) reimbursed price of approximately $50. We estimate that the potential annualized addressable market opportunity in the United States for our Talis One tests in development for infections related to women's health and sexually transmitted infections and our COVID-Flu Panel was approximately $5.5 billion in 2020. We believe the market opportunity outside the United States for our tests in development is at least as large as the domestic market.



Assumes average selling price of test cartridge is approximately 50% of CMS reimbursement rates as of September 30, 2020.

With respect to CT/NG and the STI panel, for populations specifically targeted by screening guidelines, assumes testing would cover CT/NG only, and for all other populations, assumes one-third would be subject to the STI panel testing (CT/NG, M.Gen and trichomonas) and two-thirds would be subject to CT/NG testing only.

Sales and marketing

Subject to receipt of marketing authorization for our COVID-19 test using our Talis One platform, our initial sales strategy will focus on driving adoption of the Talis One platform in two customer types: enterprise accounts and health care providers. We initially plan to launch Talis One through an enterprise account management team and a direct sales force with approximately 25 sales representatives dedicated to driving

adoption in both categories. With respect to direct sales, we intend to commercialize the Talis One platform through a sales force focused initially on placing platforms with potential customers that place high value on accuracy and our broader test menu in development. Target customer segments include: (1) large elder care chains where vulnerable residents have unmet needs for millions of high sensitivity assays per year; (2) urgent care chains that serve on the front lines of COVID-19 diagnosis, needing millions of rapid tests to triage symptomatic patients; and (3) traditional medical establishments, including hospitals, ambulatory surgery centers, cancer treatment and dialysis centers, independent practice associations, accountable care organizations and public health clinics that need rapid and high-quality testing to best serve their patients. These customers represent large and concentrated testing opportunities for COVID-19. For example, we estimate that a single large elder care chain could represent a COVID-19 testing opportunity of over a million tests per year. In addition, the sales team will directly target smaller accounts including public health clinics, obstetrician and gynecologist practices, primary care doctors and mid-sized physician networks. We may also consider sales to organizations such as schools and school districts as well as corporate customers.

We intend to offer our Talis One platform to customers via direct purchase of the instrument or through a reagent rental program. Under these options we expect to generate revenue in the form of instrument sales or rentals, test cartridge sales and service and support fees.

Our strategy

Our strategy is to improve medical care through the transformation of diagnostic testing by enabling customers in distributed diagnostic locations to deploy accurate, reliable, low cost and rapid molecular testing for infectious diseases and other conditions. To achieve this, we intend to:

- *Pursue marketing authorization and commercialization of our COVID-19 test in the United States.*
- *Increase our low-cost manufacturing capacity for our Talis One instrument and COVID-19 test cartridges.*
- *Complete development of and, if marketing authorizations are obtained, commercialize other Talis One tests for other respiratory infections, infections related to women's health and sexually transmitted infections in the United States*.
- *Pursue marketing authorizations and, if approved, commercialize our products and expand our operations in selected geographies globally.*
- *Continue to invest in capabilities to drive sustainable growth.*

Unaudited preliminary cash and restricted cash

As of December 31, 2020, we estimate that we had approximately $138.4 million in cash and $34.7 million in restricted cash. This estimate of our cash and restricted cash is preliminary and subject to completion, including the completion of audit procedures as of and for the year ended December 31, 2020. As a result, the unaudited preliminary cash and restricted cash set forth above reflects our preliminary estimate with respect to such information, based on information currently available to management, and may vary from our actual financial position as of December 31, 2020. Further, this preliminary estimate is not a comprehensive statement or estimate of our financial results or financial condition as of and for the year ended December 31, 2020. The unaudited preliminary cash and restricted cash included herein has been prepared by, and is the responsibility of, our management. Ernst & Young LLP, our independent registered public accounting firm, has not audited, reviewed, compiled or performed any procedures with respect to the unaudited preliminary cash and restricted

cash. Accordingly, Ernst & Young LLP does not express an opinion or any other form of assurance with respect to the unaudited preliminary cash and restricted cash. It is possible that we or Ernst & Young LLP may identify items that require us to make adjustments to the financial information set forth above. We expect to complete our audited financial statements for the year ended December 31, 2020 subsequent to the completion of this offering. This preliminary estimate should not be viewed as a substitute for financial statements prepared in accordance with accounting principles generally accepted in the United States and they are not necessarily indicative of the results to be achieved in any future period. Accordingly, you should not draw any conclusions based on the foregoing preliminary estimate and should not place undue reliance on this preliminary estimate. We assume no duty to update this preliminary estimate except as required by law.

Summary of risk factors

An investment in shares of our common stock involves a high degree of risk. If any of the factors enumerated below or in the section entitled “Risk factors” occurs, our business, financial condition, liquidity, results of operations and prospects could be materially and adversely affected. In that case, the market price of our common stock could decline, and you may lose some or all of your investment. Some of the more significant risks relating to this offering and an investment in our common stock include:

- There can be no assurance that the COVID-19 test we are developing for the detection of the SARS-CoV-2 virus will be granted an EUA by the FDA. If no EUA is granted or, once granted, it is revoked or the emergency declaration is terminated, we will be unable to sell this product in the near future and will be required to pursue 510(k) clearance or other marketing authorization, which would likely be a lengthy and expensive process.
- We may not be able to obtain marketing authorization for our Talis One platform or for any test.
- We contract with a significant number of third parties for the manufacturing and supply of products, which supply may become limited or interrupted or may not be of satisfactory quality and quantity.
- We have no products approved for commercial sale. We have no or limited experience in developing, marketing and commercializing diagnostic platforms and tests, and we are continuing to evaluate the sales model for the Talis One platform which may make it difficult to evaluate the success of our business and to assess our future viability.
- The COVID-19 pandemic could materially adversely affect our business, financial condition and results of operations.
- If our products do not perform as expected, including due to errors, defects or reliability issues, our reputation and market acceptance of our products could be harmed, and our operating results, reputation and business will suffer.
- We may be unable to manage our growth effectively, which could make it difficult to execute our business strategy.
- We may rely on a small number of customers for a significant portion of our revenue, which may materially adversely affect our financial condition and results of operations.
- Our commercial success could be compromised if our customers do not receive coverage and adequate reimbursement for our products, if approved.

- Modifications to our marketed products may require new EUAs, 510(k) clearances, pre-market approvals, or other marketing authorizations, or may require us to cease marketing or recall the modified products until clearances, approvals or other marketing authorizations are obtained.
- If we are not able to obtain, maintain, defend or enforce patent and other intellectual property protection for products, or if the scope of the patent and other intellectual property protection obtained is not sufficiently broad, our competitors could develop and commercialize products and technology similar or identical to ours, which could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects.
- Some of our intellectual property has been discovered through government funded programs 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 non-U.S. manufacturers.
- We have incurred significant losses since our inception and we anticipate that we will continue to incur losses for the foreseeable future, which could harm our future business prospects.
- We may need to raise additional capital to fund our existing operations, further develop our diagnostic platform, commercialize new products and expand our operations.

Corporate and other information

We were formed as a limited liability company under the Illinois Limited Liability Company Act in March 23, 2010 under the name SlipChip LLC. In June 2013, SlipChip LLC merged with and into SlipChip Corporation, a Delaware corporation, with each member of SlipChip LLC exchanging their respective membership interest for shares of common stock of SlipChip Corporation. In February 2018, we changed our corporate name to Talis Biomedical Corporation. Our principal executive offices are located at 230 Constitution Drive, Menlo Park, California 94025, and our telephone number is (650) 433-3000. Our corporate website address is http://talis.bio. Information contained on or accessible through our website is not a part of this prospectus, and the inclusion of our website address in this prospectus is an inactive textual reference only.

This prospectus contains references to our trademarks, including Talis™ and Talis One™, and to trademarks belonging to other entities. Solely for convenience, trademarks and trade names referred to in this prospectus, including logos, artwork and other visual displays, may appear without the ® or TM symbols, but such references are not intended to indicate, in any way, that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto. We do not intend our use or display of other companies’ trade names or trademarks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

Implications of being an emerging growth company and a smaller reporting company

We qualify as an “emerging growth company” as defined in the Jumpstart Our Business Startups Act, as amended (JOBS Act), enacted in April 2012. An emerging growth company may take advantage of reduced reporting requirements that are otherwise applicable to public companies. These provisions include, but are not limited to:

- being permitted to present only two years of audited financial statements and only two years of related Management’s discussion and analysis of financial condition and results of operations in this prospectus;

- not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended;
- reduced disclosure obligations regarding executive compensation in our periodic reports, proxy statements and registration statements; and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and any golden parachute payments not previously approved.

We may use these provisions until the last day of our fiscal year following the fifth anniversary of the completion of this offering. However, if certain events occur prior to the end of such five-year period, including if we become a “large accelerated filer,” our annual gross revenues exceed $1.07 billion or we issue more than $1.0 billion of non-convertible debt in any three-year period, we will cease to be an emerging growth company prior to the end of such five-year period.

We have elected to take advantage of certain of the reduced disclosure obligations in the registration statement of which this prospectus is a part and may elect to take advantage of other reduced reporting requirements in future filings. As a result, the information that we provide to our stockholders may be different than you might receive from other public reporting companies in which you hold equity interests.

In addition, as an emerging growth company the JOBS Act allows us to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies, unless we later irrevocably elect not to avail ourselves of this exemption. We have elected to use this extended transition period under the JOBS Act; however, we may choose to early adopt new or revised accounting pronouncements, if permitted under such pronouncements.

We are also a “smaller reporting company” as defined in Regulation S-K under the Securities Act of 1933, as amended (Securities Act), and have elected to take advantage of certain of the scaled disclosures available to smaller reporting companies. We may be a smaller reporting company even after we are no longer an emerging growth company.

The offering

Common stock offered by us	10,000,000 shares
Common stock to be outstanding after this offering	19,679,876 shares
Series 1 convertible preferred stock to be outstanding after this offering	29,863,674 shares
Total common stock and Series 1 convertible preferred stock to be outstanding after this offering	49,543,550 shares
Option to purchase additional shares	The underwriters have a 30-day option to purchase up to a total of 1,500,000 additional shares of common stock.
Use of proceeds	We currently intend to use the net proceeds from this offering as follows: (i) commercial activities, including the hiring and training of sales and marketing personnel and marketing initiatives, (ii) research and development activities to expand our Talis One test menu, and (iii) for working capital and other general corporate purposes, including the additional costs associated with being a public company. See “Use of proceeds” for additional information.
Recapitalization	Upon the completion of this offering, all outstanding shares of our convertible preferred stock as of September 30, 2020, after giving effect to (i) the issuance of 4,859,897 shares of our Series F-1 convertible preferred stock and 9,958,539 shares of our Series F-2 convertible preferred stock from October to November 2020 and (ii) the reclassification and renaming of all outstanding shares of Class A common stock into shares of common stock and termination of our Class B common stock in October 2020, will be converted into 7,555,432 shares of our common stock and 29,863,674 shares of our Series 1 convertible preferred stock, and the carrying value of our convertible preferred stock that converted to our common stock will be reclassified to permanent equity. See the section entitled “Description of capital stock” for additional information.
Voting rights	Following this offering, we will have outstanding shares of common stock and outstanding shares of Series 1 convertible preferred stock. The Series 1 convertible preferred stock is a voting common stock equivalent, subject to certain limitations. Except as otherwise expressly provided in our amended and restated certificate of incorporation to be in effect upon the completion of this offering or required by applicable law, on any matter that is submitted to a vote

	of our stockholders, holders of our Series 1 convertible preferred stock are entitled to one vote per share. Holders of shares of our common stock and Series 1 convertible preferred stock will vote together as a single class on all matters (including the election of directors) submitted to a vote of stockholders, subject to certain limitations. See the section entitled “Description of capital stock” for additional information.
Directed share program	At our request, the underwriters have reserved for sale, at the initial public offering price, up to 5% of the shares offered by this prospectus for sale to some of our directors, officers, employees and related persons through a directed share program. If these persons purchase reserved shares, this will reduce the number of shares available for sale to the general public. Any reserved shares that are not so purchased will be offered by the underwriters to the general public on the same terms as the other shares offered by this prospectus.
Risk factors	You should read the “Risk factors” section of this prospectus beginning on page 16 for a discussion of certain of the factors to consider carefully before deciding to purchase any shares of our common stock.
Proposed Nasdaq Global Market symbol	“TLIS”

The number of shares of our common stock and Series 1 convertible preferred stock to be outstanding after this offering is based on 9,679,876 shares of common stock outstanding as of September 30, 2020, after giving effect to (i) the issuance of 4,859,897 shares of our Series F-1 convertible preferred stock and 9,958,539 shares of our Series F-2 convertible preferred stock from October to November 2020, (ii) the reclassification and renaming of all outstanding shares of Class A common stock into shares of common stock and termination of our Class B common stock pursuant to our Seventh Amended and Restated Certificate of Incorporation in October 2020, and (iii) the conversion of our outstanding shares of convertible preferred stock and outstanding shares of common stock into 7,555,432 shares of common stock and 29,863,674 shares of Series 1 convertible preferred stock, and excludes:

- 7,424,661 shares of common stock issuable upon the exercise of outstanding stock options as of September 30, 2020, at a weighted-average exercise price of $3.86 per share;
- 568,523 shares of common stock issuable upon the exercise of outstanding stock options granted after September 30, 2020, at a weighted-average exercise price of $8.67 per share;
- 12,840,904 shares of common stock reserved for future issuance under our 2021 equity incentive plan (2021 Plan), which will become effective upon the execution and delivery of the underwriting agreement for this offering (including shares of common stock reserved for issuance under our 2013 equity incentive plan, as amended (2013 Plan), which shares will be added to the shares reserved under the 2021 Plan upon its effectiveness);
- 550,000 shares of common stock reserved for future issuance under our 2021 employee stock purchase plan (ESPP), which will become effective upon the execution and delivery of the underwriting agreement for this offering; and
- 336,004 shares of common stock issuable upon the exercise of options to purchase shares of our common stock to be granted to certain of our employees under our 2021 Plan, which grants will become effective in

connection with this offering, at an exercise price per share equal to the initial public offering price in this offering.

Unless otherwise indicated, all information contained in this prospectus assumes or gives effect to:

- the issuance of an aggregate of (i) 4,859,897 shares of our Series F-1 convertible preferred stock and (ii) 9,958,539 shares of our Series F-2 convertible preferred stock from October to November 2020;
- the reclassification and renaming of all outstanding shares of Class A common stock into common stock and cancellation of our Class B common stock pursuant to our Seventh Amended and Restated Certificate of Incorporation in October 2020;
- the conversion of all our outstanding shares of convertible preferred stock, into an aggregate of 7,555,432 shares of common stock and 29,863,674 shares of Series 1 convertible preferred stock in connection with the completion of this offering;
- no exercise by the underwriters of their option to purchase up to a total of 1,500,000 additional shares of our common stock;
- no conversion of the Series 1 convertible preferred stock into Series 2 convertible preferred stock or common stock;
- the filing of our amended and restated certificate of incorporation and the adoption of our amended and restated bylaws, each of which will be in effect upon the completion of this offering;
- a 1-for-10 reverse stock split of our common stock and convertible preferred stock effected on December 3, 2019; and
- a 1-for-1.43 reverse stock split of our common stock effected on February 5, 2021.

Summary financial data

The following tables present our selected financial data for the periods and as of the dates indicated. The following summary statements of operations data for the years ended December 31, 2018 and 2019 are derived from our audited financial statements and notes appearing elsewhere in this prospectus. The following summary statements of operations data for the nine months ended September 30, 2019 and 2020 and the summary balance sheet data as of September 30, 2020 have been derived from our unaudited interim condensed financial statements and notes included elsewhere in this prospectus. The unaudited interim condensed financial statements have been prepared in accordance with generally accepted accounting principles in the United States and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to present fairly our financial position of such financial data. You should read this data together with our financial statements and related notes appearing elsewhere in this prospectus and the information in "Selected financial data" and "Management's discussion and analysis of financial condition and results of operations." Our historical results are not necessarily indicative of the results to be expected for any other period in the future and the results of statement of operations data for the nine months ended September 30, 2020 are not necessarily indicative of the results to be expected for the year ended December 31, 2020 or any other period in the future.

	Years ended December 31,		Nine months ended September 30,	
(in thousands, except share and per share data)	**2018**	**2019**	**2019**	**2020**
			(unaudited)	
Statement of Operations Data:				
Grant revenue	$ 2,390	$ 3,977	$ 2,470	$ 10,705
Operating expenses:				
Research and development	18,388	23,812	16,866	49,909
General and administrative	5,432	6,864	5,100	7,798
Total operating expenses	23,820	30,676	21,966	57,707
Loss from operations	(21,430)	(26,699)	(19,496)	(47,002)
Other income (expense):				
Change in estimated fair value of convertible notes	—	(817)	(340)	—
Interest and other (expense)/income	93	42	(2)	68
Total other income (expense):	93	(775)	(342)	68
Net loss and comprehensive loss	$ (21,337)	$ (27,474)	$ (19,838)	$ (46,934)
Net (loss) income attributable to Class A common stockholders	$ (21,337)	$ 26,382	$ (19,838)	$ (46,934)
Net (loss) income per share attributable to Class A common stockholders:				
Basic(1)	$ (40.62)	$ 34.34	$ (37.71)	$ (22.15)
Diluted(1)	$ (40.62)	$ (12.77)	$ (37.71)	$ (22.15)

(in thousands, except share and per share data)	Years ended December 31, 2018	Years ended December 31, 2019	Nine months ended September 30, 2019	Nine months ended September 30, 2020
			(unaudited)	
Weighted average shares used in the calculation of net (loss) income per share attributable to Class A common stockholders:				
Basic(1)	525,244	768,366	526,092	2,118,607
Diluted(1)	525,244	2,150,644	526,092	2,118,607
Pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)(2)		$ (13.42)		$ (10.76)
Pro forma weighted average common stock outstanding, basic and diluted (unaudited)(2)		2,256,306		4,360,325

(1) See Note 2 and 13 to our audited financial statements and Note 12 to our unaudited interim condensed financial statements included elsewhere in this prospectus for further details on the calculations of our basic and diluted net loss per share and the weighted-average number of shares used in the computation of the per share amounts.

(2) The unaudited pro forma basic and diluted net loss per share attributable to common stockholders has been computed to give effect to (i) the conversion of all outstanding convertible preferred stock into 7,555,432 shares of common stock and 29,863,674 shares of Series 1 preferred stock immediately prior to the completion of our planned initial public offering, and (ii) the reclassification and renaming of all outstanding shares of Class A common stock into common stock pursuant to our Seventh Amended and Restated Certificate of Incorporation in October 2020. As we are in a loss position, the 29,863,674 shares of Series 1 preferred stock would be antidilutive and therefore, have been excluded from the computation of diluted net loss per share attributable to common stockholders.

The unaudited pro forma net loss per share attributable to common stockholders was computed using the weighted-average number of shares of common stock outstanding, including the pro forma effect of the aforementioned (i) conversion of all outstanding shares of convertible preferred stock into shares of common stock and Series 1 preferred stock, and (ii) reclassification and renaming of all outstanding shares of Class A common stock into common stock in October 2020, as if such conversion and reclassification had occurred at the beginning of the respective reporting period, or their issuance dates, if later.

The following table sets forth the computation of unaudited pro forma basic and diluted net loss per share attributable to common stockholders giving effect the aforementioned (i) conversion of all outstanding shares of convertible preferred stock into shares of common stock, and (ii) reclassification of all outstanding shares of Class A common stock into common stock, for the year ended December 31, 2019 and the nine-month period ended September 30, 2020:

(in thousands, except share and per share data)	Year ended December 31, 2019	Nine months ended September 30, 2020
Numerator:		
Net income attributable to common stockholders - basic	$ 26,382	$ (46,934)
Exclude effect of Equity Transactions for assumed conversion of convertible preferred stock	(56,658)	—
Pro forma net loss - basic and diluted	$ (30,276)	$ (46,934)
Denominator:		
Weighted-average common stock used in computing net loss per share - basic	768,366	2,118,607
Pro forma adjustment to reflect automatic conversion of convertible preferred stock to common stock upon completion of the proposed initial public offering	1,487,940	2,241,718
Weighted-average number of share used in computing pro forma net loss per common stock - basic and diluted	2,256,306	4,360,325
Pro forma net loss per common stock - basic and diluted	$ (13.42)	$ (10.76)

The table below presents our balance sheet data as of September 30, 2020:

- on an actual basis;
- on a pro forma basis to reflect (1) the issuance of an aggregate of (i) 4,859,897 shares of our Series F-1 convertible preferred stock and (ii) 9,958,539 shares of our Series F-2 convertible preferred stock from October to November 2020 and our receipt of approximately $126.7 million in aggregate gross proceeds therefrom, (2) the reclassification and renaming of all outstanding shares of Class A common stock into common stock and cancellation of our Class B common stock pursuant to our Seventh Amended and Restated Certificate of Incorporation in October 2020, (3) the conversion of all outstanding shares of our convertible preferred stock into 7,555,432 shares of our common stock and 29,863,674 shares of our Series 1 convertible preferred stock and the related reclassification of the carrying value of our convertible preferred stock converted to our common stock as permanent equity in connection with the completion of this offering, and (4) the filing of our amended and restated certificate of incorporation immediately following the completion of this offering; and
- on a pro forma as adjusted basis to give further effect to our issuance and sale of 10,000,000 shares of common stock in this offering at an assumed initial public offering price of $15.00 per share (the midpoint of the price range set forth on the cover page of this prospectus), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

	As of September 30, 2020		
(unaudited, in thousands)	**Actual**	**Pro forma**	**Pro forma as adjusted**
Balance Sheet Data:			
Cash(1)	$ 55,406	$ 178,983	$ 315,375
Total assets	115,252	238,829	374,428
Working capital(2)	92,287	215,864	352,974
Total Liabilities	13,793	13,793	13,075
Convertible preferred stock	167,401	223,383	223,383
Accumulated deficit	(128,710)	(128,710)	(128,710)
Total stockholders' (deficit) equity	(65,942)	1,653	137,970

(1) Each $1.00 increase (decrease) in the assumed initial public offering price of $15.00 per share (the midpoint of the price range set forth on the cover page of this prospectus) would increase (decrease) the pro forma as adjusted cash, total assets, working capital and total stockholders' (deficit) equity after this offering by approximately $9.3 million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and the estimated offering expenses payable by us. An increase of one million shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase our pro forma as adjusted cash, total assets, working capital and total stockholders' (deficit) equity after this offering by approximately $14.0 million, assuming that the assumed initial public offering price remains the same, and after deducting the estimated underwriting discounts and commissions and the estimated offering expenses payable by us. Similarly, a decrease of one million shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would decrease the pro forma as adjusted cash, total assets, working capital and total stockholders' (deficit) equity after this offering by approximately $14.0 million, assuming that the assumed initial public offering price remains the same, and after deducting the estimated underwriting discounts and commissions and the estimated offering expenses payable by us.

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

Risk factors

Investing in our common stock is speculative and 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 contained in this prospectus, including our financial statements and the related notes appearing at the end of this prospectus. If any of the following risks occur, our business, financial condition, results of operations and future growth prospects could be materially and adversely affected. In these circumstances, the market price of our common stock could decline, and you may lose all or part of your investment. This prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of a number of factors, including the risks described below. See "Special note regarding forward-looking statements."

Risks related to our business and strategy

There can be no assurance that the COVID-19 test we are developing for the detection of the SARS-CoV-2 virus will be granted an Emergency Use Authorization (EUA) by the U.S. Food and Drug Administration (FDA). If no EUA is granted or, once granted, it is revoked or the emergency declaration is terminated, we will be unable to sell this product in the near future and will be required to pursue 510(k) clearance or other marketing authorization, which would likely be a lengthy and expensive process.

We submitted a request for an EUA to the FDA in January 2021 for our Talis One platform with COVID-19 molecular diagnostic assay for the automated detection of nucleic acid from the SARS-CoV-2 virus in nasal swab samples from individuals suspected of COVID-19 by their healthcare provider. Our regulatory strategy is to initially submit for the equivalent of a CLIA-moderate authorization to be followed shortly thereafter with a subsequent filing for the equivalent of a CLIA-waived authorization for use in non-laboratory settings. There can be no assurances that the FDA will authorize either of these requests and if we do not receive both authorizations, our business, financial condition, results of operations and future growth prospects could be materially and adversely affected.

An EUA would allow us to market and sell our platform with this assay without the need to pursue the lengthy and expensive 510(k) clearance process or any other marketing authorization process. The FDA may issue an EUA during a public health emergency if it determines that, based on the totality of the scientific evidence, that it is reasonable to believe that the product may be effective, that the known and potential benefits of a product outweigh the known and potential risks, that there is no adequate, approved and available alternative and if certain additional regulatory criteria are met. These standards for marketing authorization are lower than if the FDA were to review our test under its traditional marketing authorization pathways, and we cannot assure you that our COVID-19 test would be cleared or approved under those more onerous clearance and approval standards. As a result, if we do not receive an EUA for our Talis One platform with COVID-19 test, the commercial launch of such products could be significantly delayed, which would adversely impact our business, financial condition and results of operations. The effects of any such delay would also be exacerbated if the demand for COVID-19 tests declines prior to our receipt of any marketing authorization.

If an EUA is granted for our Talis One platform for its intended use in detecting SARS-CoV-2, we will rely on the FDA policies and guidance in connection with the marketing and sale of such products. If these policies and guidance change unexpectedly and/or materially or if we misinterpret them, potential sales of our products could be adversely impacted. In addition, the FDA may revoke an EUA where it is determined that the underlying health emergency no longer exists or warrants such authorization, or if we fail to comply with the conditions of such EUA. It is uncertain whether the widespread availability of approved and effective vaccinations could expedite or influence any such decision making with respect to the underlying health emergency.

The FDA may also revoke an EUA when the circumstances justifying its issuance no longer exist, such as when an alternative is authorized for marketing through the standard procedures, such as through a 510(k) clearance. The FDA has stated that, given the magnitude of the COVID-19 health crisis and the testing capacity challenges in the United States, it has no intention of terminating EUAs for COVID-19 diagnostic tests based solely on a test receiving 510(k) clearance. However, the FDA may change this position at any time and without notice. If granted, we cannot predict how long an EUA for the Talis One platform and COVID-19 test will remain in place. FDA policies regarding diagnostic tests, therapies and other products used to diagnose, treat or mitigate COVID-19 remain in flux as the FDA responds to new and evolving public health information and clinical evidence. Changes to FDA regulations or requirements could require changes to our authorized test, necessitate additional measures, or make it impractical or impossible for us to market our test. The revocation of an EUA, if granted, could necessitate that we pursue the lengthy and expensive 510(k) clearance process, if available, or another similarly burdensome marketing authorization process, such as a *de novo* classification. Indeed, FDA has recommended that manufacturers of tests subject to an EUA pursue pre-market submissions such as a 510(k), *de novo* classification, or pre-market approval (PMA), as applicable, during the declared public health emergency so that their devices can remain on the market after the emergency terminates. As a result, any such revocation could adversely impact our business, financial condition and results of operations.

We may also seek an additional EUA from the FDA for our respiratory panel test in combination with a test for the detection of the SARS-CoV-2 virus. To date, no such combination test has received an EUA in the absence of a previously 510(k)-cleared flu test and the FDA's guidance on the possibility of such an authorization is unclear. If granted, the additional EUAs would allow us to market and sell such additional tests without the need to pursue the lengthy and expensive clearance or approval process for such additional tests (at least for as long as such EUAs are maintained). There is no guarantee that we will be able to obtain any additional EUAs. Further, we cannot predict when any such EUA would terminate in connection with a determination by the FDA regarding the end of the SARS-CoV-2 public health emergency. After the emergency declaration is terminated or the EUA is earlier revoked, we will be required to have 510(k) clearance in order for us to continue marketing and distributing our products. Failure to obtain additional EUAs or the revocation of any EUAs, if obtained, could adversely impact our business, financial condition and results of operations.

We may not be able to obtain marketing authorization for our Talis One platform or for any test, which would adversely affect our business, financial condition and results of operations.

We have focused our efforts on the development of the Talis One platform for FDA clearance or other marketing authorization as a point-of-care testing platform for infectious diseases. A significant portion of our commercial strategy is dependent upon the initial commercialization of our Talis One platform with COVID-19 test pursuant to an EUA, if granted, and on receiving subsequent marketing authorizations with inclusion in clinical guidelines to strengthen our position in establishing coverage and reimbursement of our products with both public and private payors. If we are unable to receive marketing authorization pursuant to an EUA, or if any EUA we receive is later withdrawn or terminates at the conclusion of the public health emergency, we will be required to pursue marketing authorization through the FDA's standard pre-market review pathways, such as a 510(k) clearance, *de novo* classification, or PMA approval. The 510(k) clearance pathway may not be available to us if no suitable predicate device has previously received marketing authorization through the FDA's traditional marketing authorization pathways. In that case, we may be required to pursue a PMA approval or *de novo* classification, both of which are more onerous than the 510(k) clearance pathway. We cannot guarantee that we would be able to satisfy the requirements for marketing authorization under any of these pathways. If we do not receive such marketing authorizations in a timely manner, or at all, or we are not successful in receiving such guideline inclusion, we may not be able to commercialize our products successfully or at all. Additionally, third-party payors may be unwilling to provide sufficient coverage and reimbursement for our products necessary for hospitals and other healthcare providers to adopt our solutions as part of their treatment strategy.

Moreover, development of the data necessary to obtain marketing authorization of a diagnostic test is time-consuming and carries with it the risk of not yielding the desired results. The performance achieved in initial studies may not be repeated in later studies that may be required to obtain marketing authorizations. In addition, limited results from earlier-stage verification studies may not predict results from studies conducted to obtain marketing authorization. Unfavorable results from ongoing preclinical and clinical studies could result in delays, modifications or abandonment of ongoing analytical or future clinical studies, or abandonment of a product development program, or may delay, limit or prevent regulatory approvals or clearances or commercialization of our products, any of which may materially adversely affect our business, financial condition and results of operations. Furthermore, results that would be sufficient for regulatory approval may not demonstrate strong performance characteristics, limiting the market demand for the platform, which would adversely affect our business. See "—Risks related to regulatory matters."

We contract with a significant number of third parties for the manufacturing and supply of products, which supply may become limited or interrupted or may not be of satisfactory quality and quantity.

We do not have any commercial-scale manufacturing facilities. We rely, and expect to continue to rely, on third parties for the manufacture of the Talis One platform and our tests, as well as for commercial supply if any of our products are authorized for marketing. This reliance exposes us to significant risk that we will not have sufficient quantities of our products at an acceptable cost or quality, which could delay, prevent or impair our clinical trials and commercialization efforts. The manufacturing of our Talis One instrument and cartridge involves over 500 raw materials, intermediates and subassemblies. While we do not have any commercial-scale manufacturing facilities, we have invested in the development of multiple automated assembly lines for production of the test cartridges. The automated lines are required to meet the near-term volume commercial needs for the Talis One platform, if we receive an EUA for our COVID-19 test. However, the lines are not complete and could incur substantial delays, costs and may not perform as anticipated, and any failure to perform as anticipated could require us to make significant capital expenditures to make adjustments. Any such delays or required expenditures could prevent us from launching our Talis One platform with COVID-19 test if we receive marketing authorization, which would adversely impact our business, financial condition and results of operations. The effects of any such delays would also be exacerbated if the demand for COVID-19 tests declines prior to our assembly lines becoming fully operational at scale.

As we have not yet operated our assembly lines at scale, it may be difficult to predict the cost of manufacturing our cartridges. We are undertaking a number of initiatives designed to reduce the cost of manufacturing our instruments and diagnostic tests, including reducing the costs of supplies. There is no guarantee that we will be able to achieve planned cost reductions from such initiatives. There may also be unforeseen occurrences that increase our costs, such as increased prices of the components of our diagnostic tests, changes to labor costs or less favorable terms with third-party suppliers or contract manufacturing partners. As a result, even if our automated lines perform as anticipated, we may be unable to manufacture our products, if authorized for marketing, in a profitable manner.

Almost all the materials, enzymes and reagents used in or with our instrument and cartridges are obtained from single source suppliers, which exposes us to significant supplier risk. In addition, we may purchase supplies through purchase orders and may not have long-term supply agreements with, or guaranteed commitments from, many of our suppliers, including single source suppliers. A loss of sufficient supply of such components could require us to expend significant time and resources to develop or license replacement technology and obtain additional marketing authorizations. While we are evaluating redundancy vendors for reagents and other materials there can be no assurance that we will successfully contract for such materials. To further mitigate risk, we are implementing multi-month, multi-lot safety stock strategy to promote an uninterrupted supply of critical or scarce reagents and other materials and, when we can, we negotiate for termination provisions and purchase rights with our third-party manufacturers to allow enough time for us to

find replacement suppliers, if necessary. However, mitigating this risk by keeping a safety stock level of inventory, requires careful management and may result is losses associated with expired inventory or inventory that is otherwise unsuitable for use in our products or for commercial sale.

Our third-party manufacturers may experience manufacturing difficulties due to resource constraints or as a result of labor disputes, or unstable political environments, or health pandemics or epidemics. For example, due to the health crisis of the COVID-19 pandemic, some of the suppliers of materials and components for our instrument and cartridges are facing extreme demand for their services. In particular, certain manufacturers of multiple components of our instrument are currently unable to provide such components to us, or are unable to provide such components on reasonable timelines, without a requirement from the government to do so pursuant to the Defense Production Act of 1950, as amended (DPA). Currently, our contract with the National Institutes of Health (NIH) for Phase 2 of its Rapid Acceleration of Diagnostics (RADx) initiative has been modified to incorporate a Health Resources Priorities and Allocations System (HRPAS) priority rating of DO pursuant to the DPA. This allows us to place the same priority rating on orders for industrial resources that we need to fulfill our rated order with our suppliers. If our suppliers do not comply with such mandates or the RADx contract is subsequently amended to remove the priority rating, we may be unable to manufacture our instruments in sufficient quantities and such event would have a material adverse effect on our business, financial condition and results of operations.

We plan to engage a third-party logistics company to manage the movement of materials between suppliers and for finished goods warehousing. However, if any of our suppliers fails to perform adequately or fulfill our needs, we may be required to incur significant costs and devote significant efforts to find new suppliers and may face delays in processing samples or developing and commercializing our products. For example, a sole supplier supplies us with the enzymes used in our test cartridges. While we acquire these proprietary enzymes from the supplier on customary terms, if we had to replace our enzymes, we may also need to acquire alternate enzymes, and optimize our tests with new enzymes, buffers and amplification conditions. This would most likely result in significant delays in delivering our products to the market and require new applications for marketing authorizations. In addition, the COVID-19 crisis may cause shortages of key supplies, such as pipettes and nasal swabs, that are necessary components of our products. The ability to provision such key supplies may be outside our control and may limit the use of our products and the purchase of our tests.

If our third-party suppliers fail to deliver the required commercial quantities of materials on a timely basis and at commercially reasonable prices, and we are unable to find one or more replacement suppliers capable of production at a substantially equivalent cost in substantially equivalent volumes and quality on a timely basis, the continued commercialization of our instrument and diagnostic tests, the supply of our instrument and diagnostic tests to customers and the development of any future diagnostic tests will be delayed, limited or prevented, which could have material adverse effect on our business, financial condition and results of operations.

Furthermore, all entities involved in the manufacture of our products, are subject to extensive regulation. We do not control the manufacturing process of, and are completely dependent on, our contract manufacturing partners for compliance with these regulations. In the event that any of our manufacturers fails to comply with such requirements or to perform its obligations to us in relation to quality, timing or otherwise, or if our supply of components or other materials becomes limited or interrupted for other reasons, we may be forced to manufacture the materials ourselves, for which we currently do not have the capabilities or resources, or enter into an agreement with another third party, which we may not be able to do so on commercially reasonable terms, if at all. Further, we may be unable to use the product produced by that manufacturer, or if the manufacturer has manufactured product for our commercial sale, if and when we obtain approval, we could be subject to a recall of such product. Any replacement of our manufacturers could require significant effort and expertise because there may be a limited number of qualified replacements. In some cases, the technical skills or technology required to manufacture our products may be unique or proprietary to the original manufacturer

and we may have difficulty transferring such skills or technology to another third party and a feasible alternative may not exist. These factors would increase our reliance on such manufacturer or require us to obtain a license from such manufacturers in order to have another third-party manufacture our products.

The process of changing manufacturers is time consuming, may involve substantial costs and is likely to result in delays or interruptions in the development of products and/or the commercialization of products, if approved. If we are required to change manufacturers for any reason, we will be required to verify that the new manufacturer maintains facilities and procedures that comply with quality standards and with all applicable regulations and guidelines. The delays associated with the verification of a new manufacturer could negatively affect our ability to develop products in a timely or affordable manner.

Our, or a third party's, failure to execute on our manufacturing requirements, to do so on commercially reasonable terms and to comply with applicable regulations could adversely affect our business in a number of ways, including:

- an inability to initiate or continue clinical trials of our products under development;
- delay in submitting regulatory applications, or receiving regulatory approvals, for our products;
- requirements to cease development or to recall batches of our products; and
- in the event of approval to market and commercialize our products, an inability to meet commercial demands for our products or any other future products.

In order to commercialize our products, if approved, we will need to manufacture them in large quantities. We, or our manufacturing partners, may be unable to successfully increase the manufacturing capacity for any of our products in a timely or cost-effective manner, or at all. In addition, quality issues may arise during scale-up activities. If we or our manufacturing partners are unable to successfully scale up the manufacture of our products in sufficient quality and quantity, the development, testing and clinical trials of that product may be delayed or become infeasible, and marketing approval or commercial launch of any resulting product may be delayed or not obtained, which could significantly harm our business.

Additionally, our third-party manufacturers may experience manufacturing difficulties due to resource constraints or as a result of labor disputes, or unstable political environments, or health pandemics or epidemics such as the ongoing COVID-19 pandemic.

We have no products approved for commercial sale. We have no or limited experience in developing, marketing and commercializing diagnostic platforms and tests, and we are continuing to evaluate the sales model for the Talis One platform, which may make it difficult to evaluate the success of our business and to assess our future viability.

To date, we have no commercialization experience as a company. As a result, we have limited experience forecasting future financial performance for our products and our actual results may fall below our financial guidance or other projections, or the expectations of analysts or investors, which could cause the price of our common stock to decline. In addition, we are continuing to evaluate the appropriate sales model for our Talis One platform and cannot predict the proportion of customers that would purchase the Talis One platform or utilize our planned reagent rental model in which the Talis One platform is rented. Changes in the proportion of our customers directly purchasing as compared to accessing the reagent rental model will cause our results of operations to fluctuate making predictions with regard to our operating results highly variable particularly during the early stages of our commercial launch.

Assuming we are successful in obtaining an EUA, we expect to initially market and sell the Talis One platform with our COVID-19 test in the United States. Substantially all of our revenue will initially be dependent upon

such sales, which we expect will continue to be the case until such time as we obtain marketing authorization for subsequent tests. As a result, our future success will depend in large part on our ability to effectively launch the Talis One platform with our COVID-19 test and subsequently introduce enhanced or new tests for the Talis One platform. The launch of new products is inherently uncertain and requires the completion of commercialization activities that are complex, costly, time-intensive and uncertain, and require us to accurately anticipate patients', providers' and, if applicable, payors' attitudes and needs and emerging technology and industry trends. This process is conducted in various stages, and each stage presents the risk that we will not achieve our goals on a timely basis, or at all.

Our commercial success depends, in part, on the acceptance of our diagnostic tests and services as being safe and relatively simple for medical personnel to learn and use, clinically flexible, operationally versatile and, with respect to providers and payers, cost effective. We cannot predict how quickly, if at all, payers, providers, clinics and patients will accept future diagnostic tests and services or, if accepted, how frequently they will be used. These constituents must believe that our diagnostic tests offer benefits over other available alternatives. The degree of market acceptance of our current and future diagnostic tests and services depends on a number of factors, including:

- whether our customers are willing to incur the upfront costs associated with purchasing Talis One instruments;
- whether there is adequate utilization of our tests by clinicians, biopharmaceutical companies and other target groups based on the potential and perceived advantages of our diagnostic tests over those of our competitors;
- the convenience and ease of use of our diagnostic tests relative to those currently on the market;
- the effectiveness of our sales and marketing efforts;
- our ability to provide incremental data that show the clinical benefits and cost effectiveness, and operational benefits, of our diagnostic tests;
- the coverage and reimbursement acceptance of our products and services;
- pricing pressure, including from group purchasing organizations (GPOs), seeking to obtain discounts on our diagnostic tests based on the collective bargaining power of the GPO members;
- negative publicity regarding our or our competitors' diagnostic tests resulting from defects or errors;
- the accuracy of our tests relative to those of our competitors;
- product labeling or product insert requirements by the FDA or other regulatory authorities; and
- limitations or warnings contained in the labeling cleared or approved by the FDA or other authorities.

With respect to our COVID-19 test, our commercial success could also depend on the availability and effectiveness of any vaccinations for COVID-19. Two vaccines for COVID-19 were authorized for emergency use by the FDA in the fourth quarter of 2020. While we do not foresee the authorizations having an immediate and near-term impact on the demand for COVID-19 tests, the vaccines could reduce the future demand for such tests depending on the effectiveness of the vaccines.

Additionally, even if our diagnostic tests achieve widespread market acceptance, they may not maintain that market acceptance over time if competing diagnostic tests or technologies, which are more cost effective or are received more favorably, are introduced. Failure to achieve or maintain market acceptance and/or market share would limit our ability to generate revenue and would have a material adverse effect on our business, financial condition and results of operations.

We may experience research and development, regulatory, marketing and other difficulties that could delay or prevent our introduction of enhanced or new products and result in increased costs and the diversion of management's attention and resources from other business matters. For example, any molecular diagnostic tests that we may enhance or develop may not prove to be clinically effective, or may not meet our desired target product profile or be offered at acceptable cost and with the sensitivity, specificity and other test performance metrics necessary to address the relevant clinical need or commercial opportunity; our molecular diagnostic test performance in commercial settings may be inconsistent with our validation or other clinical data; we may not be successful in achieving market awareness and demand, whether through our own sales and marketing operations or entering into collaborative arrangements; the collaborative arrangements we enter into may not be successful or we may not be able to maintain those that are successful; healthcare providers may not use any tests that we may enhance or develop; or we may otherwise have to abandon a product or service in which we have invested substantial resources.

An important factor in our ability to commercialize our products is collecting data that supports the value proposition of our products, and in particular that our tests are just as accurate and reliable as central lab testing. The data collected from any studies we complete may not be favorable or consistent with our existing data or may not be statistically significant or compelling to the medical community or to third-party payors seeking such data for purposes of determining coverage for our products. Any of the foregoing could have a negative impact on our ability to commercialize our future products, which could have a material adverse effect on our business, financial condition and results of operations.

We may be subject to an order from federal or state governments, including pursuant to the DPA, to distribute the Talis One instrument and our COVID-19 test directly to the government or as directed by the government, which could adversely affect our business, financial condition and results of operations.

The DPA is a federal statute that confers upon the President of the United States a broad set of authorities to influence domestic industry in the interest of national defense. "National defense" can include emergency and disaster response and, since the start of the current COVID-19 crisis, the President of the United States has used this authority more than 30 times to address the public health crisis. Through the DPA, the executive branch has struck agreements with multiple companies to accelerate COVID-19 countermeasures, like N95 protective masks, testing swabs, and vaccine development, and, in September 2020, used the DPA to acquire point-of-care diagnostic testing instruments from two of our potential competitors for placement in nursing homes. The government has now also applied the DPA to our RADx contract to acquire our Talis One instrument, requiring us to prioritize their order over others. The government may similarly apply the DPA, or another law or program, to our other existing contracts or a new contract to acquire our testing instruments or to direct us to distribute our products in a particular manner, and we may be likewise required to prioritize distribution to certain government agencies or other recipients, or to allocate inventory, supplies or facilities for government or government-directed use. The DPA provides that orders pursuant to the statute must "meet regularly established terms of sale or payment" and further provides that no person "shall be held liable for damages or penalties for any act or failure to act resulting directly or indirectly from compliance with a rule, regulation, or order" under the DPA. However, compliance with the DPA could potentially cause business disruption, interfere with our commercial sales and marketing efforts, and depending on the demand, could even prevent or delay our ability to sell our products commercially, or may have other implications that significantly affect our commercialization and development efforts and general ability to conduct our business operations as planned. For example, government directed use of our products under such a program may result in our instruments not being placed in settings where they will be used often for additional tests following the COVID-19 crisis which would adversely affect our long-term commercial plan that is based on the addition of multiple tests for use with the Talis One platform. In addition, such government requirements may adversely affect our regular operations and financial results, result in differential treatment of customers and/or

adversely affect our reputation and customer relationships. It is also possible that any change in the current administration could impact the manner in which the government uses the DPA and its other authorities, and result in additional or different risk to us.

The COVID-19 pandemic could materially adversely affect our business, financial condition and results of operations.

The COVID-19 pandemic is negatively impacting worldwide economic and commercial activity and financial markets, as well as increasing demand for certain components that we use in our Talis One platform. Certain manufacturers of multiple components of our Talis One platform are unable to provide such components to us, or are unable to provide such components on reasonable timelines, without a requirement from the government to do so pursuant to the DPA. Currently, our RADx contract has been modified to incorporate a priority rating of DO pursuant to the DPA. This allows us to place the same priority rating on orders for industrial resources that we need to fulfill our rated order with our suppliers. However, our suppliers may not comply with such mandates and the RADx contract could be subsequently amended and the government may unilaterally remove or withdraw the priority rating. COVID-19 has also resulted in significant business and operational disruptions, including business closures, supply chains disruptions, travel restrictions, stay-at-home orders and limitations on the availability of workforces. We expect that COVID-19 precautions will directly or indirectly impact the timeline for some of our planned clinical trials for our non-COVID-19 related products in development and we are continuing to assess the potential impact of the COVID-19 pandemic on our current and future business and operations, including our expenses and clinical trials, as well as on our industry and the healthcare system. The full impact of COVID-19 is unknown and is rapidly evolving. The extent to which COVID-19 negatively impacts our business and operations will depend on the severity, location and duration of the effects and spread of COVID-19, the actions undertaken by national, regional and local governments and health officials to contain the virus or treat its effects, how quickly and to what extent economic conditions improve and normal business and operating conditions resume, and whether the supply of components will remain sufficient to satisfy market demand and any impact on its pricing. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this “Risk factors” section, such as those relating to our reliance on a limited number of suppliers and our need to raise additional capital to fund our existing operations.

If our products do not perform as expected, including due to errors, defects or reliability issues, our reputation and market acceptance of our products could be harmed, and our operating results, reputation and business will suffer.

Our success depends on physician and customer confidence that we can provide reliable and highly accurate diagnostic tests and enable better patient care. We believe that physicians and other healthcare providers are likely to be particularly sensitive to defects, errors or reliability issues in our products, including if our products fail to accurately diagnose infections with high accuracy from patient samples, and there can be no guarantee that our products will meet their expectations. There is no guarantee that the accuracy and reproducibility we have demonstrated to date will continue as our product deliveries increase and our product portfolio expands.

Our products use a number of complex and sophisticated biochemical and bioinformatics processes, many of which are highly sensitive to external factors. For example, the Talis One platform, comprised of a compact instrument, universal single-use assay cartridges and software, including a central cloud database, may contain undetected errors or defects when first introduced or as new versions are released. Our diagnostic tests may contain errors or defects or be subject to reliability issues, and while we have made efforts to test them extensively, we cannot assure that our current diagnostic tests, or those developed in the future, will not have performance problems. An operational, technological or other failure in one of these complex processes or fluctuations in external variables may result in sensitivity or specificity rates that are lower than we anticipate

or result in longer than expected turnaround times or they may cause our products to malfunction. Due to the complexity of our instrument and cartridge, it may be difficult or impossible to identify the reason for such performance. Performance issues would increase our costs in the near-term and accordingly adversely affect our business, financial condition and results of operations. In addition, failure to maintain high-quality customer support, or a market perception that we do not maintain high-quality customer support, could adversely affect our reputation and our ability to sell our Talis One platform. We may also be subject to warranty claims or breach of contract for damages related to errors, defects or reliability issues in our products.

Further, our products are designed to be used at the customer's location by untrained personnel. We cannot provide assurance that our customers will always use our products in the manner in which we intend. Any intentional or unintentional misuse of our products by our customers could lead to substantial civil and criminal monetary and non-monetary penalties, and could cause us to incur significant legal and investigatory fees.

If our products do not perform, or are perceived to not have performed, as expected or favorably in comparison to competitive products, our operating results, reputation, and business will suffer, and we may also be subject to legal claims arising from product limitations, errors, or inaccuracies.

Additionally, many of the pathogens for which we are developing tests are known to mutate over time. Such mutations may negatively affect the accuracy of our tests or even make our tests obsolete. The failure of our products to perform as expected could significantly impair our operating results and our reputation, including if we become subject to legal claims arising from any defects or errors in our products or test results.

Operational, technical and other difficulties adversely affecting test performance may harm our reputation, impact the commercial attractiveness of our products, increase our costs or divert our resources, including management's time and attention, from other projects and priorities. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

Our products may be subject to recalls in the future. A recall of products, either voluntarily or at the direction of the FDA or another governmental authority, or the discovery of serious safety issues with our products, could have a significant adverse impact on us.

The FDA has the authority to require the recall of commercialized products that are subject to FDA regulation. Manufacturers may, also, under their own initiative, recall a product or service if any deficiency is found. For reportable corrections and removals, companies are required to make additional periodic submissions to the FDA after initiating the recall, and often engage with the FDA on their recall strategy prior to initiating the recall. A government-mandated or voluntary recall by us or a distributor could occur as a result of an unacceptable health risk, component failures, malfunctions, manufacturing errors, design or labeling defects, or other deficiencies and issues. Recalls of any of our commercialized products would divert managerial and financial resources and adversely affect our business, results of operations, financial condition and reputation. A recall of Talis One instruments could be required for any number of problems. Given the number of components, determining the cause of the malfunction may be particularly challenging and costly. In addition, any recall of Talis One instruments would decrease the market for our authorized tests given the decreased availability of such instruments. We may also be subject to liability claims, be required to bear other costs or take other actions that may negatively impact our future sales and our ability to generate profits. Companies are also required to maintain certain records of corrections and removals, even if these do not require reporting to the FDA. We may initiate voluntary recalls involving our commercialized products. The FDA or other agency could take enforcement action for failing to report the recalls when they were conducted. In addition, if we are required to make changes to our products to redress the deficiencies leading to the recall, we may be required to seek marketing authorization for the modified device prior to commercializing it. Any recall

announcement by us or a governmental authority, or any changes that we make to our products as a result of such recall, could harm our reputation with customers and negatively affect our business, financial condition, and results of operations.

If we initiate a recall, including a correction or removal, for one of our commercialized products, issue a safety alert, or undertake a field action or recall to reduce a health risk, this could lead to increased scrutiny by the FDA, other governmental and regulatory enforcement bodies, and our customers regarding the quality and safety of our products, and to negative publicity, including FDA alerts, press releases, or administrative or judicial actions. Furthermore, the submission of these reports could be used against us by competitors and cause customers to delay purchase decisions or cancel orders, which would harm our reputation.

We may be unable to manage our growth effectively, which could make it difficult to execute our business strategy.

We anticipate continued growth in our business operations both inside and outside the United States. Any future growth could create strain on our organizational, administrative, and operational infrastructure, including quality control, customer service, and sales force management. Our ability to manage our growth properly will require us to continue to improve our operational, financial, and managerial controls, as well as our reporting systems and procedures.

The COVID-19 pandemic and current lack of available testing, both at the point-of-care and at centralized laboratories, means there is currently significant demand for accurate COVID-19 tests. If we receive an EUA, we intend to meet as much of this demand as we can, and are currently undertaking rapid growth in all aspects of our business. We anticipate that such activities will increase as we build out a commercial operation. If we are able to successfully commercialize our products, we will need to incorporate new equipment, implement new technology systems, automate equipment processes, obtain additional facilities, hire new personnel with different qualifications, and procure additional manufacturing capabilities to allow us to further develop and manufacture new and existing tests. In addition, following the initial commercial launch, if our volume grows and our test menu expands, if authorized, we expect that we will need to continue to implement customer service, billing, and general process improvements and expand our internal quality assurance program to support increased demand. Customer service could prove to be particularly important given the lack of experience our potential customers will have with our products. While we are currently undertaking the construction of new facilities and improvements to our facilities as part of our rapid growth, such construction may be delayed for reasons that are outside of our control. As a result of the foregoing, there is no assurance that any necessary increases in scale, expansion of personnel, equipment, facilities software and computing capacities, or process enhancements will be successfully implemented.

Further, the challenges of addressing the potential outsized demand for COVID-19 tests due to the pandemic is exacerbated by the fact that we are currently a pre-commercial company. If we receive an EUA for our Talis One platform, we expect to sell our instrument and test for the first time during the crisis. We do not have processes, procedures, or models in place to forecast, predict or manage demand for our products or for ancillary functions such as customer service, technological support, and billing. This inexperience could expose us to several risks. For example, it could make it more likely that we mismanage inventory or distribution, resulting in expired or otherwise unusual products or components of our products. In addition, we do not currently have a sales force or any experience in selling our instrument or tests, to date. Furthermore, in the event that demand for our products were to exceed our initial ability to supply our products, we may initially prioritize the wrong customers, the wrong type of customer, or the wrong geographic areas, any of which will have a negative impact on our potential revenue.

In addition, if we experience a significant increase in demand, additional supplies of raw materials or additional manufacturing capacity may not be available when required on terms that are acceptable to us, or at all, or

suppliers may not be able to allocate sufficient capacity in order to meet our increased requirements, which will adversely affect our business, financial condition and results of operations.

Due to our limited financial resources, we may not be able to manage the expansion of our operations or recruit and train additional qualified personnel in an effective manner. Failure to manage this growth could result in higher costs, declining quality, deteriorating customer service, and slower responses to competitive challenges. A failure in any one of these areas could make it difficult for us to meet market expectations for our products and could damage our reputation, which in turn could have a material adverse effect on our business, financial condition and results of operations.

The diagnostic testing industry is subject to rapid change, which could make our current or future products obsolete.

Our industry is characterized by rapid changes, including technological and scientific breakthroughs, frequent new product introductions and enhancements and evolving industry standards, all of which could make our current products and the other products we are developing obsolete. Concerns about obsolescence could make it particularly difficult to successfully deploy our Talis One platform to a sufficiently broad customer base to enable us to profitably sell our authorized tests in the future. Our future success will depend on our ability to keep pace with the evolving needs of customers on a timely and cost-effective basis and to pursue new market opportunities that develop as a result of scientific and technological advances. We must continuously enhance our Talis One platform and develop new tests to keep pace with evolving standards of care. If we do not update our products to reflect new scientific knowledge our products could become obsolete and sales of our current products and any new products we develop could decline or fail to grow as expected.

If we are unable to establish sales and marketing and customer support capabilities or enter into agreements with third parties to sell and market our current or future products, we may not be successful in commercializing our current or future products, if and when they are approved, and we may not be able to generate any revenue.

We do not currently have a sales or marketing infrastructure and have limited experience in the sales, marketing, customer support or distribution of medical devices. To achieve commercial success for any product for which we retain sales and marketing responsibilities, we must build our sales, marketing, customer support, managerial and other capabilities or make arrangements with third parties to perform these services. We recently hired a Chief Commercial Officer, a VP, Enterprise Sales and a National Sales Director, but have not yet hired or contracted for a sales force. We are currently planning to establish internal sales and marketing teams to address the COVID-19 test opportunity if we receive an EUA for our Talis One platform and anticipate that this will require significant near-term hiring.

There are risks involved with both establishing our own sales and marketing and customer support capabilities and entering into arrangements with third parties to perform these services. For example, recruiting and training a sales force is expensive and time consuming and could delay any product launch. If the commercial launch of the Talis One platform with COVID-19 test or for any future authorized test for which we recruit a sales force and establish marketing capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly, and our investment would be lost if we cannot retain or reposition our sales and marketing personnel.

Factors that may inhibit our efforts to commercialize our current or future products on our own include:

- our inability to recruit and retain adequate numbers of effective sales and marketing personnel;
- the inability of sales personnel to obtain access to enterprise accounts, institutions and/or physicians or educate adequate numbers of these customers on the benefits of ordering our products;

- the initial lack of multiple testing menus to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines; and
- unforeseen costs and expenses associated with creating an independent sales and marketing organization.

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

We may rely on a small number of customers for a significant portion of our revenue, which may materially adversely affect our financial condition and results of operations.

Our initial sales and marketing strategy is focused on enterprise accounts, including: (1) large elder care chains where vulnerable residents have unmet needs for millions of high sensitivity assays per year; (2) urgent care chains that serve on the front lines of COVID-19 diagnosis, needing millions of rapid tests to triage symptomatic patients; and (3) traditional medical establishments, including hospitals, ambulatory surgery centers, cancer treatment and dialysis centers, independent practice associations, accountable care organizations, and public health clinics that need rapid and high-quality testing to best serve their patients. Given the number of Talis One instruments we initially expect to have available for sale following any authorization, such strategy, may result in a customer base that is, initially, concentrated among one or a few customers. There are risks whenever a large percentage of total revenues are concentrated with a limited number of payers and customers. It is not possible for us to predict the level of demand for our diagnostic tests and services that will be generated by any of these customers in the future. If these largest customers were to significantly reduce their use of our instrument, leading to fewer cartridge sales than we are forecasting, it would have a material adverse effect on our business, financial condition and results of operations and could cause significant fluctuations in our results of operations.

Our sales cycle may be lengthy and variable, which may make it difficult for us to forecast revenue and other operating results.

We expect that our enterprise account sales process will involve numerous interactions with multiple individuals within any given organization, and often includes in-depth analysis by potential customers of our products, performance of proof-of-principle studies, preparation of extensive documentation and a lengthy review process. As a result of these factors and the budget cycles of our customers, the time from initial contact with a potential enterprise customer to our receipt of a purchase order may vary significantly and be many months or longer. Given the length and uncertainty of this expected sales cycle, we may experience, fluctuations in our product revenue on a period-to-period basis.

We may not successfully implement our strategy to provide customers access to our platform through alternative non-direct capital sales channels, including our planned reagent rental program or other sales and marketing practices.

Our ability to execute our growth strategy depends upon our ability to drive adoption of the Talis One platform. In addition to direct capital sales of our instrument, we intend to implement methods for customers to access to

our platform through alternatives such as the rental of our instrument instead of purchase. Our ability to execute on this program is unproven. We cannot assure you that we will be successful in developing a rental program nor that it will gain market acceptance. Our failure to execute on this strategy will cause us to be dependent on capital equipment sales and may hinder or delay adoption of our platform.

If our current or future products are not competitive in their intended markets, we may be unable to increase or sustain our revenues or achieve profitability.

Our industry is characterized by rapidly advancing technologies, intense competition and a strong emphasis on intellectual property. Due to the significant interest and growth in diagnostics, we expect ongoing intense competition.

We anticipate facing competition primarily from reference labs and diagnostic companies offering both point-of-care and at-home technologies, including those with antibody, antigen and molecular tests. Competitors in the reference lab category include Laboratory Corporation of America Holdings (commonly referred to as LabCorp) and Quest Diagnostics Incorporated. Competitors with point-of-care diagnostic technology platforms that are either currently available or that are in development include:

- the following company with antibody testing technology: Assure Tech. (Hangzhou) Co., Ltd.;
- the following companies with antigen testing technology: Becton, Dickinson and Company (commonly referred to as BD), Abbott Laboratories, LumiraDx UK Limited and Quidel Corporation; and
- the following companies with molecular testing technology: Abbott Laboratories, Cue Health Inc., Visby Medical, Inc., Cepheid (a subsidiary of Danaher Corporation), Mesa Biotech, Inc. and F. Hoffmann-La Roche AG.

All of the above-listed companies, as well as numerous others, have received an EUA for a point-of-care COVID-19 test. Many of our current or potential competitors, either alone or with their collaboration partners, have significantly greater financial resources and expertise in research and development, manufacturing, regulatory clearance approval and compliance, and sales and distribution than we do. Mergers and acquisitions involving diagnostics companies 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 or customer networks. Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize diagnostic products or services that are more accurate, more convenient to use or more cost-effective than our products. Our competitors also may obtain FDA or other regulatory clearance or approval for their products more rapidly than we may obtain clearance or approval for ours, which could result in our competitors establishing a strong market position before we are able to enter a particular market.

Further, some of our competitors' products are sold at prices that are lower than our anticipated pricing, which could cause sales of our products to decline or force us to reduce our prices, which would harm our revenues, operating income or market share. If we are unable to compete successfully, we may be unable to increase or sustain our revenue or achieve profitability.

To remain competitive, we must continually research and develop improvements to our products. However, we cannot assure you that we will be able to develop and commercialize the improvements to our products on a timely basis. Our competitors may develop and commercialize competing or alternative products and improvements faster than we are able to do so, which would negatively affect our ability to increase or sustain our revenue or achieve profitability.

We have estimated the sizes of the markets for our current and future products, and these markets may be smaller than we estimate.

Our estimates of the annual addressable markets for our COVID-19 test and the additional tests under development are based on a number of internal and third-party estimates as well as the assumed rates at which such products will be reimbursed, or the assumed prices at which we can sell our products for markets that have not been established. While we believe our assumptions and the data underlying our estimates are reasonable, these assumptions and estimates may not be correct and the conditions supporting our assumptions or estimates may change at any time, including as a result of factors outside our control, thereby reducing the predictive accuracy of these underlying factors. Specifically, with respect to the market for our COVID-19 test, the market and competitive landscape are continuously changing. Any number of factors that are outside of our control could make our estimates invalid including the development and distribution of a safe and effective vaccine and/or effective therapies and interventions for COVID-19. Two vaccines for COVID-19 were authorized for emergency use by the FDA in the fourth quarter of 2020. While we do not foresee the authorizations having an immediate and near-term impact on the demand for COVID-19 tests, the vaccines could reduce the future demand for such tests depending on the effectiveness of the vaccines.

If the actual number of patients who would benefit from our products, the price at which we can sell future products or the annual addressable market for our products is smaller than we have estimated, it may impair our sales growth and have an adverse impact on our business, financial condition and results of operations.

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

Our results of operations could be adversely affected by general conditions in the global economy and in the global financial markets. For instance, legal, political and economic uncertainty surrounding the exit of the United Kingdom from the European Union (EU) may be a source of instability in international markets, adversely affect our operations in the EU and United Kingdom and pose additional risks to our business, financial condition, and results of operations. A severe or prolonged global economic downturn could result in a variety of risks to our business, including our ability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy could also strain our manufacturers and suppliers, possibly resulting in supply disruption. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the current economic climate and financial market conditions could adversely impact our business.

We are highly dependent on our senior management team and key personnel, and if we are unable to recruit, train and retain key personnel, we may not achieve our goals.

Our future success depends on our ability to recruit, develop, retain and motivate key personnel. The loss of members of our senior management, research and development, science and engineering, manufacturing and sales and marketing teams could result in delays in product development and harm our business.

We do not maintain fixed-term employment contracts or key man life insurance with any of our employees. Competition for qualified personnel is intense. Our growth depends, in particular, on attracting, retaining and motivating highly skilled sales personnel with the necessary clinical background and ability to understand our systems at a scientific and technical level. Because of the complex and technical nature of our products and the dynamic market in which we compete, any failure to attract, develop, retain and motivate qualified personnel could materially harm our operating results and growth prospects.

If we were sued for product liability or professional liability, we could face substantial liabilities that exceed our resources.

The marketing, sale, and use of our products could lead to the filing of product liability claims were someone to allege that our products identified inaccurate or incomplete information regarding their infections, or otherwise failed to perform as designed. We may also be subject to liability for errors in, a misunderstanding of, or inappropriate reliance upon the information we provide in the ordinary course of our business activities. A product liability or professional liability claim could result in substantial damages and be costly and time-consuming for us to defend.

We maintain product liability and professional liability insurance, but this insurance may not fully protect us from the financial impact of defending against product liability or professional liability claims. Any product liability or professional liability claim brought against us, with or without merit, could increase our insurance rates or prevent us from securing insurance coverage in the future. Additionally, any product liability lawsuit could damage our reputation, which could impact our results of operations.

We depend on our information technology and telecommunications systems, and those of our third-party service providers, contractors and consultants, and any failure of these systems could harm our business.

We depend on our information technology and telecommunications systems and those of our third-party service providers, contractors and consultants for significant elements of our operations. We have installed and are expanding a number of enterprise software systems that affect a broad range of business processes and functional areas, including, for example, systems handling human resources, financial controls and reporting, contract management, and other infrastructure operations. These information technology and telecommunications systems support a variety of functions. In addition, our third-party service providers depend upon technology and telecommunications systems provided by outside vendors.

Despite the implementation of preventative and detective security controls, such information technology and telecommunications systems are vulnerable to damage or interruption from a variety of sources, including telecommunications or network failures or interruptions, system malfunction, natural disasters, malicious human acts, terrorism and war. Failures or significant downtime of our information technology or telecommunications systems, or those used by our third-party service providers, contractors or consultants could prevent us from conducting our comprehensive genomic analyses, preparing and providing reports and data to clinicians, handling customer inquiries, conducting research and development activities, and managing the administrative aspects of our business.

If the information technology systems of our third-party service providers and other contractors and consultants become subject to disruptions, we may have insufficient recourse against such third parties and we may have to expend significant resources to mitigate the impact of such an event, and to develop and implement protections to prevent future events of this nature from occurring. Any disruption or loss of information technology or telecommunications systems on which critical aspects of our operations depend could have an adverse effect on our business, financial condition and results of operations.

Security breaches, loss of data, and other disruptions of our or our third-party service providers' information technology or telecommunications systems could result in a material disruption of our business and expose us to reputational damage and substantial liability.

In the ordinary course of our business, we and our third-party service providers will collect, store and transmit sensitive data, including legally protected health information (PHI), personally identifiable information, intellectual property and proprietary business information owned or controlled by us or our customers. In addition, we offer online customer-facing portals accessible through public web portals. It is critical that we

collect, store and transmit sensitive data in a secure manner to maintain the confidentiality and integrity of such confidential information. We manage and maintain our applications and data utilizing a combination of on-site systems, managed data center systems, and cloud-based data center systems. These applications and related data encompass a wide variety of business-critical information including research and development information, commercial information, and business and financial information.

Although we take measures to protect such information from unauthorized access or disclosure, our information technology and infrastructure, and that of our third-party service providers may be vulnerable to attacks by hackers or malicious software, physical break-ins or breaches due to inadvertent or intentional actions by our employees, third-party service providers, and/or other third parties, malfeasance or other disruptions. We also face the ongoing challenge of managing access controls to our information technology systems. If we do not successfully manage these access controls it further exposes us to risk of security breaches or disruptions. Any such security breaches or disruptions could compromise the security or integrity of our networks or result in the loss, misappropriation, and/or unauthorized access, use, modification or disclosure of, or the prevention of access to, sensitive data or confidential information (including trade secrets or other intellectual property, proprietary business information, and personal information). For example, any such event that leads to unauthorized access, use, or disclosure of personal information, including personal information regarding our customers or employees, could harm our reputation directly, compel us to comply with federal and/or state breach notification laws and foreign law equivalents, subject us to mandatory corrective action, and otherwise subject us to liability under laws and regulations that protect the privacy and security of personal information. If our or our vendors' information systems are breached, sensitive data are compromised, surreptitiously modified, rendered inaccessible for any period of time or maliciously made public, or if we fail to make adequate or timely disclosures to the public or law enforcement agencies following any such event, whether due to delayed discovery or a failure to follow existing protocols, it could result in significant fines, penalties, orders, sanctions and proceedings or actions against us by governmental bodies or other regulatory authorities, clients or third parties. Any of the foregoing could result in significant legal and financial exposure and reputational damages that could potentially have a material adverse effect on our business, financial condition, results of operations and prospects.

Cyber-attacks are increasing in frequency and evolving in nature. We are at risk of attack by a variety of adversaries, including state-sponsored organizations, organized crime, hackers or "hactivists" (activist hackers), through the use of increasingly sophisticated methods of attack, including long-term, persistent attacks referred to as advanced persistent threats. The techniques used to obtain unauthorized access or sabotage systems include, among other things, computer viruses, malicious or destructive code, ransomware, social engineering attacks (including phishing and impersonation), hacking and denial-of-service attacks. For example, we have been subject to phishing incidents and we may experience additional incidents in the future. Our systems are also subject to compromise from internal threats, such as theft, misuse, unauthorized access or other improper actions by employees, vendors and other third parties with otherwise legitimate access to our systems. Given the unpredictability of the timing, nature and scope of information technology disruptions, there can be no assurance that any security procedures and controls that we or our third-party service providers have implemented will be sufficient to prevent cyber-attacks from occurring. The latency of a compromise is often measured in months, but could be years, and we may not be able to detect a compromise in a timely manner. New techniques may not be identified until they are launched against a target, and we may be unable to anticipate these techniques or detect an incident, assess its severity or impact, react or appropriately respond in a timely manner or implement adequate preventative measures, resulting in potential data loss or other damage to our information technology systems.

As the breadth and complexity of the technologies we use and the software and platforms we develop continue to grow, the potential risk of security breaches and cyber-attacks also increases. Our policies, employee

training (including phishing prevention training), procedures and technical safeguards may be insufficient to prevent or detect improper access to confidential, proprietary or sensitive data, including personal data. In addition, the competition for talent in the data privacy and cybersecurity space is intense, and we may be unable to hire, develop or retain suitable talent capable of adequately detecting, mitigating or remediating these risks. As cybersecurity threats continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any information security vulnerabilities. The inability to implement, maintain and upgrade adequate safeguards could have a material adverse effect on our business.

We expect that we may have numerous vendors and other third parties who receive personal data from us in connection with the products we offer our customers. In addition, we have migrated certain data, and may increasingly migrate data, to a cloud hosted by third-party vendors. Some of these vendors and third parties also have direct access to our systems. Due to applicable laws and regulations or contractual obligations, we may be held responsible for any information security failure or cyber-attack attributed to our vendors as they relate to the information we share with them. In addition, because we do not control our vendors and our ability to monitor their data security is limited, we cannot ensure the security measures they take will be sufficient to protect confidential, proprietary, or sensitive data, including personal data, or prevent cyber-attackers from gaining access to our infrastructure or data through our vendors or other third parties.

Regardless of whether an actual or perceived cyber-attack is attributable to us or our third-party service providers, such an incident could, among other things, result in improper disclosure of information, harm our reputation and brand, reduce the demand for our products, lead to loss of customer confidence in the effectiveness of our security measures, disrupt normal business operations or result in our systems or products being unavailable. In addition, it may require us to spend material resources to investigate or correct the breach and to prevent future security breaches and incidents. The costs related to significant security breaches or disruptions could be material and exceed the limits of any cybersecurity insurance we maintain, increase our risk of regulatory scrutiny, expose us to legal liabilities, including litigation, regulatory enforcement, indemnity obligations or damages for contract breach, divert the attention of management from the operation of our business and cause us to incur significant costs, any of which could affect our financial condition, operating results and our reputation. Moreover, there could be public announcements regarding any such incidents and any steps we take to respond to or remediate such incidents, and if securities analysts or investors perceive these announcements to be negative, it could, among other things, have a substantial adverse effect on the price of our common stock. In addition, our remediation efforts may not be successful. Any of the foregoing events could have a material adverse effect on our business, financial condition and results of operations.

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

Our facilities are located in areas, which have experienced severe earthquakes and fires and are at risk for rolling or prolonged power outages. If these earthquakes, fires, other natural disasters, power outages health pandemics or epidemics, terrorism and similar unforeseen events beyond our control, including for example the ongoing COVID-19 pandemic, prevented us from using all or a significant portion of our facilities, it may be difficult or, in certain cases, impossible for us to continue our business for a substantial period of time and/or could result in the loss of commercial inventory or inventory and supplies required for our clinical trials. We do not have a disaster recovery or business continuity plan in place and may incur substantial expenses as a result of the absence or limited nature of our internal or third party service provider disaster recovery and business continuity plans, which, particularly when taken together with our lack of earthquake insurance, could have a material adverse effect on our business. Furthermore, integral parties in our supply chain are operating from

single sites, increasing their vulnerability to natural disasters or other sudden, unforeseen and severe adverse events. If such an event were to affect our supply chain, it could have a material adverse effect on our ability to conduct our clinical trials, our development plans and business.

International expansion of our business exposes us to business, regulatory, political, operational, financial and economic risks associated with doing business outside the United States.

Because we intend to market our products outside the United States, if cleared, authorized or approved, our business is subject to risks associated with doing business outside the United States, including an increase in our expenses and diversion of our management's attention from the development of future products. Accordingly, our business and financial results in the future could be adversely affected due to a variety of factors, including:

- failure by us or our distributors to obtain regulatory clearance, authorization or approval for the use of our products in various countries;
- multiple, conflicting and changing laws and regulations such as privacy security and data use regulations, tax laws, export and import restrictions, economic sanctions and embargoes, employment laws, anti-corruption laws, regulatory requirements, reimbursement or payor regimes and other governmental approvals, permits and licenses;
- additional potentially relevant third-party patent rights;
- complexities and difficulties in obtaining intellectual property protection and maintaining, defending and enforcing our intellectual property;
- difficulties in staffing and managing foreign operations;
- employment risks related to hiring employees outside the United States;
- logistics and regulations associated with shipping samples, including infrastructure conditions and transportation delays;
- limits in our ability to penetrate international markets if we are not able to sell our products locally;
- financial risks, such as longer payment cycles, difficulty collecting accounts receivable, the impact of local and regional financial crises on demand and payment for our products and exposure to foreign currency exchange rate fluctuations;
- natural disasters, political and economic instability, including wars, terrorism and political unrest, outbreak of disease, boycotts, curtailment of trade and other business restrictions;
- regulatory and compliance risks that relate to maintaining accurate information and control over sales and distributors' activities that may fall within the purview of the U.S. Foreign Corrupt Practices Act (FCPA), its books and records provisions, or its anti-bribery provisions, or laws similar to the FCPA in other jurisdictions in which we may now or in the future operate, such as the United Kingdom's Bribery Act of 2010 (U.K. Bribery Act); and
- onerous anti-bribery requirements of several member states in the EU, the United Kingdom, and other countries that are constantly changing and require disclosure of information to which U.S. legal privilege may not extend.

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

We may never obtain authorization to market our tests in any other foreign country for any of our products and, even if we do, we may never be able to commercialize them in any other jurisdiction, which would limit our ability to realize their full market potential.

In order to eventually market any of our products in any particular foreign jurisdiction, we must establish and comply with numerous and varying regulatory requirements on a jurisdiction-by-jurisdiction basis regarding quality, safety, performance and efficacy. In addition, clinical trials or clinical investigations conducted in one country may not be accepted by regulatory authorities in other countries, and regulatory clearance, authorization or approval in one country does not guarantee regulatory clearance, authorization or approval in any other country. For example, the performance characteristics of our products may need to be validated separately in specific ethnic and genetic populations. Marketing authorization processes vary among countries and can involve additional product testing and validation and additional administrative review periods.

Seeking foreign regulatory clearance, authorization or approval could result in difficulties and costs for us and our collaborators and require additional preclinical studies, clinical trials or clinical investigations which could be costly and time-consuming. Regulatory requirements and ethical approval obligations can vary widely from country to country and could delay or prevent the introduction of our products in those countries. The foreign regulatory clearance, authorization or approval process involves all of the risks and uncertainties associated with FDA clearance, authorization or approval. We have no experience in obtaining regulatory clearance, authorization or approval in international markets. If we or our collaborators fail to comply with regulatory requirements in international markets or to obtain and maintain required regulatory clearances, authorizations or approvals in international markets, or if those approvals are delayed, our target market will be reduced and our ability to realize the full market potential of our products will be unrealized.

We may not have adequate insurance coverage.

We may not have adequate insurance coverage. The successful assertion of one or more large claims against us that exceeds our available insurance coverage, or results in changes to our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an adverse effect on our business. In addition, we cannot be sure that our existing insurance coverage and coverage for errors and omissions will continue to be available on acceptable terms or that our insurers will not deny coverage as to any future claim.

Performance issues, service interruptions or price increases by our shipping carriers and warehousing providers could adversely affect our business and harm our reputation and ability to provide our services on a timely basis.

Expedited, reliable shipping and delivery services and secure warehousing are essential to our operations. We rely heavily on providers of transport services for reliable and secure point-to-point transport of our diagnostic tests to our customers and for tracking of these shipments, and from time to time require warehousing for our diagnostic tests, sample collection kits and supplies. Should a carrier encounter delivery performance issues such as loss, damage or destruction of any systems, it would be costly to replace such systems in a timely manner and such occurrences may damage our reputation and lead to decreased demand for our diagnostic tests and increased cost and expense to our business. In addition, any significant increase in shipping or warehousing rates could adversely affect our operating margins and results of operations. Similarly, strikes, severe weather, natural disasters, civil unrest and disturbances or other service interruptions affecting delivery or warehousing services we use would adversely affect our ability to process orders for our diagnostic tests on a timely basis.

We have entered into licenses, collaborations and strategic alliances, and may enter into additional arrangements like these in the future, and we may not realize the anticipated benefits of such arrangements.

The development and potential commercialization of products will require substantial additional capital to fund expenses. We may form or seek further strategic alliances, create joint ventures or collaborations, or enter into additional licensing arrangements with third parties that we believe will complement or augment our development and commercialization efforts with respect to any products that we may develop and commercialize, including in territories outside the United States. These transactions can entail numerous operational and financial risks, including exposure to unknown liabilities, disruption of our business and diversion of our management's time and attention in order to manage a collaboration or develop acquired technologies, incurrence of substantial debt or dilutive issuances of equity securities to pay transaction consideration or costs, higher than expected collaboration, acquisition or integration costs, write-downs of assets or goodwill or impairment charges, increased amortization expenses, difficulty and cost in facilitating the collaboration or combining the operations and personnel of any acquired business, impairment of relationships with key suppliers, manufacturers or customers of any acquired business due to changes in management and ownership and the inability to retain key employees of any acquired business. As a result, if we enter into acquisition or in-license agreements or strategic partnerships, we may not be able to realize the benefit of such transactions if we are unable to successfully integrate them with our existing operations and company culture, or if there are materially adverse impacts on our or the counterparty's operations resulting from COVID-19, which could delay our timelines or otherwise adversely affect our business. We also cannot be certain that, following a strategic transaction or license, we will achieve the revenue or specific net income that justifies such transaction or such other benefits that led us to enter into the arrangement.

Additionally, we sometimes collaborate with academic 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 collaboration. Regardless of such option, we may be unable to negotiate a license within the specified timeframe or under terms that are acceptable to us. If we are unable to do so, the institution may offer the intellectual property rights to other parties, potentially blocking our ability to pursue our program. If we are unable to successfully obtain rights to required third-party intellectual property or to maintain the existing intellectual property rights we have, we may have to abandon development of such program and our business and financial condition could suffer.

Further, rights to certain of the components and technology incorporated into our products are, and in the future, may be held by others, such as one of our suppliers, thinXXS Microtechnology AG (thinXXS). We may be unable to in-license any rights to components, methods of use, processes or other third party intellectual property rights from third parties that we identify. We may fail to obtain any of these licenses at a reasonable cost or on reasonable terms, which would harm our business. Even if we are able to obtain a license, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. In that event, or if we lose access to components or technologies controlled by others, we may be required to expend significant time and resources to develop or license replacement technology. Any such redevelopment or any delays in entering into new collaborations or strategic partnership agreements related to our technologies could delay the development and commercialization of our products in certain geographies, which could harm our business prospects, financial condition, and results of operations.

We may acquire other businesses, which could require significant management attention, disrupt our business, dilute stockholder value and adversely affect our results of operations.

We may in the future make additional acquisitions or investments in complementary companies, diagnostic tests or technologies that we believe fit within our business model and can address the needs of our customers and potential customers. In the future, we may not be able to acquire and integrate other companies,

diagnostic tests or technologies in a successful manner. We may not be able to find suitable acquisition candidates, and we may not be able to complete such acquisitions on favorable terms, if at all. In addition, the pursuit of potential acquisitions may divert the attention of management and cause us to incur additional expenses in identifying, investigating and pursuing suitable acquisitions, whether or not they are consummated. If we do complete acquisitions, we may not ultimately strengthen our competitive position or achieve our goals, including increases in revenue, and any acquisitions we complete could be viewed negatively by our customers, investors and industry analysts.

Future acquisitions may reduce our cash available for operations and other uses and could result in amortization expense related to identifiable assets acquired. We may have to pay cash, incur debt or issue equity securities to pay for any such acquisition, each of which could adversely affect our financial condition or the value of our common stock. The sale or issuance of equity to finance any such acquisitions would result in dilution to our stockholders. The incurrence of indebtedness to finance any such acquisition would result in fixed obligations and could also include covenants or other restrictions that could impede our ability to manage our operations. In addition, our future results of operations may be adversely affected by the dilutive effect of an acquisition, performance earn-outs or contingent bonuses associated with an acquisition. Furthermore, acquisitions may require large, onetime charges and can result in increased debt or contingent liabilities, adverse tax consequences, additional stock-based compensation expenses and the recording and subsequent amortization of amounts related to certain purchased intangible assets, any of which items could negatively affect our future results of operations. We may also incur goodwill impairment charges in the future if we do not realize the expected value of any such acquisitions.

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

Risks related to regulatory matters

We intend to seek to market our products for point-of-care clinical diagnostic use and will be required to obtain marketing authorizations before they can be marketed. Any such regulatory process would be expensive, time-consuming and uncertain both in timing and in outcome. If we fail to obtain or maintain necessary marketing authorizations, or if such authorizations for future products are delayed or not issued, it will negatively affect our business, financial condition and results of operations.

While we are focused initially on the development of the Talis One platform with COVID-19 test, pursuant to an EUA, our strategy is to expand our product line to encompass products that are intended to be used as point-of-care diagnostics for a variety of infectious diseases. Such products will be subject to regulation by the FDA as medical devices, including requirements for regulatory clearance or approval of such products before they can be marketed. Accordingly, we will be required to obtain marketing authorization in order to sell our future products in a manner consistent with FDA laws and regulations. Such processes are expensive, time-consuming and uncertain; our efforts may never result in any marketing authorization; and failure by us to obtain or comply with such marketing authorizations could have an adverse effect on our business, financial condition or operating results.

The FDA or other regulators can delay, limit, or deny clearance, approval, or other form of marketing authorization of a device for many reasons, including:

- our inability to demonstrate to the satisfaction of the FDA or the applicable regulatory entity or notified body that our Talis One platform and any tests we propose for use with it, are substantially equivalent to a legally

marketed predicate device or safe or effective for their proposed intended uses, or meet other standards required to obtain relevant marketing authorizations;

- the disagreement of the FDA with the design or implementation of any clinical trials or the interpretation of data from preclinical studies or clinical trials;
- serious and unexpected adverse device effects experienced by participants in our clinical trials;
- the data from preclinical studies or clinical trials may be insufficient to support clearance or approval, where required;
- our inability to demonstrate that the clinical and other benefits of the device outweigh the risks;
- the manufacturing process or facilities we use may not meet applicable requirements; and
- the potential for approval policies or regulations of the FDA or applicable foreign regulatory bodies to change significantly in a manner rendering our clinical data or regulatory filings insufficient for clearance or approval.

The regulations to which we are subject are complex and have tended to become more stringent over time. Regulatory changes could result in restrictions on our ability to carry on or expand our operations, higher than anticipated costs or lower than anticipated sales. The FDA enforces these regulatory requirements through, among other means, periodic unannounced inspections. We do not know whether we will be found compliant in connection with any future regulatory inspections. Moreover, the FDA and state authorities have broad enforcement powers. Our failure to comply with applicable regulatory requirements could result in enforcement action by any such agency, which may include any of the following sanctions:

- adverse publicity, warning letters, untitled letters, it has come to our attention letters, fines, injunctions, consent decrees and civil penalties;
- repair, replacement, refunds, recall or seizure;
- operating restrictions, partial suspension or total shutdown of production;
- denial of our requests for regulatory clearance or PMA approval or other marketing authorization of new products, new intended uses or modifications to existing products;
- withdrawal of marketing authorization that have already been granted; or
- criminal prosecution.

If any of these events were to occur, it would negatively affect our business, financial condition and results of operations.

In addition, a Clinical Laboratory Improvement Amendments of 1988 (CLIA)-waived designation by the FDA is required for our products to be used at the point-of-care, and outside of the clinical laboratory setting. Laboratory tests regulated under CLIA are categorized by the FDA as waived, moderate complexity or high complexity based on set criteria. Tests that are waived by regulation, or cleared, approved, or otherwise authorized by the FDA for home use or a point-of-care test, are deemed waived following marketing authorization. Otherwise, a manufacturer of a test categorized as moderate complexity may request categorization of the test as waived through a CLIA Waiver by Application submission to the FDA. The manufacturer must provide evidence to the FDA that a test meets the CLIA statutory criteria for waiver, including, among other things, that the test employs methodologies that are so simple and accurate as to render the likelihood of erroneous results by the user negligible. When a test is categorized as waived, it may be

performed by laboratories with a Certificate of Waiver, which is issued by the Centers for Medicare & Medicaid Services (CMS), the federal agency responsible for the oversight of clinical laboratories, which includes issuing waiver certificates. If we fail to obtain, or experience significant delays in obtaining, a waiver approval by the FDA for our tests, our tests will only be able to be performed by CLIA certified and state licensed laboratories, which may limit our commercial success and have an adverse effect on our business, financial condition or operations.

Our commercial success could be compromised if our customers do not receive coverage and adequate reimbursement for our products, if authorized for marketing.

The potential end-users of our Talis One platform and diagnostic tests include large elder care chains where vulnerable residents have unmet needs for millions of high sensitivity assays per year; urgent care chains that serve on the front lines of COVID-19 diagnosis, needing millions of rapid tests to triage symptomatic patients; and traditional medical establishments including hospitals, ambulatory surgery centers, cancer treatment and dialysis centers, independent practice associations, accountable care organizations, and public health clinics that need rapid and high-quality testing to best serve their patients. If these end-users do not receive adequate reimbursement for the cost of our products from their patients' healthcare insurers or payors, the use of our products could be negatively impacted. Furthermore, the net sales of our products could also be adversely affected by changes in reimbursement policies of government or private healthcare payors.

Due to the overall escalating cost of medical products and services, especially in light of the COVID-19 outbreak and its straining of healthcare systems across the globe, there is increased pressure on the healthcare industry, both foreign and domestic, to reduce the cost of products and services. Given the efforts to control and reduce healthcare costs in the United States, available levels of reimbursement may change for our products, if authorized for marketing. Third-party reimbursement and coverage may not be available or adequate in either the United States or international markets, current reimbursement amounts may be decreased in the future and future legislation, and regulation or reimbursement policies of third-party payors, may reduce the demand for our products or our ability to sell our products on a profitable basis.

In the United States, if our products receive clearance or approval from the FDA, we expect that our customers will use standard industry billing codes, known as CPT codes, to bill for our tests. If these codes were to change, there is a risk of an error being made in the claim adjudication process. Such errors can occur with claims submission, third-party transmission or in the processing of the claim by the payer. Claim adjudication errors may result in a delay in payment processing or a reduction in the amount of the payment received, either of which may materially impact the demand for our testing products. If we introduce new testing products, we may need to apply for new codes to describe our tests, which may not be approved or if approved, may not have adequate reimbursement rates, any of which could result in reduced demand for our tests or additional pricing pressures.

Hospitals, physicians and other healthcare providers who purchase diagnostic products in the United States generally rely on third-party payors, such as private health insurance plans, Medicare and Medicaid, to reimburse all or part of the cost of the product. Therefore, our market success is highly dependent upon government and commercial third-party payors providing coverage and adequate reimbursement for our test. While we believe our COVID-19 test will qualify for coverage that is currently available for other COVID-19 tests on the market, coverage criteria and reimbursement rates for diagnostic tests are subject to adjustment by payors, and current reimbursement rates could be reduced, or coverage criteria restricted in the future, which could adversely affect the market for our tests. In particular, the availability of coverage and adequate reimbursement may be impacted at the duration of the public health emergency period. In addition, the availability of other forms of testing in the future, such as at-home COVID-19 tests, could impact the reimbursement rate and market acceptance for our COVID-19 test.

There has been federal and state legislation and other reform initiatives regarding the coverage and reimbursement for COVID-19 diagnostic testing in response to the COVID-19 pandemic. For example, the Families First Coronavirus Response Act (FFCRA) generally requires group health plans and health insurance issuers offering group or individual health insurance to cover FDA approved COVID-19 tests and associated diagnostic costs with no cost-sharing, as long as the test is deemed medically appropriate and furnished on or after March 18, 2020 and during the applicable public health emergency period. The FFCRA also permits states to cover testing for the uninsured through Medicaid with federal financing. Additionally, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) expanded the FFCRA to include a broader range of diagnostic tests and services as well as requiring plans and issuers to cover out-of-network COVID-19 test claims at up to the cash price that the provider has posted on a public website.

CMS announced plans in March 2020 to cover the cost of COVID-19 diagnostic testing under the Medicare program and identified the amount at which it would reimburse for such tests, which has been adjusted numerous times. For example, Medicare adjusted its payment methodology effective January 1, 2021, such that it will pay $100 per test only to those laboratories that complete high throughput COVID-19 diagnostic tests within two calendar days of the specimen being collected and will only pay $75 per test to laboratories that take longer than two days to complete such test. This change is indicative of the evolving nature of the coverage and reimbursement of COVID-19 tests.

We also cannot predict whether future healthcare initiatives will be implemented at the federal or state level or in countries outside of the United States in which we may do business in the future, or the effect any future legislation or regulation will have on us. Although we cannot predict the full effect of recent legislative changes, such changes individually or in the aggregate may result in decreased profits to us and/or lower reimbursement by payers for our tests, which may adversely affect our business, financial condition and results of operations.

In addition, the coverage and reimbursement market is ever changing and we are not in control of how our competitors' coverage and pricing strategies are established. Some of our competitors have widespread brand recognition and substantially greater financial and technical resources and development, production and marketing capabilities than we do. Others may develop lower-priced, less complex tests that payors and physicians could view as functionally equivalent to our products, which could force us to lower the list price of our tests and impact our operating margins and our ability to achieve and maintain profitability. In addition, technological innovations that result in the creation of enhanced diagnostic tools that are more effective than ours may enable other hospitals, physicians or medical providers to provide specialized diagnostic tests similar to ours in a more patient-friendly, efficient or cost-effective manner than is currently possible. If we cannot compete successfully against current or future competitors, we may be unable to increase or create market acceptance and sales of our products, which could prevent us from increasing or sustaining our revenue or achieving or sustaining profitability.

Modifications to our marketed products may require new EUAs, 510(k) clearances, PMA approvals, or other marketing authorizations, or may require us to cease marketing or recall the modified products until clearances, approvals, or other marketing authorizations are obtained.

Modifications to any products for which we receive clearance, approval, or other marketing authorization may require new regulatory approvals, clearances, or marketing authorizations, including 510(k) clearances or PMA approvals, or in the case of our COVID-19 test, new EUAs, or require us to recall or cease marketing the modified systems until these clearances, approvals, or other marketing authorizations are obtained. The FDA requires device manufacturers to initially make and document a determination of whether or not a modification requires a new approval, supplement or clearance. For a product subject to 510(k) clearance, a manufacturer may determine that a modification could not significantly affect safety or efficacy and does not represent a major change in its intended use, so that no new 510(k) clearance is necessary. However, the FDA can review a

manufacturer's decision and may disagree. The FDA may also on its own initiative determine that a new clearance, approval, or marketing authorization is required. If the FDA disagrees and requires new clearances, approvals, or other marketing authorizations for the modifications, we may be required to recall and to stop marketing the modified products, which could require us to seek new marketing authorizations and harm our operating results. In these circumstances, we may be subject to significant enforcement actions. Moreover, even if we seek new clearances, approvals, or other marketing authorizations for our modifications, we may not obtain clearance, approval, or other marketing authorizations in a timely manner, if at all. Obtaining clearances and approvals can be a time consuming process, and delays in obtaining required future clearances or approvals would adversely affect our ability to introduce new or enhanced products in a timely manner, which in turn would harm our future growth.

Clinical trials may be necessary to support future product submissions to the FDA. The clinical trials that may be required for our products are expensive and time-consuming, their outcome is uncertain, and if our clinical trials do not meet the stated endpoints in their evaluations, or if we experience significant delays in any of these tests or trials, our ability to commercialize our products and our financial position will be impaired.

Clinical development is a long, expensive and uncertain process with several clinical trials involved, any of which is subject to significant delays. Due to known or unknown circumstances beyond our control, it may take us several years to complete our testing, and failure can occur at any stage of testing. Delays associated with products for which we are directly conducting preclinical or clinical trials may cause us to incur additional operating expenses.

Moreover, the results of early clinical trials are not necessarily predictive of future results, and any product we advance into clinical trials may not have favorable results in later clinical trials. The results of preclinical studies and clinical trials of our products conducted to date and ongoing or future studies and trials of our current, planned or future products may not be predictive of the results of later clinical trials, and interim results of a clinical trial do not necessarily predict final results. Our interpretation of data and results from our clinical trials do not ensure that we will achieve similar results in future clinical trials. In addition, preclinical and clinical data are often susceptible to various interpretations and analyses, and many companies that have believed their products performed satisfactorily in preclinical studies and earlier clinical trials have nonetheless failed to replicate results in later clinical trials. Products in later stages of clinical trials may fail to show the desired safety and efficacy despite having progressed through nonclinical studies and earlier clinical trials. Failure can occur at any stage of clinical testing. Our clinical studies may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical and non-clinical testing in addition to those we have planned.

The commencement and rate of completion of clinical trials may be delayed by many factors, including, for example:

- we may be required to submit an Investigational Device Exemption (IDE) application to the FDA, which must become effective prior to commencing certain human clinical trials of medical devices, and the FDA may reject our IDE application and notify us that we may not begin clinical trials;
- regulators and other comparable foreign regulatory authorities may disagree as to the design or implementation of our clinical trials;
- regulators and/or an Institutional Review Board (IRB), or other reviewing bodies may not authorize us or our investigators to commence a clinical trial, or to conduct or continue a clinical trial at a prospective or specific trial site;

- we may not reach agreement on acceptable terms with prospective contract research organizations (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;
- clinical trials may produce negative or inconclusive results, and we may decide, or regulators may require us, to conduct additional clinical trials or abandon product development programs;
- the number of subjects or patients required for clinical trials may be larger than we anticipate, enrollment in these clinical trials may be insufficient or slower than we anticipate, and the number of clinical trials being conducted at any given time may be high and result in fewer available patients for any given clinical trial, or patients may drop out of these clinical trials at a higher rate than we anticipate;
- our third party contractors, including those manufacturing products or conducting clinical trials on our behalf, may fail to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all;
- we might have to suspend or terminate clinical trials for various reasons, including a finding that the subjects are being exposed to unacceptable health risks;
- we may have to amend clinical trial protocols or conduct additional studies to reflect changes in regulatory requirements or guidance, which we may be required to submit to an IRB and/or regulatory authorities for re-examination;
- regulators, IRBs, or other parties may require or recommend that we or our investigators suspend or terminate clinical research for various reasons, including safety signals or noncompliance with regulatory requirements;
- the cost of clinical trials may be greater than we anticipate;
- clinical sites may not adhere to the clinical protocol or may drop out of a clinical trial;
- we may be unable to recruit a sufficient number of clinical trial sites;
- regulators, IRBs, or other reviewing bodies may fail to approve or subsequently find fault with our manufacturing processes or facilities of third party manufacturers with which we enter into agreement for clinical and commercial supplies, the supply of devices or other materials necessary to conduct clinical trials may be insufficient, inadequate or not available at an acceptable cost, or we may experience interruptions in supply;
- approval policies or regulations of the FDA or applicable foreign regulatory agencies may change in a manner rendering our clinical data insufficient for approval; and
- our current or future products may have undesirable side effects or other unexpected characteristics.

In addition, disruptions caused by the COVID-19 pandemic may increase the likelihood that we encounter such difficulties or delays in initiating, enrolling, conducting or completing our planned and ongoing clinical trials. Clinical trials must be conducted in accordance with the laws and regulations of the FDA and other applicable regulatory authorities' legal requirements, regulations or guidelines, and are subject to oversight by these governmental agencies and IRBs at the medical institutions where the clinical trials are conducted. Conducting successful clinical studies will require the enrollment of large numbers of patients, and suitable patients may be difficult to identify and recruit. Patient enrollment in clinical trials and completion of patient participation and follow-up depends on many factors, including the size of the patient population, the nature of the trial protocol, the attractiveness of, or the discomforts and risks associated with, the treatments received by enrolled

subjects, the availability of appropriate clinical trial investigators, support staff, and proximity of patients to clinical sites and ability to comply with the eligibility and exclusion criteria for participation in the clinical trial and patient compliance. For example, patients may be discouraged from enrolling in our clinical trials if the trial protocol requires them to undergo extensive post-treatment procedures or follow-up to assess the safety and effectiveness of our products or if they determine that the treatments received under the trial protocols are not attractive or involve unacceptable risks or discomforts.

We depend on our collaborators and on medical institutions and CROs to conduct our clinical trials in compliance with good clinical practice (GCP) requirements. To the extent our collaborators or the CROs fail to enroll participants for our clinical trials, fail to conduct the study to GCP standards or are delayed for a significant time in the execution of trials, including achieving full enrollment, we may be affected by increased costs, program delays or both. In addition, clinical trials that are conducted in countries outside the United States may subject us to further delays and expenses as a result of increased shipment costs, additional regulatory requirements and the engagement of non-U.S. CROs, as well as expose us to risks associated with clinical investigators who are unknown to the FDA, and different standards of diagnosis, screening and medical care.

Development of sufficient and appropriate clinical protocols to demonstrate safety and efficacy are required and we may not adequately develop such protocols to support clearance and approval. Further, the FDA may require us to submit data on a greater number of patients than we originally anticipated and/or for a longer follow-up period or change the data collection requirements or data analysis applicable to our clinical trials. Delays in patient enrollment or failure of patients to continue to participate in a clinical trial may cause an increase in costs and delays in the approval and attempted commercialization of our products or result in the failure of the clinical trial. In addition, despite considerable time and expense invested in our clinical trials, the FDA may not consider our data adequate to demonstrate safety and efficacy. Such increased costs and delays or failures could adversely affect our business, operating results and prospects.

Even if we receive marketing authorization for a planned product, we and our suppliers will be subject to ongoing regulatory obligations and continued regulatory review, which may result in significant additional expense and subject us to penalties if we fail to comply with applicable regulatory requirements.

Any product for which we obtain clearance, approval, or other marketing authorization, and the manufacturing processes, post-market surveillance, post-approval clinical data and promotional activities for such product, will be subject to continued regulatory review, oversight, requirements, and periodic inspections by the FDA and other domestic and foreign regulatory bodies. In particular, unless exempt, we and our suppliers are required to comply with the FDA's Quality System Regulation (QSR) and other regulations enforced outside the United States which cover the manufacture of our products and the methods and documentation of the design, testing, production, control, quality assurance, labeling, packaging, storage and shipping of medical devices. Regulatory bodies, such as the FDA, enforce the QSR and other regulations through periodic inspections. The failure by us or one of our suppliers to comply with applicable statutes and regulations administered by the FDA and other regulatory bodies, or the failure to timely and adequately respond to any adverse inspectional observations or product safety issues, could result in, among other things, any of the following enforcement actions:

- untitled letters, warning letters, fines, injunctions, consent decrees and civil penalties;
- unanticipated expenditures to address or defend such actions
- customer notifications for repair, replacement, refunds;
- recall, detention or seizure of our products;

- operating restrictions or partial suspension or total shutdown of production;
- refusing or delaying our requests for an EUA, 510(k) clearance or PMA approval of new products or modified products;
- operating restrictions;
- withdrawal of EUAs, 510(k) clearances on PMA approvals that have already been granted;
- refusal to grant export approval for our products; or
- criminal prosecution.

If any of these actions were to occur it would harm our reputation and cause our product sales and profitability to suffer and may prevent us from generating revenue. Furthermore, our key component suppliers may not currently be or may not continue to be in compliance with all applicable regulatory requirements which could result in our failure to produce our products on a timely basis and in the required quantities, if at all.

In addition, we are required to conduct costly post-market testing and surveillance to monitor the safety or effectiveness of our products, and we must comply with medical device reporting requirements, including the reporting of adverse events and malfunctions related to our products. Later discovery of previously unknown problems with our products, including unanticipated adverse events or adverse events of unanticipated severity or frequency, manufacturing problems, or failure to comply with regulatory requirements such as the QSR, may result in changes to labeling, restrictions on such products or manufacturing processes, withdrawal of the products from the market, voluntary or mandatory recalls, a requirement to repair, replace or refund the cost of any medical device we manufacture or distribute, fines, suspension of regulatory approvals, product seizures, injunctions or the imposition of civil or criminal penalties which would adversely affect our business, operating results and prospects.

Any government investigation of alleged violations of law could require us to expend significant time and resources in response, and could generate negative publicity. Any failure to comply with ongoing regulatory requirements may significantly and adversely affect our ability to commercialize and generate revenue from our products. If regulatory sanctions are applied or if regulatory clearance or approval is withdrawn, it would have a material adverse effect on our business, financial condition and results of operations.

Our products may cause or contribute to adverse medical events or be subject to failures or malfunctions that we are required to report to the FDA, and if we fail to do so, we would be subject to sanctions that could harm our reputation, business, financial condition and results of operations. The discovery of serious safety issues with our products, or a recall of our products either voluntarily or at the direction of the FDA or another governmental authority, could have a negative impact on us.

We are subject to the FDA's medical device reporting regulations and similar foreign regulations, which require us to report to the FDA when we receive or become aware of information that reasonably suggests that one or more of our products may have caused or contributed to a death or serious injury or malfunctioned in a way that, if the malfunction were to recur, it could cause or contribute to a death or serious injury. The timing of our obligation to report is triggered by the date we become aware of the adverse event as well as the nature of the event. We may fail to report adverse events of which we become aware within the prescribed timeframe. We may also fail to recognize that we have become aware of a reportable adverse event, especially if it is not reported to us as an adverse event or if it is an adverse event that is unexpected or removed in time from the use of the product. If we fail to comply with our reporting obligations, the FDA could take action, including warning letters, untitled letters, administrative actions, criminal prosecution, imposition of civil monetary penalties, revocation of our device clearance or approval, seizure of our products or delay in clearance or approval of future products.

The FDA and foreign regulatory bodies have the authority to require the recall of commercialized products in the event of material deficiencies or defects in design or manufacture of a product or in the event that a product poses an unacceptable risk to health. The FDA's authority to require a recall must be based on a finding that there is reasonable probability that the device could cause serious injury or death. We may also choose to voluntarily recall a product if any material deficiency is found. A government-mandated or voluntary recall by us could occur as a result of an unacceptable risk to health, component failures, malfunctions, manufacturing defects, labeling or design deficiencies, packaging defects or other deficiencies or failures to comply with applicable regulations. Product defects or other errors may occur in the future.

Depending on the corrective action we take to redress a product's deficiencies or defects, the FDA may require, or we may decide, that we will need to obtain new clearances or approvals for the device before we may market or distribute the corrected device. Seeking such clearances or approvals may delay our ability to replace the recalled devices in a timely manner. Moreover, if we do not adequately address problems associated with our devices, we may face additional regulatory enforcement action, including FDA warning letters, product seizure, injunctions, administrative penalties or civil or criminal fines.

Companies are required to maintain certain records of recalls and corrections, even if they are not reportable to the FDA. We may initiate voluntary withdrawals or corrections for our products in the future that we determine do not require notification of the FDA. If the FDA disagrees with our determinations, it could require us to report those actions as recalls and we may be subject to enforcement action. A future recall announcement could harm our reputation with customers, potentially lead to product liability claims against us and negatively affect our sales. Any corrective action, whether voluntary or involuntary, as well as defending ourselves in a lawsuit, will require the dedication of our time and capital, distract management from operating our business and may harm our reputation and financial results.

Changes in funding or disruptions at the FDA and other government agencies caused by funding shortages or global health concerns could hinder their ability to hire and retain 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, or otherwise prevent those agencies from performing normal business functions on which the operation of our business may rely, which could negatively impact our business.

The ability of the FDA to review and approve new products can be affected by a variety of factors, including government budget and funding levels, ability to hire and retain key personnel and accept the payment of user fees, and statutory, regulatory, and policy changes, and other events that may otherwise affect the FDA's ability to perform routine functions. Average review times at the agency have fluctuated in recent years as a result. In addition, government funding of other government agencies on which our operations may rely, including those that fund research and development activities is subject to the political process, which is inherently fluid and unpredictable.

Disruptions at the FDA and other agencies may also slow the time necessary for new product applications to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, in recent years, including for 35 days beginning on December 22, 2018, the U.S. government shut down several times and certain regulatory agencies, including the FDA, had to furlough critical employees and stop critical activities. Separately, in response to the COVID-19 pandemic, on March 10, 2020 the FDA announced its intention to postpone most inspections of foreign manufacturing facilities. On March 18, 2020, the FDA temporarily postponed routine surveillance inspections of domestic manufacturing facilities and provided guidance regarding the conduct of clinical trials. Subsequently, on July 10, 2020 the FDA announced its intention to resume certain on-site inspections of domestic manufacturing facilities subject to a risk-based prioritization system. The FDA intends to use this risk-based assessment system to identify the categories of regulatory activity that can occur within a given geographic area, ranging from mission critical inspections to

resumption of all regulatory activities. Regulatory authorities outside the United States may adopt similar restrictions or other policy measures in response to the COVID-19 pandemic. If a prolonged government shutdown occurs, or if global health concerns continue to prevent the FDA or other regulatory authorities from conducting their regular inspections, reviews, or other regulatory activities, it could significantly impact the ability of the FDA or other regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

We expect to rely on third parties in conducting future clinical studies of diagnostic products that may be required by the FDA or other regulatory authorities, and those third parties may not perform satisfactorily.

We do not have the ability to independently conduct clinical trials that may be required to obtain FDA and other regulatory clearance or approval for future diagnostic products. Accordingly, we expect that we would rely on third parties, such as, laboratories, clinical investigators, CROs, consultants, and collaborators to conduct such studies if needed. Our reliance on these third parties for clinical and other development activities would reduce our control over these activities but will not relieve us of our responsibilities. We will remain responsible for ensuring that each of our clinical studies is conducted in accordance with the general investigational plan and protocols for the study. Moreover, the FDA requires us to comply with standards, commonly referred to as GCPs, for conducting, recording and reporting the results of clinical studies to assure that data and reported results are credible and accurate and that the rights, integrity, and confidentiality of patients in clinical studies are protected. Furthermore, these third parties may also have relationships with other entities, some of which may be our competitors. To the extent our collaborators or the CROs fail to enroll participants for our clinical trials, fail to conduct the study to current GCP standards or are delayed for a significant time in the execution of trials, including achieving full enrollment, including on account of the outbreak of infectious disease, such as the COVID-19 pandemic, or otherwise, we may be affected by increased costs, program delays or both, any resulting data may be unreliable or unusable for regulatory purposes, and we may be subject to enforcement action.

If these third parties do not successfully carry out their contractual duties or regulatory obligations or meet expected deadlines, if the third parties need to be replaced or if the quality or accuracy of the data they obtain is compromised, our preclinical development activities or clinical trials may be extended, delayed, suspended or terminated, and we may not be able to obtain regulatory approval for, or successfully commercialize, our products on a timely basis, if at all, and our business, operating results and prospects may be adversely affected.

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

We are subject to numerous state and federal laws and regulations that govern the collection, transmission, storage, dissemination, use, privacy, confidentiality, security, availability, integrity, and other processing of individually identifiable information. The legislative and regulatory landscape for privacy and data protection continues to evolve in jurisdictions worldwide, and there has been an increasing focus on privacy and data protection issues with the potential to affect our business. Failure to comply with any of these laws and regulations could result in enforcement actions against us, including fines, imprisonment of company officials and public censure, claims for damages by affected individuals, damage to our reputation and loss of goodwill, any of which could have a material adverse effect on our business.

As we seek to expand our business, we are, and will increasingly become, subject to various laws, regulations and standards, as well as contractual obligations, relating to the collection, use, retention, security, disclosure, transfer and other processing of sensitive and personal information in the jurisdictions in which we operate. In

many cases, these laws, regulations and standards apply not only to third-party transactions, but also to transfers of information between or among us and other parties with which we have commercial relationships. These laws, regulations and standards may be interpreted and applied differently over time and from jurisdiction to jurisdiction, and it is possible that they will be interpreted and applied in ways that will materially and adversely affect our business, financial condition and results of operations. The regulatory framework for data privacy, data security and data transfers worldwide is rapidly evolving and, as a result, interpretation and implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future.

There are numerous U.S. federal and state laws and regulations related to the privacy and security of personal information. These laws and regulations include the Health Insurance Portability and Accountability Act of 1996 (HIPAA), as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 (HITECH), which establishes a set of national privacy and security standards for the protection of PHI, by health plans, healthcare clearinghouses and certain healthcare providers, referred to as covered entities, and the business associates and their subcontractors with whom such covered entities contract for services that involve the creation, receipt, maintenance or transmission of PHI for or on behalf of a covered entity or another business associate. HIPAA requires covered entities and business associates to develop and maintain policies and procedures with respect to PHI that is used or disclosed, including the adoption of administrative, physical and technical safeguards to protect such information and ensure the confidentiality, integrity and availability of electronic PHI. For instance, we plan to offer cloud-based portal software to help our customers more efficiently use our products. The software will maintain security safeguards that are designed to be consistent with HIPAA, as amended by HITECH, but we cannot guarantee that these safeguards will not fail or that they will not be deemed inadequate in the future. In addition, we could be subject to periodic audits for compliance with the HIPAA Privacy and Security Standards by the U.S. Department of Health and Human Services (HHS) and our customers. The HHS Office for Civil Rights may impose significant penalties on entities subject to HIPAA for a failure to comply with a requirement of HIPAA. Penalties will vary significantly depending on factors such as the date of the violation, whether the entity knew or should have known of the failure to comply, or whether the entity's failure to comply was due to willful neglect. A single breach incident can result in violations of multiple standards. A person who knowingly obtains or discloses individually identifiable health information in violation of HIPAA may face significant criminal penalties and imprisonment. HIPAA also authorizes state attorneys general to file suit on behalf of their residents. Courts may award damages, costs and attorneys' fees related to violations of HIPAA in such cases. While HIPAA does not create a private right of action allowing individuals to sue us in civil court for violations of HIPAA, its standards have been used as the basis for duty of care in state civil suits such as those for negligence or recklessness in the misuse or breach of PHI. Additionally, if we are unable to properly protect the privacy and security of the PHI of our customers, we could be found to have breached our contracts. Determining whether PHI has been handled in compliance with applicable privacy standards and our contractual obligations can be complex and we cannot be sure how these regulations will be interpreted, enforced or applied to our operations.

In addition, many states in which we operate have laws that protect the privacy and security of sensitive and personal information, including health-related information. Certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to sensitive and personal information than federal, international or other state laws, and such laws may differ from each other, which may complicate compliance efforts. For example, the California Consumer Privacy Act of 2018 (CCPA), which increases privacy rights for California residents and imposes stringent data privacy and security obligations on companies that process their personal information, came into effect on January 1, 2020. Among other things, the CCPA requires covered companies to provide new disclosures to California consumers and provide such consumers new data protection and privacy rights, including the ability to opt-out of certain sales of personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for certain data breaches that result in the loss of personal information. This private right of action may increase the likelihood of, and risks associated with, data breach litigation. The CCPA has been amended from time to time, and it is possible that

further amendments will be enacted, but even in its current form it remains unclear how various provisions of the CCPA will be interpreted and enforced. State laws are changing rapidly and there is continuing discussion in Congress of a new federal data protection and privacy law to which we would become subject if it is enacted. All of these evolving compliance and operational requirements impose significant costs that are likely to increase over time, may require us to modify our data processing practices and policies, divert resources from other initiatives and projects, and could restrict the way products involving data are offered, all of which may have a material and adverse impact on our business, financial condition and results of operations.

Laws, regulations and standards in many jurisdictions apply broadly to the collection, use, retention, security, disclosure, transfer and other processing of personal information, which impose significant compliance obligations. For example, in the European Economic Area (EEA), and the United Kingdom, the collection and use of personal data, including clinical trial data, is governed by the provisions of the General Data Protection Regulation (GDPR), which came into effect in May 2018. The GDPR imposes stringent data privacy and security requirements on companies in relation to the processing of personal data of data subjects within the EEA and the United Kingdom. The GDPR, together with national legislation, regulations and guidelines of the EEA member states and the United Kingdom governing the processing of personal data, impose strict obligations and restrictions on the ability to collect, use, retain, protect, disclose, transfer and otherwise process personal data, including health data from clinical trials and adverse event reporting. The law is also developing rapidly and, in July 2020, the Court of Justice of the EU limited how organizations could lawfully transfer personal data from the EEA to the U.S. Further, while the United Kingdom enacted the Data Protection Act 2018 in May 2018 that supplements the GDPR and has publicly announced that it will continue to regulate the protection of personal data in the same way post-Brexit for a period of time, Brexit has created uncertainty with regard to the future regulation of data and data protection in the United Kingdom. Other countries also are considering or have passed legislation requiring local storage, processing or security of data, or similar requirements, which could increase the cost and complexity of delivering our products.

We will make public statements about our use and disclosure of personal information through our privacy policy, information provided on our internet platform and press statements. Although we endeavor to comply with our public statements and documentation, we may at times fail to do so or be alleged to have failed to do so. The publication of our privacy policy and other statements that provide promises and assurances about data privacy and security can subject us to potential government or legal action if they are found to be deceptive, unfair or misrepresentative of our actual practices. Any failure, real or perceived, by us to comply with our posted privacy policies or with any legal or regulatory requirements, standards, certifications or orders or other privacy or consumer protection-related laws and regulations applicable to us could cause our customers to reduce their use of our products and could materially and adversely affect our business, financial condition and results of operations. In many jurisdictions, enforcement actions and consequences for non-compliance can be significant and are rising. In addition, from time to time, concerns may be expressed about whether our products or processes compromise the privacy of customers and others. Concerns about our practices with regard to the collection, use, retention, security, disclosure, transfer and other processing of personal information or other privacy-related matters, even if unfounded, could damage our reputation and materially and adversely affect our business, financial condition and results of operations.

Many statutory requirements, both in the United States and abroad, include obligations for companies to notify individuals of security breaches involving certain personal information, which could result from breaches experienced by us or our third-party service providers. For example, laws in all 50 U.S. states and the District of Columbia require businesses to provide notice to consumers whose unencrypted personal information has been disclosed as a result of a data breach. These laws are not consistent, and compliance in the event of a widespread data breach is difficult and may be costly. Moreover, states have been frequently amending existing laws, requiring attention to changing regulatory requirements. We also may be contractually required to notify

customers or other counterparties of a security breach. Although we may have contractual protections with our third-party service providers, contractors and consultants, any actual or perceived security breach could harm our reputation and brand, expose us to potential liability or require us to expend significant resources on data security and in responding to any such actual or perceived breach. Any contractual protections we may have from our third-party service providers, contractors or consultants may not be sufficient to adequately protect us from any such liabilities and losses, and we may be unable to enforce any such contractual protections.

We expect that there will continue to be new proposed laws and regulations concerning data privacy and security, and we cannot yet determine the impact such future laws, regulations and standards may have on our business. New laws, amendments to or re-interpretations of existing laws, regulations, standards and other obligations may require us to incur additional costs and restrict our business operations. Because the interpretation and application of health-related and data protection laws, regulations, standards and other obligations are still uncertain, and often contradictory and in flux, it is possible that the scope and requirements of these laws may be interpreted and applied in a manner that is inconsistent with our practices and our efforts to comply with the evolving data protection rules may be unsuccessful. If so, this could result in government-imposed fines or orders requiring that we change our practices, which could adversely affect our business.

In addition to the possibility of fines, lawsuits, regulatory investigations, public censure, other claims and penalties, and significant costs for remediation and damage to our reputation, we could be materially and adversely affected if legislation or regulations are expanded to require changes in our data processing practices and policies or if governing jurisdictions interpret or implement their legislation or regulations in ways that negatively impact our business. Complying with these various laws could cause us to incur substantial costs or require us to change our business practices and compliance procedures in a manner adverse to our business. Any inability to adequately address data privacy or security-related concerns, even if unfounded, or to comply with applicable laws, regulations, standards and other obligations relating to data privacy and security, could result in additional cost and liability to us, harm our reputation and brand, damage our relationships with customers and have a material and adverse impact on our business.

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

We are exposed to the risk of fraud or other misconduct by our employees, principal investigators, consultants, and commercial partners. Misconduct by these parties could include intentional failures to comply with the regulations of the FDA and non-United States regulatory authorities, comply with healthcare fraud and abuse laws and regulations in the United States and abroad, report financial information or data accurately, or disclose unauthorized activities to us. In particular, sales, marketing, and business arrangements in the healthcare industry are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing, and other abusive practices. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs, and other business arrangements. Such misconduct could also involve the improper use of information obtained in the course of clinical studies, which could result in regulatory sanctions and cause serious harm to our reputation. It is not always possible to identify and deter employee misconduct, and our code of conduct and the other precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses, or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could result in the imposition of significant fines or other sanctions, which could have a significant impact on our business. Whether or not we are successful in defending against such actions or investigations, we could incur substantial costs, including legal fees, and divert the attention of management in defending ourselves against any of these actions or investigations.

We may be subject to federal and state healthcare fraud and abuse laws and regulations and could face substantial penalties if we are unable to fully comply with such laws.

We and our collaborators and strategic partners may be subject to broadly applicable healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we develop, market, sell, and distribute our products. These health care laws and regulations include, for example:

- the federal Anti-Kickback Statute (AKS), which prohibits, among other things, persons or entities from soliciting, receiving, offering or providing remuneration, directly or indirectly, overtly or covertly, in cash or in kind, in return for or to induce either the referral of an individual for, or the purchase, lease, order or recommendation of, any good, facility, item or services for which payment may be made under a federal health care program such as the Medicare and Medicaid programs. A person or entity does not need to have actual knowledge of the federal Anti- Kickback Statute or specific intent to violate it in order to have committed a violation;
- the federal civil and criminal false claims laws, such as the civil False Claims Act (FCA), which can be enforced by private citizens through civil qui tam actions, and civil monetary penalty laws, prohibits individuals or entities from, among other things, knowingly presenting, or causing to be presented, false, fictitious or fraudulent claims for payment or approval by the federal government, and knowingly making, using or causing to be made or used a false record or statement material to a false or fraudulent claim, or knowingly making a false statement to improperly avoid, decrease or conceal an obligation to pay money to the federal government. In addition, the government may assert that a claim including items or services resulting from a violation of the federal AKS constitutes a false or fraudulent claim for purposes of the civil FCA;
- HIPAA, which established additional federal civil and criminal liability for, among other things, knowingly and willfully executing a scheme to defraud any health care benefit program or making false statements in connection with the delivery of or payment for health care benefits, items or services. Similar to the federal AKS, 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 federal Physician Payments Sunshine Act requirements under the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act of 2010, (collectively, the ACA), which require certain manufacturers of drugs, devices, biologics and medical supplies to report to the CMS, information related to payments and other transfers of value made to or at the request of covered recipients, such as physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), and teaching hospitals, and certain ownership and investment interests held by physicians and their immediate family members. Beginning in 2022, applicable manufacturers also will be required to report such information regarding payments and other transfers of value made to or at the request of physician assistants, nurse practitioners, clinical nurse specialists, anesthesiologist assistants, certified registered nurse anesthetists and certified nurse midwives during the previous year; and
- state law equivalents of each of the above federal laws, such as anti-kickback and false claims laws, which may apply to items or services reimbursed by any third-party payor, including commercial insurers.

Because of the breadth of these laws and the narrowness of the statutory exceptions and regulatory safe harbors available, it is possible that some of our business activities, including our planned reagent rental program or other sales and marketing practices, could be subject to challenge under one or more of such laws. Any action brought against us for violation of these laws or regulations, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management’s attention from the operation of our business. If our operations are found to be in violation of any of these laws and regulations, we may be subject to any applicable penalty associated with the violation, including, among others, significant

administrative, civil and criminal penalties, damages, fines, disgorgement, imprisonment, integrity oversight and reporting obligations, and exclusion from participation in government funded healthcare programs such as Medicare and Medicaid. Additionally, we could be required to refund payments received by us, and we could be required to curtail or cease our operations. Any of the foregoing consequences could seriously harm our business, financial condition, and results of operations. In addition, if any of the physicians or other providers or entities with whom we expect to do business are found not to be in compliance with applicable laws, they may be subject to significant civil, criminal and administrative sanctions, including exclusion from government funded healthcare programs.

Legislative or regulatory reforms may make it more difficult and costly for us to obtain marketing authorization for any future products and to manufacture, market and distribute our products after marketing authorization is obtained.

From time to time, legislation is drafted and introduced in Congress that could significantly change the statutory provisions governing the marketing authorization, manufacture and marketing of regulated products or the reimbursement thereof. In addition, the FDA may change its policies, adopt additional regulations or revise existing regulations, or take other actions, which may prevent or delay marketing authorization of our future products under development or impact our ability to modify any then-marketed products on a timely basis. Any new regulations or revisions or reinterpretations of existing laws and regulations may impose additional costs or lengthen review times of planned or future products. It is impossible to predict whether legislative changes will be enacted or FDA regulations, guidance or interpretations changed, and what the impact of such changes, if any, may be.

For example, over the last several years, the FDA has proposed reforms to its 510(k) clearance process, and such proposals could include increased requirements for clinical data and a longer review period, or could make it more difficult for manufacturers to utilize the 510(k) clearance process for their products. For example, in November 2018, FDA officials announced forthcoming steps that the FDA intends to take to modernize the pre-market notification pathway under Section 510(k) of the FDCA. Among other things, the FDA announced that it planned to develop proposals to drive manufacturers utilizing the 510(k) pathway toward the use of newer predicates. These proposals included plans to potentially sunset certain older devices that were used as predicates under the 510(k) clearance pathway, and to potentially publish a list of devices that have been cleared on the basis of demonstrated substantial equivalence to predicate devices that are more than 10 years old. The FDA also announced that it intended to finalize guidance to establish a pre-market review pathway for “manufacturers of certain well-understood device types” as an alternative to the 510(k) clearance pathway and that such pre-market review pathway would allow manufacturers to rely on objective safety and performance criteria recognized by the FDA to demonstrate substantial equivalence, obviating the need for manufacturers to compare the safety and performance of their medical devices to specific predicate devices in the clearance process.

In May 2019, the FDA solicited public feedback on its plans to develop proposals to drive manufacturers utilizing the 510(k) pathway toward the use of newer predicates, including whether the FDA should publish a list of devices that have been cleared on the basis of demonstrated substantial equivalence to predicate devices that are more than 10 years old. The FDA requested public feedback on whether it should consider certain actions that might require new authority, such as whether to sunset certain older devices that were used as predicates under the 510(k) clearance pathway. These proposals have not yet been finalized or adopted, and the FDA may work with Congress to implement such proposals through legislation. Accordingly, it is unclear the extent to which any proposals, if adopted, could impose additional regulatory requirements on us that could delay our ability to obtain new 510(k) clearances, increase the costs of compliance, or restrict our ability to maintain our current clearances, or otherwise create competition that may negatively affect our business.

More recently, in September 2019, the FDA finalized the aforementioned guidance to describe an optional “safety and performance based” pre-market review pathway for manufacturers of “certain, well-understood device types” to demonstrate substantial equivalence under the 510(k) clearance pathway, by demonstrating that such device meets objective safety and performance criteria established by the FDA, obviating the need for manufacturers to compare the safety and performance of their medical devices to specific predicate devices in the clearance process. The FDA intends to maintain a list device types appropriate for the “safety and performance based pathway” and develop product-specific guidance documents that identify the performance criteria for each such device type, as well as the testing methods recommended in the guidances, where feasible. The FDA may establish performance criteria for classes of devices for which we or our competitors seek or currently have received clearance, and it is unclear the extent to which such performance standards, if established, could impact our ability to obtain new 510(k) clearances or otherwise create competition that may negatively affect our business.

In addition, FDA regulations and guidance are often revised or reinterpreted by the FDA in ways that may significantly affect our business and our products. Any new statutes, regulations or revisions or reinterpretations of existing regulations may impose additional costs or lengthen review times of any future products or make it more difficult to obtain clearance or approval for, manufacture, market or distribute our products. We cannot determine what effect changes in regulations, statutes, legal interpretation or policies, when and if promulgated, enacted or adopted may have on our business in the future. Such changes could, among other things, require: additional testing prior to obtaining clearance or approval; changes to manufacturing methods; recall, replacement or discontinuance of our products; or additional record keeping.

The FDA’s and other regulatory authorities’ policies may change and additional government regulations may be promulgated that could prevent, limit or delay regulatory clearance or approval of our products. 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.

Any change in the laws or regulations that govern the clearance and approval, or other marketing authorization, relating to our current, planned and future products could make it more difficult and costly to obtain marketing authorization for new products or to produce, market and distribute existing products. Significant delays in or the failure to receive marketing authorization for any new products would have an adverse effect on our ability to expand our business. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing authorization that we may have obtained and we may not achieve or sustain profitability.

The misuse or off-label use of our Talis One platform using our COVID-19 test may harm our reputation in the marketplace, result in false test results that lead to product liability suits or result in costly investigations, fines or sanctions by regulatory bodies if we are deemed to have engaged in the promotion of these uses, any of which could be costly to our business.

We plan to initially seek an EUA for our Talis One platform with COVID-19 test for the automated detection of nucleic acid from the SARS-CoV-2 virus in nasal swab samples from individuals suspected of COVID-19 by their healthcare provider. If such marketing authorization is obtained, we would not be permitted to market our Talis One platform and COVID-19 diagnostic test for use in screening of asymptomatic populations, for use in pooling samples for testing, or for use with different specimen samples (other than nasal swab samples). Such uses would be considered “off-label.” We plan to train our marketing and direct sales force to not promote the Talis One platform and COVID-19 test for uses outside of the FDA-authorized indications for use. We cannot, however, prevent a physician from using our products off-label, when in the physician’s independent professional medical judgment he or she deems it appropriate. There may be increased risk of inaccurate results if

physicians attempt to use our tests off-label. Furthermore, such off-label uses could harm our reputation in the marketplace among physicians and patients.

If the FDA or any foreign regulatory body determines that our promotional materials or training constitute promotion of an off-label use, it could request that we modify our training or promotional materials or subject us to regulatory or enforcement actions, including the issuance or imposition of an untitled letter, which is used for violators that do not necessitate a warning letter, injunction, seizure, civil fine or criminal penalties, or withdrawal of any EUA or other marketing authorization we obtain. It is also possible that other federal, state or foreign enforcement authorities might take action under other regulatory authority if they consider our business activities to constitute promotion of an off-label use, which could result in significant penalties, including, but not limited to, criminal, civil and administrative penalties, damages, fines, disgorgement, exclusion from participation in government healthcare programs and the curtailment of our operations.

A significant portion of the funding for the development of our Talis One platform comes from U.S. federal government grants, and if the cognizant federal agencies were to eliminate, reduce or delay funding from our agreements, this could have a significant, negative impact on our revenues and cash flows, and we may be forced to suspend or terminate our development programs or obtain alternative sources of funding.

We have received grant funding from the U.S. federal government, including through a grant from the NIH, National Institute of Allergy and Infectious Diseases (NIAID), a sub-award from the Biomedical Advanced Research and Development Authority (BARDA) Combating Antibiotic-Resistant Bacteria Biopharmaceutical Accelerator (CARB-X) program, a sub-award from the NIH RADx program, and an NIH RADx grant. We anticipate that a portion of the funding for the development of our technologies will come from these agreements, which provide for grant funds ultimately from the government. Our ability to receive the remaining funding provided for under the agreements is dependent on the government and the higher-tier grantees in connection with our sub-awards exercising additional options under the agreements, which they may do or not do at their sole discretion. In addition, activities covered under the base periods and exercised options may ultimately cost more than is covered by the grants and sub-awards or require a longer performance periods to complete than are remaining on our agreements; if we are unable to secure additional funding or allow for additional time for completion, we would have to incur additional costs to complete the activities or terminate the activities before completion. Moreover, the continuation of our agreements depends in large part on our ability to meet development milestones previously agreed to and on our compliance with certain operating procedures and protocols. For instance, work under the CARB-X program is subject to certain unique commercialization, regulatory approval, and access requirements related to developed products and technology, and public access to research results. These agreements may be suspended or terminated should we fail to achieve key milestones, or fail to comply with the operating procedures and processes approved by the government and its audit agencies. There can be no assurance that we will be able to achieve these milestones or continue to comply with these procedures and protocols. Moreover, changes in government budgets and agendas may result in a decreased and deprioritized emphasis on supporting the development of our programs. While the NIH has provided funding for and has indicated a potential for future funding for many activities associated with combating COVID-19, the availability and focus for any NIH funding will likely be finite and may require us to compete with other technologies, both similar and disparate. If our agreements are terminated or suspended, if there is any reduction or delay in funding under our agreements, or if the government or higher-tier grantees determine not to exercise some or all of the options provided for under the agreements, our revenues and cash flows would be significantly and negatively impacted and we may be forced to seek alternative sources of funding, which may not be available on non-dilutive terms, terms favorable to us or at all. If alternative sources of funding are not available, we may be forced to suspend or terminate certain of our related development activities. Furthermore, should we be unable to deploy personnel or derive a benefit from fixed study costs or generate data from clinical sites and studies reimbursed through the agreements, our cash

flows would be negatively impacted or we may have to initiate furloughs and layoffs which would likely prove disruptive to our management and operations. This in turn would impair our ability to recommence and complete studies if and when the COVID-19 crisis subsides and we are able to restart many suspended or delayed activities.

Unfavorable provisions in government contracts, including in our grant and sub-award agreements, may harm our business, financial condition and operating results.

U.S. government contracts and grants typically contain unfavorable provisions and are subject to audit and modification by the government at its sole discretion, which will subject us to additional risks. For example, under our grant and sub-award agreements, the U.S. government and higher-tier grantees, in certain circumstances, have the power to unilaterally:

- suspend or prevent us for a set period of time from receiving new government contracts or grants or extending our existing agreements based on violations or suspected violations of laws or regulations;
- claim and exercise nonexclusive, nontransferable rights to products manufactured and intellectual property and data developed and generated under the agreements and may, under certain circumstances, license such inventions to third parties without our consent;
- impose U.S. manufacturing requirements for products that embody inventions conceived or first reduced to practice under such contracts and grants;
- cancel, terminate or suspend our agreements based on violations or suspected violations of laws or regulations;
- terminate our agreements in whole or in part for convenience for any reason or no reason, including if funds become unavailable;
- reduce the scope and value of our agreements;
- decline to exercise an option to continue the agreements;
- direct the course of the development of the programs in a manner not chosen by us;
- require us to perform the option periods provided for under the agreements even if doing so may cause us to forego or delay the pursuit of other program opportunities with greater commercial potential;
- take actions that result in longer development timelines than expected; and
- change certain terms and conditions in our agreements.

Generally, government contracts and grants, including our grant and sub-award agreements, contain provisions permitting unilateral termination or modification, in whole or in part. Termination-for-convenience provisions generally enable us to recover only our costs incurred or committed, plus a portion of the agreed fee (if a fee has been negotiated) and settlement expenses on the work completed prior to termination. Except for the amount of services received by the government, termination-for-default provisions do not permit recovery of fees and may subject us to damages, including reprocurement expenses. In addition, in the event of termination or upon expiration of our agreements, the U.S. government or higher-tier grantees may dispute wind-down and termination costs and may question prior expenses under the agreements and deny payment of those expenses. Should we choose to challenge those denials, such a challenge could subject us to substantial additional expenses that we may or may not recover. Further, if our agreements are terminated for convenience, or if we default by failing to perform in accordance with the schedule and terms, a significant negative impact on our cash flows and operations could result.

In addition, government contracts and grants normally contain additional requirements that may increase our costs of doing business and expose us to liability for failure to comply with these terms and conditions. These requirements include, for example:

- public disclosures of certain contract information, which may enable competitors to gain insights into our research program;
- mandatory internal control systems and policies; and
- mandatory socioeconomic compliance requirements, including labor standards, prioritization of subcontracts to small businesses and others, non-discrimination and affirmative action programs and environmental compliance requirements.

If we fail to maintain compliance with these requirements, we may be subject to potential liability and to the termination of our agreements.

Furthermore, we have entered into and will continue to enter into agreements and subcontracts with third parties, including suppliers, consultants and other third-party contractors, in order to satisfy our contractual obligations under our agreements. Negotiating and entering into such arrangements can be time-consuming and we may not be able to reach agreement with such third parties. Any such agreement must also be compliant with the terms of our grant and sub-award agreements. Any delay or inability to enter into such arrangements or entering into such arrangements in a manner that is non-compliant with the terms, may result in violations of our agreements.

In addition, under the agreements, the government and higher-tier grantees will regularly review our development efforts and clinical activities. Under certain circumstances, they may advise us to delay certain activities and invest additional time and resources before proceeding. If we follow such advice, overall program delays and costs associated with additional resources for which we had not planned may result. Also, the costs associated with following such advice may or may not be reimbursed under our agreement. Finally, we may decide not to follow the advice provided and instead pursue activities that we believe are in the best interests of our programs and our business, even if those would not be reimbursed under our agreement.

As a result of the unfavorable provisions in our agreements, we must undertake significant compliance activities. The diversion of resources from our development and commercial programs to these compliance activities, as well as the exercise by the U.S. government or higher-tier grantees of any rights under these provisions, could materially harm our business.

Laws and regulations affecting government contracts and grants, including our grants and sub-award agreements, make it more costly and difficult for us to successfully conduct our business. Failure to comply with these laws and regulations could result in significant civil and criminal penalties and adversely affect our business.

We must comply with numerous laws, regulations, and agency-specific policies and procedures relating to the administration and performance of our grant and sub-award agreements. Among the most significant are:

- the Federal Acquisition Regulation (FAR) and agency-specific regulations supplemental to the FAR, which comprehensively regulate the procurement, formation, administration and performance of government contracts;
- the business ethics and public integrity obligations, which govern conflicts of interest and the hiring of former government employees, restrict the granting of gratuities and funding of lobbying activities and incorporate other requirements such as the AKS, the Procurement Integrity Act, the FCA and the FCPA; and
- laws, regulations and executive orders restricting the exportation of certain products and technical data.

In addition, as a U.S. government contractor, we are required to comply with applicable laws, regulations and standards relating to our accounting practices, including unique accounting requirements regarding allowable and unallowable costs, and are subject to periodic audits and reviews. As part of any such audit or review, the U.S. government may review the adequacy of, and our compliance with, our internal control systems and policies, including those relating to our purchasing, property, estimating, compensation and management information systems. Based on the results of its audits, the U.S. government may adjust our agreement-related costs and fees, including allocated indirect costs. This adjustment could impact the amount of revenues reported on a historic basis and could impact our cash flows under the contract prospectively. In addition, in the event the U.S. government determines that certain costs and fees were unallowable or determines that the allocated indirect cost rate was higher than the actual indirect cost rate, it would be entitled to recoup any overpayment from us as a result. In addition, if an audit or review uncovers any improper or illegal activity, we may be subject to civil and criminal penalties and administrative sanctions, including termination of our agreements, forfeiture of profits, suspension of payments, fines and suspension or prohibition from doing business with the U.S. government. We could also suffer serious harm to our reputation if allegations of impropriety were made against us, which could cause our stock price to decline. Further, as a U.S. government contractor, we are subject to an increased risk of investigations, criminal prosecution, civil fraud, whistleblower lawsuits and other legal actions and liabilities as compared to private sector commercial companies. In addition, the qui tam provisions of the civil FCA authorize a private person to file civil actions on behalf of the federal and state governments and retain a share of any recovery, which can include treble damages and civil penalties.

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

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

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

Our manufacturers are subject to federal, state and local laws and regulations in the U.S. governing the use, manufacture, storage, handling and disposal of medical and hazardous materials. Although we believe that our manufacturers' procedures for using, handling, storing and disposing of these materials comply with legally prescribed standards, we cannot completely eliminate the risk of contamination or injury resulting from medical or hazardous materials. As a result of any such contamination or injury, we may incur liability or local, city, state or federal authorities may curtail the use of these materials and interrupt our business operations. In the event of an accident, we could be held liable for damages or penalized with fines, and the liability could exceed our resources. We do not have any insurance for liabilities arising from medical or hazardous materials. Compliance with applicable environmental laws and regulations is expensive, and current or future

environmental regulations may impair our research, development and production efforts, which could harm our business, prospects, financial condition or results of operations.

Healthcare policy changes may have a material adverse effect on our business, financial condition and results of operations.

The ACA, enacted in March 2010, made a number of substantial changes in the way healthcare is financed by both governmental and private insurers. Among other ways in which the ACA may significantly impact our business, the ACA includes: provisions regarding coordination and promotion of research on comparative clinical effectiveness of different technologies and procedures; initiatives to revise Medicare payment methodologies; and initiatives to promote quality indicators in payment methodologies.

On December 14, 2018, a U.S. District Court Judge in the Northern District of Texas (Texas District Court Judge) ruled that the entire ACA is invalid based primarily on the fact that the legislation enacted on December 22, 2017, informally known as Tax Cuts and Jobs Act (TCJA), repealed the tax-based shared responsibility payment imposed by the ACA, on certain individuals who fail to maintain qualifying health coverage for all or part of a year, which is commonly referred to as the “individual mandate.” Additionally, on December 18, 2019, the U.S. Court of Appeals for the 5th Circuit upheld the Texas District Court Judge’s ruling that the individual mandate was unconstitutional and remanded the case back to the district court to determine whether the remaining provisions of the ACA are invalid as well. The United States Supreme Court is currently reviewing this case, although it is unclear when a decision will be made. It is also unclear how such litigation and other efforts to challenge, repeal or replace the ACA will impact the ACA or our business.

In addition, other legislative changes have been proposed and adopted since the ACA was enacted. For example, the Budget Control Act of 2011, among other things, included aggregate reductions to Medicare payments to providers and suppliers of 2% per fiscal year, starting in 2013, and, due to subsequent legislative amendments to the statute, will remain in effect through 2030, with the exception of a temporary suspension from May 1, 2020 through March 31, 2021, unless additional congressional action is taken. Furthermore, on January 2, 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, reduced Medicare payments to several providers and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.

In addition, there has been numerous governmental reform activity in response to the COVID-19 pandemic. For example, the FFCRA authorized state Medicaid programs to provide access to coverage for certain medically necessary testing, testing-related services and treatment related to COVID-19 at no cost to the individual during the emergency period. Such programs are evolving and vary among state Medicaid programs. In addition, the California Department of Health Care Services implemented a new COVID-19 Uninsured Group program on August 28, 2020. Under the program, California covers COVID-19 diagnostic testing, testing-related services, and treatment services, including hospitalization and all medically necessary care, at no cost to the individual, for up to 12 months or the end of the public health emergency, whichever comes first. Further, on August 6, 2020, the Trump administration issued another executive order that instructs the federal government to develop a list of “essential” medicines and then buy them and other medical supplies from U.S. manufacturers instead of from companies around the world, including China. The order is meant to reduce regulatory barriers to domestic pharmaceutical manufacturing and catalyze manufacturing technologies needed to keep drug prices low and the production of drug products in the United States. It is possible that additional governmental action is taken to address the COVID-19 pandemic, which may impact our business.

We cannot predict whether future healthcare initiatives will be implemented at the federal or state level, or how any future legislation or regulation may affect us, particularly in light of the recent presidential election. The expansion of government’s role in the U.S. healthcare industry as a result of the ACA’s implementation, and

changes to the reimbursement amounts paid by Medicare and other payors for our tests and our planned future tests, may reduce our profits, if any, and have a materially adverse effect on our business, financial condition, results of operations and cash flows.

We cannot predict the impact changes to these laws or the implementation of, or changes to, any other laws applicable to us in the future may have on our business, financial condition and results of operations.

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

We have incurred substantial losses during our history and do not expect to become profitable in the near future, and we may never achieve profitability. Unused U.S. federal net operating losses (NOLs) for taxable years beginning before January 1, 2018, may be carried forward to offset future taxable income, if any, until such unused NOLs expire. Under the TCJA, as modified by the CARES Act, U.S. federal NOLs incurred in taxable years beginning after December 31, 2017, can be carried forward indefinitely, but the deductibility of such U.S. federal NOLs in taxable 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, 2019, we had $30.9 million of U.S. federal NOLs that were generated in 2017 and prior periods that will expire at various dates through 2033, and $45.4 million of U.S. federal NOLs that can be carried forward indefinitely under current law. As of December 31, 2019, we also had aggregate U.S. federal research and development (R&D) credits of approximately $2.0 million. Our NOL carryforwards and R&D credits are subject to review and possible adjustment by the U.S. and state tax authorities.

In addition, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (Code), and corresponding provisions of state law, if a corporation undergoes an “ownership change,” which is generally defined as a greater than 50 percentage point change (by value) in its equity ownership over a three-year period, the corporation’s ability to use its pre-change NOL carryforwards, R&D credits and certain other tax attributes to offset its post-change income or taxes may be limited. This could limit the amount of NOLs, R&D credit carryforwards or other applicable tax attributes that we can utilize annually to offset future taxable income or tax liabilities. Subsequent ownership changes and changes to the U.S. tax rules in respect of the utilization of NOLs, R&D credits and other applicable tax attributes carried forward may further affect the limitation in future years. In addition, at the state level, there may be periods during which the use of NOLs is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed. For example, California recently imposed limits on the usability of California state NOL carryforwards to offset taxable income in tax years beginning after 2019 and before 2023. As a result, we may be unable to use all or a material portion of our NOL carryforwards and other tax attributes, which could adversely affect our future cash flows.

Changes in tax laws or regulations that are applied adversely to us or our customers may have a material adverse effect on our business, cash flow, financial condition or results of operations.

New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time, which could adversely affect our business operations and financial performance. Further, existing tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to us. For example, the TCJA enacted many significant changes to the U.S. tax laws, and the CARES Act modified certain provisions of the TCJA. Future guidance from the Internal Revenue Service 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. In addition, it is uncertain if and to what extent various states will conform to the TCJA or any other federal tax legislation. Changes in corporate tax rates, the realization of net deferred tax assets relating to our operations, the taxation of foreign earnings, and the deductibility of expenses could have a material impact on the value of our deferred tax assets, could result in significant one-time charges, and could increase our future U.S. tax expense.

Risks related to our intellectual property

We may be, in the future, subject to claims against us alleging that we are infringing, misappropriating or otherwise violating the intellectual property rights of third parties, the outcome of which could have a material adverse effect on our business.

Our commercial success depends in part upon our ability to develop, manufacture, market and sell our products and use our technology without infringing, misappropriating or otherwise violating the patents, trademarks or other intellectual property or proprietary rights of third parties. We cannot assure you that technologies we may develop will not infringe existing or future patents owned by third parties. Litigation relating to infringement, misappropriation or other violations of intellectual property rights in biotechnology industry is common, unpredictable and generally expensive and time consuming, including patent infringement lawsuits, trade secret lawsuits, interferences, oppositions, and *inter-partes* review, post-grant review and reexamination proceedings before the United States Patent and Trademark Office (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 industry, have employed intellectual property litigation as a means to gain an advantage over their competitors. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace.

In the future, we may also be subject to third-party claims and adversarial proceedings or litigation regarding infringement, misappropriation or other violation by us of patent, trademark or other intellectual property rights of third parties. We cannot provide any assurances that third-party patents do not exist which might be enforced against our products, resulting in either an injunction prohibiting our sales, or, with respect to our sales, an obligation on our part to pay royalties and/or other forms of compensation to third parties. If any such claim or proceeding is brought against us, our collaborators or our third-party service providers, our development, manufacturing, marketing, sales and other commercialization activities could be similarly adversely affected. Even if we believe third-party intellectual property claims are without merit, there is no assurance that a court would find in our favor on questions of infringement, validity, enforceability, or priority. A court of competent jurisdiction could hold that third party patents asserted against us are valid, enforceable, and infringed, which could materially and adversely affect our ability to develop, manufacture, market, sell and commercialize any of our products. To successfully challenge the validity of any such U.S. patent in federal court, we would need to overcome a presumption of validity. As this burden is a high one requiring us to present clear and convincing evidence as to the invalidity of any such U.S. patent claim, there is no assurance that a court of competent jurisdiction would invalidate the claims of any such U.S. patent. If we are found to infringe any third party's patents or other intellectual property rights, and we are unsuccessful in demonstrating that such patents or other intellectual property are invalid or unenforceable, we could be required to obtain a license from such third party to continue developing, manufacturing, marketing, selling and commercializing our products. However, we may not be able to obtain any required license on commercially reasonable terms or at all, and if we are unable to obtain a necessary license to a third-party patent on commercially reasonable terms, our ability to commercialize our products may be impaired or delayed, which could in turn significantly harm our business. Even if we were able to obtain a license, it could be non-exclusive, which would give our competitors and other third parties access to the same technologies licensed to us, and it could require us to make substantial licensing, royalty and other payments. We also could be forced, including by court order, to cease developing, manufacturing, marketing, selling and commercializing the infringing product or technology. In addition, we could be found liable for significant monetary damages, including treble damages and attorneys' fees, if we are found to have willfully infringed a patent or other intellectual property right. Claims that we have misappropriated the confidential information or trade secrets of

third parties could have a similar material adverse effect on our business, financial condition, results of operations, and prospects.

There may be third-party patents of which we are currently unaware with claims to compositions, formulations, methods of manufacture, or methods of use or treatment that cover our products. It is also possible that patents owned by third parties of which we are aware, but which we do not believe are relevant to the technologies we may develop, could be found to be infringed by our technology. Because patent applications can take many years to issue, there may be currently pending patent applications that may later result in issued patents that our products may infringe. In addition, third parties, our competitors in both the United States and abroad, many of which have substantially greater resources and have made substantial investments in patent portfolios and competing technologies, may obtain patents in the future that may prevent, limit or otherwise interfere with our ability to make, use and sell our products, and may claim that use of our technologies or the manufacture, use, or sale of our products infringes upon these patents.

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 technology. 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, selling or otherwise commercializing our products and technology. We may receive, and expect to receive, communications from various industry participants alleging our infringement of their patents, trade secrets or other intellectual property rights and/or offering licenses to such intellectual property.

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 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 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 perceive these results to be negative, it could have a material adverse effect on the price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing, or commercialization activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Uncertainties resulting from patent and other intellectual property litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace, our ability to raise additional funds, and could otherwise have a material adverse effect on our business, financial condition, results of operations, and prospects.

We may be, in the future, involved in lawsuits to defend or enforce our patents and proprietary rights. Such disputes could result in substantial costs or loss of productivity, delay or prevent the development and commercialization of our technology, products, prohibit our use of proprietary technology or sale of products, or put our patents and other proprietary rights at risk.

Competitors and other third parties may infringe, misappropriate or otherwise violate our patents and intellectual property rights or the patents and intellectual property rights of our licensors. The enforcement of such claims can be expensive and time consuming and divert the time and attention of our management and scientific personnel. Our pending patent applications cannot be enforced against third parties practicing the technology claimed in such applications unless and until a patent issues from such applications. In an

infringement proceeding, a court may decide that a patent owned or in-licensed by us is invalid or unenforceable, or may refuse to stop the other party from using the technology at issue on the grounds that our owned and in-licensed patents do not cover the technology in question. An adverse result in any litigation proceeding could put one or more of our owned or in-licensed patents at risk of being invalidated or interpreted narrowly.

If we were to initiate legal proceedings against any other third party to enforce a patent covering our technology, the defendant could assert that our patent is invalid or unenforceable. If we or one of our licensing partners initiate legal proceedings against a third party to enforce a patent covering our technologies, the defendant could counterclaim we infringe their patents or that the patent covering our technology is invalid or unenforceable, or both. In patent litigation in the United States and Europe, defendants 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, lack of written description 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. There is a risk that a court will decide that a patent of ours is invalid or unenforceable, in whole or in part, and that we do not have the right to stop the other party from using the invention at issue. Third parties may also raise challenges to the validity of our patent claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include re-examination, post-grant review, *inter-partes* review, interference proceedings, derivation proceedings, and equivalent proceedings in foreign jurisdictions (e.g., opposition proceedings). Such proceedings could result in the revocation of, cancellation of, or amendment to our patents in such a way that they no longer cover our technology or products and that we do not have the right to stop the other party from using the invention at issue. The outcome of proceedings involving assertions of invalidity and unenforceability, including 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. There is also a risk that, even if the validity of such patents is upheld, the court will construe the patent's claims narrowly or decide that we do not have the right to stop the other party from using the invention at issue on the grounds that our patent claims do not cover the invention, or decide that the other party's use of our patented technology falls under the safe harbor to patent infringement under 35 U.S.C. §271(e)(1). Such a loss of patent protection could have a material adverse effect on our business. 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. Interference or derivation proceedings provoked by third parties or brought by the USPTO may be necessary to determine the priority of inventions with respect to, or the correct inventorship of, our patents or patent applications or those of our licensors.

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 personnel from their normal responsibilities, and the court may decide not to grant an injunction against further infringing activity and instead award only monetary damages, which may or may not be an adequate remedy. In addition, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that 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 perceive these results to be negative, it could have a material adverse effect on the price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development activities or any future sales, marketing, or

commercialization activities. We may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Uncertainties resulting from patent and other intellectual property litigation or other proceedings could have a material adverse effect on our ability to compete in the marketplace, our ability to raise additional funds, and could otherwise have a material adverse effect on our business, financial condition, results of operations, and prospects. Similarly, if we assert trademark infringement claims, a court may determine that the marks we have asserted are invalid or unenforceable, or that the party against whom we have asserted trademark infringement has superior rights to the marks in question. In this case, we could ultimately be forced to cease use of such trademarks.

If we are not able to obtain, maintain, defend or enforce patent and other intellectual property protection for products, or if the scope of the patent and other intellectual property protection obtained is not sufficiently broad, our competitors could develop and commercialize products and technology similar or identical to ours, which could have a material adverse effect on our competitive position, business, financial conditions, results of operations, and prospects.

Our success depends in part on our ability to obtain, maintain, defend and enforce patents and other forms of intellectual property rights, including in-licenses of intellectual property rights of others, for our products, as well as our ability to preserve our trade secrets, to prevent third parties from infringing, misappropriating or otherwise violating our intellectual property and proprietary rights. Our ability to protect our products from unauthorized use by third parties depends on the extent to which valid and enforceable patents cover them or they are effectively protected as trade secrets. While we have a number of issued patents in the United States and foreign countries, several aspects of our patent portfolio are in much earlier stages of prosecution in the United States and foreign countries. Moreover, we do not own or license any issued patents related to certain aspects of our products and technology, including certain structures and components used in our instruments and established molecular biology techniques. For information regarding our patent portfolio, please see “Business—Intellectual property.” The patent position of biotechnology companies generally is highly uncertain, involves complex legal and factual questions, and has been the subject of much litigation in recent years. As a result, the issuance, scope, validity, enforceability, and commercial value of our patent rights are highly uncertain. There can be no assurance that our patent rights will not be invalidated or held to be unenforceable, will adequately protect our technology, products or provide any competitive advantage, or that any of our pending or future patent applications will issue as valid and enforceable patents. Our ability to obtain and maintain patent protection for our products is uncertain due to a number of factors, including that:

- we or our licensors may not have been the first to invent the technology covered by our pending patent applications or issued patents;
- we or our licensors may not be the first to file all patent applications covering our methods or products, as patent applications in the United States and most other countries are confidential for a period of time after filing;
- our products and related 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;
- others may design around our patent claims to produce competitive technologies or methods 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;
- parties with access to patentable aspects of our research and development output, such as our employees, corporate collaborators, outside scientific collaborators, contract research organizations, contract manufacturers, consultants, advisors and other third parties, may disclose such results before a patent application is filed, thereby jeopardizing our ability to seek 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 or methods, may not provide any competitive advantages or may be successfully challenged by third parties;
- the patents of others could harm our business;
- a third party may challenge our patents and, if challenged, a court may hold that our patents are invalid;
- a third party may challenge our patents in various patent offices and, if challenged, we may be compelled to limit the scope of our allowed or granted claims or lose the allowed or granted claims altogether;
- our competitors could conduct research and development activities in countries where we will not have enforceable patent rights and then use the information learned from such activities to develop competitive methods or products for sale in our major commercial markets; and
- the growing scientific and patent literature relating to molecular testing, including our own patents and publications, may make it increasingly difficult or impossible to patent new products and methods in the future.

Even if we have or obtain patents covering our products or methods, we may still be barred from making, using and selling such products or methods 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 our technology or to successfully commercialize any approved products alone or with collaborators. Patent applications in the U.S. and elsewhere are generally published approximately 18 months after the earliest filing for which priority is claimed, with such earliest filing date being commonly referred to as the priority date. Therefore, patent applications covering our methods and products could have been filed by others without our knowledge. Additionally, pending claims in patent applications which have been published can, subject to certain limitations, be later amended in a manner that could cover our platform technologies or related products. 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 may be challenged in the courts or patent offices in the United States and abroad. We may be subject to third party pre-issuance submissions of prior art to the USPTO, or become involved in opposition, derivation, revocation, reexamination, post-grant and *inter-partes* review, or interference proceedings challenging our patent rights. An adverse determination in any such submission, proceeding or litigation could reduce the scope of, or invalidate, our patent rights, allow third parties to commercialize our products and technology and compete directly with us, without payment to us, or result in our inability to manufacture or commercialize products without infringing third-party patent rights. Moreover, we, or our licensors, may have to participate in interference proceedings declared by the USPTO to determine priority of invention or in post-grant challenge proceedings, such as oppositions in a foreign patent office, that challenge priority of invention or other features of patentability. Such 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 products and technology, or limit the duration of the patent protection of our products and technology. Such proceedings also may result in substantial cost and require significant time from our employees and management, even if the eventual outcome is favorable to us.

Furthermore, we cannot guarantee that any patents will be issued from any of our pending or future patent applications. The standards applied by the USPTO and foreign patent offices in granting patents are not always applied uniformly or predictably. For example, there is no uniform worldwide policy regarding patentable subject matter or the scope of claims allowable in diagnostic patents. As such, we do not know the degree of future protection that we will have on our proprietary products and technology. 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. While we will endeavor to protect our technology with intellectual property rights such as patents, as appropriate, the process of obtaining patents is time-consuming, expensive and sometimes unpredictable.

In addition, third parties may be able to develop technology that is 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, if all maintenance fees are paid timely, the natural expiration of a patent is generally 20 years after it is filed and the life of a patent, and the protection it affords, is limited. In addition, although upon issuance in the United States a patent's life can be increased based on certain delays caused by the USPTO, this increase can be reduced or eliminated based on certain delays caused by the patent applicant during patent prosecution. Without patent protection for current or future methods and related products, we may face competing technology. Given the amount of time required for the development and testing, and regulatory review where necessary, patents protecting such technology might expire before or shortly after such technology is commercialized. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing technology similar or identical to that we or our collaborators may develop.

Moreover, certain of our patents and patent applications are, and others may in the future be, co-owned with third parties. If we are unable to obtain an exclusive license to any such third party co-owners' interest in such patents or patent applications, such co-owners may be able to use or license their rights to other third parties, including our competitors, and our competitors could market competing products and technology. In addition, we may need the cooperation of any such co-owners of our patents in order to enforce such patents against third parties, and such cooperation may not be provided to us. Any of the foregoing could have a material adverse effect on our business, financial conditions, results of operations, and prospects.

We depend on intellectual property licensed from third parties and we are currently party to several in-license agreements under which we acquired rights to use, develop, manufacture and/or commercialize certain of our platform components. If we breach our obligations under these agreements or if any of these agreements is terminated, or otherwise experience disruptions to our business relationships with our licensors, we may be required to pay damages, lose our rights to such intellectual property and technology, or both, which would harm our business.

We are dependent on patents, know-how, and proprietary technology, both our own and licensed from others. 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. For example, we have licensed technology related to frangible seals and reagent plugs in our Talis One cartridges, under an agreement with thinXXS. Our existing license agreements impose (under certain circumstances), and we expect that future license

agreements will impose, various diligence, milestone payment, royalty and other obligations on us. If we fail to comply with our obligations under these agreements, including due to the impact of the COVID-19 pandemic on our business operations or our use of the intellectual property licensed to us in an unauthorized manner, or we are subject to a bankruptcy, we may be required to pay damages and the licensor may have the right to terminate the license. Any termination of these licenses could result in the loss of significant rights and could harm our ability to develop, manufacture and/or commercialize our platform or product candidates.

In addition, the agreements under which we license intellectual property or technology to or from third parties are complex, and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology or increase what we believe to be our financial or other obligations under the relevant agreement, either of which could have a material adverse effect on our business, financial condition, results of operations and prospects. Moreover, if disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on commercially acceptable terms, we may be unable to successfully develop and commercialize the affected product candidates. Our business also would suffer if any current or future licensors fail to abide by the terms of the license, if the licensors fail to enforce licensed patents against infringing third parties, if the licensed patents or other rights are found to be invalid or unenforceable, or if we are unable to enter into necessary licenses on acceptable terms. Moreover, our licensors may own or control intellectual property that has not been licensed to us and, as a result, we may be subject to claims, regardless of their merit, that we are infringing or otherwise violating the licensor's rights.

In addition, while we cannot currently determine the amount of the royalty obligations we would be required to pay on sales of future products, if any, the amounts may be significant. The amount of our future royalty obligations will depend on the technology and intellectual property we use in products that we successfully develop and commercialize, if any. Therefore, even if we successfully develop and commercialize products, we may be unable to achieve or maintain profitability.

The growth of our business may depend, in part, on our ability to acquire or in-license additional proprietary rights, including to advance the development or commercialization of our products. In that event, we may be required to expend considerable time and resources to license such technology. From time to time, in order to avoid infringing third-party patents, we may be required to license technology from additional third parties to further develop or commercialize our products. We may be unable to acquire or in-license any relevant third-party intellectual property rights, including any such intellectual property rights required to manufacture, use or sell our products, that we identify as necessary or important to our business operations. We may fail to obtain any of these licenses at a reasonable cost or on reasonable terms, if at all, and as a result we may be unable to develop or commercialize the affected product candidates, and we may have to abandon development of the relevant products, which would harm our business. We may need to cease use of the compositions or methods covered by such third-party intellectual property rights, and may need to seek to develop alternative approaches that do not infringe on such intellectual property rights which may entail additional costs and development delays, even if we were able to develop such alternatives, which may not be feasible. Even if we are able to obtain a license under such intellectual property rights, any such license may be non-exclusive, which may allow our competitors' access to the same technologies licensed to us.

The licensing and acquisition of third-party intellectual property rights is a competitive practice, and companies that may be more established, or 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 in order to commercialize our products. More established companies may have a competitive advantage over us due to their larger size and cash resources or greater clinical development and commercialization capabilities. There

can be no assurance that we will be able to successfully complete such negotiations and ultimately acquire the rights to the intellectual property surrounding the additional products that we may seek to acquire.

Disputes may also arise between us and our licensors regarding intellectual property subject to a license agreement. If disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on acceptable terms, we may be unable to successfully develop and commercialize the affected product. We are generally also subject to all of the same risks with respect to protection of intellectual property that we license as we are for intellectual property that we own, which are described below. If we or our licensors fail to adequately protect this intellectual property, our ability to commercialize our products could suffer.

We depend, in part, on our licensors to file, prosecute, maintain, defend, and enforce patents and patent applications that are material to our business.

Patents relating to certain components of our Talis One cartridge are controlled by a third party. Such third party has rights to file, prosecute, maintain, and defend the patents we have licensed from such licensor. If our licensors or any future licensees having rights to file, prosecute, maintain, and defend patent rights that are critical to our products fail to conduct these activities, including due to the impact of the COVID-19 pandemic on our licensors' business operations, our ability to develop and commercialize our products may be adversely affected and we may not be able to prevent competitors from making, using, or selling competing products. We cannot be certain that such activities by our licensors have been or will be conducted in compliance with applicable laws and regulations or will result in valid and enforceable patents or other intellectual property rights. Pursuant to the terms of the license agreements with some of our licensors, the licensors may have the right to control enforcement of our licensed patents or defense of any claims asserting the invalidity of these patents and, even if we are permitted to pursue such enforcement or defense, we cannot ensure the cooperation of our licensors. We cannot be certain that our licensors will allocate sufficient resources or prioritize their or our enforcement of such patents or defense of such claims to protect our interests in the licensed patents. Even if we are not a party to these legal actions, an adverse outcome could harm our business because it might prevent us from continuing to license intellectual property that we may need in our business. In addition, even when we have the right to control patent prosecution of licensed patents and patent applications, enforcement of licensed patents, or defense of claims asserting the invalidity of those patents, we may still be adversely affected or prejudiced by actions or inactions of our licensors and their counsel that took place prior to or after our assuming control. In the event we breach any of our obligations related to such prosecution, we may incur significant liability to our licensing partners.

We may not identify relevant third-party patents or may incorrectly interpret the relevance, scope or expiration of a third-party patent, which might adversely affect our ability to develop and market our products.

We cannot guarantee that any of our patent searches or analyses, including the identification of relevant patents, the scope of patent claims or the expiration of relevant patents, are complete or thorough, nor can we be certain that we have identified each and every third-party patent and pending application in the United States and abroad that is relevant to or necessary for the commercialization of our product candidates in any jurisdiction. The scope of a patent claim is determined by an interpretation of the law, the written disclosure in a patent and the patent's prosecution history. Our interpretation of the relevance or the scope of a patent or a pending application may be incorrect, which may negatively impact our ability to market our products. We may incorrectly determine that our products are not covered by a third-party patent or may incorrectly predict whether a third-party's pending application will issue with claims of relevant scope. Our determination of the expiration date of any patent in the United States or abroad that we consider relevant may be incorrect, which may negatively impact our ability to develop and market our product candidates. Our failure to identify and correctly interpret relevant patents may negatively impact our ability to develop and market our products.

One aspect of the determination of patentability of our inventions depends on the scope and content of the "prior art," information that was or is deemed available to a person of skill in the relevant art prior to the priority date of the claimed invention. For example, we have identified certain third party patents that may be asserted against us with respect to our technology. These patents may expire prior to commercial launch of our products, if authorized for marketing. We believe that the relevant claims of these third party patents are likely invalid or unenforceable, and we may choose to challenge those patents, though the outcome of any challenge that we may initiate in the future is uncertain. We may also decide in the future to seek a license to those third party patents, but we might not be able to do so on reasonable terms. There may be prior art of which we are not aware that may affect the patentability of our patent claims or, if issued, affect the validity or enforceability of a patent claim. Further, we may not be aware of all third-party intellectual property rights potentially relating to our product candidates or their intended uses, and as a result the impact of such third-party intellectual property rights upon the patentability of our own patents and patent applications, as well as the impact of such third-party intellectual property upon our freedom to operate, is highly uncertain. Because patent applications in the United States and most other countries are confidential for typically a period of 18 months after filing, or may not be published at all, we cannot be certain that we were the first to file any patent application related to our product candidates. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain. Furthermore, for U.S. applications in which all claims are entitled to a priority date before March 16, 2013, an interference proceeding can be provoked by a third party or instituted by the USPTO to determine who was the first to invent any of the subject matter covered by the patent claims of our applications. For U.S. applications containing a claim not entitled to priority before March 16, 2013, there is a greater level of uncertainty in the patent law in view of the passage of the America Invents Act, which brought into effect significant changes to the U.S. patent laws, including new procedures for challenging pending patent applications and issued patents.

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

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. Furthermore, we employ reputable law firms and other professionals to help us comply with the various procedural, documentary, fee payment and other similar provisions we are subject to and, in many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. 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.

Some of our intellectual property has been discovered through government funded programs 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 non-U.S. manufacturers.

Our intellectual property rights may be subject to a reservation of rights by one or more third parties. For example, certain intellectual property rights related to structures, such as the rotor or assay chambers, within Talis One test cartridges, including the Talis One COVID-19 assay cartridge were generated, at least in part, 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 the cartridges of our current or future products pursuant to the Bayh-Dole Act of 1980 (Bayh-Dole 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 what are referred to as "march-in" rights to, under certain limited circumstances, 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 and achieve practical application of the government-funded technology, (2) government action is necessary to meet public health or safety needs, (3) government action is necessary to meet requirements for public use under federal regulations or (4) we fail to meet requirements of federal regulations. The U.S. government also has the right to take title to these inventions if we or our licensors fail to disclose the invention to the government or fail to file an application to register the intellectual property within specified time limits. These rights may permit the government to disclose our confidential information to third parties. In addition, our rights in such inventions may be subject to certain requirements to manufacture products embodying such inventions in the United States. 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. To the extent any of our future owned or licensed intellectual property is also generated through the use of U.S. government funding, the provisions of the Bayh-Dole Act may similarly apply. Any exercise by the government of such rights could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects.

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

Changes in either the patent laws or interpretation of the patent laws in the United States could increase the uncertainties and costs, and may diminish our ability to protect our inventions, obtain, maintain, and enforce our intellectual property rights and, more generally, could affect the value of our intellectual property or narrow the scope of our owned and licensed patents. There are numerous recent changes to the patent laws and proposed changes to the rules of the USPTO which may have a significant impact on our ability to protect our technology and enforce our intellectual property rights. For example, the Leahy-Smith America Invents Act (AIA), enacted 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.

Since patent applications in the United States and most other countries are confidential for a period of time after filing or until issuance, we cannot be certain that we or our licensors were the first to either (1) file any patent application related to our product candidates and other proprietary technologies we may develop or (2) invent any of the inventions claimed in our or our licensor's patents or patent applications. Even where we have a valid and enforceable patent, we may not be able to exclude others from practicing the claimed invention where the other party can show that they used the invention in commerce before our filing date or the other party benefits from a compulsory license.

The AIA 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.

Depending on decisions by the U.S. Congress, the federal courts and the USPTO, the laws and regulations governing U.S. patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future. For example, in the 2013 case *Assoc. for Molecular Pathology v. Myriad Genetics, Inc.*, the U.S. Supreme Court held that certain claims to naturally-occurring substances are not patentable. Although we do not believe that any of the patents owned or licensed by us will be found invalid based on this decision, we cannot predict how future decisions by Congress, the federal courts or the USPTO may impact the value of our patents. 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.

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 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 technology fail to issue, if the validity, breadth or strength of protection of our patent rights is threatened, or if such patent rights fail to provide meaningful exclusivity for our methods and related products that we or our collaborators may develop, it could dissuade companies from collaborating with us, encourage competitors to develop competing technology and threaten our or our collaborators' ability to commercialize future products or services. Any such outcome 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 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 our technology 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, even in jurisdictions where we do pursue patent protection. Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States, even in jurisdictions where we do pursue patent protection, or from selling or importing our technology 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 may not seek protection in all countries where we will commercialize our 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 technology in jurisdictions where we do not pursue and obtain patent protection to develop their own assays and products and may export otherwise infringing assays and 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 assays and products may compete with technologies 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. Similarly, if our trade secrets are disclosed in a foreign jurisdiction, competitors worldwide could have access to our proprietary information and we may be without satisfactory recourse. Such disclosure could have a material adverse effect on our business.

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. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations, and prospects.

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

In addition to seeking patent protection for certain aspects of our technology, we also consider trade secrets, including confidential and unpatented know-how, important to the maintenance of our competitive position. We protect trade secrets and confidential and unpatented know-how, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to such knowledge, such as our employees, corporate collaborators, outside scientific collaborators, contract research organizations, contract manufacturers, consultants, advisors and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants that obligate them to maintain confidentiality and assign their inventions to us. We cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or proprietary technology and processes or that the assignment agreements that have been entered into are self-executing. Despite these efforts, any of these parties may breach the agreements, intentionally or inadvertently, and disclose our proprietary information, including our trade secrets, or claim ownership in intellectual property that we believe is owned by us. Monitoring unauthorized uses and disclosures of our intellectual property is difficult, and we do not know whether the steps we have taken to protect our intellectual property will be effective. In addition, we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive and time-consuming, and the outcome is unpredictable. In addition, some courts in the U.S. and certain foreign jurisdictions are less willing or unwilling to protect trade secrets.

Moreover, our competitors or other third parties may independently develop knowledge, methods and know-how equivalent to our trade secrets or seek to reverse engineer our technology for which we do not have patent protection. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third parties, we would have no right to prevent them from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor, our competitive position would be harmed.

We are also subject both in the U.S. and outside the U.S. to various regulatory schemes regarding requests for the information we provide to regulatory authorities, which may include, in whole or in part, trade secrets or confidential commercial information. While we are likely to be notified in advance of any disclosure of such information and would likely object to such disclosure, there can be no assurance that our challenge to the request would be successful. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations, and prospects.

We may be subject to claims that our employees, consultants, or advisors have wrongfully used or disclosed trade secrets or other confidential information of their current or former employers or claims asserting inventorship or ownership of what we regard as our own intellectual property.

Many of our employees, consultants, and advisors are currently or were previously employed at universities or other healthcare, biotechnology or pharmaceutical companies, including our competitors or potential competitors. Although we try to ensure that our employees, consultants, and advisors do not use the proprietary information or know-how of others in their work for us, we may be subject to claims that we or these individuals have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual’s current or former employer. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

We may be subject to claims that former employees, collaborators, or other third parties have an interest in our patents or other intellectual property as an inventor or co-inventor. The failure to name the proper inventors on a patent application can result in the patents issuing thereon being unenforceable. Inventorship disputes may arise from conflicting views regarding the contributions of different individuals named as inventors, the effects of foreign laws where foreign nationals are involved in the development of the subject matter of the patent, conflicting obligations of third parties involved in developing our product candidates or as a result of questions regarding co-ownership of potential joint inventions. For example, we may have inventorship disputes arise from conflicting obligations of consultants or others who are involved in developing our product candidates. Alternatively, or additionally, we may enter into agreements to clarify the scope of our rights in such intellectual property. Litigation may be necessary to defend against these and other claims challenging inventorship. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, valuable intellectual property. Such an outcome could have a material adverse effect on our business. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees.

In addition, while it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that we regard as our own. The assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached, and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property. Such claims could have a material adverse effect on our business, financial condition, results of operations, and prospects.

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

Our trademarks or trade names may be challenged, opposed, infringed, circumvented, invalidated, cancelled, declared generic, determined to be not entitled to registration, or determined to be infringing on other marks. During trademark registration proceedings, we may receive rejections of our applications by the USPTO or in other foreign jurisdictions. Although we would be given an opportunity to respond to those rejections, we may be unable to overcome such rejections. In addition, in the USPTO and in comparable agencies in many foreign jurisdictions, third parties are given an opportunity to oppose pending trademark applications and to seek to cancel registered trademarks. Opposition or cancellation proceedings may be filed against our trademarks, and our trademarks may not survive such proceedings. For example, our application to register the trademark TALIS in the United States is subject to an ongoing opposition before the USPTO with Talis Clinical, LLC, which alleges that our application for registration of the trademark TALIS should not be registered because it is likely to be confused with the prior unregistered trademark TALIS used in connection with medical software and related goods and services. In the event this opposition is successful, or if we enter into a settlement agreement with Talis Clinical, LLC, we could lose rights to this trademark. Any trademark litigation could be expensive. In addition, we could be found liable for significant monetary damages, including treble damages, disgorgement of profits and attorneys' fees, if we are found to have willfully infringed a trademark. We may not be able to protect our exclusive right to these trademarks and trade names or may be forced to stop using these names, which we need for name recognition by potential collaborators or customers in our markets of interest. If we are unable to establish name recognition based on our trademarks and trade names, we may not be able to compete effectively and our business may be adversely affected. We may license our trademarks and trade names to third parties, such as distributors. Though these license agreements may provide guidelines for how our trademarks and trade names may be used, a breach of these agreements or misuse of our trademarks and

tradenames by our licensees may jeopardize our rights in or diminish the goodwill associated with our trademarks and trade names.

Our use of "open source" software could subject our proprietary software to general release, adversely affect our ability to sell our products, and subject us to possible litigation.

A portion of our products incorporate so-called "open source" software and we may incorporate open source software into other products or technologies in the future. Such open source software is generally licensed by its authors or other third parties under open source licenses. Some open source licenses contain requirements that we disclose source code for modifications we make to the open source software and that we license such modifications to third parties at no cost. In some circumstances, distribution of our software in connection with open source software could require that we disclose and license some or all of our proprietary code in that software as well as distribute our products that use particular open source software at no cost to the user. We monitor our use of open source software in an effort to avoid uses in a manner that would require us to disclose or grant licenses under our proprietary source code, however, there can be no assurance that such efforts will be successful. Open source license terms are often ambiguous and such use could inadvertently occur. There is little legal precedent governing the interpretation of many of the terms of certain of these licenses, and the potential impact of these terms on our business may result in unanticipated obligations regarding our products and technologies. Companies that incorporate open source software into their products have, in the past, faced claims seeking enforcement of open source license provisions and claims asserting ownership of open source software incorporated into their product. If an author or other third party that distributes such open source software were to allege that we had not complied with the conditions of an open source license, we could incur significant legal costs defending ourselves against such allegations. In the event such claims were successful, we could be subject to significant damages or be enjoined from the distribution of our products. In addition, if we combine our proprietary software with open source software in certain ways, under some open source licenses we could be required to release the source code of our proprietary software, which could substantially help our competitors develop products that are similar to or better than ours and otherwise have a material adverse effect on our business.

Intellectual property rights do not necessarily address all potential threats.

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

- others may be able to make products or provide services that are similar to ours but that are not protected by our intellectual property;
- we or our licensors might not have been the first to make the inventions covered by our patents;
- we or our licensors might not have been the first to file patent applications covering certain of our or their inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights;
- it is possible that our pending patent applications or those that we may own in the future will not lead to issued patents;
- issued patents for which we have rights may be held invalid or unenforceable, including as a result of legal challenges by our competitors;

- our competitors might conduct activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products in our commercial markets;
- we may not develop additional proprietary technologies that are patentable;
- if enforced, a court may not hold that our patents are valid, enforceable and infringed;
- we cannot predict the scope of protection of any patent issuing based on our patent applications, including whether the patent applications that we own or in-license will result in issued patents with claims that cover our product candidates or uses thereof in the United States or in other foreign countries;
- the claims of any patent issuing based on our patent applications may not provide protection against competitors or any competitive advantages, or may be challenged by third parties;
- we may need to initiate litigation or administrative proceedings to enforce and/or defend our patent rights which will be costly whether we win or lose;
- we may fail to adequately protect and police our trademarks and trade secrets;
- the patents of others may harm our business, including if others obtain patents claiming subject matter similar to or improving that covered by our patents and patent applications; and
- we or our licensors may choose not to file a patent in order to maintain certain trade secrets or know-how, and a third party may subsequently file a patent covering such intellectual property.

Should any of these events occur, they could have a material adverse effect on our business, financial condition, results of operations, and prospects.

Risks related to our financial condition and capital requirements

We have incurred significant losses since our inception and we anticipate that we will continue to incur losses for the foreseeable future, which could harm our future business prospects.

We have historically incurred substantial net losses, including net losses of $21.3 million and $27.5 million, $19.8 million and $46.9 million for the years ended December 31, 2018 and 2019 and the nine months ended September 30, 2019 and 2020, respectively. As of December 31, 2019 and September 30, 2020, we had an accumulated deficit of $81.8 million and $128.7 million, respectively. We expect our losses to continue as we continue to devote a substantial portion of our resources to efforts to the commercial launch of the Talis One platform and COVID-19 test, and thereafter to increase the adoption of our products, improve these products, scale our manufacturing capabilities and research, develop and commercialize new products. We have devoted a substantial portion of our resources to the development and commercialization of the Talis One platform, a molecular diagnostic platform, including clinical and regulatory initiatives to obtain regulatory clearance. These losses have had, and will continue to have, an adverse effect on our working capital, total assets, and stockholders' equity. Because of the numerous risks and uncertainties associated with our research, development and commercialization efforts, we are unable to predict when we will become profitable, and we may never become profitable. Even if we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our inability to achieve and then maintain profitability would negatively affect our business, financial condition, results of operations, and cash flows.

We may need to raise additional capital to fund our existing operations, further develop our diagnostic platform, commercialize new products, and expand our operations.

We may seek to sell common or preferred equity or convertible debt securities, enter into another credit facility or another form of third-party funding, or seek other debt financing. We may also need to raise capital sooner

or in larger amounts than currently anticipated for numerous reasons, including because of lower demand for our COVID-19 test or as a result of failure to obtain regulatory approvals for our other test panels, or other risks described in this prospectus. In addition, we intend to pursue a reagent rental model where the customer does not purchase our Talis One instrument, which will require substantial additional working capital.

We may also consider raising additional capital in the future to expand our business, to pursue strategic investments, to take advantage of financing opportunities, or for other reasons, including to:

- increase our sales and marketing efforts to facilitate market adoption of our products and address competitive developments;
- fund development and marketing efforts of any future products;
- further expand our operations outside the United States;
- acquire, license or invest in technologies, including information technologies;
- acquire or invest in complementary businesses or assets; and
- finance capital expenditures and general and administrative expenses.

Our present and future funding requirements will depend on many factors, including:

- our ability to successfully launch our product, initially with our COVID-19 test, under an EUA;
- our ability to secure and maintain domestic and international regulatory approval for our products;
- our rate of progress in, and cost of the sales and marketing activities associated with, establishing adoption of our products;
- our rate of progress in, and cost of research and development activities associated with, products in research and early development;
- the effect of competing technological and market developments; and
- the potential cost of and delays in research and development as a result of any regulatory oversight applicable to our products.

The various ways we could raise additional capital carry potential risks. If we raise funds by issuing equity securities, our stockholders' ownership interests will be diluted. Any equity securities we issue could also provide for rights, preferences, or privileges senior to those of holders of our common stock. If we raise funds by issuing debt securities, those debt securities would have rights, preferences, and privileges senior to those of holders of our common stock. If we raise funds through borrowings pursuant to a credit agreement, the incurrence of such indebtedness would result in increased fixed payment obligations and could involve restrictive covenants, such as limitations on our ability to incur additional debt and acquire or license intellectual property rights, and other operating restrictions that could adversely impact our ability to conduct our business. If we raise funds through collaborations and alliances and licensing arrangements, we might be required to relinquish significant rights to our platform or technologies or to grant licenses on terms that are unfavorable to us.

Additional equity or debt financing might not be available on reasonable terms, if at all. If we cannot secure additional funding when needed, we may have to delay, reduce the scope of, or eliminate one or more research and development programs or sales and marketing initiatives. In addition, we may have to work with a partner on one or more of our development programs, which could lower the economic value of those programs to us.

Lastly, if we are unable to obtain the requisite amount of financing needed to fund our planned operations, it could have a material adverse effect on our business and ability to continue operating as a going concern.

Risks related to our common stock and the offering

Prior to this offering, there has been no public market for shares of our common stock and an active trading market for our common stock may never develop or be sustained.

No public market for our common stock currently exists. An active public trading market for our common stock may not develop following the completion of this offering, or if developed, it may not be sustained. The lack of an active market may impair your ability to sell your shares at the time you wish to sell them or at a price that you consider reasonable. The lack of an active market may also reduce the fair value of your shares. An inactive market may also impair our ability to raise capital to continue to fund operations by selling shares and may impair our ability to acquire other companies or technologies by using our shares as consideration. The initial public offering price of shares of our common stock has been determined by negotiation between us and the underwriters and may not be indicative of prices that will prevail following the completion of this offering. The market price of shares of our common stock may decline below the initial public offering price, and you may not be able to resell your shares of our common stock at or above the initial public offering price.

Our stock price may be volatile, and the value of our common stock may decline.

The market price of our common stock may be highly volatile and may fluctuate or decline substantially as a result of a variety of factors, some of which are beyond our control, including, but not limited to:

- actual or anticipated fluctuations in our financial condition or results of operations;
- variance in our financial performance from expectations of securities analysts;
- changes in the pricing of our products;
- changes in our projected operating and financial results;
- changes in laws or regulations applicable to our products;
- changes to the proportion of our customers directly purchasing the Talis One platform as compared to utilizing our planned reagent rental model;
- announcements by us or our competitors of significant business developments, acquisitions, or new offerings;
- changes in the structure of healthcare payment systems;
- significant data breaches of our company, providers, vendors or pharmacies;
- our involvement in litigation;
- future sales of our common stock by us or our stockholders, as well as the anticipation of lock-up releases;
- changes in senior management or key personnel;
- negative publicity, such as whistleblower complaints or unsupported allegations made by short sellers, about us or our products;
- the trading volume of our common stock;

- changes in investor perceptions of us or our industry;
- changes in the anticipated future size and growth rate of our market;
- general economic, political, regulatory, industry, and market conditions; and
- natural disasters or major catastrophic events.

These and other factors may cause the market price and demand for our common stock to fluctuate substantially, which may limit or prevent investors from readily selling their shares of common stock and may otherwise negatively affect the liquidity of our common stock. In recent years, stock markets in general, and the market for life science technology companies in particular (including companies in the genomics, biotechnology, diagnostics and related sectors), have experienced significant price and volume fluctuations that have often been unrelated or disproportionate to changes in the operating performance of the companies whose stock is experiencing those price and volume fluctuations. Broad market and industry factors may seriously affect the market price of our common stock, regardless of our actual operating performance. These fluctuations may be even more pronounced in the trading market for our stock shortly following this offering. Following periods of such volatility in the market price of a company's securities, securities class action litigation has often been brought against that company. Because of the potential volatility of our stock price, we may become the target of securities litigation in the future. Securities litigation could result in substantial costs and divert management's attention and resources from our business.

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

Sales of a substantial number of shares of our common stock in the public market following the completion of this offering, or the perception that these sales might occur, could depress the market price of our common stock and could impair our ability to raise capital through the sale of additional equity securities.

All of our directors and officers and the holders of substantially all of our capital stock and securities convertible into our capital stock are subject to lock-up agreements that restrict their ability to transfer shares of our capital stock for 180 days from the date of this prospectus. These lock-up agreements limit the number of shares of capital stock that may be sold immediately following this offering. Subject to certain limitations, substantially all of these shares will become eligible for sale upon expiration of the 180-day lock-up period. J.P. Morgan Securities LLC and BofA Securities, Inc. may, in their sole discretion, permit our stockholders who are subject to these lock-up agreements to sell shares prior to the expiration of the lock-up agreements.

In addition, there were 7,424,661 shares of common stock issuable upon the exercise of options outstanding as of September 30, 2020. We intend to register all of the shares of common stock issuable upon exercise of such outstanding options or other equity incentives we may grant in the future, for public resale under the Securities Act of 1933, as amended (Securities Act). The shares of common stock will become eligible for sale in the public market to the extent such options are exercised, subject to the lock-up agreements described above and compliance with applicable securities laws.

Further, based on shares outstanding as of September 30, 2020, holders of approximately 37,419,106 shares, or 75.5% of our capital stock after the completion of this offering, will have rights, subject to some conditions, to require us to file registration statements covering the sale of their shares or to include their shares in registration statements that we may file for ourselves or other stockholders.

The issuance of shares in connection with any subsequent issuance could depress the market price of our common stock. We are unable to predict the effect that such issuances and/or sales may have on the prevailing market price of our common stock.

If you purchase shares of common stock in this offering, you will experience immediate and substantial dilution in your investment. You will experience further dilution if we issue additional equity or equity-linked securities in the future.

The initial public offering price of our common stock is substantially higher than the pro forma net tangible book value per share of our common stock immediately after this offering. If you purchase shares of our common stock in this offering, you will suffer immediate dilution of $7.99 per share, representing the difference between our pro forma as adjusted net tangible book value per share after giving effect to the sale of 10,000,000 shares of common stock in this offering and an anticipated public offering price of $15.00 per share, the midpoint of the price range set forth on the cover page of this prospectus. See the section entitled “Dilution.”

If we issue additional shares of common stock, or securities convertible into or exchangeable or exercisable for shares of common stock, our stockholders, including investors who purchase shares of common stock in this offering, will experience additional dilution, and any such issuances may result in downward pressure on the price of our common stock.

We are an emerging growth company and the reduced disclosure requirements applicable to emerging growth companies may make our common stock less attractive to investors.

We are an emerging growth company, as defined in the Jumpstart Our Business Startups Act, as amended (JOBS Act). For so long as we remain an emerging growth company, we are permitted by Securities and Exchange Commission (SEC) rules and plan to rely on exemptions from certain disclosure requirements that are applicable to other SEC-registered public companies that are not emerging growth companies.

These exemptions include not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes–Oxley Act of 2002, as amended (Sarbanes-Oxley Act), not being required to comply with any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit firm rotation or a supplement to the auditor’s report providing additional information about the audit and the financial statements, reduced disclosure obligations regarding executive compensation and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. As a result, the information we provide stockholders will be different from the information that is available with respect to other public companies. In this prospectus, we have not included all of the executive compensation related information that would be required if we were not an emerging growth company. We cannot predict whether investors will find our common stock less attractive if we rely on these exemptions.

In addition, as an emerging growth company the JOBS Act allows us to delay adoption of new or revised accounting pronouncements applicable to public companies until such pronouncements are made applicable to private companies, unless we later irrevocably elect not to avail ourselves of this exemption. We have elected to use this extended transition period under the JOBS Act; however, we may choose to early adopt new or revised accounting pronouncements, if permitted under such pronouncements.

Even after we no longer qualify as an emerging growth company, we may still qualify as a “smaller reporting company” which may allow us to take advantage of many of the same exemptions from disclosure requirements including not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act.

If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

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

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

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

The trading market for our common stock will rely in part on the research and reports that industry or securities analysts publish about us or our business. We do not currently have and may never obtain research coverage by industry or securities analysts. If no or few analysts commence coverage of us, the trading price of our common stock could decrease. Even if we do obtain analyst coverage, if one or more of the analysts covering our business downgrade their evaluations of our common stock, the price of our common stock could decline. If one or more of these analysts cease to cover our common stock, we could lose visibility in the market for our common stock, which in turn could cause the price of our common stock to decline.

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

As a public company, we will incur significant legal, accounting, and other expenses that we did not incur as a private company, which we expect to further increase after we are no longer an emerging growth company. The Sarbanes–Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of the Nasdaq Stock Market (Nasdaq), and other applicable securities rules and regulations impose various requirements on public companies. Our management and other personnel devote a substantial amount of time to compliance with these requirements. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. We cannot predict or estimate the amount of additional costs we will incur as a public company or the specific timing of such costs.

We have broad discretion in the use of the net proceeds from this offering and may not use them effectively.

We will have broad discretion in the application of the net proceeds to us from this offering, including for any of the purposes described in the section titled “Use of proceeds,” and you will not have the opportunity as part of your investment decision to assess whether the net proceeds are being used appropriately. Because of the number and variability of factors that will determine our use of the net proceeds from this offering, our ultimate use may vary substantially from our currently intended use. Investors will need to rely upon the judgment of our management with respect to the use of proceeds. Pending use, we may invest the net proceeds from this offering in short-term, investment-grade, interest-bearing securities, such as money market accounts, certificates of deposit, commercial paper, and guaranteed obligations of the United States government that may not generate a high yield for our stockholders. If we do not use the net proceeds that we receive in this offering effectively, our business, financial condition, results of operations and prospects could be harmed, and the market price of our common stock could decline.

Our principal stockholder owns a very significant percentage of our stock and will be able to exert significant control over matters subject to stockholder approval.

Our executive officers, directors and five percent or greater stockholders and their respective affiliates, beneficially own, in the aggregate, approximately 91.7% of our outstanding voting stock, assuming the conversion of all our outstanding convertible preferred stock. Upon the closing of this offering, assuming that we sell the number of shares reflected on the cover page of this prospectus, that same group will beneficially own, in the aggregate, approximately 73.2% of our outstanding voting stock. Further, 78.9% of our outstanding voting stock is owned by entities affiliated with Baker Bros. Advisors LP (Baker Bros.) and, upon the closing of this offering, assuming that we sell the number of shares reflected on the cover page of this prospectus and any applicable waiting period (and any extensions thereof) under the Hart-Scott-Rodino Antitrust Improvement Act of 1976, as amended (HSR Act), with respect to the acquisition by Baker Bros. of its voting interest in the company (if such approval is required) has expired or been terminated, Baker Bros. will beneficially own, in the aggregate, approximately 63.0% of our outstanding voting stock. In addition, at any time following the third anniversary of the closing of this offering, the holders of our Series 1 convertible preferred stock, which, subject to certain limitations, is a voting common stock equivalent, may elect to convert shares of Series 1 convertible preferred stock into shares of Series 2 convertible preferred stock, which is a non-voting common stock equivalent. These shares of Series 2 convertible preferred stock are then convertible into shares of our common stock, subject to certain beneficial ownership limitations. See the section entitled “Description of capital stock.”

We also have a nominating agreement with Baker Bros. that provides that, following this offering, and for so long as it continues to own a certain number of shares of our common stock, we have the obligation to support the nomination of, and to cause our board of directors to include in the slate of nominees recommended to our stockholders for election, one or two individuals designated by Baker Bros. As a result, Baker Bros. will be able to exercise considerable influence over matters requiring stockholder approval, including the election of directors, amendments of our organizational documents and approval of any merger, sale of substantially all our assets or other significant corporate transactions following the closing of this offering and for the foreseeable future. For more information regarding this nominating agreement, see the section entitled “Management—Board composition—Nominating agreement.” This concentration of ownership may prevent or discourage unsolicited acquisition proposals or offers for our common stock that you or other stockholders may feel are in your or their best interest as one of our stockholders.

As a result of being a public company, we are obligated to develop and maintain proper and effective internal controls over financial reporting, and any failure to maintain the adequacy of these internal controls may adversely affect investor confidence in our company and, as a result, the value of our common stock.

We will be required, pursuant to Section 404 of the Sarbanes–Oxley Act to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting for the fiscal year ending December 31, 2021, which is the year covered by the second annual report following the completion of our initial public offering. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. In addition, our independent registered public accounting firm will be required to attest to the effectiveness of our internal control over financial reporting in our first annual report required to be filed with the SEC following the date we are no longer an emerging growth company if we are not a non-accelerated filer at such time. We are commencing the costly and challenging process of compiling the information systems, processes and internal controls documentation necessary to perform the evaluation needed to comply with Section 404 of the Sarbanes–Oxley Act, but we may not be able to complete our evaluation, testing and any required remediation in a timely fashion once initiated. Our compliance with Section 404 of the Sarbanes–Oxley Act will require that we incur substantial accounting expenses and expend significant management efforts. We currently do not have an internal audit group, and we will need to hire additional accounting and financial staff with appropriate public company experience and

technical accounting knowledge and compile the system and process documentation necessary to perform the evaluation needed to comply with Section 404 of the Sarbanes–Oxley Act.

If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness or significant deficiency in our internal control over financial reporting, we could lose investor 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 the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

Our amended and restated certificate of incorporation, currently, and the restated version that we intend to adopt effective upon the closing of this offering will designate the state courts in the State of Delaware or, if no state court located within the State of Delaware has jurisdiction, the federal court for the District of Delaware, as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could discourage lawsuits against us or our directors, officers, or employees.

Our amended and restated certificate of incorporation that we intend to adopt effective upon the completion of this offering will provide that, to the fullest extent permitted by law, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, any state court located within the State of Delaware, or if all such state courts lack jurisdiction, the federal district court for the District of Delaware) will be the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (1) any derivative action or proceeding brought on our behalf; (2) any action asserting a breach of a fiduciary duty owed by any current or former director, officer or other employee, to us or our stockholders; (3) any action or proceeding asserting a claim against us or any of our current or former directors, officers or other employees, arising out of or pursuant to any provisions of the Delaware General Corporation Law, our amended and restated certificate of incorporation, or our amended and restated bylaws; (4) any action or proceeding to interpret, apply, enforce or determine the validity of our amended and restated certificate of incorporation or our amended and restated bylaws; (5) any action or proceeding as to which the Delaware General Corporation Law confers jurisdiction to the Court of Chancery of the State of Delaware; and (6) any action asserting a claim against us, or any of our directors, officers or other employees, that is governed by the internal affairs doctrine, in all cases to the fullest extent permitted by law and subject to the court's having personal jurisdiction over the indispensable parties named as defendants. The amended and restated certificate of incorporation we intend to adopt effective upon closing of this offering states that these choice of forum provisions will not apply to suits brought to enforce a duty or liability created by the Securities Act, the Securities Exchange Act of 1934 (Exchange Act) or any other claim for which the federal courts have exclusive jurisdiction. This amended and restated certificate of incorporation will further provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act.

These choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees and may discourage these types of lawsuits. Furthermore, if a court were to find the choice of forum provisions contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions.

Delaware law and provisions in our amended and restated certificate of incorporation and amended and restated bylaws that will be in effect at the completion of this offering could make a merger, tender offer or proxy contest difficult, thereby depressing the trading price of our common stock.

Provisions of our amended and restated certificate of incorporation and amended and restated bylaws, which will become effective immediately prior to and upon the completion of this offering, respectively, may delay or discourage transactions involving an actual or potential change in our control or change in our management, including transactions in which stockholders might otherwise receive a premium for their shares or transactions that our stockholders might otherwise deem to be in their best interests. Therefore, these provisions could adversely affect the price of our common stock. Among other things, our amended and restated certificate of incorporation and amended and restated bylaws:

- permit our board of directors to issue shares of preferred stock, with any rights, preferences and privileges as they may designate (including the right to approve an acquisition or other change in our control);
- provide that the authorized number of directors may be changed only by resolution of the board of directors;
- provide that the board of directors or any individual director may only be removed with cause and the affirmative vote of the holders of at least 66 2/3% of the voting power of all of our then outstanding common stock;
- provide that all vacancies, including newly created directorships, may, except as otherwise required by law, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum;
- divide our board of directors into three classes;
- require that any action to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and not be taken by written consent;
- provide that stockholders seeking to present proposals before a meeting of stockholders or to nominate candidates for election as directors at a meeting of stockholders must provide notice in writing in a timely manner and also specify requirements as to the form and content of a stockholder's notice;
- do not provide for cumulative voting rights (therefore allowing the holders of a majority of the shares of common stock entitled to vote in any election of directors to elect all of the directors standing for election, if they should so choose); and
- provide that special meetings of our stockholders may be called only by the chairman of the board, our Chief Executive Officer or by the board of directors pursuant to a resolution adopted by a majority of the total number of authorized directors.

The amendment of any of these provisions, with the exception of the ability of our board of directors to issue shares of preferred stock and designate any rights, preferences and privileges thereto, would require approval by the holders of at least 66 2/3% of our then-outstanding common stock.

In addition, as a Delaware corporation, we are subject to Section 203 of the Delaware General Corporation Law. These provisions may prohibit large stockholders, in particular those owning 15% or more of our outstanding voting stock, from merging or combining with us for a certain period of time. A Delaware corporation may opt out of this provision by express provision in its original certificate of incorporation or by amendment to its certificate of incorporation or bylaws approved by its stockholders. However, we have not opted out of this provision.

These and other provisions in our amended and restated certificate of incorporation, amended and restated bylaws and Delaware law could make it more difficult for stockholders or potential acquirors to obtain control of our board of directors or initiate actions that are opposed by our then-current board of directors, including delay or impede a merger, tender offer or proxy contest involving our company. The existence of these provisions could negatively affect the price of our common stock and limit opportunities for you to realize value in a corporate transaction.

For information regarding these and other provisions, see "Description of capital stock."

Special note regarding forward-looking statements

This prospectus contains forward-looking statements. The forward-looking statements are contained principally in the sections entitled "Prospectus summary," "Risk factors," "Management's discussion and analysis of financial condition and results of operations" and "Business." These statements relate to future events or to our future financial performance and involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements include, but are not limited to, statements about:

- our expectations regarding our revenue, expenses and other operating results;
- the timing or outcome of any of our domestic and international regulatory submissions;
- our expectations of the reliability, accuracy and performance of our products and services, as well as expectations of the benefits to patients, clinicians and providers of our products and services;
- future investments in our business, our anticipated capital expenditures and our estimates regarding our capital requirements, future revenues, expenses, reimbursement rates and needs for additional financing;
- impact from future regulatory, judicial, and legislative changes or developments in the United States and foreign countries;
- our ability to establish a sales force and acquire customers;
- our expectations regarding our sales models;
- the costs and success of our marketing efforts, and our ability to promote our brand;
- our ability to increase demand for our products and services, obtain favorable coverage and reimbursement determinations from third-party payers and expand geographically;
- our efforts to successfully develop and commercialize our products and services, including our ability to successfully conduct clinical trials;
- our ability to successfully develop additional revenue opportunities and expand our product and service offerings, including our recently launched offerings;
- the performance of our third-party suppliers and manufacturers;
- our ability to effectively manage our growth, including our ability to retain and recruit personnel, and maintain our culture;
- our ability to compete effectively with existing competitors and new market entrants;
- the impact on our business of economic or political events or trends;
- the size and growth potential of the markets for our products and services, and our ability to serve those markets; and
- the rate and degree of market acceptance of our products and services.

In some cases, you can identify these statements by terms such as "anticipate," "believe," "could," "estimate," "expects," "intend," "may," "plan," "potential," "predict," "project," "should," "will," "would" or the negative of those terms, and similar expressions that convey uncertainty of future events or outcomes. These forward-

looking statements reflect our management's beliefs and views with respect to future events and are based on estimates and assumptions as of the date of this prospectus and are subject to risks and uncertainties. In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this prospectus, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements. We discuss many of the risks associated with the forward-looking statements in this prospectus in greater detail under the heading "Risk factors." Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. Given these uncertainties, you should not place undue reliance on these forward-looking statements.

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

Except as required by law, we assume no obligation to update these forward-looking statements publicly, or to update the reasons actual results could differ materially from those anticipated in any forward-looking statements, whether as a result of new information, future events or otherwise.

Use of proceeds

We estimate that we will receive net proceeds of approximately $136.3 million (or approximately $157.2 million if the underwriters' option to purchase additional shares is exercised in full) from the sale of the shares of common stock offered by us in this offering, based on an assumed initial public offering price of $15.00 per share (the midpoint of the price range set forth on the cover page of this prospectus), and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

A $1.00 increase (decrease) in the assumed initial public offering price of $15.00 per share (the midpoint of the price range set forth on the cover page of this prospectus) would increase (decrease) the net proceeds to us from this offering by approximately $9.3 million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, a one million share increase (decrease) in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase (decrease) the net proceeds to us by $14.0 million, assuming the assumed initial public offering price of $15.00 per share (the midpoint of the price range set forth on the cover page of this prospectus) remains the same, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The principal purposes of this offering are to obtain additional capital to support our operations, to create a public market for our common stock and to facilitate our future access to the public equity markets. We anticipate that we will use the net proceeds of this offering, together with our existing cash, as follows:

- approximately $50.0 million for commercial activities, including the hiring and training of sales and marketing personnel and to fund marketing initiatives;
- approximately $55.0 million for research and development to expand our Talis One test menu; and
- the remaining proceeds for working capital and other general corporate purposes, including the additional costs associated with being a public company.

We may also use a portion of the net proceeds from this offering to in-license, acquire, or invest in complementary businesses, technologies, products or assets. However, we have no current plans, commitments or obligations to do so.

We believe that the net proceeds from this offering and our existing cash, together with interest thereon, will be sufficient to fund further development of our Talis One test menu through regulatory clearance for our COVID-Flu Panel and CT/NG panel, although there can be no assurance in that regard.

Our expected use of net proceeds from this offering represents our current intentions based upon our present plans and business condition. As of the date of this prospectus, we cannot predict with certainty all of the particular uses for the net proceeds to be received upon the completion of this offering, or the amounts that we will actually spend on the uses set forth above. The amounts and timing of our actual use of the net proceeds will vary depending on numerous factors, including the progress, cost and results of our preclinical and clinical development programs, our ability to obtain additional financing, and other factors described under "Risk factors" in this prospectus, as well as the amount of cash used in our operations and any unforeseen cash needs. We may find it necessary or advisable to use the net proceeds for other purposes, and our management will have broad discretion in the application of the net proceeds, and investors will be relying on our judgment regarding the application of the net proceeds from this offering.

Pending their use, we plan to invest the net proceeds from this offering in short- and intermediate-term, interest-bearing obligations, investment-grade instruments, certificates of deposit or direct or guaranteed obligations of the U.S. government.

Dividend policy

We have never declared or paid any cash dividends on our capital stock. We currently intend to retain all available funds and any future earnings to support our operations and finance the growth and development of our business. We do not intend to pay cash dividends on our common stock for the foreseeable future. Any future determination related to our dividend policy will be made at the discretion of our board of directors and will depend upon, among other factors, our results of operations, financial condition, capital requirements, contractual restrictions, business prospects and other factors our board of directors may deem relevant, and subject to the restrictions contained in any future financing instruments. Investors should not purchase our common stock with the expectation of receiving cash dividends.

Capitalization

The following table sets forth our cash and our capitalization as of September 30, 2020 as follows:

- on an actual basis;
- on a pro forma basis to reflect (1) the issuance of 4,859,897 shares of our Series F-1 convertible preferred stock and 9,958,539 shares of our Series F-2 convertible preferred stock from October to November 2020, (2) the conversion of all outstanding shares of our convertible preferred stock as of September 30, 2020 and our Series F-1 convertible preferred stock and Series F-2 convertible preferred stock issued from October to November 2020 into 7,555,432 shares of our common stock and 29,863,674 shares of our Series 1 convertible preferred stock and the related reclassification of the carrying value of our convertible preferred stock converted to our common stock as permanent equity in connection with the completion of this offering, (3) the reclassification and renaming of all outstanding shares of Class A common stock into common stock and cancellation of our Class B common stock pursuant to our Seventh Amended and Restated Certificate of Incorporation in October 2020, and (4) the filing of our amended and restated certificate of incorporation immediately following the completion of this offering; and
- on a pro forma as adjusted basis to give further effect to our issuance and sale of 10,000,000 shares of common stock in this offering at an assumed initial public offering price of $15.00 per share (the midpoint of the price range set forth on the cover page of this prospectus), after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The pro forma and pro forma as adjusted information below is illustrative only, and our cash and capitalization following the completion of this offering will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing. You should read this information in conjunction with our financial statements and the related notes included in this prospectus and the "Management's discussion and analysis of financial condition and results of operations" section and other financial information contained in this prospectus.

	As of September 30, 2020		
(in thousands, except share and per share data)	**Actual**	**Pro forma**	**Pro forma as adjusted(1)**
Cash	$ 55,406	$ 178,983	$ 315,375
Convertible preferred stock (Series C-1, Series C-2, Series D-1, Series D-2, Series E-1 and Series E-2 Convertible preferred stock), $0.0001 par value, 77,427,634 shares authorized and 38,690,915 shares issued and outstanding actual; no shares authorized, issued or outstanding pro forma or pro forma adjusted	167,401	—	—
Series 1 convertible preferred stock, $0.0001 par value, no shares authorized and no shares issued and outstanding actual; 57,324,227 shares authorized and no shares issued and outstanding pro forma; 57,324,227 shares authorized and 29,863,674 shares issued and outstanding pro forma adjusted	—	223,383	223,383
Series 2 convertible preferred stock, $0.0001 par value, no shares authorized and no shares issued and outstanding actual; 57,324,227 shares authorized and no shares issued and outstanding pro forma; 57,324,227 shares authorized and no shares issued and outstanding pro forma adjusted	—	—	—
Stockholders' (deficit) equity:			
Common stock, $0.0001 par value; 100,000,000 Class A shares authorized and 2,124,444 shares issued and outstanding, actual; and none authorized, issued and outstanding, pro forma and pro forma as adjusted; 35,000,000 Class B shares authorized, none issued and outstanding, actual; and none authorized, issued and outstanding, pro forma and pro forma as adjusted; No common stock shares authorized, issued, and outstanding, actual; 230,000,000 common stock authorized, 9,679,876 shares issued and outstanding, pro forma and 19,679,876 shares issued and outstanding, pro forma as adjusted;	—	1	2
Additional paid-in capital	62,768	130,362	266,678
Accumulated deficit	(128,710)	(128,710)	(128,710)
Total stockholders' (deficit) equity	(65,942)	1,653	137,970
Total capitalization	$ 101,459	$ 225,036	$ 361,353

(1) Each $1.00 increase (decrease) in the assumed initial public offering price of $15.00 per share (the midpoint of the price range set forth on the cover page of this prospectus) would increase (decrease) the pro forma as adjusted cash, additional paid-in capital, total stockholders' (deficit) equity and total capitalization after this offering by approximately $9.3 million, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and the estimated offering expenses payable by us. An increase of one million shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase our pro forma as adjusted cash, additional paid-in capital, total stockholders' (deficit) equity and total capitalization after this offering by approximately $14.0 million, assuming that the assumed initial public offering price remains the same, and after deducting the estimated underwriting discounts and commissions and the estimated offering expenses payable by us. Similarly, a decrease of one million shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would decrease the pro forma as adjusted cash, additional paid-in capital, total stockholders' (deficit) equity and total capitalization after this offering by approximately $14.0 million, assuming that the assumed initial public offering price remains the same, and after deducting the estimated underwriting discounts and commissions and the estimated offering expenses payable by us.

The number of shares in the table above excludes, as of September 30, 2020:

- 7,424,661 shares of common stock issuable upon the exercise of outstanding stock options as of September 30, 2020, at a weighted-average exercise price of $3.86 per share;

- 568,523 shares of common stock issuable upon the exercise of outstanding stock options granted after September 30, 2020, at a weighted-average exercise price of $8.67 per share;
- 12,840,904 shares of common stock reserved for future issuance under our 2021 equity incentive plan (2021 Plan) which will become effective upon the execution and delivery of the underwriting agreement for this offering (including shares of common stock reserved for issuance under our 2013 equity incentive plan, as amended (2013 Plan) which shares will be added to the shares reserved under the 2021 Plan upon its effectiveness);
- 550,000 shares of common stock reserved for future issuance under our 2021 employee stock purchase plan (ESPP) which will become effective upon the execution and delivery of the underwriting agreement for this offering; and
- 336,004 shares of common stock issuable upon the exercise of options to purchase shares of our common stock to be granted to certain of our employees under our 2021 Plan, which grants will become effective in connection with this offering, at an exercise price per share equal to the initial public offering price in this offering.

Dilution

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

As of September 30, 2020, we had a historical net tangible book deficit of $66.7 million, or $(31.41) per share of Class A common stock. Our historical net tangible book deficit per share represents the amount of our total tangible assets less deferred offering costs, total liabilities and convertible preferred stock, divided by the total number of shares of Class A common stock outstanding at September 30, 2020.

After giving effect to (1) the issuance of 4,859,897 shares of our Series F-1 convertible preferred stock and 9,958,539 shares of our Series F-2 convertible preferred stock from October to November 2020, (2) the reclassification and renaming of all outstanding shares of Class A common stock into common stock and cancellation of our Class B common stock pursuant to our Seventh Amended and Restated Certificate of Incorporation in October 2020, and (3) the conversion of all outstanding shares of our convertible preferred stock as of September 30, 2020 and our Series F-1 convertible preferred stock and Series F-2 convertible preferred stock issued from October to November 2020 into 7,555,432 shares of our common stock and 29,863,674 shares of Series 1 convertible preferred stock and the related reclassification of the carrying value of our outstanding convertible preferred stock converted to our common stock as permanent equity in connection with the completion of this offering, our pro forma net tangible book value as of September 30, 2020 is $0.9 million, or $0.09 per share of our common stock.

After giving further effect to the sale of 10,000,000 shares of common stock that we are offering at the initial public offering price of $15.00 per share (the midpoint of the price range set forth on the cover page of this prospectus), and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of September 30, 2020 is $138.0 million, or approximately $7.01 per share. This amount represents an immediate increase in pro forma net tangible book value of $6.92 per share to our existing stockholders and an immediate dilution in pro forma net tangible book value of approximately $7.99 per share to new investors participating in this offering.

Dilution per share to new investors is determined by subtracting pro forma as adjusted net tangible book value per share after this offering from the initial public offering price per share paid by new investors. The following table illustrates this dilution:

Assumed initial public offering price per share		$15.00
Historical net tangible book deficit per share at September 30, 2020, before giving effect to this offering	$(31.41)	
Pro forma increase in historical net tangible book value per share attributable to conversion of all outstanding shares of convertible preferred stock	31.50	
Pro forma net tangible book value per share at September 30, 2020, before giving effect to this offering	$ 0.09	
Increase in pro forma net tangible book value per share attributable to investors participating in this offering	6.92	
Pro forma as adjusted net tangible book value per share after this offering		7.01
Dilution per share to new investors participating in this offering		$ 7.99

Each $1.00 increase (decrease) in the assumed initial public offering price of $15.00 per share (the midpoint of the price range set forth on the cover page of this prospectus) would increase (decrease) the pro forma as

adjusted net tangible book value per share after this offering by approximately $0.47, and dilution in pro forma net tangible book value per share to new investors by approximately $0.53, assuming that the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and the estimated offering expenses payable by us.

An increase of one million shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase our pro forma as adjusted net tangible book value per share after this offering by approximately $0.34 and decrease the dilution to investors participating in this offering by approximately $0.34 per share, assuming that the assumed initial public offering price remains the same, and after deducting the estimated underwriting discounts and commissions and the estimated offering expenses payable by us. Similarly, a decrease of one million shares in the number of shares offered by us, as set forth on the cover page of this prospectus, would decrease the pro forma as adjusted net tangible book value per share after this offering by approximately $0.37 and increase the dilution to investors participating in this offering by approximately $0.37 per share, assuming that the assumed initial public offering price remains the same, and after deducting the estimated underwriting discounts and commissions and the estimated offering expenses payable by us.

If the underwriters exercise their option to purchase additional shares of our common stock in full in this offering, the pro forma as adjusted net tangible book value after the offering would be $7.50 per share, the pro forma as adjusted net tangible book value per share to existing stockholders would be $7.41 per share and the dilution per share to new investors would be $7.50 per share, in each case assuming an initial public offering price of $15.00 per share (the midpoint of the price range set forth on the cover page of this prospectus).

The following table summarizes on a pro forma as adjusted basis as of September 30, 2020, the number of shares of common stock purchased or to be purchased from us, the total consideration paid or to be paid to us in cash and the average price per share paid by existing stockholders for shares issued prior to this offering and the price to be paid by new investors in this offering. The calculation below is based on the assumed initial public offering price of $15.00 per share (the midpoint of the price range set forth on the cover page of this prospectus), before deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us. As the table below shows, investors participating in this offering will pay an average price per share substantially higher than our existing stockholders paid.

	Shares purchased		Total consideration		Average price per share
	Number	Percent	Amount	Percent	
Existing stockholders	39,543,550	79.8%	$ 351,619,931	70.1%	$ 8.89
Investors participating in this offering	10,000,000	20.2%	$ 150,000,000	29.9%	$ 15.00
Total	49,543,550	100.0%	$ 501,619,931	100.0%	$ 10.12

Each $1.00 increase (decrease) in the assumed initial public offering price of $15.00 per share (the midpoint of the price range set forth on the cover page of this prospectus) would increase (decrease) total consideration paid by new investors, total consideration paid by all stockholders and the average price per share paid by all stockholders by $9.3 million, $9.3 million and $0.19, respectively, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

Similarly, a one million share increase (decrease) in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase (decrease) the total consideration paid by investors participating in this offering, total consideration paid by all stockholders and the average price per share paid by all

stockholders by approximately $14.0 million, $14.0 million and $0.08, respectively, assuming the assumed initial public offering price of $15.00 per share (the midpoint of the price range set forth on the cover page of this prospectus) remains the same, and after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

The foregoing tables and calculations are based on 9,679,876 shares of common stock outstanding as of September 30, 2020, after giving effect to the conversion of our outstanding shares of convertible preferred stock and outstanding shares of Class A common stock into 7,555,432 shares of common stock and 29,863,674 shares of Series 1 convertible preferred stock, and excludes:

- 7,424,661 shares of common stock issuable upon the exercise of outstanding stock options as of September 30, 2020, at a weighted-average exercise price of $3.86 per share;
- 568,523 shares of common stock issuable upon the exercise of outstanding stock options granted after September 30, 2020, at a weighted-average exercise price of $8.67 per share;
- 12,840,904 shares of common stock reserved for future issuance under our 2021 Plan which will become effective upon the execution and delivery of the underwriting agreement for this offering (including shares of common stock reserved for issuance under our 2013 Plan which shares will be added to the shares reserved under the 2021 Plan upon its effectiveness);
- 550,000 shares of common stock reserved for future issuance under our ESPP which will become effective upon the execution and delivery of the underwriting agreement for this offering; and
- 336,004 shares of common stock issuable upon the exercise of options to purchase shares of our common stock to be granted to certain of our employees under our 2021 Plan, which grants will become effective in connection with this offering, at an exercise price per share equal to the initial public offering price in this offering.

We may choose to raise additional capital through the sale of equity or convertible debt securities due to market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. To the extent we issue additional shares of common stock or other equity or convertible debt securities in the future, there will be further dilution to investors participating in this offering.

Selected financial data

The following selected statements of operations data for the years ended December 31, 2018 and 2019 and the balance sheet data as of December 31, 2018 and 2019 are derived from our audited financial statements and notes appearing elsewhere in this prospectus. The following selected statements of operations data for the nine months ended September 30, 2019 and 2020 and the selected balance sheet data as of September 30, 2020 have been derived from our unaudited interim condensed financial statements and notes included elsewhere in this prospectus. The unaudited interim condensed financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America and on the same basis as the audited financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary to present fairly our financial position of such financial data. You should read this data together with our financial statements and related notes appearing elsewhere in this prospectus and the information in “Management’s discussion and analysis of financial condition and results of operations.” Our historical results are not necessarily indicative of the results to be expected for any other period in the future and the results of statement of operations data for the nine months ended September 30, 2020 are not necessarily indicative of the results to be expected for the year ended December 31, 2020 or any other period in the future.

	Years ended December 31,		Nine months ended September 30,	
(in thousands, except share and per share data)	**2018**	**2019**	**2019**	**2020**
			(unaudited)	
Statement of Operations Data:				
Grant revenue	$ 2,390	$ 3,977	$ 2,470	$ 10,705
Operating expenses:				
Research and development	18,388	23,812	$ 16,866	$ 49,909
General and administrative	5,432	6,864	$ 5,100	$ 7,798
Total operating expenses	23,820	30,676	21,966	57,707
Loss from operations	(21,430)	(26,699)	(19,496)	(47,002)
Other income (expense):				
Change in estimated fair value of convertible notes	—	(817)	(340)	—
Interest and other (expense)/income	93	42	(2)	68
Total other income (expense):	93	(775)	(342)	68
Net loss and comprehensive loss	$ (21,337)	$ (27,474)	$ (19,838)	$ (46,934)
Net (loss) income attributable to common stockholders	$ (21,337)	$ 26,382	$ (19,838)	$ (46,934)
Net (loss) income per share attributable to common stockholders:				
Basic	$ (40.62)	$ 34.34	$ (37.71)	$ (22.15)
Diluted	$ (40.62)	$ (12.77)	$ (37.71)	$ (22.15)
Weighted average shares used in the calculation of net (loss) income per share attributable to common stockholders:				
Basic	525,244	768,366	526,092	2,118,607
Diluted	525,244	2,150,644	526,092	2,118,607
Pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited)(1)		$ (13.42)		$ (10.76)
Pro forma weighted average common stock outstanding, basic and diluted (unaudited)(1)		2,256,306		4,360,325

(in thousands)	As of December 31, 2018	As of December 31, 2019	As of September 30, 2020 (unaudited)
Balance Sheet Data:			
Cash	$ 6,895	$ 21,604	$ 55,406
Working capital(2)	5,968	20,070	92,287
Total assets	11,378	25,733	115,252
Convertible preferred stock	59,696	42,755	167,401
Total stockholders' deficit	(52,002)	(21,140)	(65,942)

(1) The unaudited pro forma basic and diluted net loss per share attributable to common stockholders has been computed to give effect to (i) the conversion of all outstanding convertible preferred stock into 7,555,432 shares of common stock and 29,863,674 shares of Series 1 preferred stock immediately prior to the completion of our planned initial public offering, and (ii) the reclassification and renaming of all outstanding shares of Class A common stock into common stock pursuant to our Seventh Amended and Restated Certificate of Incorporation in October 2020. As we are in a loss position, the 29,863,674 shares of Series 1 preferred stock would be antidilutive and therefore, have been excluded from the computation of diluted net loss per share attributable to common stockholders.

The unaudited pro forma net loss per share attributable to common stockholders was computed using the weighted-average number of shares of common stock outstanding, including the pro forma effect of the aforementioned (i) conversion of all outstanding shares of convertible preferred stock into shares of common stock and Series 1 preferred stock, and (ii) reclassification and renaming of all outstanding shares of Class A common stock into common stock in October 2020, as if such conversion and reclassification had occurred at the beginning of the respective reporting period, or their issuance dates, if later.

The following table sets forth the computation of unaudited pro forma basic and diluted net loss per share attributable to common stockholders giving effect the aforementioned (i) conversion of all outstanding shares of convertible preferred stock into shares of common stock, and (ii) reclassification of all outstanding shares of Class A common stock into common stock, for the year ended December 31, 2019 and the nine-month period ended September 30, 2020:

(in thousands, except share and per share data)	Year ended December 31, 2019	Nine months ended September 30, 2020
Numerator:		
Net income attributable to common stockholders - basic	$ 26,382	$ (46,934)
Exclude effect of Equity Transactions for assumed conversion of convertible preferred stock	(56,658)	—
Pro forma net loss - basic and diluted	$ (30,276)	$ (46,934)
Denominator:		
Weighted-average common stock used in computing net loss per share - basic	768,366	2,118,607
Pro forma adjustment to reflect automatic conversion of convertible preferred stock to common stock upon completion of the proposed initial public offering	1,487,940	2,241,718
Weighted-average number of share used in computing pro forma net loss per common stock - basic and diluted	2,256,306	4,360,325
Pro forma net loss per common stock - basic and diluted	$ (13.42)	$ (10.76)

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

Management's discussion and analysis of financial condition and results of operations

You should read the following discussion and analysis of our financial condition and results of operations together with "Selected financial data" and our audited financial statements and unaudited interim condensed financial statements and related notes included elsewhere in this prospectus. Some of the information contained in this discussion and analysis or set forth elsewhere in this prospectus, including information with respect to our plans and strategy for our business and related financing, includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth in the "Risk factors" section of this prospectus, our actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis. You should carefully read the "Risk factors" section of this prospectus to gain an understanding of the important factors that could cause actual results to differ materially from our forward-looking statements. Please also see the section entitled "Special note regarding forward-looking statements."

Overview

Our primary focus is to transform diagnostic testing through innovative molecular diagnostic products that enable customers to deploy accurate, reliable, low cost and rapid molecular testing at the point-of-care for infectious diseases and other conditions.

We are developing the Talis One Platform (Talis One, the Talis One Platform or platform), that leverages expertise across chemistry, biology, engineering and software, to create a fully integrated, and cloud-enabled, portable molecular diagnostic solution that customers can rapidly deploy when are where needed. The Talis One Platform incorporates core proprietary technologies into a compact, easy-to-use instrument, that utilizes single use test cartridges and software, including a central cloud database, which are designed to work together to provide levels of testing accuracy equivalent to a central laboratory. We intend to commercialize Talis One as an integrated platform comprising single use consumables, an instrument and software. Our commercial strategy will focus on building and expanding an installed base of Talis One instruments and driving utilization of our Talis One tests to generate revenue from the purchase of such products. Subject to marketing authorization, our first commercial test will be a rapid point-of-care molecular diagnostic to detect SARS-CoV-2 directly from a patient sample in approximately 25 minutes (COVID-19 test). We are also developing assays for the detection of other respiratory infections that could be included as a panel test with our COVID-19 test as well as tests for infections related to women's health and sexually transmitted infections.

Our products will require marketing authorization from the U.S. Food and Drug Administration (FDA) prior to commercialization. Due to the COVID-19 global pandemic, we plan to pursue marketing authorization for our COVID-19 test under an Emergency Use Authorization (EUA) rather than initially pursuing 510(k) clearance or other forms of marketing authorization under the FDA's standard medical device authorities.

We have invested in automated cartridge manufacturing lines capable of producing one million Talis One cartridges per month for the COVID-19 assay, which are scheduled to begin to come on-line in the first quarter of 2021 and we expect will scale to full capacity through 2021. These manufacturing lines will be located at our contract manufacturers' sites and operated by our contract manufacturing partners. We have also ordered 5,000 Talis One instruments from our instrument contract manufacturer through the first half of 2021.

Since our inception in 2013, we have devoted substantially all our efforts to research and development activities, manufacturing capabilities, raising capital, building our intellectual property portfolio and providing general and administrative support for these operations. We have principally financed our operations through

the issuance and sale of shares of our convertible preferred stock to outside investors in private equity financings as well as the issuance of convertible promissory notes and receipts from government grants. To date, we have received gross proceeds of approximately $351.5 million from investors in our preferred stock financings and the sale of convertible promissory notes that converted in such financings.

We have incurred recurring losses since our inception, including net losses of $21.3 million and $27.5 million for the years ended December 31, 2018 and 2019, respectively, and $19.8 million and $46.9 million for the nine months ended September 30, 2019 and 2020, respectively. As of September 30, 2020, we had an accumulated deficit of $128.7 million. We expect to continue to generate operating losses and negative operating cash flows for the foreseeable future if and as we:

- continue the research and development of our platform and assays for additional diseases;
- initiate clinical trials for, or additional preclinical development of, our platform;
- further develop and refine the manufacturing processes for our platform;
- change or add manufacturers or suppliers of materials used for our platform;
- seek marketing authorizations;
- seek to identify and validate diagnostic assays for other disease states;
- obtain, maintain, protect and enforce our intellectual property portfolio;
- hire and deploy a salesforce;
- seek to attract and retain new and existing skilled personnel;
- create additional infrastructure to support our operations as a public company and incur increased legal, accounting, investor relations and other expenses; and
- experience delays or encounter issues with any of the above.

In addition, if we obtain marketing authorization for our platform, we expect to incur significant commercialization expenses related to product manufacturing, marketing, sales and distribution. As a result, we will need substantial additional funding to support our operating activities. Until such time as we can generate significant revenue from product sales, if ever, we expect to finance our operating activities through a combination of equity offerings, debt and grant revenue. Adequate funding may not be available to us on acceptable terms, or at all.

If we are unable to obtain funding, we will be forced to delay, reduce or eliminate some or all of our research and development programs, product portfolio expansion or commercialization efforts, which could adversely affect our business prospects, or we may be unable to continue operations. Although we continue to pursue these plans, there is no assurance that we will be successful in obtaining sufficient funding on terms acceptable to us to fund continuing operations, if at all.

As of September 30, 2020, we had unrestricted cash of $55.4 million. In the fourth quarter of 2020 we completed a Series F financing in which we raised total net proceeds of $123.6 million. We expect that our cash of $55.4 million as of September 30, 2020 along with the proceeds from our recent Series F financing will be sufficient to fund our operations through at least the next 12 months. We will need substantial additional funding in addition to the net proceeds of this offering to support our continuing operations and pursue our long-term business plan. We may seek additional funding through the issuance of our common stock, other equity or debt financings, or collaborations or partnerships with other companies. The amount and timing of

our future funding requirements will depend on many factors, including the pace and results of our research efforts for our assays and development and manufacturing activities. We may not be able to raise additional capital on terms acceptable to us, or at all. Any failure to raise capital as and when needed would compromise our ability to execute on our business plan and may cause us to significantly delay or scale back our operations.

We outsource essentially all of our manufacturing. Design work, prototyping and pilot manufacturing are performed in-house before outsourcing to third party contract manufacturers. Our outsourced production strategy is intended to drive rapid scalability and avoid the high capital outlays and fixed costs related to constructing and operating a manufacturing facility. Certain of our suppliers of components and materials are single source suppliers. To support our anticipated commercial launch, we have invested in automated cartridge manufacturing production lines for our Talis One cartridges. Those assets deemed to have an alternative future use have been capitalized as property and equipment while those assets determined to not have an alternative future use have been expensed. The automated cartridge manufacturing lines are capable of producing one million Talis One cartridges per month, which are scheduled to begin to come on-line in the first quarter of 2021 and we expect will scale to full capacity through 2021.

COVID-19 pandemic

Since it was reported to have surfaced in December 2019, a novel strain of coronavirus (COVID-19) has spread across the world and has been declared a pandemic by the World Health Organization. Efforts to contain the spread of COVID-19 have intensified and governments around the world, including in the United States, Europe and Asia, have implemented travel restrictions, social distancing requirements, stay-at-home orders and have delayed the commencement of non-COVID-19-related clinical trials, among other restrictions. As a result, the current COVID-19 pandemic has presented a substantial public health and economic challenge around the world and is affecting our employees, patients, communities and business operations, as well as contributing to significant volatility and negative pressure on the U.S. economy and in financial markets.

We expect that COVID-19 precautions will directly or indirectly impact the timeline for some of our planned clinical trials for our non-COVID-19 related products in development and we are continuing to assess the potential impact of the COVID-19 pandemic on our current and future business and operations, including our expenses and clinical trials, as well as on our industry and the healthcare system.

As a result of the outbreak, many companies have experienced disruptions in their operations and in markets served. We are considered an essential business and therefore the impact to our operations has been limited. To date, we have initiated some and may take additional temporary precautionary measures intended to help ensure our employees' well-being and minimize business disruption. For the safety of our employees and their families, we have temporarily reduced the presence of our employees in our labs. Certain of our third-party service providers have also experienced shutdowns or other business disruptions. We are continuing to assess the impact of the COVID-19 pandemic on our current and future business and operations, including our expenses and planned clinical trial and other development timelines, as well as on our industry and the healthcare system.

As a result of the COVID-19 pandemic, or similar pandemics and outbreaks, we have and may in the future experience severe disruptions, including:

- interruption of or delays in receiving products and supplies from the third parties we rely on to, among other things, manufacture components of our instruments, due to staffing shortages, production slowdowns or stoppages and disruptions in delivery systems, which may impair our ability to sell our products and consumables;

- limitations on our business operations by the local, state, or federal government that could impact our ability to sell or deliver our instruments and consumables;
- delays in customers' purchasing decisions and negotiations with customers and potential customers;
- business disruptions caused by workplace, laboratory and office closures and an increased reliance on employees working from home, travel limitations, cyber security and data accessibility limits, or communication or mass transit disruptions; and
- limitations on employee resources that would otherwise be focused on the conduct of our activities, including because of sickness of employees or their families or the desire of employees to avoid contact with large groups of people.

Two vaccines for COVID-19 were authorized for emergency use by the FDA in the fourth quarter of 2020. While we do not foresee the authorizations having an immediate and near-term impact on the demand for COVID-19 tests, the vaccines could reduce the future demand for such tests depending on the effectiveness of the vaccines.

Components of our results of operations

Revenue

To date, we have not generated any revenue from sales of our Talis One platform. If our development efforts for our platform are successful and result in regulatory approval, we expect to generate revenue in the future from product sales of our Talis One instruments and single use cartridges. Our business model is focused on driving the adoption of the Talis One platform. Customers would gain access to our platform via a direct sales model or a reagent rental model. Under direct platform sales, our customers would directly purchase our Talis One instrument and make subsequent independent purchases of our cartridges. This would include, during our early customer engagements, a fully paid workflow license to practice the desired workflow(s) in a specific field of use. In addition, we would also offer platform support to the extent customers require further system and workflow optimization following platform implementation. When we place a system under a reagent rental agreement, we plan to install equipment in the customer's facility without a fee and the customer agrees to purchase our cartridges at a stated price over the term of the reagent rental agreement. Some of these agreements could include minimum purchase commitments. Under a reagent rental model, we plan to retain title to the equipment and such title is transferred to the customer at no additional charge at the conclusion of the initial arrangement. The cost of the instrument under the agreement is expected to be recovered in the fees charged for consumables, to the extent sold, over the term of the agreement.

We cannot predict if, when, or to what extent we will generate revenue from the commercialization and sale of our platform. We may never succeed in obtaining regulatory approval for our platform. Growth and predictability of recurring revenue is impacted by the mix between these options. It is our goal and expectation that recurring revenue will grow over time, both in absolute dollars and as a percentage of our revenue.

Grant revenue

To date, all of our revenue has been derived from government grants, which includes an April 2018 subaward grant from Boston University as part of the CARB-X initiative, a May 2018 grant from the NIH to support our advancement of a Diagnostics via Rapid Enrichment, Identification, and Phenotypic Antibiotic Susceptibility Testing of Pathogens from Blood project (NIH grant), a July 2020 subaward grant from the University of Massachusetts Medical School for Phase 1 of the NIH's Rapid Acceleration of Diagnostics - Advanced Technology Platforms (RADx) initiative and a $25.4 million contract from the NIH directly for Phase 2 of the RADx initiative.

The CARB-X, NIH grant and RADx initiative included initial funding of $4.4 million through September 2019, $1.3 million through April 2019, and $10.1 million based on achieving certain milestones, respectively. The initial funding term of the CARB-X grant was extended through September 30, 2020 and our initial funding was increased by $1.2 million. We also exercised our second one-year option under the NIH grant, extending the term through April 30, 2021. Under the CARB-X and NIH grant there is the possibility of an additional $2.8 million of funding through June 2021 and an additional $2.2 million of funding through April 2023, respectively.

These grants are not in scope of Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* (ASC 606) as the government entities and/or government-sponsored entities are not customers under the agreements.

Grant funds received from third parties are recorded as revenue if we are deemed to be the principal participant in the arrangement. If we are not the principal participant, the funds from grants are recorded as a reduction to research and development expense. Reimbursable costs paid prior to being billed are recorded as unbilled grant receivables. Funds received in advance are recorded as deferred grant revenue. Our management has determined that we are the principal participant under our grant agreements, and accordingly, we record amounts earned under these arrangements as grant revenue.

Operating expenses

Research and development expenses

Research and development expenses consist primarily of internal and external costs incurred for our research activities, the development of our platform, investment in manufacturing capabilities as well as costs incurred pursuant to our government grants and include:

- salaries, benefits and other related costs, including stock-based compensation expense, for personnel engaged in research and development functions;
- the cost of laboratory supplies and developing and manufacturing of our platform;
- contract services, other outside costs and costs to develop our technology capabilities;
- facility-related expenses, which include direct depreciation costs and allocated expenses for rent and maintenance of facilities and other operating costs;
- cost of outside consultants, including their fees and related travel expenses, engaged in research and development functions;
- expenses related to regulatory affairs; and
- fees related to our scientific advisory board.

We expense research and development costs as incurred. Costs for external development activities are recognized based on an evaluation of the progress to completion of specific tasks using information provided to us by our vendors. Payments for these activities are based on the terms of the individual agreements, which may differ from the pattern of costs incurred, and are reflected in our financial statements as prepaid or accrued research and development expenses. Nonrefundable advance payments for goods or services to be received in the future for use in research and development activities are recorded as prepaid expenses and expensed as the related goods are delivered or the services are performed.

Until future commercialization is considered probable and the future economic benefit is expected to be realized we do not capitalize pre-launch inventory costs prior to completion of marketing authorization unless

the regulatory review process has progressed to a point that objective and persuasive evidence of regulatory approval is sufficiently probable, and future economic benefit can be asserted. We record such costs to research and development costs, or if used in marketing evaluations reported to general and administrative expense. A number of factors are taken into consideration, based on management's judgment, including the current status in the regulatory approval process, potential impediments to the approval process, anticipated R&D initiatives and risk of technical feasibility, viability of commercialization and marketplace trends.

Prior to receiving an EUA, costs of property and equipment related to scaling up our manufacturing capacity for commercial launch are recorded to research and development expense when the asset does not have an alternative future use.

Research and development activities are central to our business model. We expect that our research and development expenses will continue to increase for the foreseeable future as we initiate clinical trials for our platform, ramp-up our manufacturing and commercialization efforts and continue to discover and develop platforms and assays for other infectious diseases and disease states. There are numerous factors associated with the successful commercialization of any assay we may develop in the future for other diseases or disease states, including future trial design and various regulatory requirements, many of which cannot be determined with accuracy at this time based on our stage of development.

General and administrative expenses

General and administrative expenses consist primarily of salaries and other related costs, including stock-based compensation, for personnel in our executive, finance, corporate and business development and administrative functions. General and administrative expenses also include professional fees for legal, patent, accounting, information technology, auditing, tax and consulting services, travel expenses and facility-related expenses, which include direct depreciation costs and allocated expenses for rent and maintenance of facilities and other operating costs.

We expect that our general and administrative expenses will increase in the future as we increase our headcount to support our continued research and development and potential commercialization and sales of our platform. We also expect to incur increased expenses associated with being a public company, including costs of accounting, audit, legal, regulatory and tax compliance services, director and officer insurance costs, and investor and public relations costs.

Other income (expense)

Interest income (expense), net primarily consists of interest expense on a convertible promissory note held during 2019 as well as the change in estimated fair value of our convertible notes. We elected the fair value option to account for these convertible notes and fluctuations in the estimated fair value of our convertible notes were based on the remeasurement at each reporting period until conversion and/or settlement. In December 2019, we converted the convertible notes' aggregate contractually calculated principal amount, plus accrued and unpaid interest, of $19.0 million into 6,937,252 shares of Series D-2 convertible preferred stock at a conversion price of $2.74 per share.

Future public company expenses

We expect our operating expenses to increase when we become a public company following this offering.

We expect our accounting, legal and personnel-related expenses and directors' and officers' insurance costs reported within general and administrative to increase as we establish more comprehensive compliance and

governance functions, maintain and review internal controls over financial reporting in accordance with the Sarbanes-Oxley Act and prepare and distribute periodic reports as required by the rules and regulations of the SEC. As a result, our historical results of operations may not be indicative of our results of operations in future periods.

Results of operations

Comparison for the nine months ended September 30, 2019 and 2020

The following table summarizes our results of operations:

	Nine Months Ended September 30,		
(in thousands)	**2019**	**2020**	**Change**
Grant revenue	$ 2,470	$ 10,705	$ 8,235
Operating expenses:			
Research and development	16,866	49,909	33,043
General and administrative	5,100	7,798	2,698
Total operating expenses	21,966	57,707	35,741
Loss from operations	(19,496)	(47,002)	(27,506)
Other (expense) income, net	(342)	68	410
Net loss and comprehensive loss	$ (19,838)	$ (46,934)	$ (27,096)

Grant revenue

Our revenue for the nine months ended September 30, 2019 and 2020 relates to the CARB-X and NIH grants and the RADx initiative. During the nine months ended September 30, 2019, $1.9 million and $0.6 million of revenue was recognized related to the CARB-X and NIH grants, respectively. During the nine months ended September 30, 2020, $0.6 million, $0.9 million, and $9.3 million of revenue was recognized related to the CARB-X and NIH grants, and the RADx initiative that commenced in 2020, respectively. The changes in revenue recognized for the grants period over period were primarily a result of achieving RADx development targets during the nine months ended September 30, 2020.

Research and development expenses

Substantially all of our research and development expenses incurred for the nine months ended September 30, 2020 were related to the development of our first potential commercial product utilizing the Talis One platform, a rapid, point-of-care molecular diagnostic test to detect COVID-19 directly from a patient sample.

Research and development expenses were $49.9 million for the nine months ended September 30, 2020, compared to $16.9 million for the nine months ended September 30, 2019, an increase of $33.0 million. The increase was primarily due to expenses of $29.6 million relating to the development of our production lines for our Talis One cartridges for the COVID-19 assay and increased personnel related expenses of $3.5 million, including stock compensation expenses, as we increased full-time and temporary headcount. We expect our research and development expenses to increase over the near term as we continue to scale up our manufacturing capacity in anticipation of commercial launch of the Talis One platform. The ramp up of these manufacturing efforts, which began in the middle of 2020, is expected to result in a significant increase in our research and development expenses until regulatory approval of our products is achieved. As of September 30, 2020, we have incurred approximately $19.1 million related to such manufacturing scale-up costs and expect to incur approximately $14.2 million of additional costs in the near term. See “Liquidity and capital resources-Future funding requirements” below for additional information.

General and administrative expenses

General and administrative expenses were $7.8 million for the nine months ended September 30, 2020, compared to $5.1 million for the nine months ended September 30, 2019, an increase of $2.7 million. The increase was primarily due to increased personnel related expenses of $2.2 million, including stock compensation expenses, as we hired new administrative employees, and increased consulting expenses and intellectual property and legal expenses of $0.5 million related to corporate and intellectual property activities.

Other income (expense)

Other income was $0.1 million for the nine months ended September 30, 2020, compared to other expense of $0.3 million for the nine months ended September 30, 2019. The change of $0.4 million was primarily due to the change in the estimated fair value of the convertible notes of $0.3 million between their issuance in March and August 2019 and September 30, 2019. The overall change in fair value was primarily driven by the change in the estimated fair value of our preferred stock over this period.

Comparison for the years ended December 31, 2018 and 2019

The following table summarizes our results of operations:

	Year ended December 31,		
(in thousands)	**2018**	**2019**	**Change**
Grant revenue	$ 2,390	$ 3,977	$ 1,587
Operating expenses:			
Research and development	18,388	23,812	5,424
General and administrative	5,432	6,864	1,432
Total operating expenses	23,820	30,676	6,856
Loss from operations	(21,430)	(26,699)	(5,269)
Other income (expense), net	93	(775)	(868)
Net loss and comprehensive loss	$ (21,337)	$ (27,474)	$ (6,137)

Grant revenue

Our revenue for the years ended December 31, 2018 and 2019 relates to the CARB-X and NIH grants. During the year ended December 31, 2018, $1.9 million and $0.5 million of revenue was recognized related to the CARB-X and NIH grants, respectively. During the year ended December 31, 2019, $3.2 million and $0.9 million of revenue was recognized related to the CARB-X and NIH grants, respectively. The changes in revenue recognized period over period were a result of the levels of related expenditures incurred and paid by us in those periods.

Research and development expenses

Research and development expenses incurred for the year ended December 2018 and 2019 were primarily related to the development of our Talis One Platform and programs for detecting sexually transmitted infections.

Research and development expenses were $23.8 million for the year ended December 31, 2019, compared to $18.4 million for the year ended December 31, 2018, an increase of $5.4 million. The increase was primarily due to a net increase of $2.9 million in preclinical and development expenses, facilities and supplies expenses and

consultant and other related expenses as we engaged consultants for expertise needed for short-term projects and increased testing and development of prototypes and test parts. Additionally, payroll and related expenses increased by $2.8 million, including stock compensation expenses, as we increased full-time and temporary headcount. The increases were partially offset by a decrease of $0.3 million related to a licensing fee that was incurred during year ended December 31, 2018 and no such license fees being incurred during the year ended December 31, 2019.

General and administrative expenses

General and administrative expenses were $6.9 million for the year ended December 31, 2019, compared to $5.4 million for the year ended December 31, 2018, an increase of $1.4 million. The increase was primarily due to increased payroll and related expenses of $0.9 million, including stock compensation expenses, as we hired new administrative employees, increased intellectual property and legal expenses of $0.5 million related to corporate and intellectual property activities.

Other income (expense)

Other expense of $0.8 million for the year ended December 31, 2019, compared to interest income of $0.1 million for the year ended December 31, 2018. The decrease of $0.9 million was primarily due to the change in fair value of the convertible notes of $0.8 million between their issuance in March and August 2019 and their conversion into Series D-2 convertible preferred stock in December 2019. The overall change in fair value was primarily driven by the increase in the estimated fair value of our preferred stock over this period.

Liquidity and capital resources

Sources of liquidity

Since inception and through September 30, 2020, we have raised $224.9 million from the sale of convertible preferred stock and the issuance of convertible promissory notes, which we have used to fund our operations. In the first half of 2020, we received net proceeds of $24.9 million related to issuances of our Series C-1, D-1, and D-2 convertible preferred stock. In the second half of 2020, we issued and sold 2,289,899 shares and 11,187,189 shares of our Series E-1 and Series E-2 convertible preferred stock, respectively, during the Series E initial closing for combined net proceeds of $99.7 million.

In the second half of 2020, we were awarded a $25.4 million contract from the NIH for Phase 2 of its RADx initiative, of which, $8.9 million had been received as of September 30, 2020, and we completed our Series F equity financing in which we raised total net proceeds of $123.6 million (see Note 14 to our unaudited interim condensed financial statements included elsewhere in this prospectus).

Between June 2020 and August 2020, we executed and amended a standby letter of credit (LOC) loan with JPMorgan Chase Bank, N.A. (JPMC) for up to $33.0 million, as terms of collateral that were required by one of our contract manufacturing organizations. The LOC was set to expire on December 31, 2020 but automatically extended to December 31, 2021 when we did not terminate the agreement 90 days prior to the original expiration date. Interest on any borrowings under the LOC agreement is equal to the lesser of (a) Prime plus 2% and (b) the highest rate permitted by applicable law and is payable on demand. The LOC requires us to maintain a cash balance of $34.7 million as collateral.

As of September 30, 2020, we had unrestricted cash of $55.4 million.

Future funding requirements

We do not have any commercial-scale manufacturing facilities, and expect to rely on third parties to manufacture the Talis One platform and related cartridges. We have entered into, and expect to enter into additional, agreements with contract manufacturers to support our manufacturing scale up. We will also need engage third-party logistics providers to manage the movement of materials between suppliers and contract manufacturers and for finished goods warehousing. We also intend to invest in additional manufacturing capacity to meet market demand if the Talis One platform is approved for marketing. The ramp up of these manufacturing efforts, which began in the middle of 2020, is expected to result in a significant increase in our research and development expenses until regulatory approval of our products is achieved.

We do not yet have any products approved for sale, and we have never generated any revenue from contracts with customers. We do not expect to generate any meaningful revenue unless and until we obtain regulatory approval of and commercialize our Talis One Platform. Until we can generate a sufficient amount of revenue from the commercialization of Talis One Platform, if ever, we expect to finance our future cash needs through public or private equity offerings or debt financings.

To date, our primary uses of cash have been to fund operating expenses, primarily research and development expenditures. Cash used to fund operating expenses is impacted by the timing of when we pay these expenses, as reflected in the change in our outstanding accounts payable and accrued expenses. We currently have no other ongoing material financing commitments, such as other lines of credit or guarantees. We have recently increased our spending on automated cartridge manufacturing scale-up and instrument manufacturing, and expect expenses related to manufacturing to increase significantly as we prepare for a potential commercial launch as early as the first quarter of 2021. We expect our expenses to increase in connection with our ongoing activities, particularly as we continue the research and development of, continue or initiate clinical trials of, and seek marketing approval for, our platform. In addition, if we obtain marketing approval for our platform, we expect to incur significant commercialization expenses related to program sales, marketing, manufacturing and distribution to the extent that such sales, marketing and distribution are not the responsibility of any future collaborators. Furthermore, following the completion of this offering, we expect to incur additional costs associated with operating as a public company. Accordingly, we may choose to obtain additional funding in connection with our continuing operations. If we are unable to raise capital when needed or on attractive terms, we would be forced to delay, reduce or eliminate our research and development programs or future commercialization efforts.

Since our inception, we have incurred significant losses and negative cash flows from operations. We have an accumulated deficit of $128.7 million through September 30, 2020. We expect to incur substantial additional losses in the future as we conduct and expand our research and development, manufacturing and commercialization activities. Based on our planned operations and the proceeds from our fourth quarter Series F equity financing, we expect that our cash of $55.4 million as of September 30, 2020, together with the proceeds from our Series F equity financing, will be sufficient to fund our operations for at least 12 months after February 8, 2021, the date the unaudited interim financial statements were considered reissued. However, we will need to raise additional capital through equity or debt financing, or potential additional collaboration proceeds prior to achieving commercialization of our products. Our ability to continue as a going concern is dependent upon our ability to successfully secure sources of financing and ultimately achieve profitable operations.

We have based our projections of operating capital requirements on assumptions that may prove to be incorrect and we may use all our available capital resources sooner than we expect. Because of the numerous risks and uncertainties associated with research, development and commercialization of the Talis One Platform, we are unable to estimate the exact amount of our operating capital requirements. Our future capital requirements will depend on many factors, including:

- our ability to receive, and the timing of receipt of, an EUA for our COVID-19 test;
- the effectiveness and availability of the two vaccines that were authorized in the fourth quarter of 2020;
- the amount of capital, and related timing of payments, required to build sufficient inventory of our Talis One platform and test cartridges in advance of and during commercial launch;
- the costs and timing of future commercialization activities, including manufacturing, marketing, sales and distribution, for our platform if we receive marketing approval;
- limitations of, or interruptions in, the quality or quantity of materials from our third party suppliers;
- our ability to implement an effective manufacturing, marketing and commercialization operation;
- the scope, progress, results and costs of our ongoing and planned operations;
- the costs associated with expanding our operations;
- the number and development requirements of assays for other diseases or disease states that we may pursue;
- intervention, interruptions or recalls by government or regulatory agencies;
- enhancements and disruptive advances in the diagnostic testing industry;
- our estimates and forecasts of the market size addressable by our Talis One platform;
- security breaches, data losses or other disruptions affecting our information systems;
- the regulatory and political landscape upon the launch of our commercialization of the Talis One platform;
- the revenue, if any, received from commercial sales of our products if approved, including additional working capital requirements if we pursue a reagent rental model for our Talis One instrument;
- our ability to establish strategic collaborations; and
- the costs and timing of preparing, filing and prosecuting patent applications, maintaining and enforcing our intellectual property rights and defending any intellectual property-related claims.

Cash flows

The following table summarizes our cash flows for each of the periods presented:

	Year ended December 31,		Nine Months Ended September 30,	
(in thousands)	**2018**	**2019**	**2019**	**2020**
Cash used in operating activities	$ (20,943)	$ (24,326)	$ (18,463)	$ (50,333)
Cash used in investing activities	(533)	(578)	(425)	(5,795)
Cash provided by financing activities	8	39,613	14,998	124,580
Net (decrease) increase in cash and restricted cash	$ (21,468)	$ 14,709	$ (3,890)	$ 68,452

Operating activities

During the year ended December 31, 2018, cash used in operating activities was $20.9 million, resulting primarily from our net loss of $21.3 million and an increase in unbilled grant receivables of $2.0 million, partially offset by non-cash items of $1.3 million (primarily stock-based compensation and depreciation expense) and an increase in accounts payable and accrued expenses and other current liabilities of $0.7 million.

During the year ended December 31, 2019, cash used in operating activities was $24.3 million, resulting primarily from our net loss of $27.5 million, partially offset by non-cash items of $2.5 million (primarily changes in the estimated fair value of convertible notes, stock-based compensation, and depreciation expense) and a net increase of $0.6 million in accounts payable and accrued expenses and other current liabilities.

During the nine months ended September 30, 2019, cash used in operating activities was $18.5 million, resulting primarily from our net loss of $19.8 million and a net increase in prepaid expenses and other assets of $0.5 million, partially offset by non-cash items of $1.6 million (primarily stock-based compensation and depreciation expense) and a net increase in accounts payable and accrued expenses and other current liabilities of $0.3 million.

During the nine months ended September 30, 2020, cash used in operating activities was $50.3 million, resulting primarily from our net loss of $46.9 million and an increase of $13.3 million in prepaid research and development which related to our research and development manufacturing activities, partially offset by a net increase of $6.7 million in accounts payable, accrued expenses and other current liabilities, non-cash items of $2.7 million (primarily stock-based compensation and depreciation expense) and a decrease in unbilled receivables of $1.5 million.

Investing activities

During the years ended December 31, 2018 and 2019, we used $0.5 million and $0.6 million of cash, respectively, for investing activities related to purchases of property and equipment.

During the nine months ended September 30, 2019 and 2020, we used $0.4 million and $5.8 million of cash, respectively, for investing activities related to purchases of property and equipment. The expenditures during the nine months ended September 30, 2020 were primarily related to manufacturing equipment.

Financing activities

During the year ended December 31, 2018, net cash provided by financing activities was less than $0.1 million, resulting from exercises of options to purchase our Class A Common Stock (common stock).

During the year ended December 31, 2019, net cash provided by financing activities was $39.6 million, primarily consisting of $15.0 million of proceeds from the issuance of convertible notes that were subsequently converted into Series D-2 convertible preferred stock, $18.1 million of net proceeds from the sale of our Series C-1 convertible preferred stock in, $1.9 million of net proceeds from the sale of our Series D-1 convertible preferred stock, and $4.6 million of net proceeds from the sale of our Series D-2 convertible preferred stock.

During the nine months ended September 30, 2019, net cash provided by financing activities was $15.0 million, primarily consisting of $15.0 million of proceeds from the issuance of convertible notes that were subsequently converted into Series D-2 convertible preferred stock.

During the nine months ended September 30, 2020, net cash provided by financing activities was $124.6 million, primarily consisting of $24.9 million of net proceeds from the second tranche payment of the 2019 issuance of Series C-1 convertible preferred stock, Series D-1 convertible preferred stock, and Series D-2 convertible preferred stock and $99.7 million of net proceeds from the issuance of Series E-1 convertible preferred stock and Series E-2 convertible preferred stock.

Contractual obligations and commitments

The following table summarizes our non-cancellable contractual obligations at September 30, 2020, and the effects that such obligations are expected to have on our liquidity and cash flows in future periods:

	Payments due by period		
(in thousands)	Total	Less than 1 year	1 to 3 years
Operating leases(1)	$ 901	$ 825	$ 76
Purchase commitments(2)	38,273	38,273	—
Manufacturing production lines(3)	43,034	43,034	—
Total	$82,208	$ 82,132	$ 76

(1) Represents minimum contractual lease payments on our real estate lease in Menlo Park, California
(2) Represents firm purchase commitments in the normal course of business of $33.0 million and $5.3 million of Talis One instruments and Talis One cartridges, respectively.
(3) Represents firm commitments relating to the scale-up of manufacturing capacity for Talis One cartridges, primarily attributed to investments in production lines.

Apart from the contracts with payment commitments that we have reflected in the table, we have entered into other contracts in the normal course of business with certain contract manufacturing organizations and other third parties for manufacturing services. Payments due upon cancellation consist only of payments for services provided and expenses incurred, including non-cancelable obligations of our service providers, up to the date of cancellation.

Between June 2020 and August 2020, we executed and amended a LOC with JPMC for up to $33.0 million, as terms of collateral that were required by one of our contract manufacturing organizations. The LOC was set to expire on December 31, 2020 but automatically extended to December 31, 2021 when we did not terminate the agreement 90 days prior to the original expiration date.

Critical accounting policies and significant judgments and estimates

This management's discussion and analysis of financial condition and results of operations is based on our financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States. The preparation of our financial statements and related disclosures requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities, costs and expenses and the disclosure of contingent assets and liabilities in our financial statements. We base our estimates on historical experience, known trends and events and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are described in greater detail in Note 2 to our financial statements appearing at the end of this prospectus, we believe that the following accounting policies are those most critical to the judgments and estimates used in the preparation of our financial statements.

Equity transactions

We record convertible preferred stock at fair value on the dates of issuance, net of issuance costs. We have classified convertible preferred stock as temporary equity in the accompanying balance sheets due to terms that may require redemption of the shares in cash upon certain change in control events that are not solely within our control, including our sale or transfer. The carrying values of the convertible preferred stock will be adjusted to their liquidation preferences at such time it becomes probable that such a redemption triggering

event will occur. We also evaluate our convertible preferred stock to determine where any of their contractual terms require bifurcation and separate recognition from the underlying shares in accordance with the embedded derivative accounting guidance.

Between November 2019 and December 2019, we entered into a series of transactions (Equity Transactions) with our existing preferred equity stockholders and other investors to (i) raise new capital in a sale of three new series of convertible preferred stock and (ii) restructure our capital structure. All existing holders of our convertible preferred stock were given the opportunity to participate in the new financing but existing convertible preferred stockholders that did not participate in the financing were subject to dilution. The steps of the Equity Transactions that impacted the existing stockholders were evaluated as a single transaction because they occurred concurrently and in contemplation of each other. We concluded that the these combined transactions resulted in the extinguishment of our Series A convertible preferred stock, Series B convertible preferred stock, and Series C convertible preferred stock because the Series C-1 convertible preferred stock, Series D-1 convertible preferred stock and Series D-2 convertible preferred stock issued to our existing investors were considered to be substantially different from the Series A convertible preferred stock, Series B convertible preferred stock and Series C convertible preferred stock. In determining if an extinguishment or modification of these shares occurred, we elected a policy to evaluate if changes to the preferred shares adds, removes, or significantly changes a substantive contractual term (e.g., one that is at least reasonably possible of being exercised), or fundamentally changes the nature of the preferred shares. This evaluation includes the consideration of both the expected economics as well as the business purpose for the amendment. More specifically, the Series C-1 convertible preferred stock received by existing stockholders has a significantly higher liquidation preference than the Series A convertible preferred stock, Series B convertible preferred stock and Series C convertible preferred stock, respectively. Together with the Series C-1 convertible preferred stock, existing stockholders also received common stock and paid additional cash through the Equity Transactions, causing the equity investments held by our preferred stockholders after the Equity Transaction to be substantially different than their equity investments prior to the Equity Transactions.

When mezzanine equity-classified preferred shares are extinguished, the difference between (1) the fair value of the consideration transferred to the holders of the preferred shares (i.e., the cash or the fair value of new instruments issued) and (2) the carrying amount of the preferred shares (net of issuance costs) are subtracted from (or added to) net income (loss) to arrive at income available to common stockholders in the calculation of earnings per share attributable to our common stockholders. In addition to the effect on earnings per share attributable to our common stockholders, extinguishment accounting will result in adjustments within equity but will not result in recognition of any amounts in net income (loss).

The estimated fair value of our convertible preferred stock, for purposes of evaluating the extinguishment resulting from the Equity Transactions, was based on the guidelines outlined in the American Institute of Certified Public Accountants Practice Aid, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*. The estimated fair value of the convertible preferred stock was based on a hybrid between the probability weighted expected return and option pricing methods, estimating the probability weighted value across multiple scenarios, but using the option pricing method to estimate the allocation of value within one or more of those scenarios. The assumptions we use in the valuation model are based on future expectations combined with management judgment. In the absence of a public trading market for our convertible preferred stock, our management exercised significant judgment and considered numerous objective and subjective factors to determine the fair value of convertible preferred stock, including the following factors:

- a contemporaneous independent valuation of our common stock performed at periodic intervals by an independent third-party valuation firm;
- prices at which we sold shares of convertible preferred stock and the superior rights and preferences of the convertible preferred stock relative to our common stock;

- timing and likelihood of achieving a liquidity event, such as an initial public offering or sale of our company in light of prevailing market conditions;
- volatility as estimated based on the average volatility for comparable publicly traded diagnostic companies over a period equal to the expected term of a liquidity event (comparable companies are chosen based on their similar size, stage in the life cycle or area of specialty); and
- a risk-free interest rate based on the U.S. Treasury zero coupon issues corresponding with the estimated period of time to a liquidity event.

The assumptions underlying these valuations represent our management's best estimates based on application of these approaches and careful consideration of advice from a third-party valuation firm. Such estimates involve inherent uncertainties and the application of significant judgment.

Grant revenue

Grants awarded to us for research and development by government entities are outside the scope of the contracts with customers and contributions guidance. This is because these granting entities are not considered to be customers and are not receiving reciprocal value for their grant support provided to us. These grants provide us with payments for certain types of expenditures in return for research and development activities over a contractually defined period. For efforts performed under these grant agreements, our policy is to recognize revenue when it is reasonably assured that the grant funding will be received as evidenced through the existence of a grant arrangement, amounts eligible for reimbursement are determinable and have been incurred and paid, the applicable conditions under the grant arrangements have been met, and collectability of amounts due is reasonably assured. Costs of grant revenue are recorded as a component of research and development expenses in our statements of operations and comprehensive loss.

Grant funds received from third parties are recorded as revenue if we are deemed to be the principal participant in the arrangement. If we are not the principal participant, the funds from grants are recorded as a reduction to research and development expense. Reimbursable costs paid prior to being billed are recorded as unbilled grant receivables. Funds received in advance are recorded as deferred grant revenue. We have determined that we are the principal participant under our grant agreements, and accordingly, we record amounts earned under these arrangements as grant revenue.

Research and development expenses

Research and development costs are expensed as incurred. Research and development expenses include certain payroll and personnel expenses, laboratory supplies, consulting costs, external contract research and development expenses, allocated overhead and facility occupancy costs. Costs to develop our technologies, including software, are recorded as research and development expense except for costs that meet the criteria to be capitalized as internal-use software costs. These expenses relate to both our sponsored programs as well as costs incurred pursuant to grants. Non-refundable advance payments made for goods or services that will be used or rendered for future research and development activities are deferred and capitalized and recognized as expense as the goods are received or the related services are rendered.

We do not capitalize pre-launch inventory costs until future commercialization is considered probable and the future economic benefit is expected to be realized. Capitalizing pre-launch inventory costs will not occur prior to obtaining an EUA or other FDA clearance or marketing authorization unless the regulatory review process has progressed to a point that objective and persuasive evidence of regulatory approval is sufficiently probable, and future economic benefit can be asserted. We record such costs as research and development expenses, or if used in marketing evaluations records such costs as general and administrative expenses. A number of factors are taken into consideration, based on our management's judgment, including the current status in the

regulatory approval process, potential impediments to the approval process, anticipated research and development initiatives and risk of technical feasibility, viability of commercialization and marketplace trends.

In 2020, we began developing production lines to automate the production of our Talis One cartridges for the COVID-19 assay with the intention to scale up our manufacturing capabilities to meet the high demand expected in response to the COVID-19 pandemic. In January 2021, we submitted a request for an EUA to the FDA for our Talis One platform with COVID-19 molecular diagnostic assay for the automated detection of nucleic acid from the SARS-CoV-2 virus in nasal swab samples from individuals suspected of COVID-19 by their healthcare provider. Approximately $19.1 million of the high capacity production equipment, purchased as part of our effort to scale up our manufacturing capacity, is highly specialized for the manufacturing of our Talis One cartridges and was determined not to have an alternative future use. All materials, equipment, and external consulting costs associated with developing aspects of the production line that do not have an alternative future use are expensed as research and development costs until regulatory approval or clearance is obtained. Materials, equipment, and external consulting costs associated with developing aspects of the production line that are deemed to have an alternative future use are capitalized as property and equipment, assessed for impairment and depreciated over their related useful lives. These research and development costs, including expenditures for property and equipment with no alternative future use, are classified as operating cash outflows within our condensed statements of cash flows.

For certain research and development services where we have not yet been invoiced or otherwise notified of actual cost from the third-party contracted service providers, we are required to estimate the extent of the services that have been performed on our behalf and the associated costs incurred at each reporting period. The majority of our service providers invoice us monthly in arrears for services performed. We make estimates of our accrued expenses as of each balance sheet date in our financial statements based on facts and circumstances at that time. We periodically confirm the accuracy of our estimates with the service providers and make adjustments if necessary.

Although we do not expect our estimates to be materially different from amounts actually incurred, our understanding of the status and timing of services performed relative to the actual status and timing of services performed may vary and may result in reporting amounts that are too high or too low in any particular period. To date, there have not been any material adjustments to our prior estimates of accrued research and development expenses.

Fair value option

We have elected the fair value option to account for our convertible notes that were issued during and settled during 2019 and recorded these convertible notes at fair value with changes in fair value recorded as a component of other income (expense), net in the statement of operations and comprehensive loss. As a result of applying the fair value option, direct costs and fees related to the convertible notes were expensed as incurred and were not deferred. We concluded that it was appropriate to apply the fair value option to the convertible notes because there were no non-contingent beneficial conversion options related to the convertible notes. The probability-adjusted model used in valuing the fair value of our convertible debt is based on significant unobservable inputs, including but not limited to:

- Timing and probability of a qualified financing event, which is defined as financing event through the issuance of shares for total gross proceeds of at least $45.0 million in cash;
- discount rates; and
- fair value of the underlying convertible preferred stock.

Increases or decreases in the fair value of the convertible notes can result from updates to assumptions such as the expected timing or probability of a qualified financing event, or changes in discount rates. Judgment is used in determining these assumptions as of the initial valuation date and at each subsequent reporting period. Updates to assumptions could have a significant impact on our results of operations in any given period. The convertible notes were settled in December 2019.

Stock-based compensation

We measure stock-based compensation expense for stock options granted to our employees and directors on the date of grant and recognize the corresponding compensation expense of those awards over the requisite service period, which is generally the vesting period of the respective award. Our stock-based payments include stock options. Stock-based compensation expense is recognized over the requisite service period, which is generally the vesting period, on a straight-line basis. From time to time, we may grant stock options to employees, including executive officers, that vest upon the satisfaction of both service-based and performance-based vesting conditions. We recognize stock-based compensation over the requisite service period using the accelerated attribution method for awards with a performance condition if the performance condition is deemed probable of being met. Stock-based compensation expense is classified in the accompanying statements of operations and comprehensive loss based on the function to which the related services are provided. We recognize stock-based compensation expense for the portion of awards that have vested. Forfeitures are recorded as they occur.

We estimate the fair value of stock options granted to our employees and directors on the grant date, and the resulting stock-based compensation expense, using the Black-Scholes option-pricing model. The Black-Scholes option-pricing model requires the use of subjective assumptions which determine the fair value of stock option awards. These assumptions include:

- *Expected term*. The expected term of options represents the period of time that options are expected to be outstanding. Our historical stock option exercise experience does not provide a reasonable basis upon which to estimate an expected term due to lack of sufficient data. For granted “at-the-money” stock options, we estimate the expected term by using the simplified method. The simplified method calculates the expected term as the average of the time-to-vesting and the contractual life of the options.
- *Expected volatility*. As there has been no public market for our common stock to date, and as a result we do not have any trading history of our common stock, expected volatility is estimated based on the average volatility for comparable publicly traded diagnostic companies over a period equal to the expected term of the stock option grants. The comparable companies are chosen based on their similar size, stage in the life cycle or area of specialty.
- *Risk-free interest rate*. The risk-free interest rate is based on the U.S. Treasury zero coupon issues in effect at the time of grant for periods corresponding with the expected term of the stock option grants.
- *Expected dividend yield*. We have never paid dividends on our common stock and have no plans to pay dividends on our common stock. Therefore, we use an expected dividend yield of zero.

As there has been no public market for our common stock to date, the estimated fair value of the common stock underlying our stock options was determined by our board of directors, with input from management, considering our most recently available third-party valuations of common stock and our board of directors’ assessment of additional objective and subjective factors that it believed were relevant, and factors that may have changed from the date of the most recent valuation through the date of the grant, which intended all options granted to be exercisable at a price per share not less than the per share fair value of our common

stock underlying those options on the date of grant. We believe that our board of directors has the relevant experience and expertise to determine the fair value of our common stock. Prior to our initial public offering, given the absence of a public trading market for our common stock, the valuations of our common stock were determined in accordance with the guidelines outlined in the American Institute of Certified Public Accountants Practice Aid, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*. The Practice Aid identifies various available methods for allocating enterprise value across classes and series of capital stock to determine the estimated fair value of common stock at each valuation date. In accordance with the Practice Aid, our board of directors considered the following methods:

- *Current value method*. Under the Current Value Method, our value is determined based on our balance sheet. This value is then first allocated based on the liquidation preference associated with preferred stock issued as of the valuation date, and then any residual value is assigned to the common stock.
- *Option-pricing method*. Under the option-pricing method, shares are valued by creating a series of call options with exercise prices based on the liquidation preferences and conversion terms of each equity class. The estimated fair values of the preferred and common stock are inferred by analyzing these options.
- *Probability-weighted expected return method*. The probability-weighted expected return method, is a scenario-based analysis that estimates value per share based on the probability-weighted present value of expected future investment returns, considering each of the possible outcomes available to us, as well as the economic and control rights of each share class.

The assumptions we use in the valuation model are based on future expectations combined with management judgment. In the absence of a public trading market, our board of directors with input from management exercised significant judgment and considered numerous objective and subjective factors to determine the fair value of our common stock as of the date of each option grant, including the following factors:

- contemporaneous independent valuations performed at periodic intervals by an independent third-party valuation firm;
- the prices at which we sold shares of preferred stock and the superior rights and preferences of the preferred stock relative to our common stock at the time of each grant;
- the progress of our research and development programs, including the status and results of preclinical studies for our platform;
- our stage of development and commercialization and our business strategy;
- external market conditions affecting the diagnostics industry and trends within the diagnostics industry;
- the lack of an active public market for our common stock; and
- the likelihood of achieving a liquidity event, such as an initial public offering or sale of our company in light of prevailing market conditions.

The assumptions underlying these valuations represented our board of directors and management develop best estimates based on application of these approaches and the assumptions underlying these valuations, giving careful consideration to the advice from our third-party valuation expert. Such estimates involve inherent uncertainties and the application of significant judgment. As a result, if factors or expected outcomes change and we use significantly different assumptions or estimates, our equity-based compensation could be materially different. Following the closing of this offering, our board of directors will determine the fair market value of our common stock based on its closing price as reported on the date of grant on the primary stock exchange on which our common stock is traded.

In March 2020, we offered to reprice the unexercised stock options of each employee or non-employee director with an exercise price equal to $6.38 or higher per share to the estimated fair market value of our Class A Common Stock on March 13, 2020, $1.51. The repriced options were subject to the same terms as the original granted options, except for the new exercise price. As a result of the offering, we modified the exercise price of stock options for the purchase of 407,415 shares of common stock with a weighted average exercise price of $15.55 per share, by cancelling these options and reissuing stock options with an exercise price of $1.51 per share to purchase 407,415 shares of common stock. The calculation of the incremental compensation expense is based on the excess of the fair value of the award measured immediately before and after the modification. As a result of the modification, we recognized incremental compensation expense of $0.2 million for the nine months ended September 30, 2020 and $0.1 million of the incremental expense relating to the unvested shares remained unrecognized as of September 30, 2020.

The intrinsic value of all outstanding options as of September 30, 2020 was approximately $82.8 million, based on the assumed initial public offering price of $15.00 per share, the midpoint of the range set forth on the cover page of this prospectus, of which approximately $11.2 million is related to vested options and approximately $71.6 million is related to unvested options.

Off-balance sheet arrangements

As of September 30, 2020, we did not have any relationships with unconsolidated entities or financial partnerships, such as entities often referred to as structured finance or special purpose entities established for the purpose of facilitating off-balance sheet arrangements or other contractually narrow or limited purposes.

Recently issued accounting pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial position and results of operations is disclosed in Note 2 to our audited and unaudited financial statements included elsewhere in this prospectus.

Quantitative and qualitative disclosures about market risks

We are exposed to market risks in the ordinary course of our business. These risks primarily include interest rate sensitivities.

Interest rate sensitivity

As of September 30, 2020, we had unrestricted cash of $55.4 million. Our exposure to interest rate sensitivity is impacted by changes in the underlying U.S. bank interest rates. We have not entered into investments for trading or speculative purposes. Due to the conservative nature of our investment portfolio, which is predicated on capital preservation of investments with short-term maturities, we do not believe an immediate one percentage point change in interest rates would have a material effect on the fair market value of our portfolio, and therefore we do not expect our operating results or cash flows to be significantly affected by changes in market interest rates.

In August 2020, we entered into a LOC with JPMC for up to $33.0 million, as terms of collateral that were required by one of our contract manufacturing organizations. The LOC was set to expire on December 31, 2020 but automatically extended to December 31, 2021 when we did not terminate the agreement 90 days prior to the original expiration date. Interest on any borrowings under the LOC agreement is equal to the lesser of (a) Prime plus 2% and (b) the highest rate permitted by applicable law and is payable on demand. To date, we have not drawn on the LOC.

Emerging growth company status

In April 2012, the JOBS Act was enacted. Section 107 of the JOBS Act provides that an emerging growth company may take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. Therefore, an emerging growth company can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have irrevocably elected to avail ourselves of this extended transition period and, as a result, we may adopt new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-public companies instead of the dates required for other public companies. However, we may early adopt these standards.

In addition, as an emerging growth company, we may take advantage of specified reduced disclosure and other requirements that are otherwise applicable generally to public companies. These provisions include:

- reduced disclosure about the compensation paid to our executive officers;
- not being required to submit to our stockholders' advisory votes on executive compensation or golden parachute arrangements;
- an exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting pursuant to the Sarbanes-Oxley Act; and
- an exemption from new or revised financial accounting standards until they would apply to private companies and from compliance with any new requirements adopted by the Public Company Accounting Oversight Board requiring mandatory audit firm rotation.

We may take advantage of these exemptions for up to the last day of the fiscal year ending after the fifth anniversary of this offering or such earlier time that we are no longer an emerging growth company. We would cease to be an emerging growth company on the date that is the earliest of (1) the last day of the fiscal year in which we have total annual gross revenues of $1.07 billion or more; (2) the last day of our fiscal year following the fifth anniversary of the date of the completion of this offering; (3) the date on which we have issued more than $1.0 billion in nonconvertible debt during the previous three years; or (4) the date on which we are deemed to be a large accelerated filer under the rules of the SEC. We may choose to take advantage of some but not all of these exemptions.

Business

Overview

Talis aims to transform diagnostic testing by developing and commercializing innovative products that are designed to enable accurate, reliable, low cost and rapid molecular testing for infectious diseases and other conditions at the point-of-care. While timely diagnosis of infectious diseases is critically important to enable effective treatment, testing is primarily performed in centralized laboratories, which require samples to be shipped for processing, delaying the return of results by days. Point-of-care testing solves this problem by delivering the timely information necessary for clinical care. We are developing the Talis One platform, a sample-to-answer, cloud-enabled molecular diagnostic platform that, once authorized, could be rapidly deployed to distributed diagnostic settings in the United States and around the world to diagnose infectious disease at the point-of-care. The Talis One platform comprises a compact instrument, single-use test cartridges and software, including a central cloud database, which work together and are designed to provide central laboratory levels of accuracy and be operated by an untrained user.

We are developing Talis One tests for respiratory infections, infections related to women's health and sexually transmitted infections. In January 2021, we submitted a request for an Emergency Use Authorization (EUA) to the U.S. Food and Drug Administration (FDA) for our Talis One platform with COVID-19 molecular diagnostic assay for the automated detection of nucleic acid from the SARS-CoV-2 virus in nasal swab samples from individuals suspected of COVID-19 by their healthcare provider. Our regulatory strategy is to initially submit for the equivalent of a CLIA-moderate authorization to be followed shortly thereafter with a subsequent filing for the equivalent of a CLIA-waived authorization for use in non-laboratory settings. We are also developing influenza A and influenza B tests to be included as part of a respiratory panel with our COVID-19 test (COVID-Flu Panel). In addition, we plan to initiate a clinical trial to support clearance of a pre-market notification under Section 510(k) of the Federal Food, Drug, and Cosmetic Act (FDCA) of our Talis One instrument with a test for chlamydia and gonorrhea in the second half of 2021 and submit a 510(k) pre-market notification in the first half of 2022. To support our anticipated commercial launch of our COVID-19 test, we have invested in automated cartridge manufacturing lines capable of producing one million cartridges per month, which are scheduled to begin to come on-line in the first quarter of 2021 and we expect will scale to full capacity through 2021. We estimate that the potential annualized market opportunity for COVID-19 point-of-care diagnostic tests in the United States exceeds $7.0 billion. We estimate that the potential annualized market opportunity in the United States for our COVID-Flu Panel and for women's health diagnostics and sexually transmitted infection diagnostics in our development pipeline was approximately $5.5 billion in 2020.

The COVID-19 crisis is accelerating the adoption of point-of-care platforms in both traditional and non-traditional care settings, and we believe the Talis One platform is well positioned to meet this growing demand. While a variety of technologies are commercially available, we believe that few, if any, sufficiently meet the needs of healthcare providers in order to drive broad adoption of, and transition to, point-of-care testing for infectious diseases. For example, antigen detection technologies, which detect proteins from the pathogen, are rapid and relatively low cost, but they have higher limits of detection. Molecular technologies that detect nucleic acids are generally considered highly accurate for infectious disease testing. However, we believe that some currently available point-of-care molecular technologies have sacrificed accuracy to increase speed. Lower accuracy limits a test's utility, particularly in the case of testing for dangerous infectious diseases, such as COVID-19, for which an incorrect test result can have severe consequences. We believe that the ideal point-of-care technology for diagnosing infectious diseases would not only be highly accurate and rapid, but would also be easy to use, low cost, cloud-compatible and enable multiplexing to detect multiple pathogens at the same time.

We are developing the Talis One platform to address limitations of existing point-of-care diagnostic testing technologies for infectious diseases. Our platform combines robust sample preparation with highly-optimized and rapid isothermal nucleic acid amplification technology to enable rapid detection of infectious pathogens in a variety of unpurified patient sample types. The Talis One platform is designed to have the following capabilities which we believe would create a competitive advantage over other commercially available point-of-care technologies:

Highly accurate—The Talis One platform incorporates a shelf-stable, single-use test cartridge that is designed to fully integrate a nucleic acid amplification test (NAAT) with sample preparation, including nucleic acid extraction and purification. Sample preparation is well known to be a critical factor to achieve high sensitivity and specificity, along with low limits of detection for target pathogens, in molecular diagnostics. We believe this sample preparation step, which is performed in an automated fashion on our cartridge, has the potential to result in higher sensitivity and specificity than point-of-care technologies that do not perform the sample preparation step. Our Talis One COVID-19 test reaches limits of detection as low as 500 viral particles per milliliter. We can achieve similarly high performance on the Talis One platform for bacteria with limits of detection of bacterial pathogens as low as one infectious unit per milliliter (IFU/mL) in a variety of unpurified patient sample types, including nasal swab, vaginal swab, saliva and urine. In a preclinical assessment comparing the Talis One platform to a reference lab test on 60 matched anterior or mid-turbinate nasal specimens, the Talis One test exactly matched the reference lab results with 100% positive percentage agreement (PPA) and 100% negative percentage agreement (NPA) for detection of SARS-CoV-2, the virus that causes COVID-19. The high PPA and NPA is suggestive of clinical sensitivity and specificity in the broader clinical population and is driven by the very low limits of detection possible on the Talis One platform.

Rapid turnaround time—The Talis One platform is designed to provide a positive or negative result in approximately 25 minutes, depending upon the test and the concentration of the pathogen in the sample. We believe this turnaround time meets target customers' needs for a platform fast enough to fit into their clinical practice.

Ease of use—We designed the Talis One platform to be operated by untrained users and to function in a Clinical Laboratory Improvement Amendments of 1988 (CLIA)-waived environment such as physicians' offices, urgent care clinics, elder care and assisted living facilities, cancer treatment and dialysis centers, and potentially in workplaces, schools and other facilities. The Talis One platform is designed to be a fully integrated sample-to-answer system requiring two minutes or less of hands-on time by users running the test. The intuitive workflow of the Talis One platform is also designed to facilitate the chain of custody of the sample without extensive tracking or handling by the user.

Multiplex capability—The cartridge is designed to support up to 14 separate assay chambers, which we believe could potentially enable a full menu of detection modes, from single organism to syndromic panel tests. The test cartridge for our anticipated commercial launch offers five separate assay chambers.

Cloud-enabled—Unlike other point-of-care instruments, the Talis One platform incorporates a cellular modem in the instrument designed to connect to the cloud to help customers manage clinical data and workflow. The cloud is designed to be remotely and securely accessed to obtain key data required to collect, screen, collate, report and monitor disease infection and pandemic spread on a micro and macro level. This could enable the creation of a public health interface and automatic transmission of "reportable infections," such as COVID-19, to public health authorities in order to facilitate tracking of infectious diseases. The cloud capability is also designed to enable us to remotely manage instruments in the field, such as providing automated software updates and enable customers to track and manage instruments they have across their networks. While we expect all instruments, if authorized for commercial sale, to be sold with cellular capability, the cloud

database would not initially be available on devices distributed pursuant to our EUA, if obtained. This capability is expected to be enabled with an upcoming software upgrade in 2021 for all installed instruments.

Scalable for different throughput requirements—The Talis One platform was designed to provide a scalable platform for different volume and throughput requirements. The instruments are portable and designed for multi-instrument deployments to satisfy different testing volume requirements and to be stacked three instruments by three instruments without disturbing the cellular connection to the cloud.

Low cost to manufacture—We designed the Talis One platform to be low-cost and manufactured at scale. We believe this could facilitate scale-up in manufacturing and provide a competitive advantage in cost-sensitive environments. We believe this could also facilitate customers acquiring multiple Talis One instruments to meet their volume requirements.

If we receive an EUA from the FDA for our COVID-19 test, we intend to commercialize the Talis One platform in the United States through our enterprise account management team and direct sales force. As we increase adoption in the market place, we anticipate that this will establish a sales channel through which we can drive future sales of our test menu. Over time we intend to pursue commercialization strategies outside of the United States.

Our strategy

Our strategy is to improve medical care through the transformation of diagnostic testing by enabling customers in distributed diagnostic locations to deploy accurate, reliable, low cost and rapid molecular testing for infectious diseases and other conditions. To achieve this, we intend to:

Pursue marketing authorization and commercialization of our COVID-19 Test in the United States

- We are currently planning to seek an EUA for our COVID-19 test using our Talis One platform, for which we submitted our EUA application in January 2021.
- If we receive an EUA, we intend to commercialize the Talis One platform through an enterprise account management team and a direct sales force focused initially on placing platforms with potential customers that place high value on accuracy, and our broader test menu in development. Target customer segments include (but are not limited to): (1) large elder care chains where vulnerable residents have unmet needs for millions of high sensitivity assays per year; (2) urgent care chains that serve on the front lines of COVID-19 diagnosis, needing millions of rapid tests to triage symptomatic patients; and (3) traditional medical establishments, including hospitals, ambulatory surgery centers, cancer treatment and dialysis centers, independent practice associations, accountable care organizations, and public health clinics that that need rapid and high-quality testing to best serve their patients.

Increase our low-cost manufacturing capacity for our Talis One instrument and COVID-19 test cartridges

- We have ordered 5,000 instruments from our instrument contract manufacturing partners to be delivered beginning in the fourth quarter of 2020 through the first quarter of 2021.
- We have invested in automated cartridge manufacturing lines that are scheduled to begin to introduce automation in 2020 and reach capacity of approximately one million tests per month in the second half of 2021 and we intend to invest in further scale-up in 2021.
- As we improve and scale manufacturing and automation, we expect to drive substantial reductions of cost of goods for our tests.

Complete development of and, if marketing authorizations are obtained, commercialize other Talis One tests for other respiratory infections, infections related to women's health and sexually transmitted infections in the United States

- We are developing additional tests for respiratory infections, including influenza A and influenza B, with the intention to pursue marketing authorizations and to commercialize a respiratory panel with our COVID-19 test. We have initiated discussions with the FDA and leveraging feedback from the FDA we intend to pursue the EUA pathway for this test panel. The current established pathway for marketing of a flu test is through the 510(k) clearance pathway. The FDA's marketing authorization requirements for the combination of an influenza A, influenza B and COVID-19 test will impact the timing to develop and commercialize this panel, if authorized.
- We are also developing a full menu of tests for infections related to women's health and sexually transmitted infections. We are focusing initially on our test to detect chlamydia and gonorrhea (CT/NG), for which we plan to initiate a clinical study in the second half of 2021 to support a 510(k) submission in the first half of 2022. We are subsequently targeting other sexually transmitted infections (STIs), such as a panel for sexually transmitted inflection that would include CT/NG, *Trichomonas* and *Mycoplasma genitalium*, a panel for bacterial vaginosis (BV), urinary tract infections (UTI), *Group B streptococcus*, and herpes simplex virus (HSV). If we obtain marketing authorization from the FDA, we intend to focus our commercialization efforts both on existing customers that may value our broader test menu, as well as obstetricians and gynecologists, the most common purchasers of these tests. We believe that a rapid, affordable and accurate point-of-care platform would enable these physicians to better diagnose and treat patients, practice value-based care, and create revenue opportunities by testing in-house rather than sending out tests to centralized laboratories.

Pursue marketing authorization and, if authorized, commercialize our products and expand our operations in selected geographies globally

- If we receive marketing authorization in the United States for our CT/NG test, we intend to pursue authorization to affix a CE Mark to enable commercialization of our test in Europe as early as the end of 2022 or approximately six months after U.S. clearance, if received. We also anticipate that we will pursue marketing authorization to commercialize our CT/NG test in selected countries in Asia, following our expansion into Europe.
- We will evaluate opportunities to commercialize other products in markets outside of the United States through a direct sales force or distributors, depending on the geography.

Continue to invest in capabilities to drive sustainable growth

- We intend to focus on innovation to improve the technical performance of our Talis One platform and develop an expanded the available test menu.
- We intend to continue our research and development activities and leverage proprietary innovations to develop additional platforms in the future designed to solve diagnostic challenges for our customers.
- We intend to strive for operational efficiencies and manufacturing capabilities to further drive economies of scale and lower manufacturing costs.
- We intend to recruit the best talent and to foster an innovative environment attractive to the innovators of the future.

Industry background

Infectious disease remains among the top health problems facing populations around the world. While infectious disease is an enduring concern for public health, in 2020 the world has been challenged by the COVID-19 global pandemic. As of October 5, 2020, Johns Hopkins University estimates that over 35 million people globally, approximately 7.5 million of whom are in the United States, have been infected, leading to over one million deaths worldwide and over 200,000 deaths in the United States.

While the current pandemic presents a large and acute need for testing for COVID-19, the mortality rate for all infectious disease in the United States ranged between 42 and 63 deaths per 100,000 population, accounting for 5.4% of overall mortality for the period of 1980-2014.

The drawbacks of centralized laboratory testing

The need to send samples to a central location for testing introduces delays in treatment or incentivizes prescribing treatment in the absence of a definitive diagnosis. The turnaround time for centralized lab tests is typically one to five days, and can often be longer. Therefore, physicians are faced with one of two choices: either wait days for test results before initiating treatment and risk that an infected patient may continue to spread the infection and suffer increasingly negative health effects from delayed treatment, or treat empirically while the patient is in front of them. Treatment could include, for example, prescribing antibiotics for a bacterial infection or, in the case of COVID-19, isolating the individual suspected with infection. Delayed test results profoundly limit infection control, as infection can continue to spread while waiting for results or if the empiric treatment were not properly targeted at the right infection, and patient outcomes. This is particularly problematic in the case of patients with COVID-19, where multiple day delays in test results significantly hampers contact tracing and the ability to isolate infected individuals to avoid further viral transmission. Smaller hospital and clinic laboratories, many in rural settings, may not have the testing volume to justify investing in high throughput molecular diagnostic instruments, requiring smaller hospitals to send out molecular testing to reference laboratories and wait for the results.

The benefits of point-of-care testing extend beyond COVID-19. We believe that immediate access to high-quality diagnostic test results will improve medical treatment of disease and avoid inappropriate prescription of antibiotics, which can amplify the growing problem of antibiotic resistant bacteria. In a 2016 study of 1,103 emergency room patients at St. John Hospital & Medical Center in Detroit, 440 patients who had a suspected chlamydia or gonorrhea infection were treated with antibiotics even though the vast majority, 323 patients (74%), ultimately tested negative for the infection. Similarly, in some cases, test result delays lead to patients who do not return after the initial visit, resulting in the health care provider losing these patients to follow-up and unnecessarily exposing additional individuals to detectable and treatable infections. This is particularly problematic in pediatric care and for urgent care and community care clinics.

Limitations of current point-of-care diagnostic technologies

There are a broad range of point-of-care technologies available that are used in physician offices for a variety of applications, ranging from glucose strips for diabetes to lateral flow immunoassays for detecting high pathogen load infections, such as Strep A or influenza. Molecular testing is less common in point-of-care settings, despite being highly accurate. We believe that this is due to a lack of available point-of-care molecular technologies that sufficiently balance speed, accuracy and cost to meet customer needs and drive broad adoption.

For COVID-19, there are currently two types of tests available: tests that detect antibodies against the SARS-CoV-2 virus, and tests that detect the SARS-CoV-2 virus itself. Tests that detect antibodies (antibody tests) are serology-based tests used to determine whether a person’s body has produced antibodies in response to a

past SARS-CoV-2 infection. While antibody tests may have a role in detecting prior infection, such antibody tests are not ideal for diagnosing current SARS-CoV-2 infections because antibodies take one to three weeks to be produced by the immune system at a detectable level after the SARS-CoV-2 infection first appears in the body. Furthermore, other coronaviruses have been shown to produce positive results on SARS-CoV-2 antibody tests. Even if the patient does have antibodies to the virus that causes COVID-19, there is no definitive study data suggesting how long antibodies may provide protection from repeat COVID-19 infection. We believe that the value of antibody tests is hampered both for diagnosis of active infection and for identifying individuals resistant to infection by SARS-CoV-2.

Tests that detect the SARS-CoV-2 virus itself are further separated into two categories: tests that detect viral proteins (antigen tests), and tests that detect viral nucleic acid, or viral RNA (molecular tests). Antigen tests are less expensive to manufacture than tests that detect viral RNA. However, the Centers for Disease Control and Prevention (CDC) considers these tests to be of moderate sensitivity for detection of SARS-CoV-2. As of September 30, 2020, the FDA had issued EUAs for four COVID-19 antigen diagnostic tests and, in each case, the test is labeled only for symptomatic patients shortly after development of symptoms. According to the CDC, in most cases, negative antigen diagnostic test results are considered presumptive and the CDC recommends confirming negative antigen test results with a reverse transcription polymerase chain reaction test when the pretest probability of COVID-19 infection is relatively high, especially if the patient is symptomatic or has a known exposure to a person confirmed to have COVID-19. The accuracy of antigen tests for SARS-CoV-2 has not been proven in large-scale studies. However, in the context of other respiratory pathogens such as influenza, antigen tests are known to have inferior sensitivity, that is, they do not detect some of the infected individuals and inferior specificity, that is, they erroneously determine that a non-infected individual is infected, relative to the tests detecting viral RNA. We believe that this characterization of lower sensitivity and specificity could be observed in these tests for COVID-19 as well, thereby limiting the value of antigen testing to specific and narrow use cases.

Molecular diagnostic tests are generally considered higher accuracy than antigen tests and the CDC describes nucleic acid testing as the “gold standard” for clinical diagnostic detection of SARS-CoV-2. However, we believe that molecular diagnostic solutions that are currently being marketed for use at the point-of-care each have one or more of the following limitations:

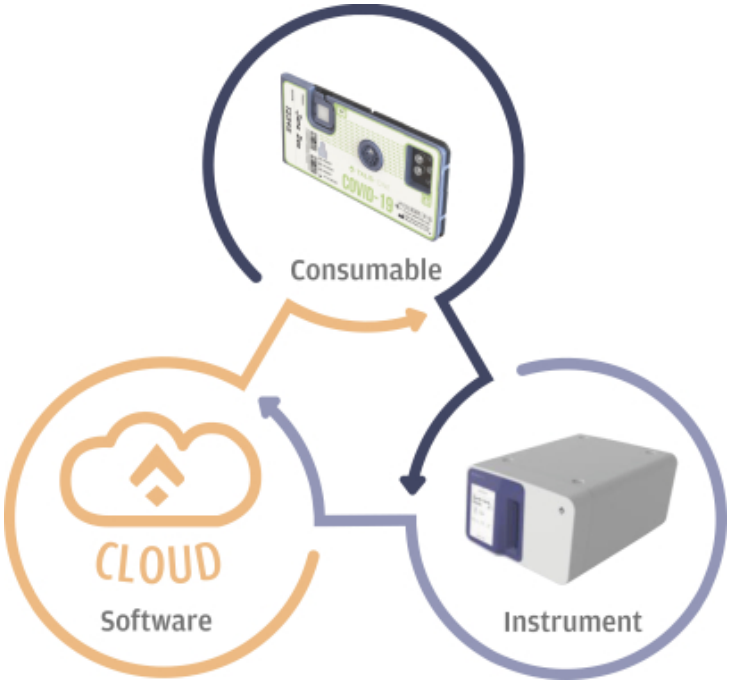
- *Low performance as measured by sensitivity, specificity and limit of detection can result in misdiagnosis and poor clinical outcomes.* Several point-of-care molecular diagnostic platforms provide results in less than 30 minutes but achieve this speed by performing nucleic acid amplification on samples, foregoing sample preparation, which is known to limit the sensitivity, specificity and limit of detection of these nucleic acid tests. A recent study estimating the potential benefit of point-of-care testing for chlamydia indicated that a test with 90% clinical sensitivity combined with prompt treatment has the potential to reduce prevalence of the disease by 7% to 10%, but a point-of-care test with 99% clinical sensitivity could decrease prevalence by as much as 15% to 20%, avoiding in the range of 50,000 infections and over 10,000 cases of pelvic inflammatory disease per year.
- *Slow turnaround time can extend beyond the time a patient will wait for results and potentially result in loss of patient to follow-up.* Other available point-of-care systems may provide reliable, high performance results, but these tests can take 45 to 90 minutes to return a result. While results returned within hours is better than days, we believe that the longer a test takes, the less willing patients will be to wait at the clinical site for results, thereby risking patients failing to return after the initial visit and unnecessarily exposing additional individuals to a detectable infectious agent.
- *Platforms that can require significant user interaction or monitoring will not work well with clinical workflow.* Some platforms sold as point-of-care solutions require users to transfer solutions midway

through a run or handle the instrument, test cartridge and/or sample multiple times in order to process one test. The typical physician's office does not have laboratory personnel that can monitor an instrument, nor personnel trained in sample custody tracking.

- *Platforms that are difficult to manufacture at low cost or at scale can limit adoption*. We believe that the cost of purchasing and using diagnostic testing platforms and consumables is a primary concern for customers.
- *Limited test menus fail to meet the needs of clinicians*. The adoption of diagnostic technologies is contingent upon the technology having both clinical utility as well as economic rationale. Without a broad and relevant testing menu, testing platforms may not sufficiently meet the clinical needs of customers to justify the expense. We believe the ability to develop our planned additional assays will create a competitive barrier to entry for other platforms. While some platforms have developed a menu sufficient to drive adoption, we believe that these platforms make trade-offs in other areas either in terms of speed, cost or accuracy.

The Talis One platform

We are developing the Talis One platform to address limitations of existing point-of-care diagnostic testing technologies for infectious diseases. Our platform combines robust sample preparation with highly-optimized and rapid isothermal nucleic acid amplification technology to enable rapid detection of infectious pathogens in a variety of unpurified patient sample types. The Talis One is an integrated platform that includes a compact instrument, single-use test cartridges and software, including a central cloud database.

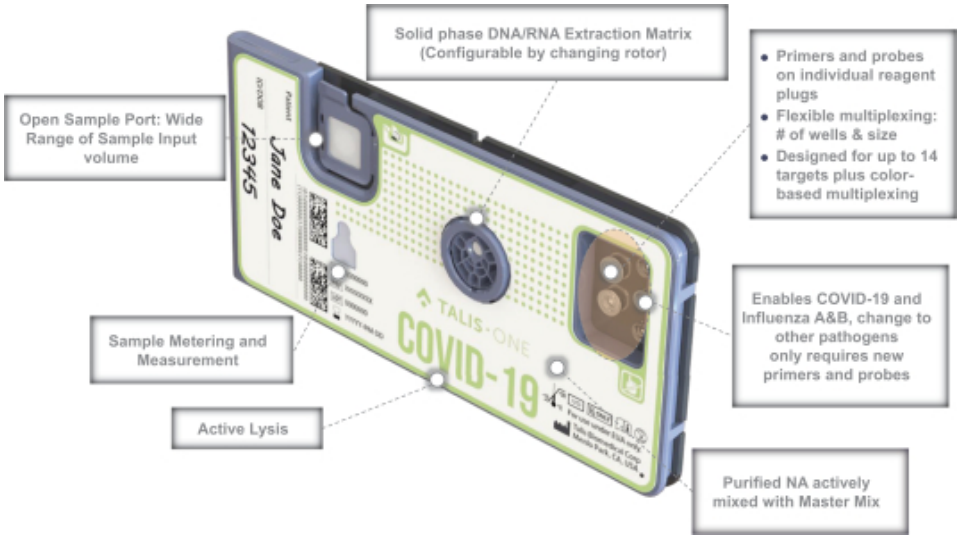


Talis One cartridge

At the core of our platform is the Talis One cartridge, a versatile shelf-stable and single-use test cartridge that is designed to fully integrate proprietary highly-optimized nucleic acid isothermal amplification assays with

sample preparation. The cartridge is designed to handle a wide range of sample types, including nasal swab, vaginal swab, saliva, urine, whole blood, plasma, serum and sputum, to be compatible with lysis by bead beating in order to process a wide range of pathogens, including viral, bacterial and hard-to-lyse fungal pathogens, and to enable multiplex (multiple pathogen) testing. The cartridge design incorporates a patented rotary valve that integrates sample purification and is easily adaptable to alternate fluidic layouts to accommodate alternate testing methods that may require pre-treatment of specimens, pre-amplification and/or multiple purification steps to facilitate expansion of the testing menu. The cartridge also incorporates a reagent plug technology licensed from a contract manufacturing partner, which is designed to enable implementation of new tests on the same cartridge backbone simply by inserting plugs with different target assay reagents. The reagent plugs in our cartridges are optically clear, permitting the instrument to visualize and detect fluorescent signals from the amplification assay. Patented assay wells employ a fluidic design and include a mechanism to heat-seal the cartridge for amplicon containment designed to prevent contamination of the work surfaces.

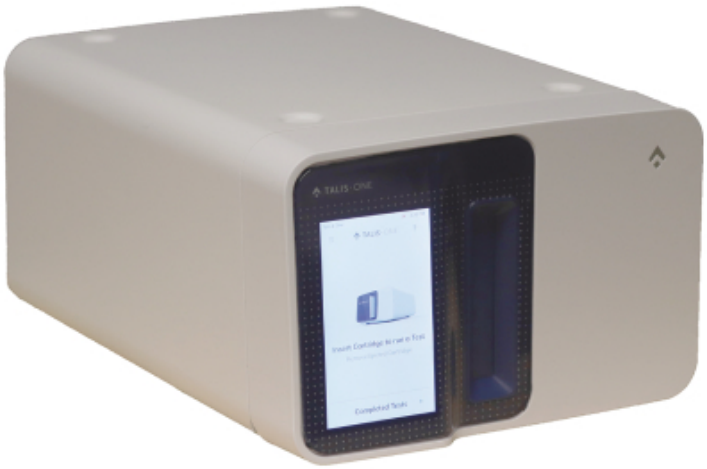
The cartridge is designed to support up to 14-well multiplexing, which we believe will enable development of expanded panels and syndromic applications. The specific cartridge that we are developing for the COVID-19 test provides 5-fold multiplexing, which we believe is sufficient to combine our COVID-19 test with tests for other respiratory pathogens, such as influenza A and influenza B, into a multiplex respiratory panel.



Talis One instrument

The Talis One instrument is designed to enable sample-to-answer capabilities without user intervention. We designed the instrument to be low cost, portable and easy to use. We believe the modular design, which is divided into major subsystems for performing cartridge handling, sample preparation, amplification and detection, will facilitate automated assembly and low-cost manufacturing. The compact size, approximately 7 x 10 x 14 inches, is designed to enable portability and use in various front-line locations. The instrument incorporates a touchpad interface for easily communicating instructions, information and results to the user. An integrated camera that reads and enables registration of a label on the cartridge, facilitates sample custody by linking an image of the cartridge label with test results. The instruments are designed for multi-instrument

deployments to satisfy different testing volume requirements and can be stacked three instruments by three instruments without disturbing the cellular connection to the cloud.

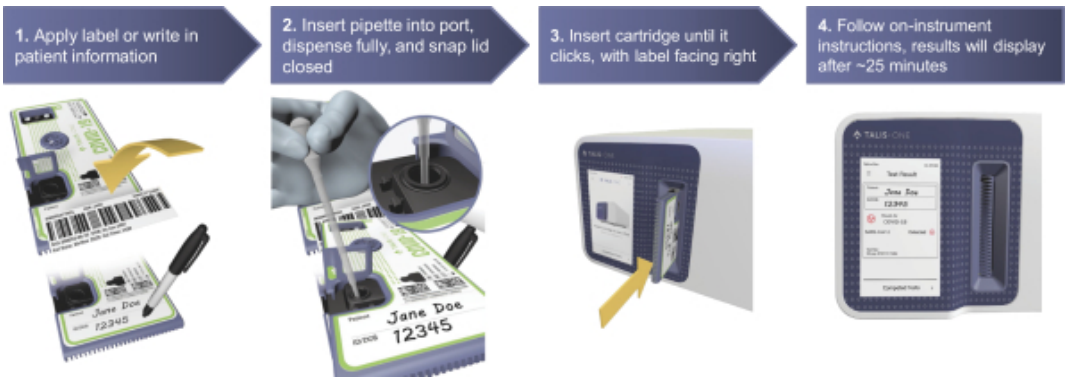


Talis One software and IT

The Talis One platform incorporates software and information technology (IT) capabilities. The instrument is designed to communicate test results to a central cloud database that can be remotely and securely accessed to obtain key data required to collect, screen, collate, report, and monitor disease infection and pandemic spread on a micro and macro level. The cellular connectivity built into each Talis One instrument is also designed to enable Health Insurance Portability and Accountability Act of 1996 (HIPAA)-compliant transmission, storage, and review, and we expect to make such features available with a planned post-launch software upgrade. Such centralized storage could permit (i) creation of a public health interface granting access to select information to governmental entities and/or (ii) automatic transmission of “reportable infections,” such as COVID-19, to public health authorities. The cloud-based data could serve to help institutions better manage clinical practice and also to improve infection control. With substantially increased adoption over time, the data may offer a mapping of infection patterns that can be used by public health and research institutions to address care on a larger scale. Additionally, for organizations that may desire multiple instrument placements, such as in multiple exam rooms, multiple departments or distributed testing sites, authorized administrators may be able to monitor, in real-time, the status of any instrument in the organization, as well as manage users, passwords, and certain security features. The continuous connectivity of the Talis One instruments is also designed to enable us to provide automated updates including security patches, instrument configurations, and firmware and software updates, the latter of which could be deployed to enable the instrument to recognize and run newly released tests.

*Talis One workflow**

The Talis One platform is capable of being integrated into the clinical workflow as follows:

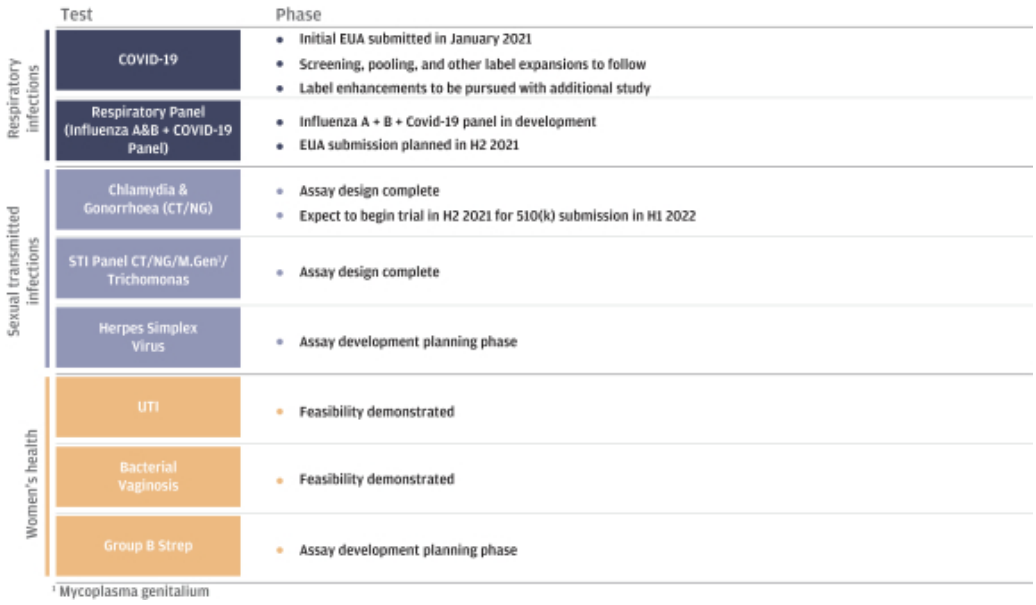


* May vary depending on sample type.

The Talis One workflow follows a few simple steps from sample preparation to results. The platform is designed to return results in approximately 25 minutes, with two minutes or less of hands-on time for the operator. After the sample is collected and the cartridge is introduced into the instrument, the instrument confirms the operability of the cartridge, runs the assay and communicates the test result to the instrument display. We believe the ease of use, compact size and speed could enable near-patient diagnosis in a broad range of settings.

Talis One tests

We are a development stage company and, to date, we have not generated revenue from product sales. As reflected in the table below, we are developing Talis One tests for respiratory infections, infections related to women's health and sexually transmitted infections. While our initial focus was on the development of tests for infections related to women's health and sexually transmitted infections, we have paused such development in order to focus on a COVID-19 test and our current focus is on the detection of SARS-CoV-2, the virus that causes COVID-19. We are also developing additional tests for the detection of other respiratory infections, such as a respiratory panel test to detect influenza A and influenza B plus COVID-19. We intend to submit for a 510(k) clearance to commercialize our Talis One platform with a test for *Chlamydia trachomatis* (CT) and *Neisseria gonorrhoeae* (NG) in the first half of 2022. For other tests that are not eligible for an EUA, we intend to complete the requirements for and submit a 510(k) pre-market notification to the FDA (if available to us; otherwise we would plan to submit another form of marketing authorization under the FDA's standard medical device authorities). We chose our assay development roadmap to address the most common clinically relevant tests which require high sensitivity and specificity and for which timely results provide significant clinical benefit.



Respiratory infections

The Talis One COVID-19 test

The Talis One COVID-19 test is our first assay in development for respiratory infections. The test cartridge for COVID-19 diagnosis contains a NAAT designed for optimal sensitivity and specificity to provide highly accurate results. The assay on the Talis One cartridge is an isothermal NAAT targeting two physically separated locations in the SARS-CoV-2 genome to increase sensitivity and inclusivity. While natural evolution of the SARS-CoV-2 virus is to be expected, the inclusion of two distinct targets reduces the likelihood that natural mutations in the virus would cause a false negative result when using the Talis One COVID-19 test.

We submitted a request for an EUA to the FDA for our Talis One COVID-19 test in January 2021. An EUA would allow us to market and sell our Talis One platform and COVID-19 test without 510(k) clearance or any other marketing authorization. The duration of any EUA we may receive is uncertain as the FDA may revoke an EUA when it determines the health emergency is over or no longer warrants such authorization or if we fail to comply with the conditions of the EUA. After the emergency period is declared to be over, we expect that the FDA will require companies operating under an EUA to submit a 510(k) pre-market notification for tests such as our COVID-19 test, but we believe the FDA will provide a grace period for such submissions. Accordingly, we intend to complete the requirements for and submit a 510(k) pre-market notification to the FDA for our Talis One COVID-19 test to enable continued marketing when the public health emergency period is declared to be over.

Performance of the Talis One COVID-19 test

As part of our development of our COVID-19 test we assessed the performance of the Talis One platform using anterior or mid-turbinate nasal specimens to tests conducted in a centralized laboratory using the CDC quantitative reverse transcription polymerase chain reaction (RT-PCR) test. In a preclinical assessment comparing the Talis One platform to an FDA-authorized reference lab test, on 60 matched anterior or mid-turbinate nasal specimens, our COVID-19 test results exactly matched the central lab comparator test results with 100% positive percentage agreement (PPA) and 100% negative percentage agreement (NPA) for the detection of SARS-CoV-2, the virus that causes COVID-19. The specimens in this assessment were residual clinical specimens previously identified with the comparator test. The specimens were blinded to the instrument operator.

		Comparator Test		
		Positive	Negative	Total
Talis One	Positive	29	0	29
	Negative	0	31	31
	Total	29	31	60
		Positive percentage agreement (PPA)		100.0%
		Negative percentage agreement (NPA)		100.0%

To further validate our COVID-19 test we assessed its performance using 200 frozen positive specimens and 100 negative specimens, as determined by the same comparator test, as shown in the table below. In this larger assessment, our COVID-19 test demonstrated a 97% PPA and 99% NPA using residual clinical specimens previously identified with the comparator test. The assessment generated a single false positive result and six false negatives, three of which were also negative when tested with a tie-breaker test. If the results of the tie-breaker test were reflected in the table below, the Talis One platform would demonstrate 98.5% PPA (194 of 197 positive specimens correctly identified as positive) and 99% NPA (102 of 103 negative specimens correctly identified as negative). The instrument operator was aware of the positive/negative status of the specimens.

		Comparator Test		
		Positive	Negative	Total
Talis One	Positive	194	1*	195
	Negative	6**	99	105
	Total	200	100	300
		Positive percentage agreement (PPA)		97.0%
		Negative percentage agreement (NPA)		99.0%

* Specimen tested negative by the tie-breaker test.
** Three specimens tested negative and three specimens tested positive by the tie-breaker test.

In a subsequent clinical validation study, which study results will be part of our EUA submission materials, comparing our COVID-19 test to a different FDA-authorized RT-PCR COVID-19 test than used in the assessments described above, on matched mid-turbinate nasal specimens, our COVID-19 test demonstrated 97% PPA and 93.9% NPA as shown in the table below. The samples in this study were prospectively collected under an institutional review board approved protocol on our behalf. Matched sets of two nasal specimens were collected from each participant. The first nasal specimen was tested with the comparator test and the second nasal specimen was tested with the Talis One platform. A panel of test specimens having equal numbers of positive specimens and negative specimens was prepared by an individual unconnected to the testing of the specimens. The positive/negative status of each specimen was blinded to the operator of the Talis One platform.

		Comparator Test		
		Positive	Negative	Total
Talis One	Positive	32	2*	34
	Negative	1	31	32
	Total	33	33	66
		Positive percentage agreement (PPA)		97.0%
		Negative percentage agreement (NPA)		93.9%

* Both specimens tested positive by the tie-breaker test.

Notably the limit of detection of the Talis One platform, 500 viral particles per milliliter or 150 copies of genomic RNA per milliliter is substantially more sensitive than the comparator test used in this clinical validation study, which was found to have a limit of detection of 180,000 NAAT Detectable Units/mL in the FDA

SARS-CoV-2 Reference Panel. The Talis One platform detected SARS-CoV-2 RNA in two specimens deemed to be negative with this comparator test – apparent false positives by our COVID-19 test. To further assess the status of these specimens, each of the apparent false positives was retested using a tie-breaker test which has a limit of detection of 450 NAAT Detectable Units/mL in the FDA SARS-CoV-2 Reference Panel. The tie-breaker test also detected SARS-CoV-2 RNA in the two apparent false positives specimens. If the status of these apparent false positives were reflected in the table above, the Talis One platform would demonstrate 97.1% PPA (34 of 35 positive specimens correctly identified as positive) and 100% NPA (31 of 31 negative specimens correctly identified as negative).

The high PPA and NPA reflected in the assessments and studies described above is suggestive of clinical sensitivity and specificity in the broader clinical population and is driven by the very low limits of detection possible on the Talis One platform. We believe we can achieve similarly high performance on the Talis One platform for bacteria with limits of detection of bacterial pathogens as low as one IFU/mL in a variety of unpurified patient sample types, including nasal swab, vaginal swab, saliva and urine.

Respiratory panels

We also anticipate developing respiratory panels incorporating our COVID-19 test. We are developing tests targeting influenza A and influenza B. If we successfully commercialize the Talis One platform for the diagnosis of COVID-19, we plan to incorporate these flu tests with the COVID-19 test in an upper respiratory panel on a single cartridge and seeking marketing authorizations for such multi-panel tests, whether through the EUA process, if available to us, or through a 510(k) clearance process once available to us.

Infections related to women's health and sexually transmitted infections

We are also developing our Talis One platform to be used for infections related to women's health and sexually transmitted infections. Immediately prior to the current pandemic, we were beginning the process of verification, validation and conducting clinical trials of our Talis One platform for CT/NG. While we have postponed our CT/NG program to focus on the COVID-19 test, we intend to complete clinical development in this indication and submit a 510(k) pre-market notification to the FDA in the first half of 2022 and pursue authorization to affix a CE Mark from the European Medicines Agency (EMA) by the end of 2022 or approximately six months after 510(k) clearance, if obtained. If cleared or otherwise authorized for marketing, this would be our first commercial offering in our women's health menu. We are planning to develop additional tests for infections related to women's health, including a panel for sexually transmitted infections (STIs) and other infections, such as bacterial vaginosis (BV), urinary tract infections (UTI) and herpes simplex virus (HSV).

Future applications

We are developing new algorithms and a bioinformatics pipeline to design rapid isothermal assays that are based on isothermal amplification chemistries. On the Talis One platform, we have observed limits of detection of bacterial pathogens as low as one IFU/mL in a variety of unpurified patient sample types, including nasal swab, vaginal swab, saliva and urine. We have also demonstrated, in a research setting, rapid detection of similarly low concentrations for a variety of bacterial, fungal, parasitic and viral pathogens.

Our potential competitive advantages

We believe the Talis One platform provides the following competitive advantages:

- ***The Talis One platform has the potential to provide a compelling and differentiated value proposition for key stakeholders.*** We believe the Talis One platform could, if authorized for marketing, empower more

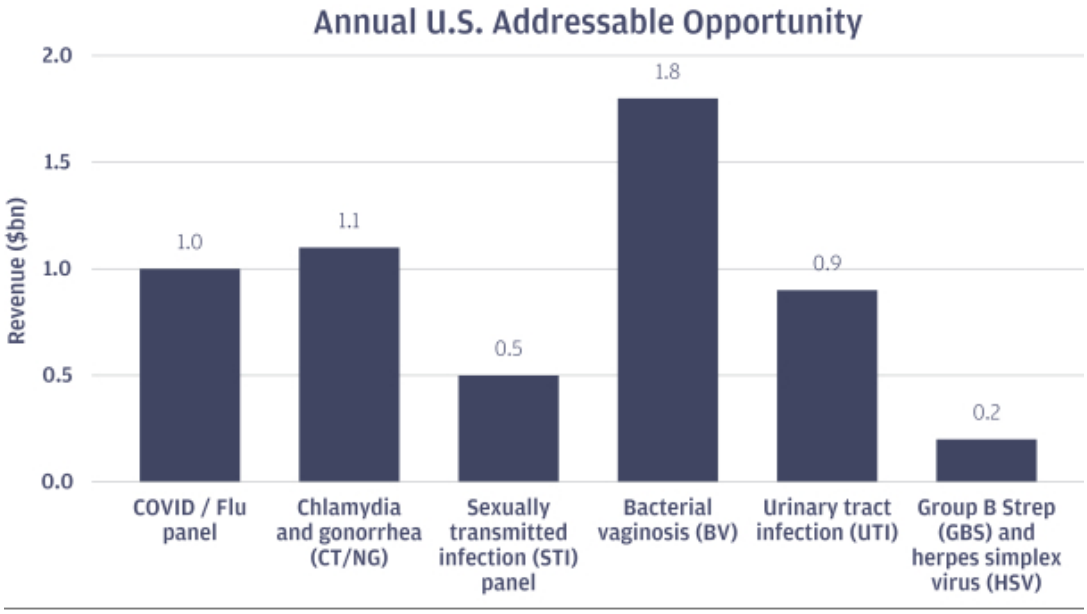
healthcare providers to deliver better care, improve the patient experience, respond to public health threats and ultimately lower healthcare costs for payors by providing an accurate and timely diagnosis at the point-of-care. Additionally, our platform may create revenue and profit opportunities for healthcare providers who currently use centralized laboratories for their testing by enabling them to bring testing in-house. We believe the tests that we are developing for our Talis One platform have established reimbursement codes, which would enable healthcare providers to submit for reimbursement.

- ***We designed the Talis One platform to provide central lab levels of accuracy at the point-of-care.*** Our single-use test cartridge is designed to fully integrate nucleic acid amplification and detection with sample preparation, including nucleic acid extraction and purification. We believe this could result in higher sensitivity and specificity than other alternatives that omit the sample preparation step. The large sample volume input (1 mL) is designed to enable detection of pathogens at low concentrations, which is critical for sensitivity. We developed bioinformatics software to design isothermal assays which we applied to design primers for the detection of SARS-CoV-2. Implemented on a cartridge, our COVID-19 test has demonstrated a limit of detection for SARS-CoV-2 of £500 viral particles per milliliter. The Talis One platform has detected bacterial pathogens at concentrations as low as one IFU/mL in a variety of unpurified patient sample types, including nasal swab, vaginal swab, saliva and urine. We believe this demonstrates the power of our platform to detect disease at high sensitivity and specificity and the technical capability to rapidly develop additional assays on the Talis One platform.
- ***The Talis One platform is designed to be rapid and easy to use.*** The Talis One platform is designed to provide actionable information to clinicians in approximately 25 minutes. Faster turnaround time can inform quicker clinical decision making, which is critical for COVID-19 patients, as well as patients with other infectious diseases, where immediate treatment is important to reduce community transmission and achieve optimal outcomes. In addition, our platform is designed to be operated by untrained personnel and incorporate safety and convenience features, including automated cartridge-based sample preparation for reliable results, closed cartridges to mitigate contamination, room-temperature cartridge storage for convenient storage, and cloud connectivity for easily accessed results and records. The Talis One platform is designed to require two minutes or less of hands-on time for the operator to run a test.
- ***The Talis One platform is designed to enable efficient menu expansion.*** The Talis One platform is designed to enable single organism as well as multiplex detection for a plurality of infectious pathogens from one point-of-care system, which increases the potential value proposition of the platform for our customers. The modular design and multiplex capability of the single-use test cartridges is intended to enable us to use such cartridges for each of the tests we develop, which we believe could enable us to rapidly expand our test menu to meet customer needs and produce an attractive platform for a variety of providers and facilities. Following receipt of marketing authorization, we plan to launch our COVID-19 test and we have additional tests in development for other respiratory infections, infections related to women's health and STIs.
- ***The Talis One instrument includes a cellular connection and capacity for a cloud-based reporting and management system.*** The cellular connectivity built into the Talis One instrument is designed to enable HIPAA-compliant transmission, storage, review and printing of results, which we expect to be released with an upcoming software upgrade in 2021 for all installed instruments. We believe such centralized storage and information management could provide for (i) improved clinical workflow at healthcare sites and institutions, (ii) the creation of a public health interface granting access to select information to governmental entities and/or (iii) the automatic transmission of "reportable infections," such as COVID-19, to public health authorities. Additionally, administrators could remotely monitor, in real-time, the status of any instrument in an organization, as well as manage users and certain security features.

- ***The Talis One platform is designed to be scalable for different throughput requirements***. The portable and compact design enables the Talis One instruments to be stacked on top of, and be located next to, additional Talis One instruments, with the goal of increasing testing throughput capability at the point-of-care. Instruments are designed to be stacked three by three, in groups of nine without impact to the cellular connection.
- ***We designed the Talis One platform to enable scalable low-cost manufacturing from raw material supply through the entire supply chain***. We believe the scalable and low-cost manufacturing features of the Talis One platform could enable us to maintain our margins, offer attractive pricing to our customers and be competitive in price sensitive environments. The modular design of the single-use test cartridges requires only swapping target-specific assay reagents on small plug-in components inserted into the cartridge to change the assay.

Market opportunity

We are currently developing Talis One tests for COVID-19, other respiratory infections, infections related to women's health and STIs. We estimate that the total potential annualized addressable market opportunity for COVID-19 tests in the United States exceeds $7.0 billion, based on an estimate of daily testing demand of 750,000 tests as of June 2020 and an estimated price of $25 per COVID-19 test, which is roughly 50% of the CMS reimbursed price of approximately $50. We estimate that the potential annualized addressable market opportunity in the United States for our Talis One tests in development for infections related to women's health and STIs and our COVID-Flu Panel was approximately $5.5 billion in 2020. We believe the market opportunity outside the United States for our tests in development is at least as large as the domestic market.



Assumes average selling price of test cartridge is approximately 50% of CMS reimbursement rates as of September 30, 2020.

With respect to CT/NG and the STI panel, for populations specifically targeted by screening guidelines, assumes testing would cover CT/NG only, and for all other populations, assumes one-third would be subject to the STI panel testing (CT/NG, M.Gen and trichomonas) and two-thirds would be subject to CT/NG testing only.

COVID-19 and other respiratory infections

We believe that the demand for COVID-19 diagnostic testing will evolve over three phases as the pandemic progresses:

Initial phase: As of September 30, 2020, we believe we are in the initial phase of the COVID-19 pandemic which is characterized by diagnostic testing predominantly of individuals suspected of COVID-19 by their healthcare providers in centralized locations. In the current phase, there is insufficient supply of tests to meet the demand and according to the US Department of Health and Human Services, as of July 31, 2020, there were an average of 810,000 tests conducted across the United States per day. In this current phase, testing has primarily been carried out through the use of centralized laboratories or with point-of-care and rapid molecular or antigen tests. While the testing capacity using these currently available options may ultimately surpass the daily testing need, we believe these current tests lack the capabilities to meet the testing needs as the COVID-19 pandemic evolves, most importantly due to limitations providing highly accurate and actionable diagnosis in a timely manner. We believe that the preferred approach for COVID-19 diagnostic testing will be to deliver the highest testing accuracy and results in a timely manner, which we believe can only be met by a point-of-care, molecular-based approach.

Second phase: We believe that the demand for COVID-19 testing will grow from the initial phase because point-of-care testing will become available for screening individuals and testing of individuals suspected of COVID-19 infection will shift to the point-of-care. Included in the broader group of potential customers that will adopt point-of-care diagnostic technologies will be institutions caring for vulnerable populations, urgent care centers, employers, and schools. We expect that this will drive a shift of testing towards the point-of-care and significant demand for point-of-care technologies, with a high importance by customers placed on accuracy and speed.

Third phase: We believe that an additional phase of the COVID-19 pandemic may emerge and which could extend into the foreseeable future. In this phase, there may be the presence of vaccines which could result in a lower incidence of COVID-19. However, we believe that there will continue to be a high focus on safety supporting demand for COVID-19 testing, especially as it relates to demand from potential customers testing individuals suspected of COVID-19 infection and of vulnerable populations. Additionally, there may be demand for rapid point-of-care testing as a means to determine eligibility for COVID-19 therapies that may be shown to be effective only in a narrow timeframe after initial exposure or onset of symptoms, and this could particularly apply to people who were not vaccinated or had an insufficient or waning vaccine response. We anticipate that this phase will drive demand for panel-based tests which incorporate additional respiratory viruses, for example a flu and COVID-19 panel. Respiratory infections, including COVID-19, can be difficult to diagnose and having a panel-based test to diagnose for and rule-out different pathogens can improve the chances of a definitive diagnosis on the first test.

Infections related to women's health and sexually transmitted infections

We are currently developing Talis One tests for CT/NG, BV, STIs, UTIs, HSVs, and *Group B streptococcus* for which we estimate there is a combined annual testing market opportunity of approximately $4.5 billion based on current Medicare reimbursement rates. Of these women's health and STI tests, our initial focus is on CT/NG.

The American Congress of Obstetricians and Gynecologists (ACOG) recommends annual CT/NG screening of all sexually active women age 25 and younger and for women over age 25 with risk factors. In addition to promoting our test menu to our existing customers we will engage in a focused commercialization effort directed towards obstetricians and gynecologists where we estimate that a substantial majority of CT/NG testing occurs. Traditionally, testing is carried out by centralized laboratories and we believe that there is a

significant opportunity to move these tests to the point-of-care at the office of the obstetrician and gynecologist or in urgent care clinics or primary care facilities. We believe testing at the point-of-care and could improve decision making and enable the provider to use this information to treat the patient in the same visit. We believe this could improve the patient experience, and empower providers and patients to adhere to screening guidelines and improve outcomes. We also believe that care providers may be able to create profit opportunities by bringing testing in-house to the point-of-care. We believe the tests that we are developing for our Talis One platform have established reimbursement codes, enabling healthcare providers to submit for reimbursement.

Sales and marketing

Subject to receipt of marketing authorization for our COVID-19 test using our Talis One platform, our initial sales strategy will focus on driving adoption of the Talis One platform in two customer types: enterprise accounts and health care providers. We initially plan to launch Talis One through an enterprise account management team and a direct sales force with approximately 25 sales representatives dedicated to driving adoption in both categories. With respect to direct sales, we intend to commercialize the Talis One platform through a sales force focused initially on placing platforms with potential customers that place high value on accuracy and our broader test menu in development. Target customer segments include: (1) large elder care chains where vulnerable residents have unmet needs for millions of high sensitivity assays per year; (2) urgent care chains that serve on the front lines of COVID-19 diagnosis, needing millions of rapid tests to triage symptomatic patients; and (3) traditional medical establishments, including hospitals, ambulatory surgery centers, cancer treatment and dialysis centers, independent practice associations, accountable care organizations and public health clinics that need rapid and high-quality testing to best serve their patients. These customers represent large and concentrated testing opportunities for COVID-19. For example, we estimate that a single large elder care chain could represent a COVID-19 testing opportunity of over a million tests per year. In addition, the sales team will directly target smaller accounts including public health clinics, obstetrician and gynecologist practices, primary care doctors and mid-sized physician networks. We may also consider sales to organizations such as schools and school districts as well as corporate customers.

We intend to offer our Talis One platform to customers via direct purchase of the instrument or through a reagent rental program. Under these options we expect to generate revenue in the form of instrument sales or rentals, test cartridge sales and service and support fees.

We designed our platform for the institutional healthcare provider category, particularly those that serve populations who are especially vulnerable to infectious diseases, such as COVID-19. We believe that this market category could be a significant driver of our growth both near and longer-term due to the many types and significant number of potential institutional healthcare providers. Institutional healthcare providers typically represent sizeable patient populations, allowing a relatively large number of patients to be targeted with a limited number of account managers. Although institutional healthcare providers may require a sales cycle lasting several weeks or months, fixed-price arrangements from certain of these customers may provide us with a steady and predictable revenue stream.

While institutional healthcare providers are an important selling focus initially, we believe establishment of a direct sales force will enhance our growth, increase the number of institutional referrals, and expand the footprint of our brand within the U.S. market.

Competition

The in vitro diagnostics industry is characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary intellectual property. Due to the significant interest and growth in diagnostics,

we expect ongoing intense competition. However, we believe our proprietary and adaptable technology platform, our process capabilities and our manufacturing scale will distinguish us from our competitors.

We anticipate facing competition primarily from centralized laboratories and diagnostic companies offering both point-of-care and at-home solutions. Competitors include those offering molecular, antibody and antigen tests. Competitors in the reference lab category include Laboratory Corporation of America Holdings (commonly referred to as LabCorp) and Quest Diagnostics Incorporated, along with many hospital laboratories. Competitors with point-of-care diagnostic technology platforms that are either currently available or that are in development include:

- the following company with antibody testing technology: Assure Tech. (Hangzhou) Co., Ltd.;
- the following companies with antigen testing technology: Becton, Dickinson and Company (commonly referred to as BD), Abbott Laboratories, LumiraDx UK Limited and Quidel Corporation; and
- the following companies with molecular testing technology: Abbott Laboratories, Cue Health Inc., Visby Medical, Inc., Cepheid (a subsidiary of Danaher Corporation), Mesa Biotech, Inc. and F. Hoffmann-La Roche AG.

All of the above-listed companies, as well as numerous others, have received an EUA for a point-of-care COVID-19 test. There are also smaller or earlier-stage companies developing tests that may also prove to be significant competitors. Many of our current or potential competitors, either alone or with their collaboration partners, have significantly greater financial resources and expertise in research and development, manufacturing, regulatory clearance approval and compliance, and sales and distribution than we do. Mergers and acquisitions involving diagnostics companies 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 or customer networks. Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize diagnostic products or services that are more accurate, more convenient to use or more cost-effective than our products or services. Our competitors also may obtain FDA or other regulatory clearance or approval for their products more rapidly than we may obtain clearance or approval or other marketing authorizations for ours, which could result in our competitors establishing a strong market position before we are able to enter a particular market.

We believe key competitive factors impacting our success include the accuracy, utility, turnaround time and economics of our products, and commercial execution. We also believe our success in the future depends on the timing of obtaining regulatory clearances and approvals, as well as the timing of our ability to deliver instruments and consumables into the marketplace in significant volumes.

Government Contract

National Institutes of Health - Rapid Acceleration of Diagnostics (RADx)

In July 2020, we were awarded a $25.4 million contract from the National Institutes of Health (NIH) for Phase 2 of its RADx initiative (NIH Contract), of which $8.9 million had been received as of September 30, 2020, for the validation, approval, and scale-up of capacity for manufacturing of the Talis One. Pursuant to the NIH Contract, we are required to obtain and maintain an EUA from the FDA for the Talis One. We are also required to provide data and reports to, and meet regularly with NIH for evaluation of milestones and compliance with contractual obligations. Prices offered to consumers must ultimately be a fair market rate and consistent with the objective of increasing and improving testing in the US. Further, the testing capabilities produced are for utilization within the U.S. and its territories.

The term of the NIH Contract is one year. The NIH Contract can be terminated for convenience by the NIH at any time, or for cause upon a failure to perform the services as specified in the NIH Contract. In the latter circumstance, we would be required to repay the NIH 15.0% of the amounts already paid to us under the NIH Contract as liquidated damages, in place of any actual damages. Such repayment would not be required if a delay in delivery or performance was beyond our control and without fault or negligence on our part.

Operations

Manufacturing process

Our products are manufactured by several third parties, including a single contract manufacturer that provisions the parts and assembles our instrument. The instrument assembly is largely manual with some automation in testing. Our instrument contract manufacturer is scaling up to be able to make up to 500 instruments per week. We have various suppliers that provide molded parts and reagents that are assembled by two contract manufacturers for the cartridge. We are investing approximately $95.0 million dollars to scale up cartridge manufacturing. This investment includes high cavity count molding capability and automation of significant portions of the cartridge assembly process. Our operations consist of demand forecast planning, raw material procurement, and quality oversight. The operations team is responsible for ensuring adherence to our Quality Management System to meet or exceed applicable standards to support manufacturing, testing and distribution of our products.

Supply chain management

We utilize industry-leading vendors for our supply chain. Currently, many of the materials, enzymes and reagents used in our systems and cartridges are from single source suppliers. However, we are evaluating redundancy vendors for reagents and other materials where possible. To further mitigate risk, we are implementing multi-month, multi-lot safety stock strategy to promote an uninterrupted supply of critical or scarce reagents and other materials. Initially we plan to source many of the test cartridge materials and provide them to our contract manufacturers. Over time, we plan to transfer acquisition of these materials to our contract manufacturing partners. We plan to engage a third-party logistics company to manage the movement of materials between suppliers and for finished goods warehousing.

Supply Agreement with thinXXS Microtechnology AG (thinXXS)

In May 2020, we entered into a supply agreement with thinXXS (thinXXS Agreement), a wholly-owned subsidiary of IDEX Corporation (NYSE:IEX), for the purchase of certain materials, including single-use cartridges for use with the Talis One platform and components and subassemblies of such single-use cartridges. Pursuant to the thinXXS Agreement, we are required to submit an annual forecast of expected purchase volumes with portions of such annual forecast constituting a binding commitment based on certain percentages set forth in the thinXXS Agreement. We are also required to submit non-binding rolling forecasts to thinXXS. The prices we pay were initially fixed upon execution of the thinXXS Agreement and may not be increased until a specified date. Following such specified date, the purchase prices will be negotiated by the parties. Additionally, subject to certain criteria, thinXXS has the right to be our exclusive supplier of the cartridges, up to a specified annual volume.

The initial term of the thinXXS Agreement is 10 years, after which the thinXXS Agreement will remain in effect unless we provide two years' prior written notice of non-renewal. The thinXXS Agreement can also be terminated (i) after May 2027, by us for convenience, upon two years' prior written notice, (ii) subject to certain conditions, by either party upon 90 days' prior written notice of an uncured material breach of the thinXXS Agreement, and (iii) by either party upon bankruptcy or insolvency of the other party.

Intellectual property

Patents

Our intellectual property strategy is focused on protecting our core technologies, including target-specific amplification reagents, integrated cartridges and components thereof, and related instrumentation and software applications through patents and other intellectual property rights. In addition, we protect our ongoing research and development into the detection of infectious diseases through patents and other intellectual property rights in the United States and foreign jurisdictions, such as Japan, China, the United Kingdom and the European Union (through shared registration or examination agencies such as the European Patent Office or European Intellectual Property Office). As of January 1, 2021, we solely own nine issued U.S. patents, 18 pending U.S. patent applications, 12 issued foreign patents, 59 pending foreign patent applications, and three pending PCT international patent applications. We co-own three issued U.S. patents, one pending U.S. patent application, and 11 pending foreign patent applications with Caltech. We exclusively in-license 10 issued U.S. patents, two pending U.S. patent applications, 17 issued foreign patents and four pending foreign patent applications from the University of Chicago and/or Caltech. We believe that the technology we have in-licensed from the University of Chicago and Caltech, respectively, has no impact on our competitive position in our industry. Our patent portfolio generally includes patents and patent applications relating microfluidic systems, our rapid isothermal amplification method, integrated cartridges and instrument for the Talis One system, as well as components thereof and methods of operating the same. In addition to patents and applications related generally to the Talis One platform, our portfolio includes patents and applications drawn to assay reagents for specific targets, including SARS-CoV-2 (the causative pathogen for COVID-19), *Chlamydia trachomatis*, and *Neisseria gonorrhoeae*. Issued U.S. patents in our portfolio of company-owned and in-licensed patents and patent applications (if issued) are expected to expire between 2030 and 2040.

Trademarks

Our trademark portfolio is designed to protect the brands of our current and future products and includes U.S. trademark applications for registration for our company name, Talis, and the product name Talis One. Our trademark applications may not proceed to registration, and our intellectual property rights may be invalidated, circumvented or challenged. For instance, we are currently subject to ongoing opposition before the United States Patent and Trademark Office filed by Talis Clinical, LLC, which alleges that our application for registration of the trademark TALIS should not be registered because it is likely to be confused with the prior unregistered trademark TALIS used in connection medical software and related goods and services. In the event this opposition is successful, or if we enter into a settlement agreement with Talis Clinical, LLC, we could lose rights to this trademark. We cannot predict the outcome of this action or if we will be subject to similar claims in the future.

Trade secrets

We also rely on trade secrets, including know-how, unpatented technology and other proprietary information, to strengthen our competitive position. We have determined that certain technologies, such as aspects of our amplification chemistry, some bioinformatics, data processing and analysis techniques, and manufacturing processes are better kept as trade secrets, rather than pursuing patent protection. To prevent disclosure of trade secrets to others, it is our policy to enter into nondisclosure, invention assignment and confidentiality agreements with parties who have access to trade secrets, such as our employees, collaborators, outside scientific collaborators, consultants, advisors and other third parties. These agreements also provide that all inventions resulting from work performed for us or relating to our business and conceived or completed during the period of employment or assignment, as applicable, are our exclusive property. In addition, we take other appropriate precautions, such as physical and technological security measures, to guard against misappropriation of our proprietary information by third parties.

We intend to pursue additional intellectual property protection to the extent we believe it would advance our business objectives. Notwithstanding these efforts, there can be no assurance that we will adequately protect our intellectual property or determine the likelihood that these efforts will provide any competitive advantage. We cannot provide any assurance that any patents will be issued from our pending or any future applications or that any issued patents will adequately protect our products or technology. Our intellectual property rights may be invalidated, circumvented or challenged. In addition, the laws of various foreign countries where our products are distributed may not protect our intellectual property rights to the same extent as laws in the United States. Furthermore, it may be difficult to protect our trade secrets. While we have confidence in the measures we take to protect and preserve our trade secrets, they may be inadequate and can be breached, and we may not have adequate remedies for violations of such measures. In addition, our trade secrets may otherwise become known or be independently discovered by competitors. For more information regarding risks related to intellectual property, please see “Risk factors—Risks related to our intellectual property.”

Government regulation and product approval

Our products under development and our operations are subject to significant government regulation. In the United States, our products are regulated as medical devices by the FDA and other federal, state, and local regulatory authorities.

FDA regulation of medical devices

The FDA and other U.S. and foreign governmental agencies regulate, among other things, with respect to medical devices:

- design, development and manufacturing;
- testing, labeling, content and language of instructions for use and storage;
- clinical trials;
- product safety;
- marketing, sales and distribution;
- pre-market clearance and approval;
- record keeping procedures;
- advertising and promotion;
- recalls and field safety corrective actions;
- post-market surveillance, including reporting of deaths or serious injuries and malfunctions that, if they were to recur, could lead to death or serious injury;
- post-market approval studies; and
- product import and export.

In the United States, numerous laws and regulations govern all the processes by which medical devices are brought to market and marketed. These include the FDCA and the FDA’s implementing regulations, among others.

FDA pre-market clearance and approval requirements

Each medical device we seek to commercially distribute in the United States must first receive 510(k) clearance, *de novo* classification, or approval of a pre-market approval (PMA) application, from the FDA, unless specifically exempted. In addition, devices may receive Emergency Use Authorizations (EUAs), such as those issued for in vitro diagnostics to detect SARS-CoV-2, which are time-limited authorizations under the public health emergency provisions of the FDCA.

The FDA classifies all medical devices into one of three classes—Class I, Class II or Class III—depending on the degree of risk associated with each medical device and the extent of manufacturer and regulatory control needed to ensure its safety and effectiveness. Class I includes devices with the lowest risk to the patient and are those for which safety and effectiveness can be assured by adherence to the FDA's General Controls for medical devices, which include compliance with the applicable portions of the Quality System Regulation(QSR), facility registration and product listing, reporting of adverse medical events, and truthful and non-misleading labeling, advertising, and promotional materials. Class II devices are subject to the FDA's General Controls, and special controls as deemed necessary by the FDA to ensure the safety and effectiveness of the device. These special controls can include performance standards, post-market surveillance, patient registries and additional conditions set forth in FDA guidance documents. While most Class I devices are exempt from the 510(k) pre-market notification requirement, manufacturers of most Class II devices are required to submit to the FDA a pre-market notification under Section 510(k) of the FDCA requesting permission to commercially distribute the device. The FDA's permission to commercially distribute a device subject to a 510(k) pre-market notification is generally known as 510(k) clearance. Devices deemed by the FDA to pose the greatest risks, such as life-sustaining, life-supporting or some implantable devices are placed in Class III, requiring approval of a PMA application. Some pre-amendment devices are unclassified, but are subject to the FDA's pre-market notification and clearance process in order to be commercially distributed.

In addition, EUAs and other forms of approval or clearance may be limited to use of tests by authorized laboratories certified under CLIA to perform moderate and high-complexity tests. In order to for a test to be used at the point-of-care, the FDA must grant the test waived status under CLIA, which would permit any laboratory with a Certificate of Waiver to perform the test.

Emergency Use Authorization

Section 564 of the FDCA authorizes the U.S. Secretary of the Department of Health and Human Services (HHS) to declare public health emergencies that have a significant potential to affect national security or the health and security of U.S. citizens. Before an EUA may be issued, the Secretary must declare an emergency based on one of the following grounds:

- a determination by the Secretary of the Department of Homeland Security that there is a domestic emergency, or a significant potential for a domestic emergency, involving a heightened risk of attack with a specified biological, chemical, radiological or nuclear agent or agents;
- a determination by the Secretary of the Department of Defense that there is a military emergency, or a significant potential for a military emergency, involving a heightened risk to U.S. military forces of attack with a specified biological, chemical, radiological, or nuclear agent or agents; or
- a determination by the Secretary of the HHS of a public health emergency that effects or has the significant potential to affect, national security, and that involves a specified biological, chemical, radiological, or nuclear agent or agents, or a specified disease or condition that may be attributable to such agent or agents.

Prior such public health emergencies have included declarations regarding the Zika virus (2016), Ebola virus (2014), and Avian flu virus (2013). On February 4, 2020, the novel coronavirus was declared a public health

emergency, and it was declared that circumstances existed justifying the authorization of emergency use of in vitro diagnostics for detection and/or diagnosis of the novel coronavirus that causes COVID-19. These EUAs will terminate upon declaration that the public health emergency circumstances have ceased, or the product provided pursuant to EUA has otherwise achieved commercial authorization for the emergency indication for use, such as through 510(k) clearance or PMA approval.

In order to be the subject of an EUA, the FDA Commissioner (under authority delegated by the Secretary of the HHS) must conclude that, based on the totality of scientific evidence available, it is reasonable to believe that the product may be effective in diagnosing, treating, or preventing a disease attributable to the agents described above, that its known and potential benefits outweigh its known and potential risks, and that there is no adequate, approved and available alternative. The applicant's request for an EUA includes available scientific evidence, and the FDA engages in interactive review of the request with the applicant. If and once authorized, products subject to an EUA must comply with the conditions of an EUA, including informing healthcare professionals and patients of the risks and benefits of the product, adverse event reporting and recordkeeping, and may include distribution and advertising controls and limitations. The FDA may revise or revoke an EUA to protect the public health.

510(k) clearance process

To obtain 510(k) clearance, we must submit a pre-market notification to the FDA demonstrating that the proposed device is substantially equivalent to a previously-cleared 510(k) device, a device that was in commercial distribution before May 28, 1976 for which the FDA has not yet called for the submission of PMA applications, or is a device that has been reclassified from Class III to either Class II or I. In rare cases, Class III devices may be cleared through the 510(k) process. The FDA's 510(k) clearance process usually takes from three to 12 months from the date the application is submitted and filed with the FDA, but may take significantly longer. Although many 510(k) pre-market notifications are cleared without clinical data, in some cases, the FDA requires significant clinical data to support substantial equivalence. In reviewing a pre-market notification submission, the FDA may request additional information, including clinical data, which may significantly prolong the review process.

If the FDA agrees that the device is substantially equivalent to a predicate device currently on the market, it will grant 510(k) clearance to commercially market the device. If the FDA determines that the device is "not substantially equivalent" to a previously cleared device, the device is automatically designated as a Class III device. The device sponsor must then fulfill more rigorous PMA requirements, or can request a risk-based classification determination for the device in accordance with the *de novo* classification process, which is a route to market for novel medical devices that are low to moderate risk and are not substantially equivalent to a predicate device. Once a *de novo* application is reviewed and approved, it results in the device having a Class II status and future devices from the company or a competitor may use the company's *de novo*-classified device as a 510(k) predicate.

After a device receives 510(k) clearance, any subsequent modification of the device that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use, will require a new 510(k) clearance or could require a PMA. The FDA requires each manufacturer to make this determination initially, but the FDA may review any such decision and may disagree with a manufacturer's determination. If the FDA disagrees with a manufacturer's determination, the FDA may require the manufacturer to cease marketing and/or recall the modified device until 510(k) clearance or approval of a PMA is obtained. Under these circumstances, the FDA may also subject a manufacturer to significant regulatory fines or other penalties.

Over the last several years, the FDA has proposed reforms to its 510(k) clearance process, and such proposals could include increased requirements for clinical data and a longer review period, or could make it more

difficult for manufacturers to utilize the 510(k) clearance process for their products. For example, in November 2018, FDA officials announced forthcoming steps that the FDA intends to take to modernize the pre-market notification pathway under Section 510(k) of the FDCA. Among other things, the FDA announced that it planned to develop proposals to drive manufacturers utilizing the 510(k) pathway toward the use of newer predicates. These proposals included plans to potentially sunset certain older devices that were used as predicates under the 510(k) clearance pathway, and to potentially publish a list of devices that have been cleared on the basis of demonstrated substantial equivalence to predicate devices that are more than 10 years old. The FDA also announced that it intends to finalize guidance to establish a pre-market review pathway for "manufacturers of certain well-understood device types" as an alternative to the 510(k) clearance pathway and that such pre-market review pathway would allow manufacturers to rely on objective safety and performance criteria recognized by the FDA to demonstrate substantial equivalence, obviating the need for manufacturers to compare the safety and performance of their medical devices to specific predicate devices in the clearance process.

In May 2019, the FDA solicited public feedback on its plans to develop proposals to drive manufacturers utilizing the 510(k) pathway toward the use of newer predicates, including whether the FDA should publish a list of devices that have been cleared on the basis of demonstrated substantial equivalence to predicate devices that are more than 10 years old. The FDA requested public feedback on whether it should consider certain actions that might require new authority, such as whether to sunset certain older devices that were used as predicates under the 510(k) clearance pathway. These proposals have not yet been finalized or adopted, and the FDA may work with Congress to implement such proposals through legislation. More recently, in September 2019, the FDA finalized the aforementioned guidance to describe an optional "safety and performance based" pre-market review pathway for manufacturers of "certain, well-understood device types" to demonstrate substantial equivalence under the 510(k) clearance pathway, by demonstrating that such device meets objective safety and performance criteria established by the FDA, obviating the need for manufacturers to compare the safety and performance of their medical devices to specific predicate devices in the clearance process. The FDA intends to maintain a list of device types appropriate for the "safety and performance based pathway" and develop product-specific guidance documents that identify the performance criteria for each such device type, as well as the testing methods recommended in the guidance documents, where feasible.

De novo classification process

Medical device types that the FDA has not previously classified as Class I, II, or III are automatically classified into Class III regardless of the level of risk they pose. The Food and Drug Administration Modernization Act of 1997 established a new route to market for low to moderate risk medical devices that are automatically placed into Class III due to the absence of a predicate device called the "Request for Evaluation of Automatic Class III Designation," or the *de novo* classification procedure. This procedure allows a manufacturer whose novel device is automatically classified into Class III to request down-classification of its medical device into Class I or Class II on the basis that the device presents low or moderate risk, rather than requiring the submission and approval of a PMA application. Prior to the enactment of the Food and Drug Administration Safety and Innovation Act (FDASIA) in July 2012, a medical device could only be eligible for *de novo* classification if the manufacturer first submitted a 510(k) pre-market notification and received a determination from the FDA that the device was not substantially equivalent. FDASIA streamlined the *de novo* classification pathway by permitting manufacturers to request *de novo* classification directly without first submitting a 510(k) pre-market notification to the FDA and receiving a not substantially equivalent determination. Under FDASIA, FDA is required to classify the device within 120 days following receipt of the *de novo* application. If the manufacturer seeks reclassification into Class II, the manufacturer must include a draft proposal for special controls that are necessary to provide a reasonable assurance of the safety and effectiveness of the medical device. In addition, the FDA may reject the reclassification petition if it identifies a legally marketed predicate device that would be appropriate for a

510(k) or determines that the device is not low to moderate risk or that general controls would be inadequate to control the risks and special controls cannot be developed.

Pre-market approval process

A PMA application must be submitted if the medical device is in Class III (although the FDA has the discretion to continue to allow certain pre-amendment Class III devices to use the 510(k) process) or cannot be cleared through the 510(k) process. A PMA application must be supported by, among other things, extensive technical, preclinical, and clinical trials, as well as manufacturing and labeling data to demonstrate to the FDA's satisfaction the safety and effectiveness of the device.

Following receipt of a PMA, the FDA determines whether the application is sufficiently complete to permit a substantive review. If the FDA accepts the application for review, it has 180 days under the FDCA to complete its review of a PMA, although in practice, the FDA's review often takes significantly longer, and can take up to several years. During this review period, the FDA may request additional information or clarification of information already provided. Also during the review period, an advisory panel of experts from outside the FDA may be convened to review and evaluate the application and provide recommendations to the FDA as to the approvability of the device. The FDA may or may not accept the panel's recommendation. In addition, the FDA will generally conduct a pre-approval inspection of the manufacturing facility to ensure compliance with QSR, which imposes elaborate design development, testing, control, documentation and other quality assurance procedures in the design and manufacturing process.

The FDA will approve the new device for commercial distribution if it determines that the data and information in the PMA constitute valid scientific evidence and that there is reasonable assurance that the device is safe and effective for its intended use(s). The FDA may approve a PMA application with post-approval conditions intended to ensure the safety and effectiveness of the device including, among other things, restrictions on labeling, promotion, sale and distribution and collection of long-term follow-up data from patients in the clinical study that supported approval. Failure to comply with the conditions of approval can result in materially adverse enforcement action, including the loss or withdrawal of the approval. New PMA applications or supplements are required for significant modifications to the manufacturing process, labeling of the product and design of a device that is approved through the PMA process. PMA supplements often require submission of the same type of information as an original PMA application, except that the supplement is limited to information needed to support any changes from the device covered by the original PMA application, and may not require as extensive clinical data or the convening of an advisory panel.

Clinical trials

A clinical trial is typically required to support a PMA application and is sometimes required for a 510(k) pre-market notification. Clinical trials generally require submission of an application for an Investigational Device Exemption (IDE), to the FDA. The IDE application must be supported by appropriate data, such as animal and laboratory testing results, showing that it is safe to test the device in humans and that the investigational protocol is scientifically sound. The IDE application must be approved in advance by the FDA for a specified number of patients, unless the product is deemed a non-significant risk device and eligible for more abbreviated IDE requirements.

In addition, the study must be approved by, and conducted under the oversight of, an Institutional Review Board (IRB), for each clinical site. The IRB is responsible for the initial and continuing review of the IDE and may pose additional requirements for the conduct of the study. If an IDE application is approved by the FDA and one or more IRBs, human clinical trials may begin at a specific number of investigational sites with a specific

number of patients, as approved by the FDA. If the device presents a non-significant risk to the patient, a sponsor may begin the clinical trial after obtaining approval for the trial by one or more IRBs without separate approval from the FDA, but must still follow abbreviated IDE requirements, such as monitoring the investigation, ensuring that the investigators obtain informed consent, and labeling and record-keeping requirements. Acceptance of an IDE application for review does not guarantee that the FDA will allow the IDE to become effective and, if it does become effective, the FDA may or may not determine that the data derived from the trials support the safety and effectiveness of the device or warrant the continuation of clinical trials. An IDE supplement must be submitted to, and approved by, the FDA before a sponsor or investigator may make a change to the investigational plan that may affect its scientific soundness, study plan or the rights, safety or welfare of human subjects.

During a study, the sponsor is required to comply with the applicable FDA requirements, including, for example, trial monitoring, selecting clinical investigators and providing them with the investigational plan, ensuring IRB review, adverse event reporting, record keeping and prohibitions on the promotion of investigational devices or on making safety or effectiveness claims for them. The clinical investigators in the clinical study are also subject to FDA regulations and must obtain patient informed consent, rigorously follow the investigational plan and study protocol, control the disposition of the investigational device, and comply with all reporting and recordkeeping requirements. Additionally, after a trial begins, we, the FDA or the IRB could suspend or terminate a clinical trial at any time for various reasons, including a belief that the risks to study subjects outweigh the anticipated benefits.

Pervasive and continuing U.S. Food and Drug Administration regulation

After a medical device is placed on the market, numerous FDA regulatory requirements apply, including, but not limited to the following:

- the QSR, which requires manufacturers to follow design, testing, control, documentation and other quality assurance procedures during the manufacturing process;
- establishment registration, which requires establishments involved in the production and distribution of medical devices, intended for commercial distribution in the United States, to register with the FDA;
- medical device listing, which requires manufacturers to list the devices they have in commercial distribution with the FDA;
- clearance or approval of product modifications to 510(k)-cleared devices that could significantly affect safety or effectiveness or that would constitute a major change in intended use of one of our cleared devices;
- medical device reporting regulations, which require that a manufacturer report to the FDA if a device it markets may have caused or contributed to a death or serious injury, or has malfunctioned and the device or a similar device that it markets would be likely to cause or contribute to a death or serious injury, if the malfunction were to recur;
- correction, removal and recall reporting regulations, which require that manufacturers report to the FDA field corrections and product recalls or removals if undertaken to reduce a risk to health posed by the device or to remedy a violation of the FDCA that may present a risk to health;
- complying with the new federal law and regulations requiring Unique Device Identifiers (UDI) on devices and also requiring the submission of certain information about each device to the FDA's Global Unique Device Identification Database;
- the FDA's recall authority, whereby the agency can order device manufacturers to recall from the market a product that is in violation of governing laws and regulations;

- labeling regulations, which prohibit “misbranded” devices from entering the market, as well as prohibit the promotion of products for unapproved or “off-label” uses and impose other restrictions on labeling; and
- post-market surveillance including Medical Device Reporting, which requires manufacturers report to the FDA if their device may have caused or contributed to a death or serious injury, or malfunctioned in a way that would likely cause or contribute to a death or serious injury if it were to recur.

The FDA enforces these requirements by inspection and market surveillance. Failure to comply with applicable regulatory requirements may result in enforcement action by the FDA, which may include one or more of the following sanctions:

- untitled letters or warning letters;
- customer notifications for repair, replacement or refunds;
- fines, injunctions, consent decrees and civil penalties;
- mandatory recall or seizure of our products;
- administrative detention or banning of our products;
- operating restrictions, partial suspension or total shutdown of production;
- refusing our request for 510(k) clearance or PMA of new product versions;
- revocation of 510(k) clearance or PMAs previously granted; and
- criminal prosecution and penalties.

International regulation

Sales of medical devices outside the United States are subject to foreign government regulations, which vary substantially from country to country. In order to market our products in other countries, we must obtain regulatory approvals and comply with extensive safety and quality regulations in other countries. The time required to obtain approval by a foreign country may be longer or shorter than that required for FDA clearance or approval, and the requirements may differ significantly.

Other healthcare laws

Our current and future business activities are subject to healthcare regulation and enforcement by the federal government and the states and foreign governments in which we conduct our business. These laws include, without limitation, state and federal anti-kickback, fraud and abuse, false claims and physician sunshine laws and regulations.

The federal Anti-Kickback Statute prohibits, among other things, any person or entity from knowingly and willfully offering, soliciting, receiving or providing remuneration, directly or indirectly, overtly or covertly, in cash or in kind, to induce either the referral of an individual, for an item or service or the purchasing, leasing, ordering, or arranging for or recommending the purchase, lease or order of any good, facility, item or service, for which payment may be made, in whole or in part, under federal healthcare programs such as the Medicare and Medicaid programs. Although there are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution, the exceptions and safe harbors are drawn narrowly. Practices that involve remuneration that may be alleged to be intended to induce prescribing, purchases or recommendations may be subject to scrutiny if they do not qualify for an exception or safe harbor. Failure to

meet all of the requirements of a particular applicable statutory exception or regulatory safe harbor does not make the conduct per se illegal under the Anti-Kickback Statute. Instead, the legality of the arrangement will be evaluated on a case-by-case basis based on a cumulative review of all its facts and circumstances. Several courts have interpreted the statute's intent requirement to mean that if any one purpose of an arrangement involving remuneration is to induce referrals of federal healthcare covered business, the Anti-Kickback Statute has been violated. In addition, a person or entity does not need to have actual knowledge of this statute or specific intent to violate it in order to have committed a violation.

The federal civil and criminal false claims laws, such as the civil False Claims Act (FCA), prohibit individuals or entities from, among other things, knowingly presenting, or causing to be presented, false, fictitious or fraudulent claims for payment or approval by the federal government, and knowingly making, using or causing to be made or used a false record or statement material to a false or fraudulent claim, or knowingly making a false statement to improperly avoid, decrease or conceal an obligation to pay money to the federal government. Additionally, the FCA authorizes actions to be brought on behalf of the federal government by a private party having knowledge of the alleged fraud. Because the complaint is initially filed under seal, the action may be pending for some time before the defendant is even aware of the action. If the government intervenes and is ultimately successful in obtaining redress in the matter, or if the plaintiff succeeds in obtaining redress without the government's involvement, then the plaintiff will receive a percentage of the recovery. The federal government is using the FCA, and the accompanying threat of significant liability, in its investigation and prosecution of life sciences companies throughout the country, for example, in connection with the promotion of products for unapproved uses and other sales and marketing practices. In addition, the government may assert that a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the civil FCA. The government has obtained multi-million and multi-billion dollar settlements under the FCA in addition to individual criminal convictions under applicable criminal statutes. Given the significant size of actual and potential settlements, it is expected that the government will continue to devote substantial resources to investigating healthcare providers' and manufacturers' compliance with applicable fraud and abuse laws.

The civil monetary penalties statute imposes penalties against any person or entity that, among other things, is determined to have presented or caused to be presented a claim to a federal health program that the person knows or should know is for an item or service that was not provided as claimed or is false or fraudulent.

The majority of states also have anti-kickback laws which establish similar prohibitions and, in some cases, may apply to items or services reimbursed by any third-party payor, including commercial insurers.

HIPAA created new federal criminal statutes that prohibit, among other actions, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, including private third-party payors, and knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. Like the Anti-Kickback Statute, a person or entity no longer needs to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation.

Moreover, the federal Physician Payments Sunshine Act 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 specific exceptions, to report annually to the Centers for Medicare & Medicaid Services (CMS), information related to payments or other transfers of value made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), and teaching hospitals, and applicable manufacturers and applicable group purchasing organizations to report annually to CMS ownership and investment interests held by physicians (as defined under the statute) and their immediate family members. Beginning in 2022, applicable manufacturers will also be required to report such information regarding

payments and transfers of value provided during the previous year to physician assistants, nurse practitioners, clinical nurse specialists, anesthesiology assistants, certified nurse anesthetists and certified nurse-midwives. The Physician Payments Sunshine Act includes in its reporting requirements a broad range of transfers of value including, but not limited to, consulting fees, speaker honoraria, charitable contributions, research payments and grants. Failure to report could subject companies to significant financial penalties. Tracking and reporting the required payments and transfers of value may result in considerable expense and additional resources. Several states currently have similar laws and more states may enact similar legislation, some of which may be broader in scope. For example, certain states require the implementation of compliance programs, compliance with industry ethics codes, implementation of gift bans and spending limits, and/or reporting of gifts, compensation and other remuneration to healthcare professionals.

The shifting commercial compliance environment and the need to build and maintain robust and expandable systems to comply with different compliance and/or reporting requirements in multiple jurisdictions increase the possibility that a healthcare company may violate one or more of the requirements. If our future operations are found to be in violation of any of such laws or any other governmental regulations that apply to us, we may be subject to significant penalties, including, without limitation, administrative, civil and criminal penalties, damages, fines, disgorgement, imprisonment, the curtailment or restructuring of our operations, additional reporting and oversight requirements, exclusion from participation in federal and state healthcare programs and imprisonment.

Coverage and reimbursement

Sales of our products will depend in large part on the availability of adequate coverage and reimbursement from third-party payors, including government programs such as Medicare and Medicaid, private insurance plans and managed care programs. These third-party payors are increasingly limiting coverage and reducing reimbursement for medical products and services. In addition, the U.S. government, state legislatures and foreign governments have continued implementing cost-containment programs, including price controls and restrictions on coverage and reimbursement. Adoption of price controls and cost-containment measures, and adoption of more restrictive policies in jurisdictions with existing controls and measures, could further limit our net revenue and results.

Hospitals, clinical laboratories and other healthcare provider customers that may purchase our product candidates, if approved, generally bill various third-party payors to cover all or a portion of the costs and fees associated with diagnostic tests, including the cost of the purchase of our product candidates. If our product candidates are cleared or approved by the FDA as point-of-care tests and deemed CLIA-waived following market authorization, we expect that the majority of our diagnostic tests will be performed in physician offices and other point-of-care settings and billed using existing Current Procedural Terminology (CPT) codes. Our healthcare provider customers may not purchase our tests unless third-party payors cover and provide adequate reimbursement for a substantial portion of the price of the tests. If we are not able to obtain coverage and an acceptable level of reimbursement for our tests from third-party payors, there would typically be a greater co-insurance or co-payment requirement from the patient for whom the test is ordered or the patient may be forced to pay the entire cost of the test out-of-pocket, which could dissuade practitioners from ordering our tests and, if ordered, could result in a delay in or decreased likelihood of collecting payment, whether from patients or from third-party payors. Our customers' access to adequate coverage and reimbursement for our products and/or product candidates by government and private insurance plans is central to the acceptance of our products. We may be unable to sell our products on a profitable basis if third-party payors deny coverage or reduce their current levels of payment, or if our costs of production increase faster than increases in reimbursement levels.

The potential end-users of our Talis One platform and diagnostic tests include large elder care chains where vulnerable residents have unmet needs for millions of high sensitivity assays per year; urgent care chains that

serve on the front lines of COVID-19 diagnosis, needing millions of rapid tests to triage symptomatic patients; and traditional medical establishments including hospitals, ambulatory surgery centers, cancer treatment and dialysis centers, independent practice associations, accountable care organizations, and public health clinics that need rapid and high-quality testing to best serve their patients.

Hospitals, physicians and other healthcare providers who purchase diagnostic products in the United States generally rely on third-party payors, such as private health insurance plans, Medicare and Medicaid, to reimburse all or part of the cost of the product. Therefore, our market success is highly dependent upon government and commercial third-party payors providing coverage and adequate reimbursement for our test. While we believe our COVID-19 test will qualify for coverage that is currently available for other COVID-19 tests on the market, coverage criteria and reimbursement rates for diagnostic tests are subject to adjustment by payors, and current reimbursement rates could be reduced, or coverage criteria restricted in the future, which could adversely affect the market for our tests.

There has been federal and state legislation and other reform initiatives regarding the coverage and reimbursement for COVID-19 diagnostic testing in response to the COVID-19 outbreak. For example, the Families First Coronavirus Response Act (FFCRA) generally requires group health plans and health insurance issuers offering group or individual health insurance to cover FDA approved COVID-19 tests and associated diagnostic costs with no cost-sharing, as long as the test is deemed medically appropriate and furnished on or after March 18, 2020 and during the applicable public health emergency period. The FFCRA also permits states to cover testing for the uninsured through Medicaid with federal financing. Additionally, the Coronavirus Aid, Relief, and Economic Security Act expanded the FFCRA to include a broader range of diagnostic tests and services as well as requiring plans and issuers to cover out-of-network COVID-19 test claims at up to the cash price that the provider has posted on a public website.

CMS announced plans in March 2020 to cover the cost of COVID-19 diagnostic testing under the Medicare program and identified the amount at which it would reimburse for such tests, which has been adjusted numerous times. For example, Medicare adjusted its payment methodology effective January 1, 2021, such that it will pay $100 per test only to those laboratories that complete high throughput COVID-19 diagnostic tests within two calendar days of the specimen being collected and will only pay $75 per test to laboratories that take longer than two days to complete such test. This change is indicative of the evolving nature of the coverage and reimbursement of COVID-19 tests.

Healthcare reform

In the United States and foreign jurisdictions, there have been, and we expect there will continue to be, a number of legislative and regulatory changes to the healthcare system seeking, among other things, to reduce healthcare costs that could affect our future results of operations as we begin to directly commercialize our products.

By way of example, in the United States, the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act (collectively, the ACA) which was signed into law in March 2010, substantially changed the way healthcare is delivered and financed by both governmental and private insurers. Among other things, the ACA:

- established a new Patient-Centered Outcomes Research Institute to oversee and identify priorities in comparative clinical effectiveness research in an effort to coordinate and develop such research; and
- implemented payment system reforms including a national pilot program on payment bundling to encourage hospitals, physicians and other providers to improve the coordination, quality and efficiency of certain healthcare services through bundled payment models.

Since its enactment, there have been judicial and political challenges to certain aspects of the ACA. For example, the Tax Cuts and Jobs Act of 2017 (Tax Act), includes a provision repealing, effective January 1, 2019, the tax-based shared responsibility payment imposed by the ACA on certain individuals who fail to maintain qualifying health coverage for all or part of a year that is commonly referred to as the "individual mandate." On December 14, 2018, a U.S. District Court Judge in the Northern District of Texas (Texas District Court Judge), ruled that the individual mandate is a critical and inseverable feature of the ACA, and therefore, because it was repealed as part of the Tax Act, the remaining provisions of the ACA are invalid as well. Additionally, on December 18, 2019, the U.S. Court of Appeals for the 5th Circuit ruled that the individual mandate was unconstitutional and remanded the case back to the District Court to determine whether the remaining provisions of the ACA are invalid as well. The U.S. Supreme Court is currently reviewing this case, although it is unclear when or how the Supreme Court will rule. It is also unclear how other efforts to challenge, repeal or replace the ACA will impact the law.

In addition, other legislative changes have been proposed and adopted since the ACA was enacted. On August 2, 2011, the Budget Control Act of 2011 was enacted, which, among other things, included aggregate reductions to Medicare payments to providers of 2% per fiscal year, which went into effect on April 1, 2013 and, due to subsequent legislative amendments to the statute, will remain in effect through 2030, with the exception of a temporary suspension from May 1, 2020 through March 31, 2021, unless additional Congressional action is taken. In addition, on January 2, 2013, the American Taxpayer Relief Act of 2012 was signed into law, which, among other things, reduced Medicare payments to several providers, including hospitals, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.

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

Data privacy and security

Numerous state, federal and foreign laws, including consumer protection laws and regulations, govern the collection, dissemination, use, access to, confidentiality and security of personal information, including health-related information. In the United States, numerous federal and state laws and regulations, including state data breach notification laws, state health information privacy laws, and federal and state consumer protection laws and regulations that govern the collection, use, disclosure, and protection of health-related and other personal information could apply to our operations or the operations of our partners. For example, HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, and regulations implemented thereunder, imposes privacy, security and breach notification obligations on certain health care providers, health plans, and health care clearinghouses, known as covered entities, as well as their business associates and their subcontractors that perform certain services that involve creating, receiving, maintaining or transmitting individually identifiable health information for or on behalf of such covered entities. Entities that are found to be in violation of HIPAA as the result of a breach of unsecured protected health information (PHI), a complaint about privacy practices or an audit by HHS, may be subject to significant civil, criminal and administrative fines and penalties and/or additional reporting and oversight obligations if required to enter into a resolution agreement and corrective action plan with HHS to settle allegations of HIPAA non-compliance. Further, entities that knowingly obtain, use, or disclose individually identifiable health information maintained by a HIPAA covered entity in a manner that is not authorized or permitted by HIPAA may be subject to criminal penalties.

Further, various states, such as California and Massachusetts, have implemented similar privacy laws and regulations, such as the California Confidentiality of Medical Information Act, that impose restrictive

requirements regulating the use and disclosure of health information and other personally identifiable information, and the California Consumer Privacy Act, which came into effect on January 1, 2020, creates new data privacy rights for users. These laws and regulations are not necessarily preempted by HIPAA, particularly if a state affords greater protection to individuals than HIPAA. Where state laws are more protective, we may have to comply with the stricter provisions. In addition to fines and penalties imposed upon violators, some of these state laws also afford private rights of action to individuals who believe their personal information has been misused. The interplay of federal and state laws may be subject to varying interpretations by courts and government agencies, creating complex compliance issues for us and our clients, and potentially exposing us to additional expense, adverse publicity and liability. Further, as regulatory focus on privacy issues continues to increase and laws and regulations concerning the protection of personal information expand and become more complex, these potential risks to our business could intensify. Changes in laws or regulations associated with the enhanced protection of certain types of sensitive data, such as PHI or personally identifiable information along with increased demands for enhanced data security infrastructure, could greatly increase our costs of providing our services, decrease demand for our services, reduce our revenue and/or subject us to additional risks.

Even when HIPAA does not apply, according to the Federal Trade Commission (FTC), violating consumers' privacy rights or failing to take appropriate steps to keep consumers' personal information secure may constitute unfair acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act. The FTC expects a company's data security measures to be reasonable and appropriate in light of the sensitivity and volume of consumer information it holds, the size and complexity of its business, and the cost of available tools to improve security and reduce vulnerabilities. Individually identifiable health information is considered sensitive data that merits stronger safeguards.

In addition, certain state and non-U.S. laws, such as the General Data Protection Regulation (GDPR) govern the privacy and security of health information in certain circumstances, some of which are more stringent than HIPAA and many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts. Failure to comply with these laws, where applicable, can result in the imposition of significant civil and/or criminal penalties and private litigation. For example, California recently enacted legislation, the California Consumer Privacy Act (CCPA), which went into effect January 1, 2020. The CCPA, among other things, creates new data privacy obligations for covered companies and provides new privacy rights to California residents, including the right to opt out of certain disclosures of their information. The CCPA also creates a private right of action with statutory damages for certain data breaches, thereby potentially increasing risks associated with a data breach. Further, the California Privacy Rights Act (CPRA) was recently voted into law by California residents. The CPRA significantly amends the CCPA, and imposes additional data protection obligations on covered companies doing business in California, including additional consumer rights processes and opt outs for certain uses of sensitive data. It also creates a new California data protection agency specifically tasked to enforce the law, which would likely result in increased regulatory scrutiny of California businesses in the areas of data protection and security. The substantive requirements for businesses subject to the CPRA will go into effect on January 1, 2023, and become enforceable on July 1, 2023. In Europe, the GDPR went into effect in May 2018 and introduces strict requirements for processing the personal data of individuals within the European Economic Area (EEA). In addition, the GDPR increases the scrutiny of transfers of personal data from clinical trial sites located in the EEA to the United States and other jurisdictions that the European Commission does not recognize as having "adequate" data protection laws. 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. Additionally, following the United Kingdom's withdrawal from the European Union and the EEA, companies have to comply with the GDPR and the GDPR as incorporated into United Kingdom national law, the latter regime having the ability to

separately fine up to the greater of £17.5 million or 4% of global turnover. The relationship between the United Kingdom and the European Union in relation to certain aspects of data protection law remains unclear, for example around how data can lawfully be transferred between each jurisdiction, which may introduce further compliance risk.

Employees and human capital resources

As of December 31, 2020, we had a total of 136 employees, 133 of whom were full-time employees. Our employees are located in Menlo Park, California and other locations inside and outside the United States. None of our employees are represented by any collective bargaining agreements. We believe that we maintain good relations with our employees.

Our human capital resources objectives include, as applicable, identifying, recruiting, retaining, incentivizing and integrating our existing and additional employees. The principal purposes of our equity incentive plans are to attract, retain and motivate selected employees, consultants and directors through the granting of stock-based compensation awards and cash-based performance bonus awards.

Facilities

Our corporate headquarters are currently located in Menlo Park, California, where we occupy approximately 24,000 square feet of office and laboratory space under a lease that ends in October 2021. In January 2021, we entered into a lease agreement that expires in May 2032 for approximately 37,500 square feet of office space in Redwood City, California, which will serve as our new corporate headquarters, with expected occupancy to commence in the fourth quarter of 2021. In January 2021, we also entered into a lease that expires in February 2033 for approximately 26,400 square feet of laboratory space in Chicago, Illinois, with expected occupancy to commence in the second quarter of 2021. In addition, we also occupy office space in a number of rooms at a co-working facility in Chicago, Illinois, pursuant to a month-to-month agreement. We believe our existing facilities meet our current needs. We will need additional space in the future as we continue to build our development, commercial and support teams. We believe we can find suitable additional space in the future on commercially reasonable terms.

Legal proceedings

From time to time, we may become involved in legal proceedings arising in the ordinary course of our business. Regardless of outcome, litigation can have an adverse impact on us due to defense and settlement costs, diversion of management resources, negative publicity, reputational harm and other factors, and there can be no assurances that favorable outcomes will be obtained. We are currently not a party to any material legal proceedings.

Management

The following table sets forth information about our executive officers and directors as of December 31, 2020.

Name	Age	Position(s)
Executive Officers		
Brian Coe	52	Chief Executive Officer and Director
J. Roger Moody, Jr.	53	Chief Financial Officer
Karen E. Flick, J.D., Ph.D.	51	Chief of Staff, Senior Vice President, Legal
Robert Kelley	48	Chief Commercial Officer
Douglas Liu	59	Senior Vice President, Operations
Ramesh Ramakrishnan, Ph.D.	61	Senior Vice President, Research and Development
Non-Employee Directors		
Felix Baker, Ph.D.(2)	51	Director
Raymond Cheong, M.D., Ph.D.(3)	39	Director
Melissa Gilliam, M.D., M.P.H.(3)	55	Director
Rustem F. Ismagilov, Ph.D.	47	Director
Kimberly J. Popovits(1)(2)	62	Director
Matthew L. Posard(1)(2)	53	Director
Randal Scott, Ph.D.(1)(3)	63	Director

(1) Member of the audit committee.

(2) Member of the compensation committee.

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

Executive officers

Brian Coe is one of our co-founders and has served as our Chief Executive Officer and a member of our board of directors since our reorganization into a corporate entity in June 2013. From July 1995 until its acquisition by The Laboratory Corporation of America (LabCorp) in November 2006, Mr. Coe was the co-founder and Chief Executive Officer of Litholink Corporation, a CLIA laboratory focused on kidney stone disease. From November 2006 to August 2012, Mr. Coe was employed by LabCorp, most recently as Senior Vice President. Mr. Coe received a B.A. in Neuroscience and Psychology from Brandeis University and an M.B.A. from the University of Chicago. Our board of directors believes that Mr. Coe's experience as our Chief Executive Officer and expertise in the medical diagnostics field qualify him to serve on our board of directors.

J. Roger Moody, Jr. has served as our Chief Financial Officer since May 2020. From August 2017 to May 2020, Mr. Moody was Chief Financial Officer of Clinical Genomics, Inc., a colorectal cancer diagnostics company. From July 2015 to August 2017, Mr. Moody was Chief Executive Officer and a member of the board of directors of GlySure Limited, a medical device company, and from February 2015 to July 2015 he was Chief Operating Officer of GlySure. Prior to GlySure, Mr. Moody served as the Chief Financial Officer and Vice President of Finance & Administration of Nanosphere, Inc., a publicly held molecular diagnostics platform company, from May 2007 to

February 2015. Mr. Moody received a B.S. in Finance from Syracuse University and an M.B.A. from the University of Chicago.

Karen E. Flick, J.D., Ph.D. has served as our Chief of Staff and Senior Vice President, Legal since February 2020. Previously, Dr. Flick served as our Vice President, Legal from April 2019 to February 2020 and as our Intellectual Property Counsel from January 2015 to April 2019. Prior to joining us, Dr. Flick practiced law as a patent agent from 1998 to 2002 and as a patent attorney from 2002 to December 2014 at several prominent law firms, including Foley & Lardner LLP, Fish & Richardson P.C. and Cooley LLP. Dr. Flick received an A.B. in Biochemistry from Harvard University and a J.D. and a Ph.D. in Molecular and Cell Biology from the University of California, Berkeley.

Robert Kelley has served as our Chief Commercial Officer since September 2020. From October 2017 to August 2020, Mr. Kelley was Vice President, Sales and Commercial Development of Genalyte, Inc., a healthcare analytics and point-of-care diagnostics company. Prior to Genalyte, Mr. Kelley was Vice President, Marketing of Cardiff Oncology, Inc. (formerly Trovagene, Inc.), a publicly held liquid biopsy company (Cardiff), from March 2015 to May 2017. From December 2008 to March 2015, Mr. Kelley held various positions of increasing responsibility with Illumina Inc., a publicly held biotechnology company (Illumina), including Global Sales Manager for clinical applications of NGS and Director, Market Development, New and Emerging Opportunities. Mr. Kelley received a B.S. in Biology from Duke University and an M.B.A. from the UCLA Anderson School of Management.

Douglas Liu has served as our Senior Vice President, Operations since September 2020. From July 2005 to September 2020, Mr. Liu was Senior Vice President, Global Operations at QIAGEN N.V., a publicly held biotechnology company. From July 1996 to July 2005, Mr. Liu was Director of Operations at Bayer AG, a publicly held pharmaceutical company. Prior to Bayer AG, Mr. Liu served as Project Manager, Research and Development at Abbott Laboratories, a publicly held medical device and healthcare company, from May 1986 to July 1996. Mr. Liu received a B.S. in Agriculture from the University of Illinois at Urbana-Champaign and an M.B.A. from Boston University.

Ramesh Ramakrishnan, Ph.D. has served as our Senior Vice President, Research and Development since May 2019. From August 2017 to March 2019, Dr. Ramakrishnan was Senior Vice President, Research and Development at Dovetail Genomics LLC, a genomics company. From January 2005 to August 2017, Dr. Ramakrishnan held various positions of increasing responsibility with Fluidigm Corporation, a publicly held biological research equipment company, most recently as Executive Vice President of Research and Development. Dr. Ramakrishnan received a B.Sc. from National College in Bangalore, an M.S. from the University of Baroda in India and, as a Fulbright Scholar, a Ph.D. in Zoology from the University of Poona, India and Georgetown University. Dr. Ramakrishnan completed his molecular biology postdoctoral work in the human genetics department at the University of Michigan, Ann Arbor.

Non-employee directors

Felix Baker, Ph.D. has served as a member of our board of directors since June 2013. Dr. Baker is a Managing Member of Baker Bros. Advisors LP. (Baker Bros.). Dr. Baker and his brother, Julian C. Baker, started their fund management careers in 1994 when they co-founded a biotechnology investing partnership with the Tisch Family. In 2000, they founded Baker Bros. Dr. Baker has served on the board of directors of Seagen, Inc. (previously Seattle Genetics, Inc.) since July 2003, Alexion Pharmaceuticals, Inc. since June 2015, Kodiak Sciences, Inc. since September 2015 and Kiniksa Pharmaceuticals, Ltd. since October 2015. From July 2012 to November 2019, Dr. Baker also served on the board of directors of Genomic Health, Inc., a publicly held genetic research company, and from October 2000 to June 2015 served on the board of directors of Synageva BioPharma Corp., a former publicly held biopharmaceutical company. Dr. Baker received a B.S. and a Ph.D. in

Immunology from Stanford University, where he also completed two years of medical school. Our board of directors believes Dr. Baker's extensive experience in the biotechnology industry and experience working with and serving on the boards of directors of public companies qualify him to serve on our board of directors.

Raymond Cheong, M.D., Ph.D. has served on our board of directors since June 2020. Dr. Cheong is a Principal at Baker Bros., where he has worked since 2013. Dr. Cheong has also served on the board of directors of Istari Oncology, Inc., a biotechnology company focused on immuno-oncology and immunotherapy platforms, since December 2018. Dr. Cheong received a B.S. in Chemical Engineering from the University of Maryland, College Park, and an M.D. and a Ph.D. in Biomedical Engineering from Johns Hopkins University, where he was awarded the Michael A. Shanoff Award for best thesis research. Our board of directors believes Dr. Cheong's scientific and medical background and experience in the biotechnology industry qualify him to serve on our board of directors.

Rustem F. Ismagilov, Ph.D. is one of our co-founders and has served on our board of directors since June 2013. Dr. Ismagilov is a Professor of Chemistry and Chemical Engineering and the Director of the Jacobs Institute for Molecular Engineering for Medicine at the California Institute of Technology, where he has been employed since July 2011. From July 2001 to June 2011, Dr. Ismagilov held various positions of increasing responsibility at the University of Chicago, including as a Professor in the Department of Chemistry. Dr. Ismagilov received a B.S. from the Russian Academy of Sciences and a Ph.D. from the University of Wisconsin, Madison. Our board of directors believes Dr. Ismagilov's experience as one of our co-founders, as well has his deep scientific expertise, qualify him to serve on our board of directors.

Melissa Gilliam, M.D., M.P.H. has served on our board of directors since December 2020. Dr. Gilliam is the Ellen H. Block Distinguished Service Professor of Health Justice and Vice Provost at the University of Chicago, where she has taught as a Professor of Obstetrics and Gynecology and Pediatrics since 2005. Dr. Gilliam is also the founder and Director of the University of Chicago's Center for Interdisciplinary Inquiry and Innovation in Sexual and Reproductive Health, which conducts research to improve the health, education and wellbeing of adolescents. Prior to joining the University of Chicago, Dr. Gilliam was an Assistant Professor of Obstetrics and Gynecology at the University of Illinois at Chicago, where she also served as Adjunct Faculty to the Division of Epidemiology and Biostatistics in the School of Public Health. Dr. Gilliam received a B.A. in English from Yale University, an M.A. in Philosophy and Politics from the University of Oxford, an M.D. from Harvard Medical School and an M.P.H. in Epidemiology and Biostatistics from the University of Illinois at Chicago. Our board of directors believes Dr. Gilliam's medical leadership experience and expertise, including her deep expertise in issues of women's health and sexually transmitted infections, qualify her to serve on our board of directors.

Kimberly J. Popovits has served on our board of directors since March 2020. Ms. Popovits served as President and Chief Executive Officer of Genomic Health from January 2009, and as Chair of the board of directors from March 2012, until its acquisition by Exact Sciences Corporation in November 2019. Ms. Popovits has served on the board of directors of 10x Genomics, Inc., a public biotechnology company, since March 2020 and Kiniksa Pharmaceuticals, a public biopharmaceutical company, since February 2018. Ms. Popovits also served on the board of directors of ZS Pharma Inc., a public biopharmaceutical company and MyoKardia, Inc., a public clinical-stage biopharmaceutical company, from March 2017 until its acquisition in November 2020. Ms. Popovits received a B.A. in Business from Michigan State University. Our board of directors believes Ms. Popovits' significant leadership, operations and commercial experience qualify her to serve on our board of directors.

Matthew L. Posard has served on our board of directors since March 2016. Mr. Posard is a Founding Principal at Explore-DNA, Inc., a life sciences and diagnostics consulting firm, a position he has held since March 2016. Mr. Posard served as President and Chief Commercial Officer of GenePeeks, Inc., a genetic research company, from February 2017 to April 2018 and as Executive Vice President and Chief Commercial Officer of Cardiff from March 2015 to May 2016. Mr. Posard also held various executive roles at Illumina from February 2006 to

February 2015, including most recently as Senior Vice President, General Manager of New and Emerging Markets. Mr. Posard has served on the board of directors of Halozyme Therapeutics, Inc. since March 2013, DermTech, Inc. since July 2016, and Nautilus Biotechnology, Inc. since January 2019. Mr. Posard has also served as the Executive Chair of both Stemson Therapeutics, LLC since March 2019 and GALT, Inc. since February 2020. Mr. Posard received a B.A. in Management Science from the University of California, San Diego. Our board of directors believes Mr. Posard's extensive experience as an executive and director of multiple biotechnology companies qualify him to serve on our board of directors.

Randal Scott, Ph.D. has served on our board of directors since February 2016. Dr. Scott is a co-founder and Chair of the board of directors of Genome Medical, Inc., a genomic medicine company founded in August 2016. Previously, Dr. Scott was a co-founder of Invitae Corporation, a publicly held genetic information company, where he served as Chair of the board of directors and Chief Executive Officer from August 2012 to January 2017 and Executive Chair from January 2017 to August 2019. Prior to Invitae, Dr. Scott co-founded Genomic Health, where he served as Chair of the board of directors and Chief Executive Officer from August 2000 to 2009 and Executive Chair from 2009 to August 2012. Dr. Scott has also served on the board of directors of BridgeBio Pharma, Inc., a publicly held genetic disease-focused company, since June 2020 and Freenome Holdings, Inc., a private health technology company, since December 2017. Dr. Scott received a B.S. in Chemistry from Emporia State University and a Ph.D. in Biochemistry from the University of Kansas. Our board of directors believes Dr. Scott's extensive experience building and leading successful biopharmaceutical companies qualify him to serve on our board of directors.

Board composition

Our business and affairs are organized under the direction of our board of directors, which currently consists of eight members. The primary responsibilities of our board of directors are to provide oversight, strategic guidance, counseling and direction to our management. Our board of directors meets on a regular basis and on an ad hoc basis as required.

Our board of directors has determined that all of our directors other than Mr. Coe, Dr. Baker, Dr. Cheong and Dr. Ismagilov are independent directors, as defined by Rule 5605(a)(2) of the Nasdaq Stock Market (Nasdaq) Listing Rules.

In accordance with the terms of our amended and restated certificate of incorporation and amended and restated bylaws, which will become effective immediately prior to and upon the completion of this offering, respectively, we will divide our board of directors into three classes, as follows:

- Class I, which will consist of Dr. Baker, Dr. Gilliam and Mr. Posard, whose terms will expire at our first annual meeting of stockholders following this offering;
- Class II, which will consist of Mr. Coe, Ms. Popovits and Dr. Scott, whose terms will expire at our second annual meeting of stockholders following this offering; and
- Class III, which will consist of Dr. Cheong and Dr. Ismagilov, whose terms will expire at our third annual meeting of stockholders following this offering.

At each annual meeting of stockholders to be held after the initial classification, the successors to directors whose terms then expire will serve until the third annual meeting following their election and until their successors are duly elected and qualified. The authorized size of our board of directors is currently eight members. The authorized number of directors may be changed only by resolution of our board of directors. Any additional directorships resulting from an increase in the number of directors will be distributed between the three classes so that, as nearly as possible, each class will consist of one-third of the directors. This

classification of our board of directors may have the effect of delaying or preventing changes in our control or management. Our directors may be removed for cause by the affirmative vote of the holders of at least % of our voting stock.

Nominating agreement

On November 1, 2019, we entered into a nominating agreement (Nominating Agreement), with Baker Brothers Life Sciences, L.P. and 667, L.P. (together, Baker Brothers). Pursuant to the Nominating Agreement, during the period beginning at the closing of this offering until when Baker Brothers no longer beneficially owns at least 53,170,981 shares (subject to adjustment for stock splits, combinations, recapitalizations and similar transactions) of our common stock (Initial Period), we will have the obligation to support the nomination of, and to cause our board of directors to include in the slate of nominees recommended to our stockholders for election, two individuals designated by Baker Brothers (each, a Baker Designee) and during the period beginning at the closing of this offering until when Baker Brothers no longer beneficially owns at least 19,939,118 shares (subject to adjustment for stock splits, combinations, recapitalizations and similar transactions) of our common stock (together with the Initial Period, the Nominating Period), we will have the obligation to support the nomination of, and to cause our board of directors to include in the slate of nominees recommended to our stockholders for election one Baker Designee, unless a majority of our disinterested directors reasonably and in good faith determines that such Baker Designee would not be qualified to serve as our director under law, rules of the stock exchange on which our shares are listed, our amended and restated bylaws, or any of our company policies. In such case, we would notify Baker Brothers sufficiently in advance of the date on which the proxy materials related to such Baker Designee are to be mailed to enable Baker Brothers to propose a replacement Baker Designee. If a Baker Designee resigns his or her seat on our board of directors or is removed or does not become a director for any reason, the vacancy will be filled by the election or appointment of another Baker Designee as soon as reasonably practicable, subject to compliance with applicable laws, rules and regulations. Furthermore, during the Nominating Period, we will have the obligation to invite one board of directors observer designee of Baker Brothers, to attend all meetings of our board of directors and all meetings of the committees of our board of directors as a nonvoting observer. The Nominating Agreement automatically terminates upon the earlier of when Baker Brothers, together with its affiliates, no longer beneficially owns at least 13,292,745 shares (subject to adjustment for stock splits, combinations, recapitalizations and similar transactions) of our common stock or the consummation of our acquisition in a change of control transaction as such terms are defined in our amended and restated certificate of incorporation, or upon mutual consent of the parties.

Board leadership structure

Our board of directors is currently chaired by Dr. Baker, who has authority, among other things, to call and preside over board of directors meetings, to set meeting agendas and to determine materials to be distributed to the board of directors. Accordingly, the Chairman has substantial ability to shape the work of the board of directors. We believe that separation of the positions of Chairman and Chief Executive Officer reinforces the independence of the board of directors in its oversight of our business and affairs. In addition, we have a separate chair for each committee of our board of directors. The chair of each committee is expected to report annually to our board of directors on the activities of their committee in fulfilling their responsibilities as detailed in their respective charters or specify any shortcomings should that be the case.

Role of the board in risk oversight

The audit committee of our board of directors is primarily responsible for overseeing our risk management processes on behalf of our board of directors. Going forward, we expect that the audit committee will receive reports from management at least quarterly regarding our assessment of risks. In addition, the audit

committee reports regularly to our board of directors, which also considers our risk profile. The audit committee and our board of directors focus on the most significant risks we face and our general risk management strategies. While our board of directors oversees our risk management, management is responsible for day-to-day risk management processes. Our board of directors expects management to consider risk and risk management in each business decision, to proactively develop and monitor risk management strategies and processes for day-to-day activities and to effectively implement risk management strategies adopted by the audit committee and our board of directors. We believe this division of responsibilities is the most effective approach for addressing the risks we face and that our board of directors' leadership structure, which also emphasizes the independence of our board of directors in its oversight of its business and affairs, supports this approach.

Board committees

Our board of directors has established an audit committee, a compensation committee and a nominating and corporate governance committee.

Audit committee

Our audit committee consists of Ms. Popovits, Mr. Posard and Dr. Scott. Our board of directors has determined that each member of our audit committee satisfies the listing standards of Nasdaq and SEC independence requirements. Dr. Scott serves as the chair of our audit committee. The functions of this committee include, among other things:

- evaluating the performance, independence and qualifications of our independent registered public accounting firm and determining whether to retain our existing independent registered public accounting firm or engage a new independent registered public accounting firm;
- reviewing and approving the engagement of our independent registered public accounting firm to perform audit services and any permissible non-audit services;
- monitoring the rotation of partners of our independent registered public accounting firm on our engagement team as required by law;
- prior to engagement of any independent auditor, and at least annually thereafter, reviewing relationships that may reasonably be thought to bear on their independence, and assessing and otherwise taking the appropriate action to oversee the independence of our independent auditor;
- reviewing our annual and quarterly financial statements and reports, including the disclosures contained under the caption "Management's discussion and analysis of financial condition and results of operations," and discussing the statements and reports with our independent registered public accounting firm and management;
- reviewing, with our independent registered public accounting firm and management, significant issues that arise regarding accounting principles and financial statement presentation and matters concerning the scope, adequacy and effectiveness of our financial controls;
- reviewing with management and our independent registered public accounting firm any earnings announcements and other public announcements regarding material developments;
- establishing procedures for the receipt, retention and treatment of complaints received by us regarding financial controls, accounting or auditing matters and other matters;

- preparing the report that the SEC requires in our annual proxy statement;
- reviewing and providing oversight of any related-person transactions in accordance with our related person transaction policy and reviewing and monitoring compliance with legal and regulatory responsibilities, including our code of business conduct and ethics;
- reviewing our major financial risk exposures, including the guidelines and policies to govern the process by which risk assessment and risk management are implemented;
- reviewing related person transactions;
- reviewing on a periodic basis our investment policy; and
- reviewing and evaluating on an annual basis the performance of the audit committee and the audit committee charter.

Our board of directors has determined that Ms. Popovits qualifies as an audit committee financial expert within the meaning of SEC regulations and meets the financial sophistication requirements of the Nasdaq Listing Rules. In making this determination, our board has considered Ms. Popovits' prior experience, business acumen and independence. Both our independent registered public accounting firm and management periodically meet privately with our audit committee.

We believe that the composition and functioning of our audit committee complies with all applicable requirements of the Sarbanes-Oxley Act, and all applicable SEC and Nasdaq rules and regulations. We intend to comply with future requirements to the extent they become applicable to us.

Compensation committee

Our compensation committee consists of Dr. Baker, Ms. Popovits and Mr. Posard. The chair of our compensation committee is Dr. Baker. Our board of directors has determined that each of Ms. Popovits and Mr. Posard is independent under the listing standards of Nasdaq and a "non-employee director" as defined in Rule 16b-3 promulgated under the Securities Exchange Act of 1934 (Exchange Act). We are relying on the phase-in schedules set forth in Nasdaq listing rule 5615(b)(1) with respect to Dr. Baker's service on the compensation committee. We are permitted to phase in our compliance with the independent compensation committee requirements set forth by Nasdaq listing standards as follows: (1) one independent member at the time of listing, (2) a majority of independent members within 90 days of listing and (3) all independent members within one year of listing. We intend to comply with the listing requirement of Nasdaq regarding the composition of our compensation committee within the transition period for newly public companies. Within one year of our listing on The Nasdaq Global Market, we expect that Dr. Baker will have resigned from our compensation committee and that each new director added to the compensation committee will be independent under Nasdaq listing rules and a non-employee director, as defined in Rule 16b-3 promulgated under the Exchange Act.

The functions of this committee include, among other things:

- reviewing, modifying and approving (or if it deems appropriate, making recommendations to the full board of directors regarding) our overall compensation strategy and policies;
- reviewing and making recommendations to the full board of directors regarding the compensation and other terms of employment of our executive officers;
- reviewing and approving (or if it deems it appropriate, making recommendations to the full board of directors regarding) performance goals and objectives relevant to the compensation of our executive officers and assessing their performance against these goals and objectives;

- reviewing and approving (or if it deems it appropriate, making recommendations to the full board of directors regarding) the equity incentive plans, compensation plans and similar programs advisable for us, as well as modifying, amending or terminating existing plans and programs;
- evaluating risks associated with our compensation policies and practices and assessing whether risks arising from our compensation policies and practices for our employees are reasonably likely to have a material adverse effect on us;
- reviewing and making recommendations to the full board of directors regarding the type and amount of compensation to be paid or awarded to our non-employee board members;
- establishing policies with respect to votes by our stockholders to approve executive compensation as required by Section 14A of the Exchange Act and determining our recommendations regarding the frequency of advisory votes on executive compensation, to the extent required by law;
- reviewing and assessing the independence of compensation consultants, legal counsel and other advisors as required by Section 10C of the Exchange Act;
- administering our equity incentive plans;
- establishing policies with respect to equity compensation arrangements;
- reviewing the competitiveness of our executive compensation programs and evaluating the effectiveness of our compensation policy and strategy in achieving expected benefits to us;
- reviewing and making recommendations to the full board of directors regarding the terms of any employment agreements, severance arrangements, change in control protections and any other compensatory arrangements for our executive officers;
- reviewing with management and approving our disclosures under the caption “Compensation discussion and analysis” in our periodic reports or proxy statements to be filed with the SEC, to the extent such caption is included in any such report or proxy statement;
- preparing the report that the SEC requires in our annual proxy statement; and
- reviewing and assessing on an annual basis the performance of the compensation committee and the compensation committee charter.

We believe that the composition and functioning of our compensation committee complies with all applicable requirements of the Sarbanes-Oxley Act, and all applicable SEC and Nasdaq rules and regulations. We intend to comply with future requirements to the extent they become applicable to us.

Nominating and corporate governance committee

Our nominating and corporate governance committee consists of Dr. Cheong, Dr. Gilliam and Dr. Scott. Dr. Cheong serves as the chair of our nominating and corporate governance committee. Our board of directors has determined that each of Dr. Gilliam and Dr. Scott is “independent” as defined under the applicable Nasdaq listing standards and SEC rules and regulations. We are relying on the phase-in schedules set forth in Nasdaq listing rule 5615(b)(1) with respect to Dr. Cheong’s service on the nominating and corporate governance committee. We are permitted to phase in our compliance with the independent nominating and corporate governance committee requirements set forth by the Nasdaq listing standards as follows: (1) one independent member at the time of listing, (2) a majority of independent members within 90 days of listing and (3) all independent members within one year of listing. Within one year of our listing on The Nasdaq Global Market, we

expect that Dr. Cheong will have resigned from our nominating and corporate governance committee and that any new directors added to the nominating and corporate governance committee will be independent under Nasdaq listing rules.

The functions of this committee include, among other things:

- identifying, reviewing and evaluating candidates to serve on our board of directors consistent with criteria approved by our board of directors;
- determining the minimum qualifications for service on our board of directors;
- evaluating director performance on the board and applicable committees of the board and determining whether continued service on our board is appropriate;
- evaluating, nominating and recommending individuals for membership on our board of directors;
- evaluating nominations by stockholders of candidates for election to our board of directors;
- considering and assessing the independence of members of our board of directors;
- developing a set of corporate governance policies and principles, including a code of business conduct and ethics, periodically reviewing and assessing these policies and principles and their application and recommending to our board of directors any changes to such policies and principles;
- considering questions of possible conflicts of interest of directors as such questions arise; and
- reviewing and assessing on an annual basis the performance of the nominating and corporate governance committee and the nominating and corporate governance committee charter.

We believe that the composition and functioning of our nominating and corporate governance committee complies with all applicable requirements of the Sarbanes-Oxley Act, and all applicable SEC and Nasdaq rules and regulations. We intend to comply with future requirements to the extent they become applicable to us.

Compensation committee interlocks and insider participation

None of our current or former executive officers serve as a member of the compensation committee. None of our officers serve, or have served during the last completed fiscal year, on the board of directors or compensation committee, or other committee serving an equivalent function, of any other entity that has one or more of its executive officers serving as a member of our board of directors or our compensation committee. Prior to establishing the compensation committee, our full board of directors made decisions relating to compensation of our officers. For a description of transactions between us and members of our compensation committee and affiliates of such members, please see “Certain relationships and related person transactions.”

Code of business conduct and ethics

We have adopted a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or person performing similar functions. Following this offering, a current copy of the code will be available on the Corporate Governance section of our website, http://talis.bio.

Limitation of liability and indemnification

Our amended and restated certificate of incorporation, which will become effective immediately following the completion of this offering, limits the liability of directors to the maximum extent permitted by Delaware law.

Delaware law allows a corporation to eliminate the personal liability of directors of a corporation to the corporation and its stockholders for monetary damages for breach of their fiduciary duties as directors, except for liability for any:

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

Our amended and restated certificate of incorporation, which will become effective immediately following the completion of this offering, does not eliminate a director's duty of care and, in appropriate circumstances, equitable remedies, such as injunctive or other forms of non-monetary relief, will remain available under Delaware law. These limitations also do not affect a director's responsibilities under any other laws, such as the federal securities laws or other state or federal laws. Our amended and restated bylaws, which will become effective upon the completion of this offering, provide that we will indemnify our directors and executive officers and may indemnify other officers, employees and other agents, to the fullest extent permitted by law. Our amended and restated bylaws, which will become effective upon the completion of this offering, also provide that we are obligated to advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding and also permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in connection with their services to us, regardless of whether our amended and restated bylaws permit such indemnification. We have obtained a policy of directors' and officers' liability insurance.

We have entered, and intend to continue to enter, into separate indemnification agreements with our directors and executive officers, in addition to the indemnification provided for in our amended and restated bylaws. These agreements, among other things, will require us to indemnify our directors and executive officers for certain expenses, including attorneys' fees, judgments, fines and settlement amounts incurred by a director or executive officer in any action or proceeding arising out of their services as one of our directors or executive officers or any other company or enterprise to which the person provides services at our request. We believe that these bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers.

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

We believe that these provisions in our amended and restated certificate of incorporation and amended and restated bylaws and these indemnification agreements are necessary to attract and retain qualified persons as directors and officers.

Except as otherwise disclosed under the heading "Legal proceedings" in the "Business" section of this prospectus, at present, there is no pending litigation or proceeding involving any of our directors or executive officers as to which indemnification is required or permitted, and we are not aware of any threatened litigation or proceeding that may result in a claim for indemnification.

Executive and director compensation

The following table summarizes information regarding the compensation awarded to, earned by, or paid to our principal executive officer and our two other most highly compensated executive officers during 2020, who we refer to in this prospectus as our named executive officers. Brian Coe, our Chief Executive Officer, Robert Kelley, our Chief Commercial Officer, and Douglas Liu, our Senior Vice President, Operations, are our named executive officers for the year ended December 31, 2020.

2020 summary compensation table

The following table sets forth information regarding compensation earned with respect to the fiscal year ended December 31, 2020 by our named executive officers.

Name and principal position	Year	Salary ($)	Bonus ($)(1)	Option awards ($)(2)	All other compensation ($)(3)	Total ($)
Brian Coe *Chief Executive Officer*	2020	361,012	—	4,698,594(4)	16,481	5,076,087
	2019	340,000	136,000	—	16,080	492,080
Robert Kelley. *Chief Commercial Officer(5)*	2020	101,136	—	1,261,103	3,701	1,365,940
Douglas Liu *Senior Vice President, Operations(6)*	2020	85,088	—	1,335,600	355	1,421,043

(1) The cash bonus amounts earned by each named executive officer for 2020 performance are expected to be determined in March 2021. For more information, see "—Bonus opportunity" below.

(2) In accordance with Securities and Exchange Commission rules, this column reflects the aggregate grant date fair value of the stock option awards granted during 2019 and 2020. These amounts have been computed in accordance with Financial Accounting Standards Board, Accounting Standards Codification Topic 718, *Compensation—Stock Compensation* (FASB ASC Topic 718). Assumptions used in the calculation of these amounts are described in Note 10 to our audited financial statements and notes appearing elsewhere in this prospectus. These amounts do not reflect the actual economic value that will be realized by our named executive officers upon the vesting of the stock options, the exercise of the stock options, or the sale of the common stock underlying such stock options.

(3) Amounts shown represent the following: (a) for Mr. Coe, $15,280 and $15,632 for 401(k) matching contributions in 2019 and 2020, respectively and $800 and $849 in life insurance premiums paid on behalf of Mr. Coe in 2019 and 2020, respectively, (b) for Mr. Kelley, $3,551 for 401(k) matching contributions in 2020 and $150 in life insurance premiums paid on behalf of Mr. Kelley in 2020, and (c) for Mr. Liu, $355 in life insurance premiums paid on behalf of Mr. Liu in 2020.

(4) This amount also reflects (i) the incremental fair value, computed in accordance with FASB ASC Topic 718 as of March 2020, when certain of Mr. Coe's options were amended to reduce the exercise price per share to $1.51, as described below under "—Equity-based incentive awards" and (ii) the grant date fair value for the performance-vesting option award granted to Mr. Coe in February 2020 of $293,962, based on the probable outcome of the performance condition as of the grant date, plus the incremental fair value of the modification of the option award in August 2020 of $1,074,607, computed as of the modification date, each in accordance with FASB ASC Topic 718. The maximum potential value of the performance vesting-option award (assuming the highest level of performance achievement) is $1,368,568, calculated under FASB ASC Topic 718.

(5) Mr. Kelley commenced employment as our Chief Commercial Officer in August 2020.

(6) Mr. Liu commenced employment as our Senior Vice President, Operations in September 2020.

Narrative to the summary compensation table

Annual base salary

The base salary of our named executive officers is generally determined and approved by our board of directors in connection with the commencement of employment of the named executive officer and may be adjusted from time to time thereafter as the board of directors determines appropriate. The 2020 annual base salaries for our named executive officers are set forth in the table below.

Name	2020 Base Salary ($)(1)
Brian Coe	375,000
Chief Executive Officer	
Robert Kelley	300,000
Chief Commercial Officer	
Douglas Liu	325,000
Senior Vice President, Operations	

(1) Mr. Coe's base salary was increased from $340,000 to $375,000 effective May 2020. Mr. Kelley's and Mr. Liu's base salaries were determined in connection with their commencement of employment with us.

Bonus opportunity

In addition to base salaries, each of our named executive officers is eligible to receive annual cash bonuses, which are designed to provide appropriate incentives to our named executive officers to achieve defined annual corporate goals and to reward our named executive officers for their individual achievements. The annual bonus awarded to each named executive officer may be based in part on the extent to which we achieve corporate goals. At the end of the year, our board of directors reviews our performance against each corporate goal and considers the extent to which we achieved each of our corporate goals.

There is no minimum bonus percentage or amount established for our named executive officer and, as a result, the bonus amounts vary from year to year based on corporate and, when applicable, individual performance.

For 2020, each of Mr. Coe, Mr. Kelley and Mr. Liu was eligible for a target bonus equal to 40%, 30% and 40% of their base salary, respectively. Annual cash bonuses for 2020 performance have not yet been approved and are expected to be determined in March 2021.

Equity-based incentive awards

Our equity-based incentive awards are designed to align our named executive officers' interests with those of our stockholders and to retain and incentivize our named executive officers over the long-term. Our board of directors is responsible for approving equity grants. Vesting of equity awards is generally tied to continuous service with us and serves as an additional retention measure. Our named executive officers generally are awarded an initial new hire grant upon commencement of employment. Additional grants may occur periodically in order to specifically incentivize our named executive officers with respect to achieving certain corporate goals or to reward our named executive officers for exceptional performance.

Prior to this offering, we have granted all equity awards pursuant to the 2013 Plan, the terms of which are described below under "—Equity benefit plans." All options are granted with a per share exercise price equal to no less than the fair market value of a share of our common stock on the date of the grant of such award. Generally our option awards vest over a four-year period subject to the holder's continuous service to us, as further described under "—Outstanding equity awards at fiscal year end" below. Following this offering, we will grant equity awards under the 2021 Plan, the terms of which are described below under "—Equity benefit plans."

In February 2020, our board of directors granted options to purchase 817,482 shares to Mr. Coe with an exercise price per share of $1.51. The options vest monthly over four years beginning on November 1, 2019, subject to Mr. Coe's continued services to us. In addition, the options provide for "double trigger" vesting acceleration if upon or within 12 months following a change in control of the company Mr. Coe experiences an involuntary termination without cause (and not due to death or disability) or a voluntary termination with good reason. In February 2020, our board of directors also granted Mr. Coe an option to purchase 241,958 shares at an exercise price per share of $1.51; the option was most recently amended in October 2020 and vests in full upon the first commercial sale of the company's first product, subject to Mr. Coe's continued services to us.

In addition, in March 2020, we amended certain outstanding options, including options held by Mr. Coe, which were "underwater," meaning the exercise price per share of these options was greater than the current fair market value of our common stock. The amendment reduced the exercise price per share of such options to $1.51, the fair market value of our common stock as determined by our board of directors on the date of the repricing. We believe that repricing these underwater options was important for the growth and development of our business in order to provide appropriate retention and motivation incentives for our employees holding these options. Mr. Coe's repriced options are further discussed below under "—Outstanding equity awards at fiscal year end."

In August 2020, our board of directors granted an option to purchase 587,627 shares to Mr. Coe with an exercise price per share of $6.25. The option vest as follows: 25% of the shares vest on August 4, 2021, and the balance vests in 36 equal monthly installments thereafter, subject to Mr. Coe's continued services to us. The option also provides for "double trigger" vesting acceleration, as described above.

In September 2020, our board of directors granted options to purchase 297,202 shares to Mr. Kelley and 314,685 shares to Mr. Liu, each with an exercise price per share of $6.25. The options vest as follows: 25% of the shares vest on August 31, 2021, for Mr. Kelley, and September 28, 2021, for Mr. Liu, and the balance vests in 36 equal monthly installments thereafter, subject to the named executive officer's continued services to us. In addition, the options provide for "double trigger" vesting acceleration, as described above.

Employment agreements with our named executive officers

We do not currently maintain a written employment agreement or offer letter agreement with Mr. Coe.

We entered into an offer letter with Mr. Kelley in August 2020 that provides for his initial base salary and annual target bonus and initial stock option grant, each as described above under "—Annual base salary," "—Bonus opportunity" and "—Equity-based incentive awards."

We entered into an offer letter with Mr. Liu in September 2020 that provides for his initial base salary and annual target bonus and initial stock option grant, each as described above under "—Annual base salary," "—Bonus opportunity" and "—Equity-based incentive awards."

Each of our current named executive officer's employment is "at will" and may be terminated by us at any time. For a discussion of the severance and other benefits to be provided in connection with a termination of employment and/or a change in control under the arrangements with our named executive officers please see "—Potential payments upon termination or change in control" below.

Potential payments upon termination or change in control

Regardless of the manner in which service terminates, each of our named executive officers is entitled to receive amounts earned during his or her term of service, including unpaid salary and unused vacation, as applicable.

Effective in connection with this offering, each of our named executive officers will become eligible to receive benefits under the terms of our Severance and Change in Control Plan adopted by the board of directors in February 2021 (Severance Plan). The Severance Plan provides for severance and/or change in control benefits to the named executive officers upon (i) a "change in control termination" or (ii) a "regular termination" (each as described below). Upon a change in control termination, each of our named executive officers is entitled to a lump sum payment equal to a portion of his base salary (18 months for Mr. Coe and 12 months for each of Mr. Kelley and Mr. Liu), a lump sum payment equal to 150% (for Mr. Coe) or 100% (for each of Mr. Kelley and Mr. Liu) of his annual target cash bonus, payment of COBRA premiums for a period of time (up to 18 months for Mr. Coe and 12 months for each of Mr. Kelley and Mr. Liu) and accelerated vesting of outstanding time-vesting equity awards. To the extent an equity award is not assumed, continued or substituted for in the event of certain change in control transactions and the executive's employment is not terminated as of immediately prior to such change in control, the vesting of such equity award will also accelerate in full (and for equity awards subject to performance vesting, performance will be deemed to be achieved at target, unless otherwise provided in individual award documents). Upon a regular termination, each of our named executive officers is entitled to a lump sum payment equal to a portion of his base salary (12 months for Mr. Coe and 6 months for each of Mr. Kelley and Mr. Liu) and payment of COBRA premiums for a period of time (up to 12 months for Mr. Coe and 6 months for each of Mr. Kelley and Mr. Liu). All severance benefits under the Severance Plan are subject to the executive's execution of an effective release of claims against the company.

For purposes of the Severance Plan, a "regular termination" is an involuntary termination (i.e., a termination other than for cause (and not as a result of death or disability) or a resignation for good reason, as defined in the Severance Plan) that does not occur during the period of time beginning three months prior to, and ending 12 months following, a "change in control" (as defined in the 2021 Plan), or the "change in control period." A "change in control termination" is a regular termination that occurs during the change in control period.

Each of our named executive officers holds options that were granted subject to the terms of our 2013 Plan. A description of the termination and change in control provisions in our 2013 Plan and applicable to the options granted to our named executive officers is provided below under "—Equity benefit plans" and, with respect to our named executive officers, "—Outstanding equity awards at fiscal year end" and above under "—Equity-based incentive awards." In addition, all of Mr. Coe's, Mr. Kelley's and Mr. Liu's time-vesting option grants (including the repriced awards) provide for "double trigger" acceleration as described above under "—Equity-based incentive awards."

Outstanding equity awards at fiscal year end

The following table sets forth certain information regarding equity awards granted to our named executive officers that remain outstanding as of December 31, 2020.

		Option awards(1)				
	Vesting commencement date	Number of securities underlying unexercised options exercisable (#)	Number of securities underlying unexercised options unexercisable (#)	Equity incentive plan awards: number of securities underlying unexercised unearned options (#)	Option exercise price ($)(2)(3)	Option expiration date
Brian Coe	7/1/2013	50,640	—	—	1.51	12/18/2023
	7/30/2015	33,274	—	—	1.51	7/29/2025
	8/1/2017	20,139	4,028	—	1.51	7/11/2027
	5/1/2018	4,588	2,517	—	1.51	5/20/2028
	10/1/2018	18,939	16,026	—	1.51	11/4/2028
	(4)	—	—	241,958	1.51	2/11/2030
	11/1/2019	221,401	596,081	—	1.51	2/11/2030
	8/4/2020	—	587,627	—	6.25	8/5/2030
Robert Kelley	8/31/2020	—	297,202	—	6.25	9/3/2030
Douglas Liu	9/28/2020	—	314,685	—	6.25	9/28/2030

(1) All of the option awards were granted under the 2013 Plan, the terms of which plan are described below under "—Equity benefit plans."

(2) Each option, other than as noted in footnote (4) below, vests as follows: 25% of the shares subject to the option vest on the 12-month anniversary of the vesting commencement date, and the balance of the shares vest in 36 equal monthly installments over the next three years, subject to the named executive officer's continued services to us, subject to full vesting acceleration, if a change in control occurs and the named executive officer's continuous service terminates due to an involuntary termination (not including death or disability) without cause or due to a voluntary termination with good reason as of or within 12 months after such change in control, then the vesting and exercisability of the option will be accelerated in full.

(3) Options held by Mr. Coe were amended in March 2020 to reduce the exercise price per share to $1.51, as described above under "—Equity-based incentive awards."

(4) This option vests in full upon the first commercial sale of the company's first product, subject to Mr. Coe's continued services to us.

Perquisites, health, welfare and retirement benefits

Each of our named executive officers are eligible to participate in our employee benefit plans, including our medical, dental, vision, life, long term disability and accidental death and dismemberment insurance plans, in each case on the same basis as all of our other employees. We pay the premiums for the life, disability, accidental death and dismemberment insurance for all of our employees. In addition, we provide the opportunity to participate in a 401(k) plan to our employees, including each of our named executive officers, as discussed in the section below entitled "—401(k) plan."

401(k) plan

We maintain a defined contribution employee retirement plan (401(k) plan), for our employees. Our named executive officers are each eligible to participate in the 401(k) plan on the same basis as our other employees. The 401(k) plan is intended to qualify as a tax-qualified plan under Section 401(k) of the U.S. Internal Revenue Code of 1986, as amended (Code). The 401(k) plan provides that each participant may contribute up to the lesser of 100% of his or her compensation or the statutory limit, which is $19,500 for calendar years 2020 and 2021. Participants that are 50 years or older can also make "catch-up" contributions, which in calendar years

2020 and 2021 may be up to an additional $6,500 above the statutory limit. Participant contributions are held and invested, pursuant to the participant's instructions, by the plan's trustee. We provide an automatic matching contribution as follows: one-for-one with respect to the first 3% of an employee's contributions, and 50 cents on the dollar for the next 2% of the employee's contributions, up to a maximum company match of 4%. We may also elect to provide for discretionary profit sharing contributions, but we did not provide any such contributions in 2020. In general, eligible compensation for purposes of the 401(k) plan includes an employee's earnings reportable on IRS Form W-2 subject to certain adjustments and exclusions as permitted and required under the Code. The 401(k) plan currently does not offer the ability to invest in our securities.

We do not provide perquisites or personal benefits to our executive officers, except in limited circumstances. We did not provide any such perquisites or personal benefits to our named executive officers in 2020.

Equity benefit plans

The principal features of our equity plans are summarized below. These summaries are qualified in their entirety by reference to the actual text of the plans, which are filed as exhibits to the registration statement of which this prospectus is a part.

2021 Equity Incentive Plan

Our board of directors adopted our 2021 Equity Incentive Plan (2021 Plan), and our stockholders approved our 2021 Plan, in February 2021. Our 2021 Plan is a successor to and continuation of our 2013 Equity Incentive Plan (2013 Plan) (as described below). Our 2021 Plan will become effective on the date of the underwriting agreement related to this offering. The 2021 Plan came into existence upon its adoption by our board of directors, but no grants will be made under the 2021 Plan prior to its effectiveness. Once the 2021 Plan is effective, no further grants will be made under the 2013 Plan.

Awards. Our 2021 Plan provides for the grant of incentive stock options (ISOs) within the meaning of Section 422 of the Internal Revenue Code of 1984, as amended, to employees, including employees of any parent or subsidiary, and for the grant of nonstatutory stock options (NSOs), stock appreciation rights, restricted stock awards, restricted stock unit awards, performance awards and other forms of awards to employees, directors and consultants, including employees and consultants of our affiliates.

Authorized shares. Initially, the maximum number of shares of our common stock that may be issued under our 2021 Plan will not exceed 12,840,904 shares of our common stock, which is the sum of (1) 3,200,000 new shares, plus (2) any shares that remain available for the issuance of awards under our 2013 Plan as of immediately prior to the time our 2021 Plan becomes effective, plus (3) any shares subject to outstanding stock options or other stock awards granted under our 2013 Plan that, on or after the 2021 Plan becomes effective, terminate or expire prior to exercise or settlement; are not issued because the award is settled in cash; are forfeited because of the failure to vest; or are reacquired or withheld (or not issued) to satisfy a tax withholding obligation or the purchase or exercise price, if any, as such shares become available from time to time. In addition, the number of shares of our common stock reserved for issuance under our 2021 Plan will automatically increase on January 1 of each calendar year, starting on January 1, 2022 through January 1, 2031, in an amount equal to (i) 4% of the total number of shares of our common stock outstanding on December 31 of the preceding year, or (ii) a lesser number of shares determined by our board of directors prior to the applicable January 1. The maximum number of shares of our common stock that may be issued on the exercise of ISOs under our 2021 Plan is 39,000,000 shares.

Shares subject to stock awards granted under our 2021 Plan that expire or terminate without being exercised in full or that are paid out in cash rather than in shares do not reduce the number of shares available for issuance

under our 2021 Plan. Shares withheld under a stock award to satisfy the exercise, strike or purchase price of a stock award or to satisfy a tax withholding obligation do not reduce the number of shares available for issuance under our 2021 Plan. If any shares of our common stock issued pursuant to a stock award are forfeited back to or repurchased or reacquired by us (1) because of a failure to meet a contingency or condition required for the vesting of such shares, (2) to satisfy the exercise, strike or purchase price of an award or (3) to satisfy a tax withholding obligation in connection with an award, the shares that are forfeited or repurchased or reacquired will revert to and again become available for issuance under the 2021 Plan. Any shares previously issued which are reacquired in satisfaction of tax withholding obligations or as consideration for the exercise or purchase price of a stock award will again become available for issuance under the 2021 Plan.

The maximum number of shares of common stock subject to stock awards granted under the 2021 Plan or otherwise during any period commencing on the date of the company's annual meeting of stockholders for a particular year and ending on the day immediately prior to the date of the company's annual meeting of stockholders for the next subsequent year to any non-employee director, taken together with any cash fees paid by us to such non-employee director during such period for service on the board of directors, will not exceed $750,000 in total value, or with respect to the period in which a non-employee director is first appointed or elected to our board of directors, $1,000,000 in total value, in each case calculating the value of any such stock awards based on the grant date fair value of such stock awards for financial reporting purposes.

Plan administration. Our board of directors, or a duly authorized committee of our board of directors, will administer our 2021 Plan and is referred to as the "plan administrator" herein. Our board of directors may also delegate to one or more of our officers the authority to (1) designate employees (other than officers) to receive specified stock awards and (2) determine the number of shares subject to such stock awards. Under our 2021 Plan, the plan administrator has the authority to determine award recipients, grant dates, the numbers and types of stock awards to be granted, the applicable fair market value, and the provisions of each stock award, including the period of exercisability and the vesting schedule applicable to a stock award.

The plan administrator has the power to modify outstanding awards under our 2021 Plan. Subject to the terms of our 2021 Plan, the plan administrator has the authority to reprice any outstanding stock award, cancel and re-grant any outstanding stock award in exchange for new stock awards, cash or other consideration, or take any other action that is treated as a repricing under generally accepted accounting principles, with the consent of any materially impaired participant.

Stock options. ISOs and NSOs are granted under stock option agreements adopted by the plan administrator. The plan administrator determines the exercise price for stock options, within the terms and conditions of the 2021 Plan, provided that the exercise price of a stock option generally cannot be less than 100% of the fair market value of our common stock on the date of grant. Options granted under the 2021 Plan vest at the rate specified in the stock option agreement as determined by the plan administrator.

The plan administrator determines the term of stock options granted under the 2021 Plan, up to a maximum of 10 years. Unless the terms of an optionholder's stock option agreement, or other written agreement between us and the recipient approved by the plan administrator, provide otherwise, if an optionholder's service relationship with us or any of our affiliates ceases for any reason other than disability, death, or cause, the optionholder may generally exercise any vested options for a period of three months following the cessation of service. This period may be extended in the event that either an exercise of the option or an immediate sale of shares acquired upon exercise of the option following such a termination of service is prohibited by applicable securities laws or our insider trading policy. If an optionholder's service relationship with us or any of our affiliates ceases due to death, or an optionholder dies within a certain period following cessation of service, the optionholder or a beneficiary may generally exercise any vested options for a period of 18 months following the date of death. If an optionholder's service relationship with us or any of our affiliates ceases due to disability,

the optionholder may generally exercise any vested options for a period of 12 months following the cessation of service. In the event of a termination for cause, options generally terminate upon the termination date. In no event may an option be exercised beyond the expiration of its term.

Acceptable consideration for the purchase of common stock issued upon the exercise of a stock option will be determined by the plan administrator and may include (1) cash, check, bank draft or money order, (2) a broker-assisted cashless exercise, (3) the tender of shares of our common stock previously owned by the optionholder, (4) a net exercise of the option if it is an NSO, or (5) other legal consideration approved by the plan administrator.

Unless the plan administrator provides otherwise, options or stock appreciation rights generally are not transferable except by will or the laws of descent and distribution. Subject to approval of the plan administrator or a duly authorized officer, an option may be transferred pursuant to a domestic relations order, official marital settlement agreement, or other divorce or separation instrument.

Tax limitations on ISOs. The aggregate fair market value, determined at the time of grant, of our common stock with respect to ISOs that are exercisable for the first time by an award holder during any calendar year under all of our stock plans may not exceed $100,000. Options or portions thereof that exceed such limit will generally be treated as NSOs. No ISO may be granted to any person who, at the time of the grant, owns or is deemed to own stock possessing more than 10% of our total combined voting power or that of any of our parent or subsidiary corporations unless (1) the option exercise price is at least 110% of the fair market value of the stock subject to the option on the date of grant, and (2) the term of the ISO does not exceed five years from the date of grant.

Restricted stock unit awards. Restricted stock unit awards are granted under restricted stock unit award agreements adopted by the plan administrator. Restricted stock unit awards may be granted in consideration for any form of legal consideration that may be acceptable to our board of directors and permissible under applicable law. A restricted stock unit award may be settled by cash, delivery of stock, a combination of cash and stock as deemed appropriate by the plan administrator, or in any other form of consideration set forth in the restricted stock unit award agreement. Additionally, dividend equivalents may be credited in respect of shares covered by a restricted stock unit award. Except as otherwise provided in the applicable award agreement, or other written agreement between us and the recipient approved by the plan administrator, restricted stock unit awards that have not vested will be forfeited once the participant's continuous service ends for any reason.

Restricted stock awards. Restricted stock awards are granted under restricted stock award agreements adopted by the plan administrator. A restricted stock award may be awarded in consideration for cash, check, bank draft or money order, past or future services to us, or any other form of legal consideration that may be acceptable to our board of directors and permissible under applicable law. The plan administrator determines the terms and conditions of restricted stock awards, including vesting and forfeiture terms. If a participant's service relationship with us ends for any reason, we may receive any or all of the shares of common stock held by the participant that have not vested as of the date the participant terminates service with us through a forfeiture condition or a repurchase right.

Stock appreciation rights. Stock appreciation rights are granted under stock appreciation right agreements adopted by the plan administrator. The plan administrator determines the purchase price or strike price for a stock appreciation right, which generally cannot be less than 100% of the fair market value of our common stock on the date of grant. A stock appreciation right granted under the 2021 Plan vests at the rate specified in the stock appreciation right agreement as determined by the plan administrator. Stock appreciation rights may be settled in cash or shares of common stock or in any other form of payment as determined by the Board and specified in the stock appreciation right agreement.

The plan administrator determines the term of stock appreciation rights granted under the 2021 Plan, up to a maximum of 10 years. If a participant's service relationship with us or any of our affiliates ceases for any reason other than cause, disability, or death, the participant may generally exercise any vested stock appreciation right for a period of three months following the cessation of service. This period may be further extended in the event that exercise of the stock appreciation right following such a termination of service is prohibited by applicable securities laws. If a participant's service relationship with us, or any of our affiliates, ceases due to disability or death, or a participant dies within a certain period following cessation of service, the participant or a beneficiary may generally exercise any vested stock appreciation right for a period of 12 months in the event of disability and 18 months in the event of death. In the event of a termination for cause, stock appreciation rights generally terminate immediately upon the occurrence of the event giving rise to the termination of the individual for cause. In no event may a stock appreciation right be exercised beyond the expiration of its term.

Performance awards. The 2021 Plan permits the grant of performance awards that may be settled in stock, cash or other property. Performance awards may be structured so that the stock or cash will be issued or paid only following the achievement of certain pre-established performance goals during a designated performance period. Performance awards that are settled in cash or other property are not required to be valued in whole or in part by reference to, or otherwise based on, the common stock.

The performance goals may be based on any measure of performance selected by the board of directors. The performance goals may be based on company-wide performance or performance of one or more business units, divisions, affiliates, or business segments, and may be either absolute or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. Unless specified otherwise by the board of directors at the time the performance award is granted, the board will appropriately make adjustments in the method of calculating the attainment of performance goals as follows: (i) to exclude restructuring and/or other nonrecurring charges; (ii) to exclude exchange rate effects; (iii) to exclude the effects of changes to generally accepted accounting principles; (iv) to exclude the effects of any statutory adjustments to corporate tax rates; (v) to exclude the effects of items that are "unusual" in nature or occur "infrequently" as determined under generally accepted accounting principles; (vi) to exclude the dilutive effects of acquisitions or joint ventures; (vii) to assume that any portion of our business which is divested achieved performance objectives at targeted levels during the balance of a performance period following such divestiture; (viii) to exclude the effect of any change in the outstanding shares of our common stock by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to common stockholders other than regular cash dividends; (ix) to exclude the effects of stock based compensation and the award of bonuses under our bonus plans; (x) to exclude costs incurred in connection with potential acquisitions or divestitures that are required to be expensed under generally accepted accounting principles; and (xi) to exclude the goodwill and intangible asset impairment charges that are required to be recorded under generally accepted accounting principles.

Other stock awards. The plan administrator may grant other awards based in whole or in part by reference to our common stock. The plan administrator will set the number of shares under the stock award (or cash equivalent) and all other terms and conditions of such awards.

Changes to capital structure. In the event there is a specified type of change in our capital structure, such as a stock split, reverse stock split, or recapitalization, appropriate adjustments will be made to (1) the class and maximum number of shares reserved for issuance under the 2021 Plan, (2) the class and maximum number of shares by which the share reserve may increase automatically each year, (3) the class and maximum number of shares that may be issued on the exercise of ISOs, and (4) the class and number of shares and exercise price, strike price, or purchase price, if applicable, of all outstanding stock awards.

Corporate transactions. The following applies to stock awards under the 2021 Plan in the event of a corporate transaction, unless otherwise provided in a participant's stock award agreement or other written agreement with us or one of our affiliates or unless otherwise expressly provided by the plan administrator at the time of grant.

In the event of a corporate transaction, any stock awards outstanding under the 2021 Plan may be assumed, continued or substituted for by any surviving or acquiring corporation (or its parent company), and any reacquisition or repurchase rights held by us with respect to the stock award may be assigned to the successor (or its parent company). If the surviving or acquiring corporation (or its parent company) does not assume, continue or substitute for such stock awards, then (i) with respect to any such stock awards that are held by participants whose continuous service has not terminated prior to the effective time of the corporate transaction, or current participants, the vesting (and exercisability, if applicable) of such stock awards will be accelerated in full to a date prior to the effective time of the corporate transaction (contingent upon the effectiveness of the corporate transaction), and such stock awards will terminate if not exercised (if applicable) at or prior to the effective time of the corporate transaction, and any reacquisition or repurchase rights held by us with respect to such stock awards will lapse (contingent upon the effectiveness of the corporate transaction), and (ii) any such stock awards that are held by persons other than current participants will terminate if not exercised (if applicable) prior to the effective time of the corporate transaction, except that any reacquisition or repurchase rights held by us with respect to such stock awards will not terminate and may continue to be exercised notwithstanding the corporate transaction.

In the event a stock award will terminate if not exercised prior to the effective time of a corporate transaction, the plan administrator may provide, in its sole discretion, that the holder of such stock award may not exercise such stock award but instead will receive a payment equal in value to the excess (if any) of (i) the per share amount payable to holders of common stock in connection with the corporate transaction, over (ii) any per share exercise price payable by such holder, if applicable. In addition, any escrow, holdback, earn out or similar provisions in the definitive agreement for the corporate transaction may apply to such payment to the same extent and in the same manner as such provisions apply to the holders of common stock.

Under the 2021 Plan, a corporate transaction is generally defined as the consummation of: (i) a sale of all or substantially all of our assets, (ii) the sale or disposition of at least 50% of our outstanding securities, (iii) a merger or consolidation where we do not survive the transaction, or (iv) a merger or consolidation where we do survive the transaction but the shares of our common stock outstanding immediately before such transaction are converted or exchanged into other property by virtue of the transaction.

Change in control. Awards granted under the 2021 Plan may be subject to acceleration of vesting and exercisability upon or after a change in control (as defined in the 2021 Plan) as may be provided in the applicable stock award agreement or in any other written agreement between us or any affiliate and the participant, but in the absence of such provision, no such acceleration will automatically occur.

Under the 2021 Plan, a change in control is generally defined as: (i) the acquisition by any person or company of more than 50% of the combined voting power of our then outstanding stock; (ii) a consummated merger, consolidation or similar transaction in which our stockholders immediately before the transaction do not own, directly or indirectly, more than 50% of the combined voting power of the surviving entity (or the parent of the surviving entity) in substantially the same proportions as their ownership immediately prior to such transaction; (iii) a consummated sale, lease, exclusive license or other disposition of all or substantially all of our assets other than to an entity more than 50% of the combined voting power of which is owned by our stockholders in substantially the same proportions as their ownership of our outstanding voting securities immediately prior to such transaction; or (iv) when a majority of our board of directors becomes comprised of individuals who were not serving on our board of directors on the date the 2021 Plan was adopted by the board

of directors, or the incumbent board, or whose nomination, appointment, or election was not approved by a majority of the incumbent board still in office.

Plan amendment or termination. Our board of directors has the authority to amend, suspend, or terminate our 2021 Plan, provided that such action does not materially impair the existing rights of any participant without such participant's written consent. Certain material amendments also require the approval of our stockholders. No ISOs may be granted after the tenth anniversary of the date our board of directors adopts our 2021 Plan. No stock awards may be granted under our 2021 Plan while it is suspended or after it is terminated.

2013 Equity incentive plan

Our board of directors and stockholders adopted our 2013 Plan in June 2013. The 2013 Plan was most recently amended by our board of directors and stockholders in October 2020. As of September 30, 2020, there were no shares remaining available for the future grant of stock awards under our 2013 Plan. As of September 30, 2020, there were outstanding stock options covering a total of 7,424,661 shares of our common stock that were granted under our 2013 Plan. Any shares of common stock remaining available for issuance under the 2013 Plan upon the 2021 Plan's effectiveness in connection with this offering will become available for issuance under the 2021 Plan.

Stock awards. Our 2013 Plan provides for the grant of ISOs within the meaning of Section 422 of the Code to employees, including employees of any parent or subsidiary, and for the grant of NSOs, stock appreciation rights, restricted stock awards, restricted stock unit awards and other forms of stock awards to employees, directors and consultants, including employees and consultants of our affiliates. To date, we have only granted options under the 2013 Plan.

Authorized shares. Subject to certain capitalization adjustments, the aggregate number of shares of common stock that may be issued pursuant to stock awards under the 2013 Plan will not exceed 9,665,351 shares. The maximum number of shares of our common stock that may be issued pursuant to the exercise of ISOs under our 2013 Plan is 9,665,351 shares.

Shares subject to stock awards granted under our 2013 Plan that expire or otherwise terminate without being exercised in full or that are settled in cash rather than in shares do not reduce or otherwise offset the number of shares available for issuance of awards under our 2013 Plan. Additionally, if any shares issued pursuant to a stock award are forfeited back to or repurchased because of the failure to meet a contingency or condition required to vest or are reacquired in satisfaction of a tax withholding obligation or as consideration for the exercise price of a stock award, then the shares that are forfeited, repurchased or reacquired will revert to and again become available for issuance of awards under the 2013 Plan.

Plan administration. Our board of directors, or a duly authorized committee of our board of directors to which the board delegates its administrative authority, will administer our 2013 Plan and is referred to as the "plan administrator" herein. The plan administrator may also delegate to one or more of our officers the authority to (1) designate employees (other than officers) to receive specified options and stock appreciation rights (and to the extent permitted by applicable law, other stock awards) and (2) determine the number of shares subject to such stock awards; provided, however, that the board resolutions regarding such delegation must specify the total number of shares that may be subject to awards granted by such officer, and provided further, that no officer may grant an award under the 2013 Plan to himself or herself. Under our 2013 Plan, the plan administrator has the authority to, among other things, determine award recipients, dates of grant, the numbers and types of stock awards to be granted, the applicable fair market value and the provisions of each stock award, including the period of their exercisability and the vesting schedule applicable to a stock award, to construe and interpret the 2013 Plan and awards granted thereunder (and to establish, amend and revoke any

rules and regulations for the administration of the 2013 Plan and any such awards), or to accelerate the vesting of awards.

Under the 2013 Plan, the plan administrator also generally has the authority to effect, with the consent of any adversely affected participant, (A) the reduction of the exercise, purchase, or strike price of any outstanding award; (B) the cancellation of any outstanding award and the grant in substitution therefor of other awards, cash, or other consideration; or (C) any other action that is treated as a repricing under generally accepted accounting principles.

Stock options. ISOs and NSOs are granted under stock option agreements adopted by the plan administrator. The plan administrator determines the exercise price for stock options, within the terms and conditions of the 2013 Plan, provided that the exercise price of a stock option generally cannot be less than 100% of the fair market value of our common stock on the date of grant (or 110% of the fair market value for certain major stockholders). Options granted under the 2013 Plan vest at the rate specified in the stock option agreement as determined by the plan administrator.

The plan administrator determines the term of stock options granted under the 2013 Plan, up to a maximum of 10 years (or five years, for certain major stockholders). If an optionholder's service relationship with us or any of our affiliates ceases for any reason other than disability, death or cause, the optionholder may generally exercise any vested options for a period of up to three months following the cessation of service. This period may be extended in the event that either an exercise of the option or an immediate sale of shares acquired upon exercise of the option following such a termination of service is prohibited by applicable securities laws or our insider trading policy. If an optionholder's service relationship with us or any of our affiliates ceases due to death, or an optionholder dies within a certain period following cessation of service, the optionholder or a beneficiary may generally exercise any vested options for a period of up to 18 months following the date of death. If an optionholder's service relationship with us or any of our affiliates ceases due to disability, the optionholder may generally exercise any vested options for a period of up to 12 months following the cessation of service. In the event of a termination for cause, options generally terminate upon the termination date. In no event may an option be exercised beyond the expiration of its term.

Acceptable consideration for the purchase of common stock issued upon the exercise of a stock option will be determined by the plan administrator and may include (1) cash, check, bank draft or money order payable to us, (2) a broker-assisted cashless exercise, (3) the tender of shares of our common stock previously owned by the optionholder, (4) a net exercise of the option if it is an NSO, (5) a deferred payment arrangement, or (6) other legal consideration approved by the plan administrator and specified in the stock award agreement.

Unless the plan administrator provides otherwise, options generally are not transferable except by will or the laws of descent and distribution. Subject to approval of the plan administrator or a duly authorized officer in each case, (i) an option may be transferred pursuant to a domestic relations order, official marital settlement agreement, or other divorce or separation instrument and (ii) an optionholder may designate a beneficiary who may exercise the option following the optionholder's death.

Tax limitations on ISOs. The aggregate fair market value, determined at the time of grant, of our common stock with respect to ISOs that are exercisable for the first time by an optionholder during any calendar year under all of our stock plans may not exceed $100,000. Options or portions thereof that exceed such limit will generally be treated as NSOs. No ISO may be granted to any person who, at the time of the grant, owns or is deemed to own stock possessing more than 10% of our total combined voting power or that of any of our affiliates unless (1) the option exercise price is at least 110% of the fair market value of the stock subject to the option on the date of grant, and (2) the term of the ISO does not exceed five years from the date of grant.

Changes to capital structure. In the event of a capitalization adjustment, the plan administrator will make appropriate and proportionate adjustments to (1) the class and maximum number of shares reserved for issuance under the 2013 Plan, (2) the class and maximum number of shares that may be issued on the exercise of ISOs, and (3) the class and number of shares and exercise price, strike price, or purchase price, if applicable, of all outstanding stock awards.

Corporate transactions. Our 2013 Plan provides that in the event of a corporate transaction, unless otherwise provided in an award agreement or other written agreement between us and the award holder, the plan administrator may take one or more of the following actions with respect to such stock awards:

- arrange for the assumption, continuation, or substitution of a stock award by a surviving or acquiring corporation;
- arrange for the assignment of any reacquisition or repurchase rights held by us to the surviving or acquiring corporation;
- accelerate the vesting, in whole or in part, of the stock award and provide for its termination if not exercised (if applicable) at or before the effective time of the transaction;
- arrange for the lapse, in whole or in part, of any reacquisition or repurchase rights held by us;
- cancel or arrange for the cancellation of the stock award, to the extent not vested or not exercised before the effective time of the transaction, in exchange for such cash consideration, if any, as our board of directors, in its sole discretion, may consider appropriate; and
- make a payment equal to the excess, if any, of (A) the value of the property the participant would have received on exercise of the award immediately before the effective time of the transaction, over (B) any exercise price payable by the participant in connection with the exercise.

The plan administrator is not obligated to treat all stock awards or portions of stock awards in the same manner and is not obligated to treat all participants in the same manner.

Under the 2013 Plan, a corporate transaction is generally defined as the consummation of: (i) a sale or other disposition of all or substantially all of our assets, (ii) the sale or disposition of at least 50% of our outstanding securities, (iii) a merger or consolidation where we do not survive the transaction, or (iv) a merger or consolidation where we do survive the transaction but the shares of our common stock outstanding immediately before such transaction are converted or exchanged into other property by virtue of the transaction.

Change in control. A stock award may be subject to additional acceleration of vesting and exercisability upon or after a change in control as may be provided in an applicable award agreement or other written agreement, but in the absence of such provision, no such acceleration will occur.

Under the 2013 Plan, a change in control is generally defined as: (i) the acquisition by any person or company of more than 50% of the combined voting power of our then outstanding stock; (ii) a consummated merger, consolidation or similar transaction in which our stockholders immediately before the transaction do not own, directly or indirectly, more than 50% of the combined voting power of the surviving entity (or the parent of the surviving entity) in substantially the same proportions as their ownership immediately prior to such transaction; or (iii) a consummated sale, lease, exclusive license or other disposition of all or substantially all of our assets other than to an entity more than 50% of the combined voting power of which is owned by our stockholders in substantially the same proportions as their ownership of our outstanding voting securities immediately prior to such transaction.

Plan amendment or termination. Our board of directors has the authority to amend, suspend, or terminate our 2013 Plan, provided that such action does not impair the existing rights of any participant without such participant's written consent. Certain material amendments also require the approval of our stockholders. Unless terminated sooner, the 2013 Plan will automatically terminate on June 25, 2023. No stock awards may be granted under our 2013 Plan while it is suspended or after it is terminated. Once the 2021 Plan is effective, no further grants will be made under the 2013 Plan.

2021 Employee Stock Purchase Plan

Our board of directors adopted our 2021 Employee Stock Purchase Plan (ESPP), and our stockholders approved our ESPP, in February 2021. The ESPP will become effective immediately prior to and contingent upon the date of the underwriting agreement related to this offering. The purpose of the ESPP is to secure the services of new employees, to retain the services of existing employees, and to provide incentives for such individuals to exert maximum efforts toward our success and that of our affiliates. The ESPP includes two components. One component is designed to allow eligible U.S. employees to purchase our common stock in a manner that may qualify for favorable tax treatment under Section 423 of the Code. In addition, purchase rights may be granted under a component that does not qualify for such favorable tax treatment because of deviations necessary to permit participation by eligible employees who are foreign nationals or employed outside of the United States while complying with applicable foreign laws.

Share reserve. Following this offering, the ESPP authorizes the issuance of 550,000 shares of our common stock under purchase rights granted to our employees or to employees of any of our designated affiliates. The number of shares of our common stock reserved for issuance will automatically increase on January 1 of each calendar year, beginning on January 1, 2022, through January 1, 2031, by the lesser of (1) 1% of the total number of shares of our common stock outstanding on December 31st of the preceding year and (2) 1,550,000 shares; provided that before the date of any such increase, our board of directors may determine that such increase will be less than the amount set forth in clauses (1) and (2). As of the date hereof, no shares of our common stock have been purchased under the ESPP.

Administration. Our board of directors administers the ESPP and may delegate its authority to administer the ESPP to our compensation committee. The ESPP is implemented through a series of offerings under which eligible employees are granted purchase rights to purchase shares of our common stock on specified dates during such offerings. Under the ESPP, we may specify offerings with durations of not more than 27 months, and may specify shorter purchase periods within each offering. Each offering will have one or more purchase dates on which shares of our common stock will be purchased for employees participating in the offering. An offering under the ESPP may be terminated under certain circumstances.

Payroll deductions. Generally, all regular employees, including executive officers, employed by us or by any of our designated affiliates, may participate in the ESPP and may contribute, normally through payroll deductions, up to 15% of their earnings (as defined in the ESPP) for the purchase of our common stock under the ESPP. Unless otherwise determined by our board of directors, common stock will be purchased for the accounts of employees participating in the ESPP at a price per share that is at least the lesser of (1) 85% of the fair market value of a share of our common stock on the first date of an offering, or (2) 85% of the fair market value of a share of our common stock on the date of purchase.

Limitations. Employees may have to satisfy one or more of the following service requirements before participating in the ESPP, as determined by our board of directors, including: (1) being customarily employed for more than 20 hours per week, (2) being customarily employed for more than five months per calendar year, or (3) continuous employment with us or one of our affiliates for a period of time (not to exceed two years). No employee may purchase shares under the ESPP at a rate in excess of $25,000 worth of our common stock

based on the fair market value per share of our common stock at the beginning of an offering for each calendar year such a purchase right is outstanding. Finally, no employee will be eligible for the grant of any purchase rights under the ESPP if immediately after such rights are granted, such employee has voting power over 5% or more of our outstanding capital stock measured by vote or value under Section 424(d) of the Code.

Changes to capital structure. In the event that there occurs a change in our capital structure through such actions as a stock split, merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, liquidating dividend, combination of shares, exchange of shares, change in corporate structure, or similar transaction, the board of directors will make appropriate adjustments to: (1) the class(es) and maximum number of shares reserved under the ESPP, (2) the class(es) and maximum number of shares by which the share reserve may increase automatically each year, (3) the class(es) and number of shares subject to and purchase price applicable to outstanding offerings and purchase rights, and (4) the class(es) and number of shares that are subject to purchase limits under ongoing offerings.

Corporate transactions. In the event of certain significant corporate transactions, any then-outstanding rights to purchase our stock under the ESPP may be assumed, continued, or substituted for by any surviving or acquiring entity (or its parent company). If the surviving or acquiring entity (or its parent company) elects not to assume, continue, or substitute for such purchase rights, then the participants' accumulated payroll contributions will be used to purchase shares of our common stock within 10 business days before such corporate transaction, and such purchase rights will terminate immediately after such purchase.

Under the ESPP, a corporate transaction is generally the consummation of: (1) a sale of all or substantially all of our assets, (2) the sale or disposition of more than 50% of our outstanding securities, (3) a merger or consolidation where we do not survive the transaction, and (4) a merger or consolidation where we do survive the transaction but the shares of our common stock outstanding immediately before such transaction are converted or exchanged into other property by virtue of the transaction.

ESPP amendment or termination. Our board of directors has the authority to amend or terminate our ESPP, provided that except in certain circumstances such amendment or termination may not materially impair any outstanding purchase rights without the holder's consent. We will obtain stockholder approval of any amendment to our ESPP as required by applicable law or listing requirements.

Director compensation

The following table sets forth in summary form information concerning the compensation that we paid or awarded during the year ended December 31, 2020 to each of our non-employee directors.

Name(1)	Fees earned or paid in cash ($)	Option awards ($)(2)(3)	Total ($)
Felix Baker, Ph.D.	—	—	—
Raymond Cheong, M.D., Ph.D.	—	—	—
Melissa Gilliam, M.D., M.P.H.	—	371,349	371,349
Rustem F. Ismagilov, Ph.D.	75,000(4)	1,212,237(5)	1,287,237
Kimberly J. Popovits	12,818	260,448	273,266
Matthew L. Posard	24,000	293,643	317,643
Randal Scott, Ph.D.	24,000	293,643	317,643

(1) Dr. Cheong, Dr. Gilliam and Ms. Popovits joined our board of directors in June 2020, December 2020 and March 2020, respectively.

(2) As of December 31, 2020, the aggregate number of shares underlying outstanding options to purchase our common stock held by our non-employee directors were: Dr. Gilliam, 62,937; Dr. Ismagilov, 511,301; Ms. Popovits, 125,721; Mr. Posard, 143,779, and Dr. Scott, 143,779. None of

our other non-employee directors held options to purchase our common stock as of December 31, 2020. None of our non-employee directors held other unvested stock awards as of December 31, 2020.

(3) In accordance with Securities and Exchange Commission rules, this column reflects the aggregate grant date fair value of the stock option awards granted during 2020. These amounts have been computed in accordance with Financial Accounting Standards Board, Accounting Standards Codification Topic 718, *Compensation—Stock Compensation*. Assumptions used in the calculation of these amounts are described in Note 10 to our audited financial statements and notes appearing elsewhere in this prospectus. These amounts do not reflect the actual economic value that will be realized by our non-employee directors upon the vesting of the stock options, the exercise of the stock options, or the sale of the common stock underlying such stock options. In addition, with respect to Mr. Posard and Dr. Scott only, the amounts shown in this column also reflects the incremental fair value, computed in accordance with Financial Accounting Standards Board, Accounting Standards Codification Topic 718, *Compensation—Stock Compensation* as of March 2020, when Mr. Posard's and Dr. Scott's options were amended to reduce the exercise price per share to $1.51, as described above under "—Equity-based incentive awards."

(4) Consists of consulting fees paid pursuant to a consulting agreement with Dr. Ismagilov for his service as a member of our scientific advisory board, as described under "Certain relationships and related person transactions—Consulting arrangements."

(5) This amount includes the grant date fair value of $316,595 for a stock option award granted to Dr. Ismagilov pursuant to the consulting agreement described in footnote (4) above.

In February 2016, we entered into letter agreements with each of Mr. Posard and Dr. Scott confirming their appointment to the board of directors, pursuant to which each is entitled to a stipend of $24,000 per year, which was paid on a quarterly basis. Pursuant to the letters, Mr. Posard and Dr. Scott were each entitled to an option to purchase 8,636 shares of our common stock, which were granted in February 2016 and have fully vested.

In February 2020, our board of directors granted options to purchase 290,306 shares to Dr. Ismagilov, 82,788 shares to Mr. Posard and 82,788 shares to Mr. Scott, each with an exercise price per share of $1.51. The options vest monthly over four years beginning on November 1, 2019, subject to the director's continued services to us. In addition, the options provide for "single trigger" vesting acceleration if a change in control occurs and the director remains in service immediately prior to the change in control.

In addition, in March 2020, we amended certain outstanding underwater options held by Mr. Posard and Dr. Scott. The amendment reduced the exercise price per share of such options to $1.51, the fair market value of our common stock as determined by our board of directors on the date of the repricing. The repricing is further described above under "—Equity-based incentive awards."

In March 2020, we entered into a letter agreement with Ms. Popovits confirming her appointment to the board of directors, pursuant to which Ms. Popovits is entitled to a stipend of $24,000 per year, to be paid on a quarterly basis, and an option to purchase shares of our common stock equal to 0.35% of the company on a fully diluted basis. In May 2020, our board of directors granted an option to purchase 84,615 shares to Ms. Popovits in connection with her commencement of services with us at an exercise price per share of $1.51. The option vests as follows: 25% of the shares vest on March 19, 2021, and the balance vests in 36 equal monthly installments thereafter, subject to Ms. Popovits' continued services to us. The option also provides for "single trigger" vesting acceleration, as described above.

In August 2020, our board of directors granted options to purchase 47,011 shares to Mr. Posard, 47,011 shares to Dr. Scott, 41,106 shares to Ms. Popovits and 141,032 shares to Dr. Ismagilov, each at an exercise price per share of $6.25. The options vest as follows: 25% of the shares vest on August 4, 2021, and the balance vests in 36 equal monthly installments thereafter, subject to the director's continued services to us. The option also provides for "single trigger" vesting acceleration, as described above.

In September 2020, our board of directors granted an option to purchase 79,963 shares to Dr. Ismagilov at an exercise price per share of $6.25. The option vests as follows: one-sixth of the shares vest on September 1, 2020, and the balance vests in five equal monthly installments thereafter, subject to Dr. Ismagilov's continued services to us.

In December 2020, we entered into a letter agreement with Dr. Gilliam confirming her appointment to the board of directors, pursuant to which Dr. Gilliam is entitled to a stipend of $40,000 per year, to be paid on a quarterly basis, and an option to purchase 62,937 shares of our common stock. In December 2020, our board of directors granted an option to purchase 62,937 shares to Dr. Gilliam at an exercise price per share of $8.67. The

option vests as follows: 25% of the shares vest on December 15, 2021, and the balance vests in 36 equal monthly installments thereafter, subject to Dr. Gilliam's continued services to us. In addition, the option provides for "single trigger" vesting acceleration, as described above.

Outstanding equity awards held by our non-employee directors are subject to the terms of our 2013 Plan, as described above under "—Equity benefit plans—2013 Equity Incentive Plan."

We have reimbursed and will continue to reimburse all of our non-employee directors for their travel, lodging and other reasonable expenses incurred in attending meetings of our board of directors and committees of our board of directors.

Non-employee director compensation policy

Our board of directors adopted a non-employee director compensation policy in February 2021 that will become effective upon the execution and delivery of the underwriting agreement related to this offering and will be applicable to all of our non-employee directors. This compensation policy provides that each such non-employee director will receive the following compensation for service on our board of directors:

- an annual cash retainer of $40,000;
- an additional annual cash retainer of $40,000 for service as non-employee chairman of the board of directors;
- an additional annual cash retainer of $22,500 for service as lead independent director;
- an additional annual cash retainer of $10,000, $7,000 and $5,000 for service as a member of the audit committee, compensation committee and the nominating and corporate governance committee, respectively;
- an additional annual cash retainer of $20,000, $14,000 and $10,000 for service as chair of the audit committee, chair of the compensation committee and chair of the nominating and corporate governance committee, respectively (in lieu of the committee member retainer above);
- an initial option grant to purchase shares of our common stock with an aggregate Black-Scholes option value of $340,000, vesting in 36 equal monthly installments; and
- an annual option grant to purchase shares of our common stock with an aggregate Black-Scholes option value of $170,000, vesting in 12 equal monthly installments.

Each of the option grants described above will be granted under our 2021 Plan, the terms of which are described in more detail below under "Executive and director compensation—Equity benefit plans—2021 Equity Incentive Plan." Each such option grant will vest and become exercisable subject to the director's continuous service with us, provided that each option will vest in full upon a change in control of the company. The term of each option will be 10 years, subject to earlier termination as provided in the 2021 Plan (provided that upon a termination of service other than by death or for cause, the post-termination exercise period will be 12 months from the date of termination).

Certain relationships and related person transactions

The following includes a summary of transactions since January 1, 2018 to which we have been a party, in which the amount involved in the transaction exceeded $120,000 or, if less, 1% of the average of our total assets as of December 31, 2019 and 2020, and in which any of our directors, executive officers or, to our knowledge, beneficial owners of more than 5% of our capital stock or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest, other than equity and other compensation, termination, change in control and other arrangements, which are described under “Executive and director compensation.”

Convertible note financing

From March 2019 through August 2019, we issued and sold convertible promissory notes (Convertible Notes) in the aggregate principal amount of $15.0 million. The Convertible Notes accrued interest at a rate of 6.5% per annum and were subject to installment adjustments whereby upon the issuance of each Convertible Note, the principal owed increased by 10.0% of the face value of such Convertible Note. An additional 5.0% installment adjustment was applied based on the outstanding principal and accrued interest owed on each Convertible Note issued in March 2019 (Initial Closing Date) on each of the 150th, 180th and 210th day after the Initial Closing Date. In November 2019, the aggregate contractually calculated principal amount of the Convertible Notes and accrued interest totaling approximately $19.0 million were converted into 6,937,252 shares of our Series D-2 convertible preferred stock at a conversion price of $2.74 per share. The participants in the convertible note financing included entities affiliated with members of our board of directors and holders of more than 5% of our capital stock. The following table sets forth the principal amount of Convertible Notes issued to these related persons.

Name of stockholder		Principal amount of notes
Entities affiliated with Baker Bros. Advisors LP(1)	$	15,000,000

(1) Consists of (i) $1,236,150 in Convertible Notes issued to 667, L.P. and (ii) $13,763,850 in Convertible Notes issued to Baker Brothers Life Sciences, L.P. Dr. Baker, a managing member of Baker Bros. Advisors (GP) LLC, the sole general partner of Baker Bros., and Dr. Cheong, an employee of Baker Bros., are both members of our board of directors.

Convertible preferred stock financings

From November 2019 to December 2019, pursuant to a Series C-1 preferred stock and Series D-1 preferred stock purchase agreement, we issued and sold shares of our Series C-1 convertible preferred stock, Series D-1 convertible preferred stock, and Series D-2 convertible preferred stock. The purchase price for this financing was to be funded in three separate tranches, with a proportional number of shares subject to forfeiture should any tranche not be called or funded. The first and second tranches were funded and the timeline to call the third tranche expired and the corresponding shares were forfeited. Taking into account such forfeitures, we issued and sold an aggregate of 13,404,197 shares of our Series C-1 convertible preferred stock, 1,437,178 shares of our Series D-1 convertible preferred stock, and 10,372,452 shares of our Series D-2 convertible preferred stock, each at a purchase price of approximately $2.74 per share, and received gross proceeds of approximately $65.0 million, including the conversion of the Convertible Notes.

From June 2020 to July 2020, pursuant to a Series E preferred stock purchase agreement, we issued and sold an aggregate of 2,289,899 shares of our Series E-1 convertible preferred stock and 11,187,189 shares of our Series E-2 convertible preferred stock, each at a purchase price of $7.42 per share, and received gross proceeds of approximately $100.0 million.

During the fourth quarter of 2020, pursuant to a Series F preferred stock purchase agreement, we issued and sold an aggregate of 4,859,897 shares of our Series F-1 convertible preferred stock and 9,958,539 shares of our Series F-2 convertible preferred stock, each at a purchase price of $8.55 per share, and received gross proceeds of approximately $126.7 million.

The participants in our convertible preferred stock financing included entities affiliated with members of our board of directors and holders of more than 5% of our capital stock. The following table sets forth the aggregate number of shares of convertible preferred stock issued to these related persons.

Name of stockholder	Series C-1 preferred	Series D-1 preferred	Series D-2 preferred	Series E-1 preferred	Series E-2 preferred	Series F-1 preferred	Series F-2 preferred	Aggregate consideration
Entities affiliated with Baker Bros. Advisors LP(1)	11,183,572	—	10,372,452	3,304	11,187,189	—	9,958,539	$ 208,234,402(2)
Entities affiliated with ArrowMark Fundamental Opportunity Fund, LP(3)	1,833,240	—	—	1,020,631	—	994,150	—	$ 21,096,142
Randal Scott, Ph.D.(4)	—	1,076,643	—	534,402	—	432,749	—	$ 10,615,369
Kimberly J. Popovits(5)	—	—	—	431,642	—	128,655	—	$ 4,302,784

(1) Consists of shares purchased by 667, L.P., Baker Brothers Life Sciences, L.P., FBB Associates and FBB3 LLC. Dr. Baker, a managing member of Baker Bros. Advisors (GP) LLC, the sole general partner of Baker Bros., and Dr. Cheong, an employee of Baker Bros., are both members of our board of directors.

(2) Excludes the aggregate contractually calculated principal amount of the convertible notes and accrued interest of $19.0 million that were converted into an aggregate of 6,937,252 shares of our Series D-2 convertible preferred stock.

(3) Consists of shares purchased by AP Investment Series - Series I, ArrowMark Fundamental Opportunity Fund, LP, ArrowMark Life Science Fund, LP, Iron Horse Investments, LLC, Lookfar Investments, LLC, Meridian Growth Fund, Meridian Small Cap Growth Fund, THB Iron Rose LLC, THB Iron Rose, LLC Life Science Portfolio and Tony Yao.

(4) Consists of shares purchased by Randal W. Scott and Eileen M. Scott, Trustees of the OG Family Trust, u/d/t May 30, 2014 (OG Trust). Dr. Scott, a member of our board of directors, is a trustee of the OG Trust and has a financial interest in the OG Trust.

(5) Consists of shares purchased by MSL FBO Kimberly J. Popovits Patrick J. Popovits TTEE U/A/D 05-17-2010 FBO Popovits 2010 Trust (Popovits Trust). Ms. Popovits, a member of our board of directors, is a trustee of the Popovits Trust and has a financial interest in the Popovits Trust.

Investor agreements

In connection with our Series F convertible preferred stock financing, we entered into an investors' rights agreement, voting agreement and right of first refusal and co-sale agreement containing registration rights, information rights, voting rights and rights of first refusal and co-sale, among other things, with certain of our stockholders. The foregoing agreements will terminate upon the closing of this offering, except for the registration rights set forth in the investors' rights agreements, as more fully described below in "Description of capital stock—Registration rights."

Consulting arrangements

In January 2019, we entered into a consulting agreement, as amended in December 2020, with Rustem F. Ismagilov, one of our co-founders and a member of our board of directors, pursuant to which Dr. Ismagilov provides general scientific, and strategic consulting regarding our development and commercialization efforts and serves as chair of our Scientific Advisory Board (SAB). Pursuant to his amended consulting agreement, Dr. Ismagilov receives a consulting fee of $75,000 per year for services rendered, as requested from time to time and for his service on the SAB. Further, pursuant to his amended consulting agreement, Dr. Ismagilov, during a partial sabbatical from Caltech from August 2020 through December 2020, devoted three days per week to support our efforts to complete development of our Talis One platform and is entitled to an option to purchase

shares of our common stock with a value of $300,000, which option was granted in September 2020. Unless terminated earlier, the amended consulting agreement will expire on December 31, 2022.

Equity grants

We have granted stock options to our executive officers and certain members of our board of directors. For a description of these options, see "Executive and director compensation."

Nominating agreement

In November 2019, we entered into the Nominating Agreement with the Baker Brothers pursuant to which we have the obligation to support the nomination of, and to cause our board of directors to include in the slate of nominees recommended to our stockholders for election, individuals designated by the Baker Brothers. The Nominating Agreement also provides the Baker Brothers the right to designate a nonvoting observer to attend all meetings of our board of directors and all meetings of the committees of our board of directors subject to certain conditions and exceptions. For more information regarding this agreement, see the section entitled "Management—Board composition—Nominating agreement."

Indemnification agreements

Our amended and restated certificate of incorporation, which will be effective upon the completion of this offering, will contain provisions limiting the liability of directors, and our amended and restated bylaws, which will be effective upon the completion of this offering, will provide that we will indemnify each of our directors to the fullest extent permitted under Delaware law. Our amended and restated certificate of incorporation and amended and restated bylaws will also provide our board of directors with discretion to indemnify our officers and employees when determined appropriate by our board of directors.

We have entered, and intend to continue to enter, into separate indemnification agreements with each of our directors and executive officers, as described in the section entitled "Management—Limitation of liability and indemnification." The indemnification agreements will provide that we will indemnify each of our directors, executive officers and such other employees against any and all expenses incurred by that director, executive officer or other employee because of his or her status as one of our directors, executive officers or other employees, to the fullest extent permitted by Delaware law, our amended and restated certificate of incorporation and our amended and restated bylaws. In addition, the indemnification agreements will provide that, to the fullest extent permitted by Delaware law, we will advance all expenses incurred by our directors, executive officers and other employees in connection with a legal proceeding involving his or her status as a director, executive officer or employee.

Policies and procedures for transactions with related persons

We have adopted a written related-person transactions policy that sets forth our policies and procedures regarding the identification, review, consideration and oversight of "related-person transactions." For purposes of our policy only, a "related-person transaction" is a transaction, arrangement or relationship (or any series of similar transactions, arrangements or relationships) in which we and any "related person" are participants involving an amount that exceeds $120,000 or, if less, 1% of the average of our total assets at year end for the prior two completed fiscal years. Transactions involving compensation for services provided to us as an employee, consultant or director are not considered related-person transactions under this policy. A related person is any executive officer, director, nominee to become a director or a holder of more than five percent of our common stock, including any of their immediate family members and affiliates, including entities owned or controlled by such persons.

Under the policy, where a transaction has been identified as a related-person transaction, management must present information regarding the proposed related-person transaction to our audit committee (or, where review by our audit committee would be inappropriate, to another independent body of our board of directors) for review. The presentation must include a description of, among other things, all of the parties thereto, the direct and indirect interests of the related persons, the purpose of the transaction, the material facts, the benefits of the transaction to us and whether any alternative transactions are available, an assessment of whether the terms are comparable to the terms available from unrelated third parties and management's recommendation. To identify related-person transactions in advance, we rely on information supplied by our executive officers, directors and certain significant stockholders. In considering related-person transactions, our audit committee or another independent body of our board of directors takes into account the relevant available facts and circumstances including, but not limited to:

- the risks, costs and benefits to us;
- the impact on a director's independence in the event the related person is a director, immediate family member of a director or an entity with which a director is affiliated;
- the terms of the transaction;
- the availability of other sources for comparable services or products; and
- the terms available to or from, as the case may be, unrelated third parties.

In the event a director has an interest in the proposed transaction, the director must recuse himself or herself from the deliberations and approval. All of the transactions described in this section occurred prior to the adoption of this policy.

Principal stockholders

The following table sets forth information regarding beneficial ownership of our capital stock by:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our common stock or our Series 1 convertible preferred stock;
- each of our directors;
- each of our named executive officers; and
- all of our current executive officers and directors as a group.

The percentage ownership information under the column entitled “Before Offering” is based on 9,681,686 shares of common stock and 29,863,674 shares of our Series 1 convertible preferred stock outstanding as of December 15, 2020, assuming conversion of all outstanding shares of our convertible preferred stock into 7,555,432 shares of common stock and 29,863,674 shares of Series 1 convertible preferred stock, which will occur in connection with the completion of this offering. The percentage ownership information under the column entitled “After Offering” is based on the sale of shares of common stock in this offering, assuming no exercise of the underwriters’ option to purchase additional shares. The following table does not give effect to any shares that may be acquired by our stockholders, directors or executive officers pursuant to the directed share program.

Information with respect to beneficial ownership has been furnished by each director, officer or beneficial owner of more than 5% of our common stock. We have determined beneficial ownership in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities. In addition, the rules include shares of common stock issuable pursuant to the exercise of stock options that are either immediately exercisable or exercisable on or before February 13, 2021, which is 60 days after December 15, 2020. These shares are deemed to be outstanding and beneficially owned by the person holding those options for the purpose of computing the percentage ownership of that person, but they are not treated as outstanding for the purpose of computing the percentage ownership of any other person. Unless otherwise indicated, the persons or entities identified in this table have sole voting and investment power with respect to all shares shown as beneficially owned by them, subject to applicable community property laws.

Except as otherwise noted below, the address for each person or entity listed in the table is c/o Talis Biomedical Corporation, 230 Constitution Drive, Menlo Park, California 94025.

	Beneficial ownership before the offering					Beneficial ownership after the offering				
	Common stock		Series 1 convertible preferred stock		% of total outstanding capital stock before the offering	Common stock		Series 1 convertible preferred stock		% of total outstanding capital stock after the offering
	Shares	%	Shares	%		Shares	%	Shares	%	
5% or Greater Stockholders										
Entities affiliated with Baker Bros. Advisors LP(1)	**1,325,536**	**13.7%**	**29,863,674**	**100.0%**	**78.9%**	1,325,536	6.7%	29,863,674	100%	63.0%
Entities affiliated with ArrowMark Fundamental Opportunity Fund, LP(2)	**2,908,200**	**30.0%**	**—**	**—**	**7.4%**	2,908,200	14.8%	—	—	5.9%
Named Executive Officers and Directors:										
Brian Coe(3)	**486,001**	**4.8%**	**—**	**—**	**1.2%**	486,001	2.4%	—	—	1.0%
Robert Kelley	**—**	**—**	**—**	**—**	**—**	—	—	—	—	—
Douglas Liu	**—**	**—**	**—**	**—**	**—**	—	—	—	—	—
Felix Baker, Ph.D.(1)	**1,325,536**	**13.7%**	**29,863,674**	**100.0%**	**78.9%**	1,325,536	6.7%	29,863,674	100%	63.0%
Raymond Cheong, M.D., Ph.D.	**—**	**—**	**—**	**—**	**—**	—	—	—	—	—
Melissa Gilliam, M.D., M.P.H.	**—**	**—**	**—**	**—**	**—**	—	—	—	—	—
Rustem F. Ismagilov, Ph.D.(4)	**436,345**	**4.4%**	**—**	**—**	**1.1%**	436,345	2.2%	—	—	*
Kimberly J. Popovits(5)	**417,592**	**4.3%**	**—**	**—**	**1.1%**	417,592	2.1%	—	—	*
Matthew L. Posard(6)	**37,623**	*****	**—**	**—**	*****	37,623	*	—	—	*
Randal Scott, Ph.D.(7)	**1,427,688**	**14.7%**	**—**	**—**	**3.6%**	1,427,688	7.2%	—	—	2.9%
All current executive officers and directors as a group (13 persons)(8)	**4,247,985**	**40.7%**	**29,863,674**	**100.0%**	**84.7%**	4,247,985	20.8%	29,863,674	100%	67.8%

* Represents beneficial ownership of less than 1%.

(1) Consists of (i) 114,197 shares of common stock and 2,345,481 shares of Series 1 convertible preferred stock issuable upon conversion of shares of Series C-1 convertible preferred stock, Series D-2 convertible preferred stock, Series E-2 convertible preferred stock and Series F-2 convertible preferred stock in each case held by 667, L.P. (667), (ii) 1,210,638 shares of common stock and 27,511,741 shares of Series 1 convertible preferred stock issuable upon conversion of shares of Series C-1 convertible preferred stock, Series D-2 convertible preferred stock, Series E-2 convertible preferred stock and Series F-2 convertible preferred stock in each case held by Baker Brothers Life Sciences, L.P. (Baker Life Sciences), (iii) 590 shares of common stock and 5,420 shares of Series 1 convertible preferred stock issuable upon conversion of shares of Series C-1 convertible preferred stock and Series E-1 convertible preferred stock in each case held by FBB Associates, and (iv) 111 shares of common stock and 1,032 shares of Series 1 convertible preferred stock issuable upon conversion of shares of Series C-1 convertible preferred stock and Series E-1 convertible preferred stock in each case held by FBB3 LLC. Baker Bros., is the management company and investment adviser to 667 and Baker Life Sciences and has sole voting and investment power with respect to the shares held by 667 and Baker Life Sciences. Baker Bros. Advisors (GP) LLC (BBA-GP) is the sole general partner of Baker Bros. Julian C. Baker and Felix J. Baker are managing members of BBA-GP. BBA-GP, Felix J. Baker, Julian C. Baker and Baker Bros. may be deemed to be beneficial owners of the securities directly held by Baker Bros. Julian C. Baker, Felix J. Baker, BBA-GP and Baker Bros. disclaim beneficial ownership of the securities held directly by Baker Bros. except to the extent of their pecuniary interest therein. The address for the above referenced entities is 860 Washington Street, 3rd Floor, New York, NY 10014.

(2) Consists of (i) 25,562 shares of common stock and 308,597 shares of common stock issuable upon conversion of shares of Series C-1 convertible preferred stock, Series E-1 convertible preferred stock and Series F-1 convertible preferred stock in each case held by ArrowMark Fundamental Opportunity Fund, LP, (ii) 24,615 shares of common stock and 287,618 shares of common stock issuable upon conversion of shares of Series C-1 convertible preferred stock, Series E-1 convertible preferred stock and Series F-1 convertible preferred stock in each case held by ArrowMark Life Science Fund, LP, (iii) 199,226 shares of common stock issuable upon conversion of shares of Series E-1 convertible preferred stock held by Iron Horse Investments, LLC (Iron Horse), (iv) 3,834 shares of common stock and 43,426 shares of common stock issuable upon conversion of shares of Series C-1 convertible preferred stock, Series E-1 convertible preferred stock and Series F-1 convertible preferred stock in each case held by Lookfar Investments, LLC (Lookfar), (v) 725,165 shares of common stock issuable upon conversion of shares of Series E-1 convertible preferred stock and Series F-1 convertible preferred stock in each case held by Meridian Growth Fund, (vi) 102,251 shares of common stock and 603,286 shares of common stock issuable upon conversion of shares of Series C-1 convertible preferred stock in each case held by Meridian Small Cap Growth Fund (together with Meridian Growth Fund, Meridian), (vii) 60,509 shares of common stock and 357,004 shares of common stock issuable upon conversion of shares of Series C-1 convertible preferred stock in each case held by THB Iron Rose LLC, (viii) 255 shares of common stock and 1,509 shares of common stock issuable upon conversion of shares of Series C-1 convertible preferred stock in each case held by THB Iron Rose, LLC Life Science Portfolio (together with THB Iron Rose LLC, THB), (ix) 163,579 shares of common stock issuable upon conversion of shares of Series F-1 convertible preferred stock held by AP Investment Series - Series I (AP Investment), and (x) 255 shares of common stock and 1,509 shares of common stock issuable upon conversion of shares of Series C-1 convertible preferred stock in each case held by Tony Yao. ArrowMark Partners GP, LLC (Arrow GP), is the general partner of ArrowMark Fundamental Opportunity Fund, LP and David Corkins is the managing member of Arrow GP. ArrowMark Colorado Holdings LLC (Arrow Colorado) is investment advisor to Meridian, Lookfar, Iron Horse, THB and AP Investment. Mr. Corkins is a managing member of Arrow Colorado and Mr. Yao is a portfolio manager of Arrow Colorado. Mr. Corkins may be considered the beneficial owner of the shares held by ArrowMark Fundamental Opportunity Fund, LP, ArrowMark Life Science Fund, LP, Iron Horse, Lookfar, Meridian, THB and AP Investment (together, the Arrow Funds). The address of the Arrow Funds is c/o ArrowMark Partners, 100 Fillmore St, Suite 325, Denver, CO 80206.

(3) Consists of (i) 58,881 shares of common stock held by Mr. Coe and 385,801 shares of common stock issuable to Mr. Coe pursuant to options exercisable within 60 days of December 15, 2020, (ii) 7,832 shares of common stock held by trusts in which Mr. Coe's children are sole beneficiaries, respectively, and (iii) 2,555 shares of common stock and 30,932 shares of common stock issuable upon conversion of shares of Series C-1 convertible preferred stock and Series E-1 convertible preferred stock in each case held by a trust in which Mr. Coe's spouse and children are beneficiaries. Mr. Coe disclaims beneficial ownership of the securities in clauses (ii) and (iii) except to the extent of his pecuniary interest therein.

(4) Consists of (i) 119,440 shares of common stock held by Dr. Ismagilov and 170,683 shares of common stock issuable to Dr. Ismagilov pursuant to options exercisable within 60 days of December 15, 2020 and (ii) 146,222 shares of common stock held by Dr. Ismagilov's spouse.

(5) Consists of (i) 3,735 shares of common stock and 22,041 shares of common stock issuable upon conversion of shares of Series C-1 convertible preferred stock in each case held by Ms. Popovits and (ii) 391,816 shares of common stock issuable upon conversion of shares of Series E-1 convertible preferred stock and Series F-1 convertible preferred stock in each case held by the Popovits Trust. Ms. Popovits and her spouse are trustees of the Popovits Trust and share voting and dispositive power.

(6) Consists of 37,623 shares of common stock issuable to Mr. Posard pursuant to options exercisable within 60 days of December 15, 2020.

(7) Consists of (i) 37,623 shares of common stock issuable to Dr. Scott pursuant to options exercisable within 60 days of December 15, 2020 and (ii) 1,390,065 shares of common stock issuable upon conversion of shares of Series D-1 convertible preferred stock, Series E-1 convertible preferred stock and Series F-1 convertible preferred stock in each case held by the OG Trust. Dr. Scott and his spouse are trustees of the OG Trust and share voting and dispositive power.

(8) Consists of the shares described in footnote (1) and footnote (3) through (7) above, and 117,200 shares of common stock issuable pursuant to options exercisable within 60 days of December 15, 2020 held by executive officers not named in the table above.

Description of capital stock

Upon the filing of our amended and restated certificate of incorporation and the completion of this offering, our authorized capital stock will consist of 200,000,000 shares of common stock, par value $0.0001 per share, and 50,000,000 shares of preferred stock, par value $0.0001 per share. The following is a summary of the rights of our common and preferred stockholders and some of the provisions of our amended and restated certificate of incorporation and amended and restated bylaws, which will become effective upon the completion of this offering and of the Delaware General Corporation Law. This summary is not complete. For more detailed information, please see our amended and restated certificate of incorporation and amended and restated bylaws, which are filed as exhibits to the registration statement of which this prospectus is a part, as well as the relevant provisions of the Delaware General Corporation Law.

Common stock

Outstanding shares

As of September 30, 2020, there were 2,124,444 shares of common stock issued and outstanding held of record by 53 stockholders. This amount excludes (1) our outstanding shares of convertible preferred stock as of September 30, 2020 and (2) the issuance of an aggregate of 4,859,897 shares of our Series F-1 convertible preferred stock and 9,958,539 shares of our Series F-2 convertible preferred stock from October to November 2020, which will convert into 7,555,432 shares of common stock and 29,863,674 shares of Series 1 convertible preferred stock in connection with the completion of this offering. Based on the number of shares of common stock outstanding as of September 30, 2020, and after giving effect to (i) the issuance of 4,859,897 shares of our Series F-1 convertible preferred stock and 9,958,539 shares of our Series F-2 convertible preferred stock from October to November 2020, (ii) the conversion of all outstanding shares of our convertible preferred stock and (iii) the issuance by us of 10,000,000 shares of common stock in this offering, there will be 19,679,876 shares of common stock and 29,863,674 shares of Series 1 convertible preferred stock outstanding upon the completion of this offering.

As of September 30, 2020, there were 7,424,661 shares of common stock subject to outstanding options under our equity incentive plan.

Voting

Our common stock is entitled to one vote for each share held of record on all matters submitted to a vote of the stockholders, including the election of directors, and does not have cumulative voting rights.

Dividends

Subject to preferences that may be applicable to any then-outstanding preferred stock, the holders of common stock are entitled to receive dividends, if any, as may be declared from time to time by our board of directors out of legally available funds.

Liquidation

In the event of our liquidation, dissolution or winding-up, holders of our common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities, subject to the satisfaction of any liquidation preference granted to the holders of any outstanding shares of preferred stock.

Rights and preferences

Holders of our common stock have no preemptive, conversion or subscription rights, and there are no redemption or sinking fund provisions applicable to our common stock. The rights, preferences and privileges of the holders of our common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of our preferred stock that we may designate and issue in the future.

Fully paid and nonassessable

All of our outstanding shares of common stock are, and the shares of common stock to be issued in this offering will be, fully paid and nonassessable.

Convertible preferred stock

As of September 30, 2020 and after giving effect to the issuance of 4,859,897 shares of our Series F-1 convertible preferred stock and 9,958,539 shares of our Series F-2 convertible preferred stock from October to November 2020, there were 53,509,351 shares of convertible preferred stock outstanding, held of record by 53 stockholders. In connection with the completion of this offering, the shares of convertible preferred stock outstanding, including our Series F-1 convertible preferred stock and our Series F-2 convertible preferred stock, will be converted into 7,555,432 shares of our common stock and 29,863,674 shares of our Series 1 convertible preferred stock. Under the amended and restated certificate of incorporation to be in effect upon completion of this offering, our board of directors will have the authority, without further action by the stockholders, to issue up to 50,000,000 shares of preferred stock in one or more series, to establish from time to time the number of shares to be included in each such series, to fix the rights, preferences and privileges of the shares of each wholly unissued series and any qualifications, limitations or restrictions thereon and to increase or decrease the number of shares of any such series, but not below the number of shares of such series then outstanding. 57,324,227 of such shares are designated as Series 1 convertible preferred stock and 57,324,227 of such shares are designated as Series 2 convertible preferred stock.

Series 1 convertible preferred stock

Voting

Except as otherwise expressly provided in our amended and restated certificate of incorporation to be in effect upon the completion of this offering or required by applicable law, or as described under the section below entitled “Series 1 convertible preferred stock—Protective provisions,” on any matter that is submitted to a vote of our stockholders, holders of our Series 1 convertible preferred stock are entitled to one vote per share; provided, however, that a holder of Series 1 convertible preferred stock shall have no right to vote shares of Series 1 convertible preferred stock on any matter related to the appointment, election or removal of our directors, and shall have no right to vote such shares other than as required by law, until any applicable waiting period (and any extensions thereof) under the HSR Act with respect to the acquisition by such holder of its voting interest in the company (if such approval is required) has expired or been terminated. Holders of shares of our common stock and Series 1 convertible preferred stock will vote together as a single class on all matters (including the election of directors) submitted to a vote of stockholders, subject to the limitations described above. The Series 1 convertible preferred stock does not have cumulative voting rights.

Conversion

The Series 1 convertible preferred stock is convertible, at the election of the holder, into Series 2 convertible preferred stock on a one-for-one basis at any time following the third anniversary of the closing of this offering. Shares of Series 1 convertible preferred stock automatically convert to common stock on a one-for-one basis upon any sale or transfer of such shares of Series 1 convertible preferred stock.

Dividends

The Series 1 convertible preferred stock has the right to receive dividends first or simultaneously with payment of dividends on common stock.

Liquidation preference

In the event of any liquidation or dissolution of the company, holders of the Series 1 convertible preferred stock are entitled to receive $0.0001 per share prior to the payment of any amount to any holders of our capital stock ranking junior to the Series 1 convertible preferred stock and thereafter shall participate *pari passu* with the holders of our common stock (on an as-if-converted-to-common-stock basis).

Protective provisions

Consent of the holders of a majority of the voting rights of the outstanding Series 1 convertible preferred stock is required for any amendment or change of the rights, preferences, privileges, or powers of, or the restrictions provided for the benefit of, the Series 1 convertible preferred stock.

Business purpose of Series 1 convertible preferred stock

In connection with the sale of 9,958,539 shares of our Series F-2 convertible preferred stock to entities affiliated with Baker Bros., we agreed to designate the Series 1 convertible preferred stock and Series 2 convertible preferred stock. Following the closing of this offering, entities affiliates with Baker Bros. will own approximately 63.0% of the voting power of our capital stock, subject to the limitations described under the section above entitled “Series 1 convertible preferred stock—Voting.” However, Baker Bros. has informed us that, at some point in the future, but not sooner than the third anniversary of the closing of this offering, it may desire to convert its voting interest in the company to a non-voting interest in the event it determines that it is desirable to preserve its potentially significant economic interest in the company without the intent to influence the control of the company (including by virtue of voting rights attached to our common stock). The Series 1 convertible preferred stock, which is voluntarily convertible only into our non-voting Series 2 convertible preferred stock (which is then convertible into common stock, but subject to a 4.99% ownership limitation), is a mechanism that will allow Baker Bros. to achieve this objective, if desired.

Series 2 convertible preferred stock

Voting

The Series 2 convertible preferred stock has no voting rights except as required by law or as set forth in our amended and restated certificate of incorporation, or as described under the section below entitled “Series 2 convertible preferred stock—Protective provisions.”

Conversion

Conversion of the Series 2 convertible preferred stock is prohibited if the holder exceeds a specified threshold of voting security ownership. The Series 2 convertible preferred stock is convertible into common stock on a one-for-one basis, subject to adjustment for events such as stock splits, combinations and the like; provided that such holder shall not be entitled to convert the Series 2 convertible preferred in excess of that number of convertible preferred shares which upon giving effect or immediately prior to such conversion would cause (i) the aggregate number of shares of common stock beneficially owned by the holder, its affiliates and any persons who are members of a Section 13(d) “group” with such holder or its affiliates to exceed 4.99% (Maximum Percentage) of the total number of issued and outstanding shares of our common stock following such conversion, or (ii) the combined voting power of our securities beneficially owned by such holder and its affiliates and any other persons who are members of a Section 13(d) “group” with such holder or its affiliates to

exceed the Maximum Percentage of the combined voting power of all of the securities of our then outstanding following such conversion. For purposes of this paragraph, beneficial ownership and whether a holder is a member of a Section 13(d) "group" shall be calculated and determined in accordance with Section 13(d) of the Exchange Act and the rules promulgated thereunder. The Maximum Percentage may be increased or decreased to any other percentage not in excess of 19.99% designated by such holder of Series 2 convertible preferred stock upon 61 days' notice to us. Shares of Series 2 convertible preferred stock automatically convert to common stock on a one-for-one basis upon any sale or transfer of such shares of Series 2 convertible preferred stock.

Dividends

The Series 2 convertible preferred stock has the right to receive dividends first or simultaneously with payment of dividends on common stock.

Liquidation preference

In the event of any liquidation or dissolution of the company, holders of the Series 2 convertible preferred stock are entitled to receive $0.0001 per share prior to the payment of any amount to any holders of our capital stock ranking junior to the Series 2 convertible preferred stock and thereafter shall participate *pari passu* with the holders of our common stock (on an as-if-converted-to-common-stock basis).

Protective provisions

Consent of the holders of a majority of the voting rights of the outstanding Series 2 convertible preferred stock is required for any amendment or change of the rights, preferences, privileges, or powers of, or the restrictions provided for the benefit of, the Series 2 convertible preferred stock.

Additional preferred stock

Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of the common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in our control that may otherwise benefit holders of our common stock and may adversely affect the market price of the common stock and the voting and other rights of the holders of common stock. We have no current plans to issue any shares of preferred stock other than the convertible preferred stock described above.

Stockholder registration rights

After the closing of this offering, certain holders of shares of our common stock, including substantially all of the current preferred stockholders, including certain holders of five percent of our capital stock and entities affiliated with certain of our directors, will be entitled to certain rights with respect to registration of such shares under the Securities Act of 1933, as amended (Securities Act). These shares are referred to as registrable securities. The holders of these registrable securities possess registration rights pursuant to the terms of the amended and restated investor rights agreement and are described in additional detail below.

The registration of shares of our common stock pursuant to the exercise of the registration rights described below would enable the holders to trade these shares without restriction under the Securities Act when the applicable registration statement is declared effective. We are required to pay the registration expenses, other than underwriting discounts and selling commissions, of the shares registered pursuant to the demand, piggyback and Form S-3 registrations described below.

Generally, in an underwritten offering, the managing underwriter, if any, has the right, subject to specified conditions, to limit the number of shares the holders may include. The demand, piggyback and Form S-3 registration rights described below will expire (i) five years after the effective date of the registration statement, of which this prospectus forms a part, (ii) with respect to any particular holder, at such time that such holder can sell its shares under Rule 144 of the Securities Act during any three-month period, or (iii) upon termination of the amended and restated investor rights agreement.

Demand registration rights

At any time beginning on the earlier of (1) December 31, 2022 and (2) six months after the public offering date set forth on the cover page of this prospectus, the holders of the registrable securities will be entitled to certain demand registration rights. Subject to the terms of the lockup agreements described under “Underwriting,” the holders of at least a majority of the registrable securities then outstanding, may make a written request that we register all or a portion of their shares, subject to certain specified exceptions. Such request for registration must cover securities the aggregate offering price of which, after payment of underwriting discounts and commissions, would exceed $50.0 million.

Piggyback registration rights

At any time beginning on the earlier of (1) December 31, 2022 and (2) six months after the public offering date set forth on the cover page of this prospectus, if we propose to register for offer and sale any of our securities under the Securities Act in another offering, either for our own account or for the account of other security holders, the holders of registrable securities will be entitled to certain “piggyback” registration rights allowing them to include their shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act, including a registration statement on Form S-3 as discussed below, other than with respect to a demand registration or a registration statement on Forms S-4 or S-8, the holders of these shares are entitled to notice of the registration and have the right, subject to limitations that the underwriters may impose on the number of shares included in the registration, to include their shares in the registration.

Form S-3 registration rights

At any time beginning on the first anniversary of the public offering date set forth on the cover page of this prospectus, the holders of the registrable securities will be entitled to certain Form S-3 registration rights. Any holder of these shares can make a request that we register for offer and sale their shares on Form S-3 if we are qualified to file a registration statement on Form S-3, subject to certain specified exceptions. Such request for registration on Form S-3 must cover securities the aggregate offering price of which, after payment of the underwriting discounts and commissions, equals or exceeds $1.0 million.

Anti-takeover effects of certain provisions

Delaware anti-takeover law

We are subject to Section 203 of the Delaware General Corporation Law. Section 203 generally prohibits a public Delaware corporation from engaging in a “business combination” with an “interested stockholder” for a period of three years following the time that such stockholder became an interested stockholder, unless:

- prior to such time the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;

- upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (1) by persons who are directors and also officers and (2) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to such time, the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66-2/3% of the outstanding voting stock which is not owned by the interested stockholder.

Section 203 defines a business combination to include:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition involving the interested stockholder of 10% or more of the assets of the corporation;
- subject to exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- subject to exceptions, any transaction involving the corporation that has the effect of increasing the proportionate share of the stock of any class or series of the corporation beneficially owned by the interested stockholder; and
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

In general, Section 203 defines an interested stockholder as any entity or person beneficially owning 15% or more of the outstanding voting stock of the corporation and any entity or person affiliated with or controlling or controlled by the entity or person.

A Delaware corporation may “opt out” of these provisions with an express provision in its original certificate of incorporation or an express provision in its amended and restated certificate of incorporation or amended and restated bylaws resulting from a stockholders’ amendment approved by at least a majority of the outstanding voting shares. We have not opted out of these provisions. As a result, mergers or other takeover or change in control attempts of us may be discouraged or prevented.

Amended and restated certificate of incorporation and amended and restated bylaws

Provisions of our amended and restated certificate of incorporation and amended and restated bylaws, which will become effective upon the completion of this offering, may delay or discourage transactions involving an actual or potential change in our control or change in our management, including transactions in which stockholders might otherwise receive a premium for their shares or transactions that our stockholders might otherwise deem to be in their best interests. Therefore, these provisions could adversely affect the price of our common stock. Among other things, our amended and restated certificate of incorporation and amended and restated bylaws:

- permit our board of directors to issue up to 10,000,000 shares of preferred stock, with any rights, preferences and privileges as they may designate (including the right to approve an acquisition or other change in our control);

- provide that the authorized number of directors may be changed only by resolution of the board of directors;
- provide that the board of directors or any individual director may only be removed with cause and the affirmative vote of the holders of at least 66 2/3% of the voting power of all of our then outstanding common stock;
- provide that all vacancies, including newly created directorships, may, except as otherwise required by law, be filled by the affirmative vote of a majority of directors then in office, even if less than a quorum;
- divide our board of directors into three classes;
- require that any action to be taken by our stockholders must be effected at a duly called annual or special meeting of stockholders and not be taken by written consent;
- provide that stockholders seeking to present proposals before a meeting of stockholders or to nominate candidates for election as directors at a meeting of stockholders must provide notice in writing in a timely manner and also specify requirements as to the form and content of a stockholder's notice;
- do not provide for cumulative voting rights (therefore allowing the holders of a majority of the shares of common stock entitled to vote in any election of directors to elect all of the directors standing for election, if they should so choose);
- provide that special meetings of our stockholders may be called only by the chairman of the board, our Chief Executive Officer or by the board of directors pursuant to a resolution adopted by a majority of the total number of authorized directors; and
- provide that the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) will be the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (i) any derivative action or proceeding brought on our behalf; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers or other employees to us or our stockholders; (iii) any action or proceeding asserting a claim against us or any of our current or former directors, officers or other employees, arising out of or pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or our bylaws; (iv) any action or proceeding to interpret, apply, enforce or determine the validity of our certificate of incorporation or our bylaws; (v) any action or proceeding as to which the Delaware General Corporation Law confers jurisdiction to the Court of Chancery of the State of Delaware; and (vi) any action asserting a claim against us or any of our directors, officers or other employees governed by the internal affairs doctrine, in all cases to the fullest extent permitted by law and subject to the court's having personal jurisdiction over the indispensable parties named as defendants; provided, that, this Delaware forum provision set forth in our amended and restated certificate of incorporation and amended and restated bylaws will not apply to suits brought to enforce a duty or liability created by the Securities Act or the Exchange Act, or any other claim for which the federal courts have exclusive jurisdiction.

Further, 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 federal district courts of the United States will be the exclusive forum for resolution of any complaint asserting a cause of action arising under the Securities Act.

The amendment of any of these provisions, with the exception of the ability of our board of directors to issue shares of preferred stock and designate any rights, preferences and privileges thereto, would require approval by the holders of at least 66 2/3% of our then-outstanding common stock.

Corporate opportunity

Under Delaware law, officers and directors generally have an obligation to present to the company they serve business opportunities that the company is financially able to undertake and that falls within the company's business line and are of practical advantage to the company, or in which the company has an actual or expectant interest. A corollary of this general rule is that when a business opportunity comes to an officer or director that is not one in which the company has an actual or expectant interest, the officer or director is generally not obligated to present it to the company. Potential conflicts of interest may arise when officers and directors learn of business opportunities that would be of material advantage to a company and to one or more other entities of which they serve as officers, directors or other fiduciaries.

Section 122(17) of the Delaware General Corporation Law permits corporations to adopt provisions renouncing any interest or expectancy in certain opportunities that are presented to the corporation or its officers, directors or stockholders. Our amended and restated certificate of incorporation provides that, in the event that a member of our board of directors who is also a partner or employee of an entity that is a holder of our capital stock and that is in the business of investing and reinvesting in other entities, or an employee of an entity that manages such an entity or is an affiliate of such an entity (each, a Fund), acquires knowledge of a potential transaction or other matter in such individual's capacity as a partner or employee of the Fund or the manager or general partner of the Fund (and other than directly in connection with such individual's service as a member of our board of directors) and that may be an opportunity of interest for both the company and such Fund, then we (i) renounce any expectancy that such director or Fund offer an opportunity to participate in such opportunity to us and (ii) to the fullest extent permitted by law, waive any claim that such opportunity constituted an opportunity that should have been presented by such director or Fund to us or any of our affiliates; provided, however, that such director acts in good faith.

Nasdaq Global Market listing

We have applied for listing of our common stock on The Nasdaq Global Market under the symbol "TLIS."

Transfer agent and registrar

The transfer agent and registrar for our common stock is Broadridge Corporate Issuer Solutions, Inc. The transfer agent and registrar's address is 51 Mercedes Way, Edgewood, New York 11717.

Shares eligible for future sale

Immediately prior to this offering, there has been no public market for our common stock. Future sales of substantial amounts of common stock in the public market could adversely affect prevailing market prices. Furthermore, since only a limited number of shares will be available for sale shortly after this offering because of contractual and legal restrictions on resale described below, sales of substantial amounts of common stock in the public market after the restrictions lapse could adversely affect the prevailing market price for our common stock as well as our ability to raise equity capital in the future.

Based on the number of shares of common stock outstanding as of September 30, 2020 and after giving effect to the issuance of 4,859,897 shares of our Series F-1 convertible preferred stock and 9,958,539 shares of our Series F-2 convertible preferred stock from October to November 2020, upon the completion of this offering and assuming (1) the 1-for-1.43 reverse stock split of all outstanding shares of our common stock effected on February 5, 2021 (2) the conversion of all of our outstanding shares of convertible preferred stock, (3) no exercise of the underwriters' option to purchase additional shares of common stock and (4) no exercise of outstanding options, an aggregate of 19,679,876 shares of common stock will be outstanding. All of the shares sold in this offering will be freely tradable in the public market without restriction or further registration under the Securities Act, unless held by an affiliate of ours. Except as set forth below, the remaining shares of common stock outstanding after this offering will be restricted as a result of securities laws or lock-up agreements. In addition, any shares sold in this offering to entities affiliated with our existing stockholders and directors will be subject to lock-up agreements. These remaining shares will generally become available for sale in the public market as follows:

- no restricted shares will be eligible for immediate sale upon the completion of this offering;
- up to 19,679,876 restricted shares will be eligible for sale under Rule 144 or Rule 701 upon expiration of lock-up agreements 180 days after the date of this offering; and
- the remainder of the restricted shares will be eligible for sale from time to time thereafter upon expiration of their respective holding periods under Rule 144, as described below, but could be sold earlier if the holders exercise any available registration rights.

Rule 144

In general, under Rule 144 as currently in effect, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, any person who is not an affiliate of ours and has held their shares for at least six months, including the holding period of any prior owner other than one of our affiliates, may sell shares without restriction, provided current public information about us is available. In addition, under Rule 144, any person who is not an affiliate of ours and has held their shares for at least one year, including the holding period of any prior owner other than one of our affiliates, would be entitled to sell an unlimited number of shares immediately upon the completion of this offering without regard to whether current public information about us is available. Beginning 90 days after the effective date of the registration statement of which this prospectus is a part, a person who is an affiliate of ours and who has beneficially owned restricted securities for at least six months, including the holding period of any prior owner other than one of our affiliates, is entitled to sell a number of restricted shares within any three-month period that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately shares immediately after this offering; or
- the average weekly trading volume of our common stock on The Nasdaq Global Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

Sales of restricted shares under Rule 144 held by our affiliates are also subject to requirements regarding the manner of sale, notice and the availability of current public information about us. Rule 144 also provides that affiliates relying on Rule 144 to sell shares of our common stock that are not restricted shares must nonetheless comply with the same restrictions applicable to restricted shares, other than the holding period requirement.

Notwithstanding the availability of Rule 144, the holders of substantially all of our restricted shares have entered into lock-up agreements as described below and their restricted shares will become eligible for sale at the expiration of the restrictions set forth in those agreements.

Rule 701

Under Rule 701, shares of our common stock acquired upon the exercise of currently outstanding options or pursuant to other rights granted under our stock plans may be resold by:

- persons other than affiliates, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, subject only to the manner-of-sale provisions of Rule 144; and
- our affiliates, beginning 90 days after the effective date of the registration statement of which this prospectus is a part, subject to the manner-of-sale and volume limitations, current public information and filing requirements of Rule 144, in each case, without compliance with the six-month holding period requirement of Rule 144.

As of September 30, 2020, options to purchase a total of 7,424,661 shares of common stock were outstanding, of which 832,718 were vested. Of the total number of shares of our common stock issuable under these options, substantially all are subject to contractual lock-up agreements with us or the underwriters described below under “Underwriting” and will become eligible for sale at the expiration of those agreements unless held by an affiliate of ours.

Lock-up agreements

We, along with our directors, executive officers and all of our other stockholders and optionholders, have agreed that for a period of 180 days, after the date of this prospectus, except with the prior written consent of J.P. Morgan Securities LLC and BofA Securities, Inc. and subject to specified exceptions, we or they will not offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, or otherwise dispose of or transfer, any shares of common stock or Series 1 convertible preferred stock or any securities convertible into or exercisable or exchangeable for shares of common stock or Series 1 convertible preferred stock, or enter into any swap or other arrangement that transfers to another, in whole or in part, directly or indirectly, any of the economic consequences of ownership of the common stock or Series 1 convertible preferred stock. J.P. Morgan Securities LLC and BofA Securities, Inc. have advised us that they have no current intent or arrangement to release any of the shares subject to the lock-up agreements prior to the expiration of the lock-up agreements.

After this offering, certain of our employees, including our executive officers and/or directors, may enter into written trading plans that are intended to comply with Rule 10b5-1 under the Exchange Act. Sales under these trading plans would not be permitted until the expiration of the lock-up agreements relating to the offering described above.

Registration rights

Upon the closing of this offering, the holders of an aggregate of 37,419,106 shares of our common stock will have rights, subject to certain conditions, to require us to file registration statements covering their shares or

to include their shares in registration statements that we may file for ourselves or other stockholders. After registration pursuant to these rights, these shares will become freely tradable without restriction under the Securities Act. See “Description of capital stock—Stockholder registration rights” for additional information regarding these registration rights.

Equity incentive plans

We intend to file with the SEC a registration statement on Form S-8 under the Securities Act covering the shares of common stock reserved for issuance under the 2013 Plan, the 2021 Plan and the ESPP. The registration statement is expected to be filed and become effective as soon as practicable after the completion of this offering. Accordingly, shares registered under the registration statement will be available for sale in the open market following its effective date, subject to Rule 144 volume limitations and the lock-up agreements described above, if applicable.

Material U.S. federal income tax consequences to non-U.S. holders

The following is a summary of the material U.S. federal income tax consequences to non-U.S. holders (as defined below) of the acquisition, ownership and disposition of our common stock issued pursuant to this offering. This discussion is not a complete analysis of all potential U.S. federal income tax consequences relating thereto, does not address the potential application of the Medicare contribution tax on net investment income, and does not address any estate or gift tax consequences or any tax consequences arising under any state, local or foreign tax laws, or any other U.S. federal tax laws. This discussion is based on the Code, and applicable Treasury Regulations promulgated thereunder, judicial decisions and published rulings and administrative pronouncements of the Internal Revenue Service (IRS), all as in effect as of the date hereof. These authorities are subject to differing interpretations and may change, possibly retroactively, resulting in U.S. federal income tax consequences different from those discussed below. We have not requested a ruling from the IRS with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS or a court will agree with such statements and conclusions.

This discussion is limited to non-U.S. holders who purchase our common stock pursuant to this offering and who hold our common stock as a "capital asset" within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a particular holder in light of such holder's circumstances. This discussion also does not consider any specific facts or circumstances that may be relevant to holders subject to special rules under the U.S. federal income tax laws, including:

- certain former citizens or long-term residents of the United States;
- partnerships or other entities or arrangements treated as partnerships for U.S. federal income tax purposes (and investors therein);
- "controlled foreign corporations;"
- "passive foreign investment companies;"
- corporations that accumulate earnings to avoid U.S. federal income tax;
- banks, financial institutions, investment funds, insurance companies, brokers, dealers or traders in securities;
- tax-exempt organizations and governmental organizations;
- tax-qualified retirement plans;
- "qualified foreign pension funds" as defined in Section 897(l)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds;
- persons deemed to sell our common stock under the constructive sale provisions of the Code;
- persons subject to the alternative minimum tax;
- persons that own, or have owned, actually or constructively, more than 5% of our common stock at any time;
- accrual-method taxpayers subject to special tax accounting rules under Section 451(b) of the Code; and
- persons holding our common stock as part of a hedging or conversion transaction, straddle, synthetic security, or other risk reduction strategy or integrated investment.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds our common stock, the U.S. federal income tax treatment of a partner in the partnership will generally depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Partnerships holding our common stock and the partners in such partnerships are urged to consult their tax advisors about the particular U.S. federal income tax consequences to them of holding and disposing of our common stock.

THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE PARTICULAR U.S. FEDERAL INCOME TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING AND DISPOSING OF OUR COMMON STOCK, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER ANY STATE, LOCAL OR FOREIGN TAX LAWS AND ANY OTHER U.S. FEDERAL TAX LAWS.

Definition of non-U.S. holder

For purposes of this discussion, a non-U.S. holder is any beneficial owner of our common stock that is not a “U.S. person” and is not a partnership (including any entity or arrangement treated as a partnership) for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation (or entity treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust (i) whose administration is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (ii) that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

Distributions on our common stock

We have never declared or paid any cash dividends on our capital stock and we do not intend to pay cash dividends on our common stock for the foreseeable future. However, if we make cash or other property distributions on our common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts not treated as dividends for U.S. federal income tax purposes will constitute a return of capital and will first be applied against and reduce a holder’s tax basis in our common stock, but not below zero. Any excess will be treated as gain realized on the sale or other disposition of our common stock and will be treated as described under the section titled “Gain on disposition of our common stock” below.

Subject to the discussions below regarding effectively connected income, backup withholding and Sections 1471 through 1474 of the Code (commonly referred to as FATCA), dividends paid to a non-U.S. holder generally will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends or such lower rate specified by an applicable income tax treaty. To receive the benefit of a reduced treaty rate, a non-U.S. holder must furnish us or our paying agent with a valid IRS Form W-8BEN or IRS Form W-8BEN-E (or applicable successor form) and satisfy applicable certification and other requirements. This certification must be provided to us or our paying agent before the payment of dividends and must be updated periodically. If the non-U.S. holder holds the stock through a financial institution or other agent acting on the non-U.S. holder’s behalf, the

non-U.S. holder will be required to provide appropriate documentation to the agent, which then will be required to provide certification to us or our paying agent, either directly or through other intermediaries.

Non-U.S. holders that do not provide the required certification on a timely basis, but that qualify for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

If a non-U.S. holder holds our common stock in connection with the conduct of a trade or business in the United States, and dividends paid on our common stock are effectively connected with such holder's U.S. trade or business (and are attributable to such holder's permanent establishment in the United States, if required by an applicable tax treaty), the non-U.S. holder will be exempt from U.S. federal withholding tax. To claim the exemption, the non-U.S. holder must generally furnish a valid IRS Form W-8ECI (or applicable successor form) to the applicable withholding agent.

However, any such effectively connected dividends paid on our common stock generally will be subject to U.S. federal income tax on a net income basis at the regular U.S. federal income tax rates in the same manner as if such holder were a resident of the United States. A non-U.S. holder that is a foreign corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain items. Non-U.S. holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

Gain on disposition of our common stock

Subject to the discussions below regarding backup withholding and FATCA, a non-U.S. holder generally will not be subject to U.S. federal income tax on any gain realized on the sale or other disposition of our common stock, unless:

- the gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States, and if required by an applicable income tax treaty, is attributable to a permanent establishment maintained by the non-U.S. holder in the United States;
- the non-U.S. holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition, and certain other requirements are met; or
- our common stock constitutes a "United States real property interest" by reason of our status as a United States real property holding corporation (USRPHC) for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding the disposition or the non-U.S. holder's holding period for our common stock, and our common stock is not "regularly traded" on an established securities market (as defined by applicable Treasury Regulations).

Determining whether we are a USRPHC depends on the fair market value of our U.S. real property interests relative to the fair market value of our other trade or business assets and our foreign real property interests. We believe that we are not currently and do not anticipate becoming a USRPHC for U.S. federal income tax purposes, although there can be no assurance we will not in the future become a USRPHC. If we are or become a USRPHC and the "regularly traded" exception noted above does not apply to the disposition, a non-U.S. holder will generally be taxed on any gain in the same manner as gain that is effectively connected with the conduct of a U.S. trade or business, except that the branch profits tax generally will not apply. Prospective investors are encouraged to consult their own tax advisors regarding the possible consequences to them if we are, or were to become, a USRPHC.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular U.S. federal income tax rates in the same manner as if such holder were a resident of the United States. A non-U.S. holder that is a foreign corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain items. Gain described in the second bullet point above will be subject to U.S. federal income tax at a flat 30% rate (or such lower rate specified by an applicable income tax treaty), but may be offset by certain U.S.-source capital losses (even though the individual is not considered a resident of the United States), provided that the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses. Non-U.S. holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

Information reporting and backup withholding

Annual reports are required to be filed with the IRS and provided to each non-U.S. holder indicating distributions on our common stock paid to such holder and the amount of any tax withheld with respect to those distributions. These information reporting requirements apply even if no withholding was required because the distributions were effectively connected with the holder's conduct of a U.S. trade or business, or withholding was reduced or eliminated by an applicable income tax treaty. This information also may be made available under a specific treaty or agreement with the tax authorities in the country in which the non-U.S. holder resides or is established. Backup withholding, currently at a 24% rate, generally will not apply to payments to a non-U.S. holder of dividends on or the gross proceeds of a disposition of our common stock provided the non-U.S. holder furnishes the required certification for its non-U.S. status, such as by providing a valid IRS Form W-8BEN, IRS Form W-8BEN-E or IRS Form W-8ECI, or certain other requirements are met. Backup withholding may apply if the payor has actual knowledge, or reason to know, that the holder is a U.S. person.

Backup withholding is not an additional tax. If any amount is withheld under the backup withholding rules, the non-U.S. holder should consult with a U.S. tax advisor regarding the possibility of and procedure for obtaining a refund or a credit against the non-U.S. holder's U.S. federal income tax liability, if any.

Withholding on foreign entities

FATCA imposes a U.S. federal withholding tax of 30% on certain payments made to a "foreign financial institution" (as specially defined under these rules) unless such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities certain information regarding certain U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) or an exemption applies. FATCA also generally imposes a U.S. federal withholding tax of 30% on certain payments made to a non-financial foreign entity unless such entity provides the withholding agent a certification identifying certain direct and indirect U.S. owners of the entity or an exemption applies. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements. Under certain circumstances, a non-U.S. holder might be eligible for refunds or credits of such taxes. FATCA currently applies to dividends paid on our common stock. The U.S. Treasury released proposed Treasury Regulations which, if finalized in their present form, would eliminate the federal withholding tax of 30% applicable to the gross proceeds of a sale or other disposition of our common stock. In its preamble to such proposed Treasury Regulations, the U.S. Treasury stated that taxpayers may generally rely on the proposed regulations until final regulations are issued.

Prospective investors are encouraged to consult with their own tax advisors regarding the potential implications of FATCA on their investment in our common stock.

Underwriting

We are offering the shares of common stock described in this prospectus through a number of underwriters. J.P. Morgan Securities LLC, BofA Securities, Inc. and Piper Sandler & Co. are acting as joint book running managers of the offering and as representatives of the underwriters. We have entered into an underwriting agreement with the underwriters. Subject to the terms and conditions of the underwriting agreement, we have agreed to sell to the underwriters, and each underwriter has severally agreed to purchase, at the public offering price less the underwriting discounts and commissions set forth on the cover page of this prospectus, the number of shares of common stock listed next to its name in the following table:

Name	Number of shares
J.P. Morgan Securities LLC	
BofA Securities, Inc.	
Piper Sandler & Co.	
BTIG, LLC	
Total:	10,000,000

The underwriters are committed to purchase all the shares of common stock offered by us if they purchase any shares.

The underwriting agreement also provides that if an underwriter defaults, the purchase commitments of non-defaulting underwriters may also be increased or the offering may be terminated.

The underwriters propose to offer the shares of common stock directly to the public at the initial public offering price set forth on the cover page of this prospectus and to certain dealers at that price less a concession not in excess of $ per share. After the initial offering of the shares to the public, if all of the shares of common stock are not sold at the initial public offering price, the underwriters may change the offering price and the other selling terms. Sales of any shares made outside of the United States may be made by affiliates of the underwriters.

The underwriters have an option to buy up to 1,500,000 additional shares of common stock from us to cover sales of shares by the underwriters which exceed the number of shares specified in the table above. The underwriters have 30 days from the date of this prospectus to exercise this option to purchase additional shares. If any shares are purchased with this option to purchase additional shares, the underwriters will purchase shares in approximately the same proportion as shown in the table above. If any additional shares of common stock are purchased, the underwriters will offer the additional shares on the same terms as those on which the shares are being offered.

The underwriting fee is equal to the public offering price per share of common stock less the amount paid by the underwriters to us per share of common stock. The underwriting fee is $ per share. The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters assuming both no exercise and full exercise of the underwriters' option to purchase additional shares.

	Without option to purchase additional shares exercise	With full option to purchase additional shares exercise
Per Share	$	$
Total	$	$

We estimate that the total expenses of this offering, including registration, filing and listing fees, printing fees and legal and accounting expenses, but excluding the underwriting discounts and commissions, will be approximately $3.2 million. We have also agreed to reimburse the underwriters for certain of their expenses incurred in connection with, among others, the review and clearance by the Financial Industry Regulatory Authority, Inc. in an amount not to exceed $40,000.

At our request, the underwriters have reserved for sale, at the initial public offering price, up to 5% of the shares offered by this prospectus for sale to some of our directors, officers, employees and related persons through a directed share program. If these persons purchase reserved shares, this will reduce the number of shares available for sale to the general public. Any reserved shares that are not so purchased will be offered by the underwriters to the general public on the same terms as the other shares offered by this prospectus.

A prospectus in electronic format may be made available on the web sites maintained by one or more underwriters, or selling group members, if any, participating in the offering. The underwriters may agree to allocate a number of shares to underwriters and selling group members for sale to their online brokerage account holders. Internet distributions will be allocated by the representatives to underwriters and selling group members that may make Internet distributions on the same basis as other allocations.

We have agreed that we will not (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, or submit to, or file with, the Securities and Exchange Commission a registration statement under the Securities Act of 1933, or the Securities Act, relating to, any shares of our common stock or securities convertible into or exercisable or exchangeable for any shares of our common stock, or publicly disclose the intention to make any offer, sale, pledge, loan, disposition or filing, or (ii) enter into any swap or other arrangement that transfers all or a portion of the economic consequences associated with the ownership of any shares of common stock or any such other securities (regardless of whether any of these transactions are to be settled by the delivery of shares of common stock or such other securities, in cash or otherwise), in each case without the prior written consent of J.P. Morgan Securities LLC and BofA Securities, Inc. for a period of 180 days after the date of this prospectus, other than the shares of our common stock to be sold in this offering.

Our directors and executive officers, and certain of our significant stockholders (such persons, the lock-up parties) have entered into lock-up agreements with the underwriters prior to the commencement of this offering pursuant to which each lock-up party, with limited exceptions, for a period of 180 days after the date of this prospectus (such period, the restricted period), may not (and may not cause any of their direct or indirect affiliates to), without the prior written consent of J.P. Morgan Securities LLC and BofA Securities, Inc., (1) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of, directly or indirectly, any shares of our common stock or any securities convertible into or exercisable or exchangeable for our common stock (including, without limitation, common stock or such other securities which may be deemed to be beneficially owned by such lock-up parties in accordance with the rules and regulations of the SEC and securities which may be issued upon exercise of a stock option or warrant (collectively with the common stock, the lock-up securities)), (2) enter into any hedging, swap or other agreement or transaction that transfers, in whole or in part, any of the economic consequences of ownership of the lock-up securities, whether any such transaction described in clause (1) or (2) above is to be settled by delivery of lock-up securities, in cash or otherwise, (3) make any demand for, or exercise any right with respect to, the registration of any lock-up securities, or (4) publicly disclose the intention to do any of the foregoing. Such persons or entities have further acknowledged that these undertakings preclude them from engaging in any hedging or other transactions or arrangements (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) designed or intended, or which could reasonably be expected to lead to or result in, a sale

or disposition or transfer (by any person or entity, whether or not a signatory to such agreement) of any economic consequences of ownership, in whole or in part, directly or indirectly, of any lock-up securities, whether any such transaction or arrangement (or instrument provided for thereunder) would be settled by delivery of lock-up securities, in cash or otherwise. The lock-up party further confirms that it has furnished J.P. Morgan Securities LLC and BofA Securities, Inc. with the details of any transaction that the lock-up party, or any of its affiliates, is a party to as of the date of this prospectus, which transaction would have been restricted by the lock-up agreement if it had been entered into by the lock-up party during the restricted period.

The restrictions described in the immediately preceding paragraph and contained in the lock-up agreements between the underwriters and the lock-up parties do not apply, subject in certain cases to various conditions, to certain transactions, including (a) transfers of lock-up securities: (i) as bona fide gifts, or for bona fide estate planning purposes, (ii) by will, other testamentary document or intestacy, (iii) to any trust or other legal entity for the direct or indirect benefit of the lock-up party or any immediate family member, or if the lock-up party is a trust, to a trustor or beneficiary of the trust or to the estate of a beneficiary of such trust, (iv) to a partnership, limited liability company or other entity of which the lock-up party and its immediate family members are the legal and beneficial owner of all of the outstanding equity securities or similar interests, (v) to a nominee or custodian of a person or entity to whom a disposition or transfer would be permissible under clauses (i) through (iv), (vi) in the case of a corporation, partnership, limited liability company, trust or other business entity, (A) to another corporation, partnership, limited liability company, trust or other business entity that is an affiliate of the lock-up party, or to any investment fund or other entity controlling, controlled by, managing or managed by or under common control with the lock-up party or its affiliates (including, for the avoidance of doubt, where the lock-up party is a partnership, to its general partner or a successor partnership or fund, or any other funds managed by such partnership) or (B) as part of a distribution to members, partners or stockholders of the lock-up party, (vii) by operation of law, (viii) to us from an employee, independent contractor or other service provider upon death, disability or termination of employment or cessation of services, in each case, of such employee, independent contractor or service provider, (ix) as part of a sale of lock-up securities acquired from the underwriters in this offering or in open market transactions after the date of this prospectus, (x) to us in connection with the vesting, settlement or exercise of restricted stock units, options, warrants or other rights to purchase shares of our common stock (including, in each case, by way of “net” or “cashless” exercise), including for the payment of exercise price and tax and remittance payments due as a result of the vesting, settlement, or exercise of such restricted stock units, options, warrants or rights, provided that any such shares of our common stock received upon such exercise, vesting or settlement shall be subject to the terms of the lock-up agreement, and provided further that any such restricted stock units, options, warrants or rights are held by the lock-up party pursuant to an agreement or equity awards granted under a stock incentive plan or other equity award plan, each such agreement or plan which is described in this prospectus, or (xi) pursuant to a bona fide third party tender offer, merger, consolidation or other similar transaction approved by our board of directors and made to all stockholders involving a change in control, provided that if such transaction is not completed, all such lock-up securities would remain subject to the restrictions in the immediately preceding paragraph; (b) exercise of the options, settlement of RSUs or other equity awards, or the exercise of warrants granted pursuant to plans or agreements described in this prospectus, provided that any lock-up securities received upon such exercise, vesting or settlement would be subject to restrictions similar to those in the immediately preceding paragraph; (c) the conversion of outstanding preferred stock, warrants to acquire preferred stock or convertible securities outstanding as of the consummation of this offering into shares of our common stock or warrants to acquire shares of our common stock, provided that any common stock or warrant received upon such conversion would be subject to restrictions similar to those in the immediately preceding paragraph; and (d) the establishment by lock-up parties of trading plans under Rule 10b5-1 under the Exchange Act for the transfer of lock-up securities, provided that such plan does not provide for the transfer of lock-up securities during the restricted period and

no filing by any person under the Exchange Act or other public announcement shall be required or made voluntarily in connection with the establishment of the trading plan during the restricted period in contravention of the lock-up agreement.

J.P. Morgan Securities LLC and BofA Securities, Inc., in their sole discretion, may release the securities subject to any of the lock-up agreements with the underwriters described above, in whole or in part at any time.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act.

We have applied to list our common stock on the The Nasdaq Global Market under the symbol “TLIS.”

In connection with this offering, the underwriters may engage in stabilizing transactions, which involves making bids for, purchasing and selling shares of common stock in the open market for the purpose of preventing or retarding a decline in the market price of the common stock while this offering is in progress. These stabilizing transactions may include making short sales of common stock, which involves the sale by the underwriters of a greater number of shares of common stock than they are required to purchase in this offering, and purchasing shares of common stock on the open market to cover positions created by short sales. Short sales may be “covered” shorts, which are short positions in an amount not greater than the underwriters’ option to purchase additional shares referred to above, or may be “naked” shorts, which are short positions in excess of that amount. The underwriters may close out any covered short position either by exercising their option to purchase additional shares, in whole or in part, or by purchasing shares in the open market. In making this determination, the underwriters will consider, among other things, the price of shares available for purchase in the open market compared to the price at which the underwriters may purchase shares through the option to purchase additional shares. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market that could adversely affect investors who purchase in this offering. To the extent that the underwriters create a naked short position, they will purchase shares in the open market to cover the position.

The underwriters have advised us that, pursuant to Regulation M of the Securities Act, they may also engage in other activities that stabilize, maintain or otherwise affect the price of the common stock, including the imposition of penalty bids. This means that if the representatives of the underwriters purchase common stock in the open market in stabilizing transactions or to cover short sales, the representatives can require the underwriters that sold those shares as part of this offering to repay the underwriting discount received by them.

These activities may have the effect of raising or maintaining the market price of the common stock or preventing or retarding a decline in the market price of the common stock, and, as a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. If the underwriters commence these activities, they may discontinue them at any time. The underwriters may carry out these transactions on The Nasdaq Global Market, in the over the counter market or otherwise.

Prior to this offering, there has been no public market for our common stock. The initial public offering price will be determined by negotiations between us and the representatives of the underwriters. In determining the initial public offering price, we and the representatives of the underwriters expect to consider a number of factors including:

- the information set forth in this prospectus and otherwise available to the representatives;
- our prospects and the history and prospects for the industry in which we compete;
- an assessment of our management;
- our prospects for future earnings;

- the general condition of the securities markets at the time of this offering;
- the recent market prices of, and demand for, publicly-traded common stock of generally comparable companies; and
- other factors deemed relevant by the underwriters and us.

Neither we nor the underwriters can assure investors that an active trading market will develop for our shares of common stock, or that the shares will trade in the public market at or above the initial public offering price.

Other relationships

Certain of the underwriters and their affiliates have provided in the past to us and our affiliates and may provide from time to time in the future certain commercial banking, financial advisory, investment banking and other services for us and such affiliates in the ordinary course of their business, for which they have received and may continue to receive customary fees and commissions. In particular, we are party to a $33.0 million standby letter of credit with J.P. Morgan Chase Bank, N.A., as terms of collateral that were required by one of our contract manufacturing organizations. The letter of credit was set to expire on December 31, 2020 but automatically extended to December 31, 2021 when we did not terminate the agreement 90 days prior to the original expiration date. In addition, from time to time, certain of the underwriters and their affiliates may effect transactions for their own account or the account of customers, and hold on behalf of themselves or their customers, long or short positions in our debt or equity securities or loans, and may do so in the future.

Selling restrictions

General

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the securities offered by this prospectus in any jurisdiction where action for that purpose is required. The securities offered by this prospectus may not be offered or sold, directly or indirectly, nor may this prospectus or any other offering material or advertisements in connection with the offer and sale of any such securities be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. Persons into whose possession this prospectus comes are advised to inform themselves about and to observe any restrictions relating to the offering and the distribution of this prospectus. This prospectus does not constitute an offer to sell or a solicitation of an offer to buy any securities offered by this prospectus in any jurisdiction in which such an offer or a solicitation is unlawful.

Notice to prospective investors in Canada

The shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit

prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Notice to prospective investors in the European Economic Area

In relation to each Member State of the European Economic Area (each, a Relevant State), no shares have been offered or will be offered pursuant to the offering to the public in that Relevant State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that the shares may be offered to the public in that Relevant State at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of shares shall require us or any of the representatives to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

Each person in a Relevant State who initially acquires any shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the company and the underwriters that it is a qualified investor within the meaning of the Prospectus Regulation.

In the case of any shares being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in a Relevant State to qualified investors, in circumstances in which the prior consent of the underwriters has been obtained to each such proposed offer or resale.

We, the underwriters and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgments and agreements.

For the purposes of this provision, the expression an "offer to the public" in relation to shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

The above selling restriction is in addition to any other selling restrictions set out below.

In connection with the offering, the underwriters are not acting for anyone other than the issuer and will not be responsible to anyone other than the issuer for providing the protections afforded to their clients nor for providing advice in relation to the offering.

Notice to prospective investors in the United Kingdom

No shares have been offered or will be offered pursuant to the offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the shares which has been approved by the Financial Conduct Authority, except that the shares may be offered to the public in the United Kingdom at any time:

(a) to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;

(b) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or

(c) in any other circumstances falling within Section 86 of the Financial Services and Markets Act 2000, as amended (FSMA).

provided that no such offer of the shares shall require us or any of the representatives to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

In the case of any shares being offered to a financial intermediary as that term is used in Article 5(1) of the UK Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in the United Kingdom to qualified investors, in circumstances in which the prior consent of the underwriters has been obtained to each such proposed offer or resale.

We, the underwriters and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgments and agreements.

For the purposes of this provision, the expression an “offer to the public” in relation to the shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

This document is for distribution only to persons who (i) have professional experience in matters relating to investments and who qualify as investment professionals within the meaning of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the Financial Promotion Order), (ii) are persons falling within Article 49(2)(a) to (d) (“high net worth companies, unincorporated associations, etc.”) of the Financial Promotion Order, (iii) are outside the United Kingdom, or (iv) are persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of any securities may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as relevant persons). This document is directed only at relevant persons and must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

Notice to prospective investors in Switzerland

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange (SIX) or on any other stock exchange or regulated trading facility in Switzerland. This document does not constitute a

prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering us the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA), and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes (CISA). The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

Notice to prospective investors in Australia

This prospectus:

- does not constitute a disclosure document or a prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (Corporations Act);
- has not been, and will not be, lodged with the Australian Securities and Investments Commission (ASIC), as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document for the purposes of the Corporations Act; and
- may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors, available under section 708 of the Corporations Act (Exempt Investors).

The shares may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the shares may be issued, and no draft or definitive offering memorandum, advertisement or other offering material relating to any shares may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the shares, you represent and warrant to us that you are an Exempt Investor.

As any offer of shares under this document will be made without disclosure in Australia under Chapter 6D.2 of the Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the shares you undertake to us that you will not, for a period of 12 months from the date of issue of the shares, offer, transfer, assign or otherwise alienate those shares to investors in Australia except in circumstances where disclosure to investors is not required under Chapter 6D.2 of the Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Notice to prospective investors in Japan

The shares have not been and will not be registered pursuant to Article 4, Paragraph 1 of the Financial Instruments and Exchange Act. Accordingly, none of the shares nor any interest therein may be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any “resident” of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to or for the benefit of a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance

with, the Financial Instruments and Exchange Act and any other applicable laws, regulations and ministerial guidelines of Japan in effect at the relevant time.

Notice to prospective investors in Hong Kong

The shares have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (SFO) of Hong Kong and any rules made thereunder; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the CO) or which do not constitute an offer to the public within the meaning of the CO. No advertisement, invitation or document relating to the shares has been or may be issued or has been or may be in the possession of any person for the purposes of issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made thereunder.

Notice to prospective investors in Singapore

Singapore SFA Product Classification — In connection with Section 309B of the SFA and the CMP Regulations 2018, unless otherwise specified before an offer of shares, we have determined, and hereby notify all relevant persons (as defined in Section 309A(1) of the SFA), that the shares are "prescribed capital markets products" (as defined in the CMP Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA).

04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products.

Each underwriter has acknowledged that this prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each underwriter has represented and agreed that it has not offered or sold any shares or caused the shares to be made the subject of an invitation for subscription or purchase and will not offer or sell any shares or cause the shares to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares, whether directly or indirectly, to any person in Singapore other than:

(a) to an institutional investor (as defined in Section 4A of the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (SFA)) pursuant to Section 274 of the SFA;

(b) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA and in accordance with the conditions specified in Section 275 of the SFA; or

(c) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities or securities-based

derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the shares pursuant to an offer made under Section 275 of the SFA except

(i) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 276(4)(i)(B) of the SFA;

(ii) where no consideration is or will be given for the transfer;

(iii) where the transfer is by operation of law;

(iv) as specified in Section 276(7) of the SFA; or

(v) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

Notice to prospective investors in China

This prospectus will not be circulated or distributed in the PRC and the shares will not be offered or sold, and will not be offered or sold to any person for re-offering or resale directly or indirectly to any residents of the PRC except pursuant to any applicable laws and regulations of the PRC. Neither this prospectus nor any advertisement or other offering material may be distributed or published in the PRC, except under circumstances that will result in compliance with applicable laws and regulations.

Notice to prospective investors in Korea

The shares have not been and will not be registered under the Financial Investments Services and Capital Markets Act of Korea and the decrees and regulations thereunder (FSCMA), and the shares have been and will be offered in Korea as a private placement under the FSCMA. None of the shares may be offered, sold or delivered directly or indirectly, or offered or sold to any person for re-offering or resale, directly or indirectly, in Korea or to any resident of Korea except pursuant to the applicable laws and regulations of Korea, including the FSCMA and the Foreign Exchange Transaction Law of Korea and the decrees and regulations thereunder (FETL). The shares have not been listed on any of securities exchanges in the world including, without limitation, the Korea Exchange in Korea. Furthermore, the purchaser of the shares shall comply with all applicable regulatory requirements (including but not limited to requirements under the FETL) in connection with the purchase of the shares. By the purchase of the shares, the relevant holder thereof will be deemed to represent and warrant that if it is in Korea or is a resident of Korea, it purchased the shares pursuant to the applicable laws and regulations of Korea.

Notice to prospective investors in Taiwan

The shares have not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the shares in Taiwan.

Notice to prospective investors in Saudi Arabia

This document may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations as issued by the board of the Saudi Arabian Capital Market Authority

(CMA) pursuant to resolution number 2-11-2004 dated 4 October 2004 as amended by resolution number 1-28-2008, as amended. The CMA does not make any representation as to the accuracy or completeness of this document and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this document. Prospective purchasers of the securities offered hereby should conduct their own due diligence on the accuracy of the information relating to the securities. If you do not understand the contents of this document, you should consult an authorized financial advisor.

Notice to prospective investors in the Dubai International Financial Centre (DIFC)

This document relates to an Exempt Offer in accordance with the Markets Rules 2012 of the Dubai Financial Services Authority (DFSA). This document is intended for distribution only to persons of a type specified in the Markets Rules 2012 of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus supplement nor taken steps to verify the information set forth herein and has no responsibility for this document. The securities to which this document relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this document you should consult an authorized financial advisor.

In relation to its use in the DIFC, this document is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient, and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the DIFC.

Notice to prospective investors in the United Arab Emirates

The shares have not been, and are not being, publicly offered, sold, promoted or advertised in the United Arab Emirates (including the DIFC) other than in compliance with the laws of the United Arab Emirates (and the DIFC) governing the issue, offering and sale of securities. Further, this prospectus does not constitute a public offer of securities in the United Arab Emirates (including the DIFC) and is not intended to be a public offer. This prospectus has not been approved by or filed with the Central Bank of the United Arab Emirates, the Securities and Commodities Authority or the DFSA.

Notice to prospective investors in Bermuda

Shares may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act of 2003 of Bermuda which regulates the sale of securities in Bermuda. Additionally, non-Bermudian persons (including companies) may not carry on or engage in any trade or business in Bermuda unless such persons are permitted to do so under applicable Bermuda legislation.

Notice to prospective investors in the British Virgin Islands

The shares are not being, and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on behalf of us. The shares may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

Notice to prospective investors in South Africa

Due to restrictions under the securities laws of South Africa, no “offer to the public” (as such term is defined in the South African Companies Act, No. 71 of 2008 (as amended or re-enacted) (South African Companies Act)) is

being made in connection with the issue of the shares in South Africa. Accordingly, this document does not, nor is it intended to, constitute a "registered prospectus" (as that term is defined in the South African Companies Act) prepared and registered under the South African Companies Act and has not been approved by, and/or filed with, the South African Companies and Intellectual Property Commission or any other regulatory authority in South Africa. The shares are not offered, and the offer shall not be transferred, sold, renounced or delivered, in South Africa or to a person with an address in South Africa, unless one or other of the following exemptions stipulated in section 96(1) applies:

Section 96(1)(a) The offer, transfer, sale renunciation or delivery is to:

(i) persons whose ordinary business, or part of whose ordinary business, is to deal in securities, as principal or agent;

(ii) the South African Public Investment Corporation;

(iii) persons or entities regulated by the Reserve Bank of South Africa;

(iv) authorized financial service providers under South African law;

(v) financial institutions recognized as such under South African law;

(vi) a wholly-owned subsidiary of any person or entity contemplated in (c), (d) or (e), acting as agent in the capacity of an authorized portfolio manager for a pension fund, or as manager for a collective investment scheme (in each case duly registered as such under South African law); or

(vii) any combination of the person in (i) to (vi); or

Section 96(1)(b) the total contemplated acquisition cost of the securities, for any single addressee acting as principal is equal to or greater than ZAR1,000,000 or such higher amount as may be promulgated by notice in the Government Gazette of South Africa pursuant to section 96(2)(a) of the South African Companies Act.

Information made available in this prospectus should not be considered as "advice" as defined in the South African Financial Advisory and Intermediary Services Act, 2002.

Notice to prospective investors in Israel

This document does not constitute a prospectus under the Israeli Securities Law, 5728-1968, (the Israeli Securities Law), and has not been filed with or approved by the Israel Securities Authority. In Israel, this prospectus is being distributed only to, and is directed only at, and any offer of the shares of common stock is directed only at, (i) a limited number of persons in accordance with the Israeli Securities Law and (ii) investors listed in the first addendum (the Addendum), to the Israeli Securities Law, consisting primarily of joint investment in trust funds, provident funds, insurance companies, banks, portfolio managers, investment advisors, members of the Tel Aviv Stock Exchange, underwriters, venture capital funds, entities with equity in excess of NIS 50 million and "qualified individuals," each as defined in the Addendum (as it may be amended from time to time), collectively referred to as qualified investors (in each case, purchasing for their own account or, where permitted under the Addendum, for the accounts of their clients who are investors listed in the Addendum). Qualified investors are required to submit written confirmation that they fall within the scope of the Addendum, are aware of the meaning of same and agree to it.

Legal matters

The validity of the shares of common stock being offered by this prospectus will be passed upon for us by Cooley LLP. The underwriters are being represented by Latham & Watkins LLP, Menlo Park, California.

Experts

Ernst & Young LLP, independent registered public accounting firm, has audited our financial statements at December 31, 2018 and 2019, and for each of the two years in the period ended December 31, 2019, as set forth in their report. We have included our financial statements in this prospectus and elsewhere in the registration statement in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

Where you can find additional information

We have filed with the SEC a registration statement on Form S-1 under the Securities Act, with respect to the shares of common stock being offered by this prospectus. This prospectus does not contain all of the information in the registration statement and its exhibits. For further information with respect to us and the common stock offered by this prospectus, we refer you to the registration statement and its exhibits. Statements contained in this prospectus as to the contents of any contract or any other document referred to are not necessarily complete, and in each instance, we refer you to the copy of the contract or other document filed as an exhibit to the registration statement. Each of these statements is qualified in all respects by this reference.

You can read our SEC filings, including the registration statement, over the Internet at the SEC's website at www.sec.gov. The information on the SEC's website is not part of this prospectus, and any references to this web site or any other web site are inactive textual references only. You may also request a copy of these filings, at no cost, by writing us at 230 Constitution Drive, Menlo Park, California 94025 or calling us at (650) 433-3000.

Upon the completion of this offering, we will be subject to the information reporting requirements of the Exchange Act, and we will file reports, proxy statements and other information with the SEC. These reports, proxy statements and other information will be available on the website of the SEC referred to above. We also maintain a website at http://talis.bio, at which, following the completion of this offering, you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. The information contained in, or that can be accessed through, our website is not incorporated by reference in, and is not part of, this prospectus.

Talis Biomedical Corporation
Index to financial statements

Report of independent registered public accounting firm

To the Stockholders and the Board of Directors of Talis Biomedical Corporation

Opinion on the financial statements

We have audited the accompanying balance sheets of Talis Biomedical Corporation (the Company) as of December 31, 2018 and 2019, the related statements of operations and comprehensive loss, convertible preferred stock and stockholders' deficit, and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2018 and 2019, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2019 in conformity with U.S. generally accepted accounting principles.

The Company's ability to continue as a going concern

Since the date of completion of our audit of the accompanying financial statements and initial issuance of our report thereon dated October 15, 2020, which report contained an explanatory paragraph regarding the Company's ability to continue as a going concern, the Company, as discussed in Note 15, has completed issuances of its Series F-1 and Series F-2 convertible preferred stock resulting in total net proceeds of $123.5 million. Therefore, the conditions that raised substantial doubt about whether the Company will continue as a going concern no longer exist.

Basis for opinion

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

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2016.

Redwood City, California
October 15, 2020, except for paragraphs five through six of Note 1, the fourth paragraph of Note 2 and paragraphs six through eight, and twelve through eighteen of Note 15, as to which the date is February 8, 2021

Talis Biomedical Corporation
Balance sheets
(in thousands, except for share and par value)

	December 31, 2018	December 31, 2019
Assets		
Current assets:		
Cash	$ 6,895	$ 21,604
Unbilled grant receivables	1,997	1,806
Prepaid expenses and other current assets	444	697
Total current assets	9,336	24,107
Property and equipment, net	1,811	1,535
Other long term assets	231	91
Total assets	$ 11,378	$ 25,733
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable	$ 1,509	$ 1,566
Accrued expenses and other current liabilities	1,859	2,471
Total current liabilities	3,368	4,037
Non-current liabilities:		
Deferred rent, net of current portion	316	81
Total liabilities	3,684	4,118
Commitments and contingencies (Note 7)		
Convertible preferred stock, $0.0001 par value; 23,629,771 and 127,144,422 shares authorized as of December 31, 2018 and 2019, respectively; 2,333,837 and 37,871,430 shares issued and outstanding as of December 31, 2018 and 2019, respectively; aggregate liquidation preference of $62,678 as of December 31, 2019	59,696	42,755
Stockholders' deficit:		
Common stock, $0.0001 par value; 42,000,000 and 82,000,000 Class A shares authorized at December 31, 2018 and 2019, respectively, 525,632 and 2,115,583 shares issued and outstanding at December 31, 2018 and 2019, respectively; No Class B shares authorized at December 31, 2018 and 20,000,000 Class B shares authorized at December 31, 2019, none issued and outstanding at December 31, 2019	—	—
Additional paid-in capital	2,300	60,636
Accumulated deficit	(54,302)	(81,776)
Total stockholders' deficit	(52,002)	(21,140)
Total liabilities, convertible preferred stock and stockholders' deficit	$ 11,378	$ 25,733

See accompanying notes to the financial statements

Talis Biomedical Corporation
Statements of operations and comprehensive loss
(in thousands, except for share and per share amounts)

	Year ended December 31,	
	2018	**2019**
Grant revenue	$ 2,390	$ 3,977
Operating expenses:		
Research and development	18,388	23,812
General and administrative	5,432	6,864
Total operating expenses	23,820	30,676
Loss from operations	(21,430)	(26,699)
Other income (expense):		
Change in estimated fair value of convertible notes	—	(817)
Interest income, net	93	42
Total other income (expense), net:	93	(775)
Net loss and comprehensive loss	$ (21,337)	$ (27,474)
Net (loss) income attributable to Class A common stockholders	$ (21,337)	$ 26,382
Net (loss) income per share attributable to Class A common stockholders:		
Basic	$ (40.62)	$ 34.34
Diluted	$ (40.62)	$ (12.77)
Weighted average shares used in the calculation of net (loss) income per share attributable to Class A common stockholders:		
Basic	525,244	768,366
Diluted	525,244	2,150,644

See accompanying notes to the financial statements

Talis Biomedical Corporation
Statements of convertible preferred stock and stockholders' deficit
(in thousands, except for share amounts)

	Convertible preferred stock		Class A common stock		Additional paid in capital	Accumulated deficit	Stockholders' deficit
	Shares	Value	Shares	Value			
Balance at December 31, 2017	2,333,837	$ 59,696	524,810	$ —	$ 1,613	$ (32,965)	$ (31,352)
Issuance of Class A Common Stock upon exercise of stock options	—	—	822	—	8	—	8
Stock-based compensation expense	—	—	—	—	679	—	679
Net loss	—	—	—	—	—	(21,337)	(21,337)
Balance at December 31, 2018	2,333,837	59,696	525,632	—	2,300	(54,302)	(52,002)
Equity Transactions—conversion of Series A, B, C convertible preferred stock into Series D-1 convertible preferred stock; issuance of Series C-1 convertible preferred stock, net of issuance costs of $338; conversion of Series D-1 convertible preferred stock into Class A Common Stock	20,447,071	(38,132)	1,588,726	—	56,241	—	56,241
Issuance of Series D-1 convertible preferred stock, net of issuance costs of $36	2,330,899	1,536	—	—	319	—	319
Issuance of Series D-2 convertible preferred stock, net of issuance costs of $87	5,822,371	3,838	—	—	792	—	792
Settlement of convertible notes into Series D-2 convertible preferred stock	6,937,252	15,817	—	—	—	—	—
Issuance of Class A Common Stock upon exercise of stock options	—	—	1,225	—	19	—	19
Stock-based compensation expense	—	—	—	—	965	—	965
Net loss	—	—	—	—	—	(27,474)	(27,474)
Balance at December 31, 2019	37,871,430	$ 42,755	2,115,583	$ —	$ 60,636	$ (81,776)	$ (21,140)

See accompanying notes to the financial statements

Talis Biomedical Corporation
Statements of cash flows
(in thousands)

	Year ended December 31,	
	2018	**2019**
Operating activities		
Net loss	$ (21,337)	$ (27,474)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	679	965
Depreciation and amortization	647	726
Changes in estimated fair value of convertible notes	—	817
Changes in operating assets and liabilities:		
Unbilled grant receivables	(1,997)	192
Prepaid expenses and other current assets	28	(255)
Accounts payable	599	185
Accrued expenses and other liabilities	386	378
Other long term assets	52	140
Net cash used in operating activities	(20,943)	(24,326)
Investing activities		
Purchase of property and equipment	(533)	(578)
Net cash used in investing activities	(533)	(578)
Financing activities		
Proceeds from the issuance of convertible preferred stock, net of issuance costs	—	24,594
Proceeds from issuance of convertible note	—	15,000
Proceeds from stock option exercises	8	19
Net cash provided by financing activities	8	39,613
Net (decrease) increase in cash	(21,468)	14,709
Cash at beginning of period	28,363	6,895
Cash at end of period	$ 6,895	$ 21,604
Supplemental disclosure of noncash investing and financing activities		
Noncash impact of Equity Transactions (see Note 9)	$ —	$ 56,241
Gain on issuance of Series D-1 convertible preferred stock	$ —	$ 319
Gain on issuance of Series D-2 convertible preferred stock	$ —	$ 792
Conversion of convertible notes into series D-2 convertible preferred stock	$ —	$ 15,817
Property and equipment purchases included in accounts payable and accrued expenses	$ 128	$ —

See accompanying notes to the financial statements

Talis Biomedical Corporation
Notes to the financial statements

1. Organization and nature of business

Talis Biomedical Corporation (Company) is a molecular diagnostic company focused on transforming diagnostic testing through innovative molecular diagnostic products that enable customers to deploy accurate, reliable, low cost and rapid point-of-care testing for infectious diseases and other conditions. The Company was incorporated in 2013 under the general laws of the State of Delaware and is based in Menlo Park, California and Chicago, Illinois.

The Company has developed the Talis One platform, designed to be a fully integrated, and cloud-enabled, portable molecular diagnostic solution that customers can rapidly deploy when and where needed.

The Company expects its first commercial product utilizing the Talis One platform to be a rapid, point-of-care molecular diagnostic test to detect SARS-CoV-2 (COVID-19) directly from a patient sample (COVID-19 test). The Company is also developing assays for the detection of other respiratory infections that could be included as a panel test with the COVID-19 test as well as assays for infections related to women's health and sexually transmitted infections.

The Company is currently conducting research and development activities to operationalize and commercialize the Talis One platform and its associated diagnostic tests. The Company's products require approval or clearance from the U.S Food and Drug Administration (FDA) prior to commercialization. Due to the COVID-19 global pandemic, the Company expects that its COVID-19 test will be authorized for marketing and commercialized under the FDA's Emergency Use Authorization (EUA), rather than being required to go through a traditional marketing authorization process.

Liquidity

The Company has incurred operating losses since inception, including net losses of $27.5 million for the year ended December 31, 2019. As of December 31, 2019, the Company had unrestricted cash of $21.6 million to fund future operations. Management expects to continue to incur additional substantial losses in the foreseeable future as a result of the Company's research and development activities. The Company will need to raise additional capital to support the completion of its research and development activities and commercialization activities associated with the Company's EUA, if approved by the FDA, submitted in January 2021. The Company's activities are subject to significant risks and uncertainties, including failing to secure additional funding to continue to operationalize the Company's current technology and to advance the development of its products. We expect that the Company's cash as of December 31, 2019, along with the proceeds from its May 2020 and June 2020 Series C-1, D-1 and D-2 financing (see Note 15), its June 2020 and July 2020 Series E-1 and E-2 financings (see Note 15), and its October and November 2020 Series F-1 and F-2 financings (see Note 15) will be sufficient to fund its operations through at least one year from February 8, 2021, the date the financial statements are available to be issued.

The Company expects to finance its future operations with its existing restricted and unrestricted cash and through strategic financing opportunities that could include, but are not limited to, an initial public offering (IPO) of its common stock, future offerings of its equity, grant agreements, or the incurrence of debt. However, there is no guarantee that any of these strategic or financing opportunities will be executed or realized on favorable terms, if at all, and some could be dilutive to existing stockholders. The Company's ability to raise additional capital through either the issuance of equity or debt, is dependent on a number of factors including, but not limited to, the demand for the Company, which itself is subject to a number of development and business risks and uncertainties, as well as the uncertainty that the Company would be able to raise such additional capital at a price or on terms that are favorable to the Company.

2. Summary of significant accounting policies

Basis of presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Exchange of common stock

In March 2019, the Company's Board of Directors (Board) approved and the Company filed its Third Amended and Restated Certificate of Incorporation to authorize the issuance of up to 62,000,000 shares of the Company's Class A Common Stock (Class A Common Stock) and 20,000,000 shares of the Company's Class B Non-Voting Common Stock (Class B Common Stock), each with a par value of $0.0001 per share. In conjunction with the Amended and Restated Certificate of Incorporation, the Company exchanged all outstanding shares of the Company's common stock and options to purchase common stock for an equal number of shares of Class A Common Stock and options to purchase Class A Common Stock. There were no changes in rights and privileges between the legacy common stock and Class A Common Stock. The accompanying financial statements and related notes has been retroactively revised to reflect the common stock as Class A Common Stock to reflect this change in capital structure.

December 2019 reverse stock split

In October 2019, the Board approved, and on November 1, 2019 and December 3, 2019, the Company filed its Fourth and Fifth Amended and Restated Certificate of Incorporation, respectively. The Fourth Amended and Restated Certificate of Incorporation amended the number of shares of Class A Common Stock and Class B Common Stock authorized for issuance to 82,000,000 and 20,000,000, respectively. The Fifth Amended and Restated Certificate of Incorporation was filed to effect a 1-for-10 reverse split (Reverse Split) of shares of Class A Common Stock and all classes of its convertible preferred stock. All share and per share data shown in the accompanying financial statements and related notes has been retroactively revised to reflect the Reverse Split. Upon the effectiveness of the Reverse Split, shares of all classes of its convertible preferred stock, Class A Common Stock, Class A Common Stock underlying outstanding stock options and other equity instruments were

proportionately reduced and the respective exercise prices, if applicable, were proportionately increased in accordance with the terms of the agreements governing such securities. Shares of Class A Common Stock reserved for issuance upon the conversion of all classes of the convertible preferred stock were proportionately reduced and the respective conversion prices were proportionately increased. The par value per share and the authorized number of shares of Class A Common Stock and Class B Common Stock were not adjusted as a result of the Reverse Split.

February 2021 reverse stock split

On February 5, 2021, the Company amended and restated its amended and restated certificate of incorporation to effect a 1-for-1.43 reverse split (2021 Reverse Split) of shares of the Company's common stock. The par value and authorized shares of common stock were not adjusted as a result of the 2021 Reverse Split. Shares of the Company's convertible preferred stock were not subject to the 2021 Reverse Split. All of the share and per share information included in the accompanying financial statements has been retroactively adjusted to reflect the 2021 Reverse Split.

Segment information

Operating segments are defined as components of an enterprise about which separate discrete information is available for evaluation by the chief operating decision maker, or decision-making group, in deciding how to allocate resources and in assessing performance. The Company's chief operating decision maker is the Chief Executive Officer. The Company views its operations and manages its business in one operating segment.

Use of estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These estimates form the basis for judgments the Company makes about the carrying values of assets and liabilities that are not readily apparent from other sources. The Company bases its estimates and judgments on historical experience and on various other assumptions that the Company believes are reasonable under the circumstances. These estimates are based on management's knowledge about current events and expectations about actions the Company may undertake in the future. Significant estimates include, but are not limited to, recovery of long-lived assets, stock-based compensation expense, research and development accruals, uncertain tax positions, the fair value of Class A Common Stock, the fair value of the Company's convertible preferred stock, and the fair value of convertible notes. Actual results could vary from the amounts derived from management's estimates and assumptions.

Fair value of financial instruments

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

- *Level 1*—Quoted prices in active markets for identical assets or liabilities.
- *Level 2*—Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.

- *Level 3*—Unobservable inputs that are supported by little or no market activity and that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level 3 (see Note 3). A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value of the instrument.

Fair value option

The Company elected the fair value option to account for its convertible notes (Notes) that were issued and settled during 2019. The Company recorded these Notes at their estimated fair value with changes in estimated fair value recorded as a component of other income (expense), net in the statement of operations and comprehensive loss unless the change is a result of a change in credit risk of the Notes, in which case such change in estimated fair value is recorded within other comprehensive income (loss). As the Notes were issued and settled during the year ended December 31, 2019, any estimated fair value changes related to the credit risk of the Notes were recognized as part of other income (expense) upon settlement of the Notes. No material change to the credit risk of the Notes occurred during the period the Notes were outstanding. As a result of applying the fair value option, direct costs and fees related to the Notes were insignificant and expensed as incurred and were not deferred. The Company concluded that it was appropriate to apply the fair value option to the Notes because no component of the Notes was required to be recognized as a component of stockholders' deficit.

Cash

Cash consists of deposits held at financial institutions and is stated at fair value. The Company limits its credit risk associated with cash by maintaining its bank accounts at major financial institutions.

Concentration of credit risk and other risks and uncertainties

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash and unbilled grant receivables. The Company's cash is deposited in accounts at large financial institutions. The Company believes it is not exposed to significant credit risk due to the financial strength of the depository institutions in which the cash is held and government grant funded nature of the Company's unbilled grant receivables.

In December 2019, a novel strain of coronavirus, which causes the disease known as COVID-19, was reported to have surfaced in Wuhan, China. Since then, COVID-19 coronavirus has spread globally. In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. The COVID-19 pandemic has and may continue to impact the Company's third-party manufacturers and suppliers, which could disrupt its supply chain or the availability or cost of materials. The effects of the public health directives and the Company's work-from-home policies may negatively impact productivity, disrupt its business and delay clinical programs and timelines and future clinical trials, the magnitude of which will depend, in part, on the length and severity of the restrictions and other limitations on the Company's ability to conduct business in the ordinary course. These and similar, and perhaps more severe, disruptions in the Company's operations could negatively impact business, results of operations and financial condition, including its ability to obtain financing. To date, the Company has not incurred impairment losses in the carrying values of its assets as a result of the pandemic and

is not aware of any specific related event or circumstance that would require the Company to revise its estimates reflected in these financial statements.

The Company has developed its COVID-19 test in direct response to the pandemic and has been awarded a contract from the NIH for Phase 2 of its Rapid Acceleration of Diagnostics (RADx) initiative. These developments may mitigate risks that could affect the Company's ability to complete its clinical trials in a timely manner, delay the initiation and/or enrollment of any future clinical trials, disrupt regulatory activities or have other adverse effects on its business and operations.

The Company cannot be certain what the overall impact of the COVID-19 pandemic will be on its business and prospects. The extent to which the COVID-19 pandemic will further directly or indirectly impact its business, results of operations, financial condition and liquidity, including planned and future clinical trials and research and development costs, will depend on future developments that are highly uncertain, including as a result of new information that may emerge concerning COVID-19, the actions taken to contain or treat it, and the duration and intensity of the related effects. In addition, the Company could see some limitations on employee resources that would otherwise be focused on its operation, including but not limited to sickness of employees or their families, the desire of employees to avoid contact with large groups of people, and increased reliance on working from home. If the financial markets and/or the overall economy are impacted for an extended period, the Company's business, financial condition, results of operations and prospects may be adversely affected.

Property and equipment, net

Property and equipment, net are recorded at cost, less accumulated depreciation. Depreciation is recorded using the straight-line method based on the estimated useful lives of the depreciable property or, for leasehold improvements, the remaining term of the lease, whichever is shorter. The useful lives of the assets are as follows:

	Estimated useful life (in years)
Lab equipment	5 years
Furnitures and fixtures	5 years
Office and computer equipment	3 years
Leasehold improvements	Shorter of life of lease or remaining lease term

Upon sale or retirement of the assets, the cost and related accumulated depreciation are removed from the balance sheet and the resulting gain or loss is recognized in the statement of operations and comprehensive loss. Expenditures for maintenance and repairs are expensed as incurred.

Impairment of long-lived assets

The Company reviews the carrying amount of its long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. If indicators of impairment exist, an impairment loss would be recognized when the estimated undiscounted future cash flows expected to result from the use of the asset and its eventual disposition are less than its carrying amount. The impairment charge is determined based upon the excess of the carrying value of the asset over its estimated fair value, with estimated fair value determined based upon an estimate of discounted future cash flows or other appropriate measures of estimated fair value. Management believes that no revision to the remaining useful lives or write-down of long-lived assets is required as of and for the year ended December 31, 2019.

Leases

The Company enters into lease agreements for its laboratory and office facilities. These leases are classified as operating leases. Rent expense is recognized on a straight-line basis over the term of the lease and, accordingly, the Company records the difference between cash rent payments and the recognition of rent expense as a deferred rent liability. Incentives granted under the Company's operating leases, including allowances to fund leasehold improvements and rent holidays, are capitalized and recognized as reductions to rental expense on a straight-line basis over the term of the lease.

Research and development costs

Research and development costs are expensed as incurred. Research and development expenses include certain payroll and personnel expenses, laboratory supplies, consulting costs, external contract research and development expenses, allocated overhead and facility occupancy costs. Costs to develop the Company's technologies are recorded as research and development expense except for costs that meet the criteria to be capitalized as internal-use software costs. These expenses relate to both Company sponsored programs as well as costs incurred pursuant to grants. Non-refundable advance payments made for goods or services that will be used or rendered for future research and development activities are deferred and capitalized and recognized as expense as the goods are received or the related services are rendered. Costs to develop software are recorded as research and development expense unless the criteria to be capitalized as internal-use software costs is met.

The Company does not capitalize pre-launch inventory costs until future commercialization is considered probable and the future economic benefit is expected to be realized. Capitalizing pre-launch inventory costs will not occur prior to obtaining an EUA or other FDA marketing authorization unless the regulatory review process has progressed to a point that objective and persuasive evidence of regulatory approval is sufficiently probable, and future economic benefit can be asserted. The Company records such costs as research and development expenses, or if used in marketing evaluations records such costs as general and administrative expenses. A number of factors are taken into consideration, based on management's judgment, including the current status in the regulatory approval process, potential impediments to the approval process, anticipated research and development initiatives and risk of technical feasibility, viability of commercialization and marketplace trends.

For certain research and development services where the Company has not yet been invoiced or otherwise notified of actual cost from the third-party contracted service providers, the Company is required to estimate the extent of the services that have been performed on its behalf and the associated costs incurred at each reporting period. The majority of its service providers invoice the Company monthly in arrears for services performed. The Company makes estimates of its accrued expenses as of each balance sheet date in its financial statements based on facts and circumstances at that time. The Company periodically confirms the accuracy of its estimates with the service providers and makes adjustments if necessary.

Although the Company does not expect its estimates to be materially different from amounts actually incurred, the Company's understanding of the status and timing of services performed relative to the actual status and timing of services performed may vary and may result in reporting amounts that are too high or too low in any particular period. To date, there have not been any material adjustments to the Company's prior estimates of accrued research and development expenses.

Grant revenue

Grants awarded to the Company for research and development by government entities are outside the scope of the contracts with customers and contributions guidance. This is because these granting entities are not considered to be customers and are not receiving reciprocal value for their grant support provided to the

Company. These grants provide the Company with payments for certain types of expenditures in return for research and development activities over a contractually defined period. For efforts performed under these grant agreements, the Company's policy is to recognize revenue when it is reasonably assured that the grant funding will be received as evidenced through the existence of a grant arrangement, amounts eligible for reimbursement are determinable and have been incurred and paid, the applicable conditions under the grant arrangements have been met, and collectability of amounts due is reasonably assured. Costs of grant revenue are recorded as a component of research and development expenses in the Company's statements of operations and comprehensive loss.

Grant funds received from third parties are recorded as revenue if the Company is deemed to be the principal participant in the arrangement. If the Company is not the principal participant, the funds from grants are recorded as a reduction to research and development expense. Reimbursable costs paid prior to being billed are recorded as unbilled grant receivables. Funds received in advance are recorded as deferred grant revenue. Management has determined that the Company is the principal participant under the Company's grant agreements, and accordingly, the Company records amounts earned under these arrangements as grant revenue.

Convertible preferred stock

The Company records convertible preferred stock at fair value on the dates of issuance, net of issuance costs. The Company has classified convertible preferred stock, which is redeemable, as temporary equity in the accompanying balance sheets due to terms that allow for redemption of the shares in cash upon certain change in control events that are outside of the Company's control, including the sale or transfer of the Company by holders of the convertible preferred stock which could trigger redemption of the shares.

The carrying values of the convertible preferred stock are adjusted to their liquidation preferences if and when it becomes probable that such a liquidation event will occur. The Company did not accrete the value of the convertible preferred stock to the redemption values since a future change in control event was not considered probable as of December 31, 2018 or 2019. Subsequent adjustments of the carrying values to the ultimate redemption values will be made only when it becomes probable that such liquidation events will occur, causing the shares to become redeemable.

The Company also evaluates the features of its convertible preferred stock to determine if the features require bifurcation from the underlying shares, by evaluating if they are clearly and closely related to the underlying shares and if they do, or do not, meet the definition of a derivative.

In determining if an extinguishment or modification of changes to mezzanine equity-classified preferred shares has occurred, the Company has elected a policy to evaluate if changes add, delete or significantly change a substantive contractual term (e.g., one that is at least reasonably possible of being exercised), or fundamentally change the nature of the convertible preferred shares. This evaluation includes the consideration of both the expected economics as well as the business purpose for the amendment.

Income taxes

The Company accounts for income taxes under the liability method. Under this method, deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been included in the Company's financial statements and tax returns. Deferred tax assets and liabilities are determined based upon the differences between the financial statement carrying amounts and the tax bases of existing assets and liabilities and for loss and credit carryforwards, using enacted tax rates expected to be in effect in the year in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance if it is

more likely than not that these assets may not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences representing net future deductible amounts become deductible.

The Company recognizes and measures uncertain tax positions using a two-step approach set forth in authoritative guidance. The Company determines whether it is more likely than not that a tax position will be sustained upon examination. If it is not more likely than not that a position will be sustained, none of the benefit attributable to the position is recognized. The tax benefit to be recognized for any tax position that meets the more-likely-than-not recognition threshold is calculated as the largest amount that is more than 50% likely of being realized upon resolution of the contingency. Judgment is required to evaluate uncertain tax positions. The Company evaluates uncertain tax positions on a regular basis. The evaluations are based on a number of factors, including changes in facts and circumstances, changes in tax law, correspondence with tax authorities during the course of the audit, and effective settlement of audit issues.

The Company's policy is to include penalties and interest expense related to income taxes as a component of income taxes expense, as necessary. The Company has not reported any interest or penalties associated with income tax since inception.

Stock-based compensation

The Company maintains an equity incentive plan as a long-term incentive for employees, consultants, and directors. The Company accounts for all stock-based awards granted to employees and directors based on their fair value on the date of the grant and recognizes compensation expense for those awards over the requisite service period, which is generally the vesting period of the respective award. The measurement date for stock awards is the date of grant, and stock-based compensation expense is recognized over the requisite service period, which is generally the vesting period, on a straight-line basis. Stock-based compensation is classified in the accompanying statements of operations and comprehensive loss based on the function to which the related services are provided. The Company recognizes stock-based compensation expense for the portion of awards that have vested. Forfeitures are accounted for as they occur.

The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes options-pricing model, which requires inputs based on certain subjective assumptions, including the expected stock price volatility, the expected term of the option, the risk-free interest rate for a period that approximates the expected term of the option, and the Company's expected dividend yield.

The fair value of the Class A Common Stock is determined by the Board with the assistance of management. The fair value of Class A Common Stock is determined using valuation methodologies which utilize certain assumptions including probability weighting of events, volatility, time to an exit event, a risk-free interest rate and an assumption for a discount for lack of marketability. In determining the fair value of Class A Common Stock, the methodologies used to estimate the enterprise value of the Company were performed using methodologies, approaches, and assumptions consistent with the American Institute of Certified Public Accountants' Accounting and Valuation Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*.

Net loss per share attributable to Class A Common Stockholders

Basic net loss per share attributable to holders of Class A Common Stock (Class A Common Stockholders) is computed by dividing the net loss attributable to Class A Common Stockholders by the weighted average number of shares of Class A Common Stock outstanding during the period, without consideration of potential dilutive securities. The convertible preferred stock are non-participating securities. Stock options, the Notes

and convertible preferred stock are considered potentially dilutive Class A Common Stock. The Company computes diluted net loss per share attributable to Class A Common Stockholders after giving consideration to all potentially dilutive Class A Common Stock outstanding during the period, determined using the treasury-stock and if-converted methods, except where the effect of including such securities would be antidilutive.

For the year ended December 31, 2018, the Company reported a net loss attributable to Class A Common Stockholders. The potential Class A Common Stock would have been anti-dilutive and therefore basic and diluted loss per share attributable to Class A Common Stockholders were the same. During the year ended December 31, 2019, the Company reported net income attributable to Class A Common Stockholders. The stock options, convertible preferred stock and the Notes were therefore assessed to determine whether they were antidilutive. The Company's Series A convertible preferred stock (Series A Preferred), Series B convertible preferred stock (Series B Preferred), and Series C convertible preferred stock (Series C Preferred) (collectively, the Pre-Existing Preferred Stock) were determined to be dilutive and were therefore included in the diluted net loss per share attributable to Class A Common Stockholders calculation. The Company's Series C-1 convertible preferred stock (Series C-1 Preferred), Series D-1 convertible preferred stock (Series D-1 Preferred), Series D-2 non-voting convertible preferred stock (Series D-2 Preferred), the Notes and the options to purchase Class A Common Stock were determined to be antidilutive and, therefore, excluded from the calculation.

Comprehensive loss

Comprehensive loss is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. The Company did not have any other comprehensive income or loss for any of the periods presented, and therefore comprehensive loss was the same as the Company's net loss.

Emerging growth company status

The Company is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 (JOBS Act). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act, until such time as those standards apply to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that it (i) is no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, these financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

New accounting pronouncements

Recently adopted accounting standards

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) 2014-09, *Revenue from Contracts with Customers* (Topic 606), which supersedes the revenue recognition requirements in ASC 605, *Revenue Recognition*. This ASU is based on the principle that revenue is recognized to depict the transfer of goods and services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. The ASU also requires additional disclosure about the nature, amount, timing and uncertainty of revenue and cash flows arising from customer contracts, including significant judgments and changes in judgments and assets recognized from costs incurred to obtain or fulfill a contract. Topic 606 was effective for annual periods beginning after December 15, 2019.

Early adoption was permitted for periods beginning after December 15, 2016. The Company early adopted Topic 606 on January 1, 2019. The Company determined that its grant revenue is outside the scope of Topic 606. The adoption of Topic 606 did not impact the Company's financial position, results of operations or cash flows as its only existing revenue source as of December 31, 2019 was from grants.

In July 2017, the FASB issued ASU No. 2017-11 — Earnings Per Share (Topic 260), *Distinguishing Liabilities from Equity* (Topic 480), Derivatives and Hedging (Topic 815). Part I to ASU 2017-11 eliminates the requirement to consider "down round" features when determining whether certain equity-linked financial instruments or embedded features are indexed to an entity's own stock. In addition, entities have to make new disclosures for financial instruments with down round features and other terms that change conversion or exercise prices. Part I to ASU 2017-11 was effective for fiscal years beginning after December 31, 2018. The amendments in Part II of ASU 2017-11 do not have an effective date because the amendments do not have an accounting effect. The Company adopted ASU 2017-11 on January 1, 2019 with no material impact on its financial position, results of operations or cash flows.

In June 2018, the FASB issued ASU 2018-07, *Compensation—Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting* (ASU 2018-07), which expands the scope of Topic 718 to include accounting for share-based payment transactions for acquiring goods and services from non-employees. This amendment was effective for public business entities for fiscal years beginning after December 15, 2018, including interim periods within that fiscal year. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption was permitted, but no earlier than an entity's adoption date of Topic 606. The Company early adopted ASU 2018-07 on January 1, 2019 with no material impact on its financial position, results of operations or cash flows.

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement (Topic 820)—Changes to the Disclosure Requirements for Fair Value Measurement* (ASU 2018-13), which removed the following disclosure requirements: (1) the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy; (2) the policy for timing of transfers between levels; and (3) the valuation processes for Level 3 fair value measurements. Additionally, this update added the following disclosure requirements: (1) the changes in unrealized gains and losses for the period included in other comprehensive income and loss for recurring Level 3 fair value measurements held at the end of the reporting period; (2) the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements. For certain unobservable inputs, an entity may disclose other quantitative information (such as the median or arithmetic average) in lieu of the weighted average if the entity determines that other quantitative information would be a more reasonable and rational method to reflect the distribution of unobservable inputs used to develop Level 3 fair value measurements. The Company early adopted ASU 2018-07 on January 1, 2019. For the new disclosures regarding the Company's Level 3 fair value measurements, see Note 3, *Fair Value Measurements*.

On January 1, 2019, the Company adopted ASU 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* (ASU 2018-08), which is intended to clarify and improve the scope and the accounting guidance for contributions received and contributions made. The amendments in ASU No. 2018-08 assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transaction) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional. This amendment applies to all entities that make or receive grants or contributions. The adoption of this standard did not have a material impact on the Company's financial statements.

In November 2019, the FASB issued ASU 2019-08, C*ompensation—Stock Compensation (Topic 718) and Revenue from Contracts with Customers* (Topic 606). The guidance identifies, evaluates, and improves areas of U.S. GAAP for which cost and complexity can be reduced while maintaining or improving the usefulness of the information provided. The amendments in that Update expanded the scope of Topic 718 to include share-based payment transactions for acquiring goods and services from nonemployees. For entities that have adopted the amendments in Update 2018-07, the updated guidance is effective for annual periods beginning after December 15, 2019. Early adoption is permitted. The Company early adopted this ASU on January 1, 2019 and it did not have an impact on its financial statements.

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740)*: Simplifying the Accounting for Income Taxes (ASU 2019-12), which eliminates certain exceptions related to the approach for intra-period tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. The new guidance also simplifies aspects of the accounting for franchise taxes and enacted changes in tax laws or rates and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. The Company early adopted ASU 2019-12 effective January 1, 2019. ASU 2019-12 removes the exception to the incremental approach for intra-period tax allocation in the event of a loss from continuing operations and income or gain from other items such as other comprehensive income. The exception previously resulted in allocating a tax benefit to continuing operations and tax expense to other items, even when tax expense may have been zero. Under the simplification, no tax expense or benefit will be recorded to continuing operations. The Company has an immaterial minimum state tax liability in California and no franchises tax liability. These amounts were recorded above-the-line prior to adoption of ASU 2019-12. ASU 2019-12 requires non-income tax based state franchise taxes to be recorded above-the-line. There is no impact on the Company’s financial statements for this amendment under ASU 2019-12. The other provisions within ASU 2019-12 are not applicable to the Company.

Accounting standards issued but not yet adopted

In February 2016, the FASB issued ASU No. 2016-02, *Leases*, as amended (Topic 842) as guidance regarding the accounting for and disclosure of leases. The new standard requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine whether lease expense is recognized based on an effective interest method or on a straight-line basis over the term of the lease. A lessee is also required to record a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases today. This update also requires lessees and lessors to disclose key information about their leasing transactions. This guidance became effective for public companies for annual and interim periods beginning after December 15, 2018. For all other entities, including emerging growth companies, this standard is effective for annual reporting periods beginning after December 15, 2020, and interim periods within annual periods beginning after December 15, 2021. Early adoption is permitted. The Company adopted this standard on January 1, 2020 using the modified retrospective approach with a cumulative effect adjustment to accumulated deficit at the beginning of the period of adoption and certain practical expedients provided by Topic 842. Topic 842 is expected to impact the Company’s financial statements as the Company has certain operating lease arrangements for which the Company is the lessee. As permitted by the standard, the Company will elect the transition practical expedient package, which among other things, allows the carryforward of historical lease classifications. While the Company is currently evaluating the impact of the adoption of this standard on its financial statements, the Company anticipates the recognition of additional assets and corresponding liabilities on its balance sheet related to these leases. The adoption of this accounting standard update is also expected to impact the Company’s financial statement disclosures.

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses* (ASU 2016-13) to require the measurement of expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions and reasonable forecasts. The main objective of this ASU is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. As a result of the Company having elected the extended transition period for complying with new or revised accounting standards pursuant to Section 107(b) of the JOBS Act, and assuming the Company continues to be considered an emerging growth company, ASU 2016-13 will be effective for the Company on January 1, 2023. The Company has not yet determined the potential effects of ASU 2016-13 on its financial statements and disclosures.

In August 2018, the FASB issued ASU 2018-15, *Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract* (ASU 2018-15). This pronouncement clarifies the requirements for capitalizing implementation costs in cloud computing arrangements and aligns them with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. As a result of the Company having elected the extended transition period for complying with new or revised accounting standards pursuant to Section 107(b) of the JOBS Act, and assuming the Company continues to be considered an emerging growth company, ASU 2018-15 will be effective for the Company on January 1, 2021. The Company has not yet determined the potential effects of ASU 2018-15 on its financial statements and disclosures.

3. Fair value measurements

Management believes that the carrying amounts of the Company's financial instruments, including unbilled grant receivables, prepaid expenses and other current assets, accounts payable and accrued expenses approximate fair value due to the short-term nature of those instruments.

In March 2019 and August 2019, the Company issued $10.0 million and $5.0 million in Notes (See Note 8). In December 2019, the Notes were converted into 6,937,252 shares of Series D-2 Preferred with a conversion price of $2.74 per share. No other financial instruments measured at fair value on a recurring basis were outstanding as of December 31, 2018 or 2019. The fair value of the Notes was determined based on significant inputs not observable in the market, which represent a Level 3 measurement within the fair value hierarchy.

The Notes were valued using a scenario-based analysis. Two primary scenarios were considered: the qualified financing scenario and the default scenario. The value of the Notes under each scenario were probability weighted to arrive at the estimated fair value for the Notes. The qualified financing scenario considers the value impact of conversion at the stated discount to the issue price if the Company has a qualifying financing event, i.e. raised $45.0 million in an equity financing before the maturity date. The default scenario assumes the qualified financing event does not occur and the Company is in distress, resulting in a partial or no recovery of the Notes. A recovery rate on the Notes in the default scenario gives consideration to the Company's net asset value relative to the size of the Note. As of the issuance date of the Notes, the probability of default was calculated such that the probability-weighted value of the Notes was equal to the principal investment amount. The implied probability of default of previously issued Notes is carried forward and used as the probability of default for subsequent valuation dates. It is assumed that the probability of the Notes reaching contractual maturity was not material at the valuation dates, given the proximity to the qualified financing and the Company's financing needs.

The following table summarizes the significant unobservable inputs used in the fair value measurement of the Notes during the year ended December 31, 2019:

Fair Value Range (in thousands)	Valuation Technique	Unobservable Input	Input Range
$15,231—$15,817	Scenario-based analysis	Discount Rate	15.0%—15.0%
		Timing of the scenarios	0.17 years—0.80 years
		Probability of Qualified Financing	82.8%—82.8%
		Probability of Default	17.2%—17.2%
		Recovery Rate	0.0%—0.0%

In December 2019, upon the occurrence of a non-qualified financing (see Note 9), the Company estimated the fair value of the Notes considering that a market participant would factor in the conversion upon the settlement and the terms of the Notes, including the rate at which the Notes converted into the qualified financing securities. The assumptions impacting the fair value measurement as of the settlement date included a 100% probability of conversion of the Notes into Series D-2 Preferred, the number of shares of Series D-2 Preferred received as a part of the conversion, and the conversion price of $2.74 for the Notes.

The fair value of the Notes upon settlement in December 2019 was $15.8 million. The Company recorded a loss of $0.8 million for changes in the estimated fair value of the Notes in the statements of operations and comprehensive loss for the year ended December 31, 2019.

The following table provides a roll forward of the estimated fair value of the Notes, for which fair value was determined using Level 3 inputs (in thousands):

	Convertible notes
Balance as of December 31, 2018	$ —
Issuance of convertible notes	15,000
Change in estimated fair value immediately prior to settlement	817
Settlement of convertible notes	(15,817)
Balance as of December 31, 2019	$ —

During the years ended December 31, 2018 and 2019, there were no transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy.

4. Property and equipment, net

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

	December 31,	
	2018	2019
Lab equipment	$ 1,890	$ 2,293
Office and computer equipment	315	325
Furniture and fixtures	310	338
Leasehold improvements	806	814
Total property and equipment	3,321	3,770
Less accumulated depreciation	(1,510)	(2,235)
Property and equipment, net	$ 1,811	$ 1,535

Depreciation expense for the years ended December 31, 2018 and 2019 was $0.6 million and $0.7 million, respectively. All of the Company's property and equipment is located in the U.S.

5. Accrued expenses and other current liabilities

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

	December 31,	
	2018	2019
Compensation and benefit	$1,473	$1,908
Deferred rent, current	212	235
Other liabilities	174	328
	$1,859	$2,471

6. Grants and unbilled receivables

CARB-X grant

In April 2018, the Company entered into a subaward agreement with the Trustees of Boston University as part of the Combating Antibiotic-Resistant Bacteria Biopharmaceutical Accelerator (CARB-X) grant to support the development of a rapid Clinical Laboratory Improvement Amendments-waived molecular diagnostic test to detect chlamydia and gonorrhea directly from a patient sample in 20 minutes or less and develop a similarly rapid phenotypic antibiotic susceptibility test for gonorrhea. The subaward agreement consisted of $4.4 million of initial funding through September 30, 2019. During 2020, the subaward agreement was extended through September 2020 and the initial funding was increased by $1.2 million in order to expand development efforts. Under the subaward agreement, there is a possibility of an additional $4.2 million of funding through June 2021 based on the discretion of CARB-X and the achievement of certain project milestones. During the years ended December 31, 2018 and 2019, the Company recognized $1.9 million and $3.2 million of revenue related to the grant, respectively, of which $1.5 million and $1.6 million of reimbursable expenses had been incurred and paid but were not yet invoiced and were included in unbilled grant receivables at December 31, 2018 and 2019, respectively. These amounts were subsequently invoiced and collected by July 2019 and February 2020, respectively.

NIH grant

In May 2018, the Company was awarded a grant from the NIH for the Diagnostics via Rapid Enrichment, Identification, and Phenotypic Antibiotic Susceptibility Testing of Pathogens from Blood project. The structure of the award consisted of $1.3 million of initial funding through April 2019, with the possibility of an additional $4.4 million of funding through April 2023, subject to the availability of funds, the discretion of the NIH and satisfactory progress of the project. In March 2019, the Company exercised its first one-year option under the grant, extending the term through April 2020. During the years ended December 31, 2018 and 2019, the Company recognized $0.5 million and $0.9 million of revenue related to this grant, respectively, of which $0.5 million and $0.2 million of reimbursable expenses had been incurred and paid but were not yet invoiced and were included in unbilled grant receivables at December 31, 2018 and 2019, respectively. These amounts were subsequently invoiced and collected by March 2019 and January 2020, respectively.

7. Commitments and contingencies

Operating leases

In December 2015, the Company entered a lease agreement in Menlo Park, California for lab and office space. The lease agreement commenced on May 1, 2016 and has an expiration date of April 30, 2021. The lease

payments increase by 3% in each year. The lease includes $0.8 million in tenant inducements, which has been fully utilized through qualifying tenant improvements and rental credits. Monthly rent expense is recognized net of the tenant inducement amount on a straight-line basis over the lease term. As of December 31, 2019, the Company did not have an option to extend the term of the lease. The Company also leases office space on a month-to-month basis in Chicago, Illinois.

Future minimum lease payments under operating leases, including its Menlo Park and Chicago offices, consisted of the following (in thousands):

Year ending December 31,	
2020	$ 807
2021	271
	$1,078

Rent expense was $0.7 million and $0.6 million for the years ended December 31, 2018 and 2019, respectively.

Indemnification agreements

In the ordinary course of business, the Company may provide indemnification of varying scope and terms to vendors, lessors, customers and other parties with respect to certain matters including, but not limited to, losses arising out of breach of such agreements or from intellectual property infringement claims made by third parties. These indemnities include indemnities to the directors and officers of the Company to the maximum extent permitted under applicable Delaware law. The maximum potential amount of future payments that the Company could be required to make under these indemnification agreements is, in many cases, unlimited. The Company has not incurred any material costs as a result of such indemnifications and is not currently aware of any indemnification claims.

Contingencies

The Company is party to certain legal matters arising in the ordinary course of its business. In addition, third parties may, from time to time, assert claims against us in the form of letters and other communications. The Company records a provision for contingent losses when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. The Company currently does not believe that the ultimate outcome of any of the matters is probable or reasonably estimable, or that these matters will have a material adverse effect on its business; however, the results of litigation and claims are inherently unpredictable. Regardless of the outcome, litigation can have an adverse impact on the Company because of litigation and settlement costs, diversion of management resources and other factors.

8. Convertible notes due to related party

In March 2019 (Effective Date), the Company executed a Convertible Note Purchase Agreement under which the Company agreed to issue an aggregate principal amount of up to $15.0 million (First Tranche Funding) and up to an additional $5.0 million (Second Tranche Funding) of the Notes to an existing investor and related party. The Notes were subject to adjustments to their principle balances whereby upon the issuance of the Notes under the First Tranche Funding and the Second Tranche Funding, the principal owed increased by 10.0% of the face value of the Notes. The Company issued, taking into the effect of the 10.0% increment, $11.0 million of Notes under the First Tranche Funding and $5.5 million under the Second Tranche Funding in March 2019 and August 2019, respectively.

An additional 5.0% installment adjustment was applied to the outstanding First Tranche Funding principal and accrued interest on the 150th day after the Effective Date, the 180th day after the Effective Date, and the 210th day after the Effective Date.

The Notes bore interest at a fixed per annum rate of 6.5% compounded monthly until their maturity date of December 31, 2019, at which time all outstanding principal and interest became due and payable in cash if not already converted.

In the event of a qualified financing, whereby the Company issued and sold its convertible preferred stock and raised capital of at least $45.0 million of total gross proceeds in cash, the Notes would automatically convert into convertible preferred stock at a price equal to the issue price per share of the shares issued in the qualified financing and on the same terms and conditions of such qualified financing. In the event of a non-qualified financing, the holders of the Notes had the option to convert the outstanding principal and unpaid interest of the Notes into such financing at a conversion price equal to the issue price per share of the financing shares and on the same terms and conditions of such non-qualified financing.

Upon a change of control in the company, the holders of the Notes could elect to either declare the Notes payable in an amount equal to 200% multiplied by the outstanding principal plus all unpaid interest or convert the outstanding principal and unpaid interest into shares of Series C Preferred at a conversion price equal to the Series C Preferred original issue price. Upon an event of default, including failure to comply with the Company's payment and other obligations under the Notes, the outstanding principal and unpaid interest became due and payable.

In December 2019, upon the occurrence of a non-qualified financing (see Note 9), the holders of the Notes exercised their option and converted the Notes into 6,937,252 shares of the Company's Series D-2 Preferred at a conversion price of $2.74 per share, which was equal to the cash issuance price of the Series D-2 Preferred. The then contractually calculated principal and accrued interest amount of $19.0 million was converted and reclassified to Series D-2 Preferred. The Company elected to account for the Notes at estimated fair value pursuant to the fair value option and recorded the change in estimated fair value in the statement of operations and comprehensive loss until the Notes were converted into Series D-2 Preferred in December 2019. The estimated fair value of the Notes immediately prior to conversion was $15.8 million. The Company recorded a loss of $0.8 million relating to the change in estimated fair value of the Notes in the statement of operations and comprehensive loss for the year ended December 31, 2019.

9. Convertible preferred stock and stockholders' equity

Convertible preferred stock

Between November 2019 and December 2019, the Company entered into a series of transactions with its existing preferred stockholders and new investors, to (i) raise new capital in a sale of three new series of convertible preferred stock and (ii) condense its capital structure (Equity Transactions). All existing convertible preferred stockholders were given the opportunity to participate in the new capital raise but were subject to dilution for a lack of participation. The Equity Transactions were accomplished through the following steps:

- Filing of the Company's Fourth Amended and Restated Certificate of Incorporation to authorize the issuance of shares of convertible preferred stock designated as Series C-1 Preferred, Series C-2 non-voting convertible preferred stock (Series C-2 Preferred), Series D-1 Preferred, and Series D-2 Preferred.
- Execution of a Series C-1 Preferred Stock and Series D-1 Preferred Stock Purchase Agreement (Series C-1 and D-1 SPA) which authorized the sale and issuance of up to an aggregate of 23,338,437 shares of Series C-1 Preferred and up to an aggregate of 40,233,774 shares of Series D-1 Preferred, and up to an aggregate of

40,233,774 shares of Series D-2 Preferred. The Company's majority stockholder had the option to purchase one share of Series C-2 Preferred instead of each share of Series C-1 Preferred purchased and an option to purchase one share of Series D-2 Preferred in lieu of each share of Series D-1 Preferred purchased. A majority of the existing preferred stockholders participated in the Series C-1 and D-1 SPA. Pursuant to the Series C-1 and D-1 SPA, the Company:

(i) Reclassified all shares of the Pre-Existing Preferred Stock for shares of Series D-1 Preferred on a 1-to-1 basis based on terms of the Fourth Amended and Restated Certificate of Incorporation (Reclassification). Pursuant to the Series C-1 and D-1 SPA, the shares of Series D-1 Preferred resulting from the Reclassification held by any investor who purchased Series C-1 Preferred had their Series D-1 Preferred automatically convert to shares of Class A Common Stock on a 1.43-to-1 basis. Existing Series D-1 Preferred stockholders that did not participate in the Series C-1 and D-1 SPA retained their Series D-1 Preferred. The Company automatically converted 2,271,892 shares of Series D-1 Preferred into Class A Common Stock upon the closing of the existing stockholders respective purchases of Series C-1 Preferred. The Company concurrently sold 22,718,963 shares of Series C-1 Preferred at a purchase price of $2.74 per share to these existing stockholders;

(ii) Sold 2,330,899 shares of Series D-1 Preferred at a purchase price of $2.74 per share to new investors in the Company;

(iii) Sold 5,822,371 shares of Series D-2 Preferred at a purchase price of $2.74 per share to the Company's majority stockholder;

- Conversion of the Company's Notes (see Note 8) into 6,937,252 shares of Series D-2 Preferred at a price of $2.74 per share.

The cash proceeds associated with the sale of the Series C-1 Preferred, Series D-1 Preferred and Series D-2 Preferred was to be received by the Company over three tranches of payments. The first tranche was due and payable upon the respective closing date of the sale and issuance of the stock (First Tranche Payment) while the second and third tranches are due and payable upon the Company's completion of sufficient technical and operational progress, respectively, as determined by the Company's majority stockholder, in its sole and absolute discretion (Second Tranche Payment and Third Tranche Payment, respectively). The Company determined that the Second Tranche Payment and Third Tranche Payment each did not meet the definition of a freestanding financial instrument because the obligation on the applicable stockholder was not legally detachable from the host share.

The following table provides the cash payment per share due and payable upon the First Tranche Payment, Second Tranche Payment and Third Tranche Payment:

	First Tranche	Second Tranche	Third Tranche	Total
Series C-1 Preferred Stock	$ 0.81	$ 0.81	$ 1.12	$2.74
Series D-1 Preferred Stock	$ 0.81	$ 0.81	$ 1.12	$2.74
Series D-2 Preferred Stock	$ 0.81	$ 0.81	$ 1.12	$2.74

As of December 31, 2019, the First Tranche Payment had been received and the Second Tranche Payment and Third Tranche Payment remained outstanding for issuances of the Company's Series C Preferred and Series D Preferred.

As part of the Equity Transactions, the Company issued the following shares and received the following proceeds (in thousands):

	Shares	First Tranche proceeds	Issuance costs	Net proceeds
Series C-1 Preferred Stock	22,718,963	$ 18,447	$ (338)	$ 18,109
Series D-1 Preferred Stock	2,330,899	1,890	(35)	1,855
Series D-2 Preferred Stock	5,822,371	4,716	(87)	4,629
Series D-2 Preferred Stock—Notes conversion (see Note 8)	6,937,252	—	—	—
	37,809,485	$ 25,053	$ (460)	$ 24,593

The steps of the Equity Transactions that impacted the existing stockholders were evaluated as a single transaction because they occurred concurrently and in contemplation of each other. These combined transactions resulted in the extinguishment of the Pre-Existing Preferred Stock because the existing stockholders after this transaction, held equity instruments which were considered to be substantially different from the Pre-Existing Preferred Stock.

The Equity Transactions had the following net impact on the Company's additional paid-in capital and net (loss) income attributable to Class A common stockholders:

(in thousands)	Additional paid in capital	Net (loss) income attributable to Class A common stockholders
Carrying value of Pre-Existing Preferred Stock	$ 59,696	$ 59,696
Estimated fair value of Series D-1 Preferred issued	(5,321)	(5,321)
Deemed contribution related to the extinguishment of the Pre-Existing Preferred Stock	54,375	54,375
Series C-1 Preferred gross proceeds received	18,447	18,447
Estimated fair value of Series D-1 Preferred received	5,179	5,179
Estimated fair value of Series C-1 Preferred issued	(21,760)	(21,760)
Estimated fair value of Class A Common Stock issued	(2,385)	(2,385)
Inducement	(519)	(519)
Fair value of Class A Common Stock issued	2,385	—
Total	$ 56,241	$ 53,856

The deemed contribution related to the extinguishment of the Pre-Existing Preferred Stock and inducement were computed separately because all Pre-Existing Preferred Stock was extinguished and exchanged into Series D-1 Preferred but only a subset of Series D-1 Preferred stockholders elected to participate in the Series C-1 Preferred issuance. The net impact of the Equity Transactions was a credit of $56.2 million, which represents a capital contribution and was recorded to additional paid-in capital in accordance with the accounting guidance on preferred stock modifications and extinguishments and earnings per share.

The Equity Transactions also resulted in a $53.9 million change to the net (loss) income attributable to Class A common stockholders for the year ended December 31, 2019 (see Note 13). The $2.4 million fair value of the Class A common Stock issued by the Company does not represent income to Class A common stockholders and was therefore excluded from the basic and diluted net (loss) income per share calculation for the year ended December 31, 2019.

The excess of cash paid over the fair value of the Series D-1 Preferred and Series D-2 Preferred sold to new investors and the Company's majority stockholder as a part of Equity Transactions were recorded as an increase to additional paid-in-capital.

The estimated fair value of the Series C-1 Preferred, Series D-1 Preferred and Series D-2 Preferred for purposes of evaluating the extinguishment resulting from the Equity Transactions was based on a hybrid option pricing method model, which is a market approach that utilizes certain assumptions including probability weighting of events, volatility, time to an exit event, and a risk-free interest rate, which are based on Level 2 and Level 3 inputs.

Convertible preferred stock

The Company's Amended Restated Certificate of Incorporation authorizes the issuance of up to 127,144,422 shares of convertible preferred stock, of which 23,338,437 shares were designated as Series C-1 Preferred, 23,338,437 shares were designated as Series C-2 Preferred, 40,233,774 shares were designated as Series D-1 Preferred, and 40,233,774 shares were designated as Series D-2 Preferred.

The Company's convertible preferred stock consisted of the following (in thousands, except share amounts):

December 31, 2018	Preferred authorized	Preferred shares issued and outstanding	Carrying value	Liquidation preference	Common shares issuable upon conversion
Series A convertible preferred stock	2,924,404	292,442	$ 3,954	$ 4,000	204,503
Series B convertible preferred stock	9,705,367	970,533	26,518	26,550	678,686
Series C convertible preferred stock	11,000,000	1,070,862	29,224	29,295	748,848
	23,629,771	2,333,837	$ 59,696	$ 59,845	1,632,037

December 31, 2019	Preferred authorized	Preferred shares issued and outstanding	Carrying value	Liquidation preference	Common shares issuable upon conversion
Series C-1 convertible preferred stock	23,338,437	22,718,963	$ 21,423	$ 124,500	4,607,400
Series C-2 convertible preferred stock	23,338,437	—	—	—	—
Series D-1 convertible preferred stock	40,233,774	2,392,844	1,677	6,556	516,034
Series D-2 convertible preferred stock	40,233,774	12,759,623	19,655	34,961	6,031,990
	127,144,422	37,871,430	$ 42,755	$ 166,017	11,155,424

As of December 31, 2019, as a result of only the First Tranche Payment having been received, the liquidation preference for the shares of Series C-1 Preferred, Series D-1 Preferred, and Series D-2 Preferred that were not subject to forfeiture was $36.9 million, $2.1 million, and $23.7 million, respectively.

The convertible preferred stock also has various rights, privileges and features. The Company determined that none of the features required bifurcation from the underlying shares, either because they are clearly and closely related to the underlying shares or because they do not meet the definition of a derivative. The rights, preferences, and privileges of the Company's convertible preferred stock are as follows:

Voting rights

As of the year ended December 31, 2018, the holders of each series of Pre-Existing Preferred Stock, each voting as a separate class, shall each be entitled to elect one member of the Board at each meeting or pursuant to each consent of the Company's stockholders for the election of directors. Any additional members of the Board shall be elected by the holders of Class A Common Stock and Pre-Existing Preferred Stock, voting together as a single class. Each holder of Pre-Existing Preferred Stock shall be entitled to the applicable number of votes equal to the number of shares of Class A Common Stock into which the shares convert.

As of the year ended December 31, 2019, the holders of Series C-1 Preferred and Series D-1 Preferred (Voting Preferred Stock), voting as a separate class, shall be entitled to elect four members of the Board at each meeting or pursuant to each consent of the Company's stockholders for the election of directors. The Series C-2 Preferred and Series D-2 Preferred (Non-Voting Preferred Stock) is non-voting. Any additional members of the Board shall be elected by the holders of Class A Common Stock and Voting Preferred Stock, voting together as a single class. Each holder of the Voting Preferred Stock shall be entitled to the number of votes equal to the applicable number of shares of Class A Common Stock into which the shares convert.

Dividends rights

The Pre-Existing Preferred Stock outstanding as of December 31,2018 and Series C-1 Preferred, Series D-1 Preferred, and Series D-2 Preferred outstanding as of December 31, 2019 do not have rights to receive dividends nor participate in the Company's earning distribution. However, any such dividend or distribution is subject to the prior approval of these preferred stockholders. As of December 31, 2018 and 2019, no such dividends had been declared or accrued.

Liquidation distributions

In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, the holders of Pre-Existing Preferred Stock at December 31, 2018 and Series C-1 Preferred, Series C-2 Preferred, Series D-1 Preferred, and Series D-2 Preferred at December 31, 2019 shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Company to the holders of the Class A Common Stock by reason of their ownership of such stock, the greater of (i) an amount per share of $13.678 per share for Series A Preferred and $27.356 per share for Series B Preferred and Series C Preferred plus any declared but unpaid dividends as of December 31, 2018 and an amount per share of $5.48 per share of Series C-1 Preferred and Series C-2 Preferred and $2.74 per share of Series D-1 Preferred and Series D-2 Preferred plus any declared but unpaid dividends as of December 31, 2019, or (ii) such amount per share as would have been payable had all shares of such series of Series C-1 Preferred, Series C-2 Preferred, Series D-1 Preferred and Series D-2 Preferred been converted into Class A Common Stock immediately prior to such liquidation, dissolution or winding up of the Company. If upon the liquidation, dissolution or winding up of the Company, the assets of the Company legally available for distribution to the holders of the Series C-1 Preferred, Series C-2 Preferred, Series D-1 Preferred and Series D-2 Preferred are insufficient to permit the payment to such holders of the full amounts, then the entire assets of the Company legally available for distribution shall be distributed with equal priority and pro rata among the holders of the Series C-1 Preferred, Series C-2 Preferred, Series D-1 Preferred and Series D-2 Preferred in proportion to the full amounts they would otherwise be entitled to receive.

Unless stockholders representing a majority of the then-outstanding Voting Preferred Stock, voting together as a single class, elect otherwise, a liquidation event is defined in the Company's Amended and Restated Certificate of Incorporation to include (i) any liquidation, dissolution, or winding up of the Company, (ii) the merger or consolidation of the Company in which the holders of capital stock of the Company outstanding immediately prior to such merger or consolidation do not continue to represent immediately following such merger or consolidation at least 50%, by voting power, of the outstanding capital stock of the resulting or surviving entity or (iii) a sale, lease, transfer or other disposition of all or substantially all of the Company's assets. The Company classifies its convertible preferred stock outside of stockholders' deficit because the shares contain liquidation features that are not solely within the Company's control.

Redemption rights

No shares of convertible preferred stock are unilaterally redeemable by either the stockholders or the Company; however, the Company's Amended and Restated Certificate of Incorporation provides that upon any liquidation event such shares shall be entitled to receive the applicable liquidation preference.

Conversion rights

Each share of the Company's convertible preferred stock shall be convertible, at the option of the holder, into the number of Series A common shares determined by dividing their original issuance by the conversion price then in effect for each series (Conversion Rate). Upon any increase or decrease in the conversion price for any series of convertible preferred stock, the Conversion Rates are appropriately increased or decreased. As of December 31, 2018, the conversion price was $19.56 per share for Series A Preferred and $39.12 per share for Series B Preferred and Series C Preferred. As of December 31, 2019, the conversion price was $7.84 per share for Series C-1 Preferred and Series C-2 Preferred and $3.92 per share for Series D-1 Preferred and Series D-2 Preferred.

Each share of the Company's convertible preferred stock shall be automatically converted into fully-paid, non-assessable shares of Class A Common Stock as of December 31, 2018 and shares of either Class A Common Stock or Class B Common Stock, in the sole and absolute discretion of such holder, as of December 31, 2019, at the then effective Conversion Rate of each such share (i) immediately prior to the closing of a firm commitment underwritten initial public offering pursuant to an effective registration statement filed under the Securities Act of 1933, as amended (Securities Act), covering the offer and sale of the Class A Common Stock, provided that the offering price per share is not less than $7.82, as adjusted for recapitalizations as defined in the Series C-1 and D-1 SPA, the aggregate gross proceeds to the Company are not less than $50.0 million, and the shares of Class A Common Stock are listed for trading on the New York Stock Exchange or NASDAQ, or (ii) upon the receipt by the Company of a written request for such conversion from the holders of a majority of the Company's convertible preferred stock then outstanding (voting as a single class and on an as-converted basis), or, if later, the effective date for conversion specified in such requests.

Subject to minimum outstanding share requirements and in addition to any other vote or consent required herein or by law, the vote or written consent of the holders of a majority of the outstanding preferred shares shall be necessary for approving certain actions, primarily those that may adversely impact the voting or other powers, preferences, or other special rights, privileges or restrictions of the Company's convertible preferred stock.

Automatic conversion into Class A common stock for failure to fund a Tranche and forfeiture of preferred stock

In the event that the second tranche milestone is achieved and a holder of Series C-1 Preferred, Series D-1 Preferred, or Series D-2 Preferred did not fund the Second Tranche Payment within 15 days' notice of such

event, (a) 8 of every 10 shares purchased by such defaulting purchaser would be forfeited and transferred back to the Company for no consideration, (b) the defaulting purchaser's obligation to fund the Third Tranche Payment would be cancelled, and (c) all other convertible preferred stock held by the defaulting purchaser would automatically convert into Class A Common Stock.

In the event that the third tranche milestone is achieved and a holder of Series C-1 Preferred, Series D-1 Preferred, and Series D-2 Preferred did not fund the Third Tranche Payment within 15 days' notice of such event, (a) 6 of every 10 shares purchased by such defaulting purchaser would be forfeited and transferred back to the Company for no consideration and (b) all other convertible preferred stock held by the defaulting purchaser would automatically convert into Class A Common Stock.

Forfeiture of convertible preferred stock for failure to achieve milestones

In the event that the second tranche milestone is not achieved on or prior to June 30, 2020, no purchaser shall be required to make the Second Tranche Payment and 7.1 of every 10 shares purchased under the Series C-1 and D-1 SPA will be forfeited and transferred back to the Company for no consideration. The second tranche milestone was achieved in May 2020 (see Note 15).

In the event that the third tranche milestone is not achieved on or prior to June 30, 2020, no purchaser shall be required to make the Third Tranche Payment and 4.1 of every 10 shares purchased under the Series C-1 and D-1 SPA will be forfeited and transferred back to the Company for no consideration. In June 2020, the Company cancelled the Third Tranche Payments for shares of Series C-1 Preferred, Series D-1 Preferred, and Series D-2 Preferred (see Note 15).

Registration rights

Holders of the Company's convertible preferred stock have the right to request the Company to file certain registration statements with the Securities and Exchange Commission for the registration of shares related to the convertible preferred stock. The obligations of the Company regarding such registration rights include, but are not limited to, reasonable efforts to cause such registration statement to become effective, keep such registration statement effective for up to 30 days, prepare and file amendments and supplements to such registration statement and the prospectus used in connection with such registration statement, and notify each selling holder, promptly after the Company receives notice thereof, of the time when such registration statement has been declared effective or a supplement to any prospectus forming a part of such registration statement has been filed. The terms of the registration rights provide for the payment of certain expenses related to the registration of the shares, including a capped reimbursement of legal fees of a single special counsel for the holders of the shares, but do not impose any obligations for the Company to pay additional consideration to the holders in case a registration statement is not declared effective.

Common stock

Under the Company's Fifth Amended and Restated Certificate of Incorporation, the Company is authorized to issue 82,000,000 shares of Class A Common Stock and 20,000,000 shares of Class B Common Stock, each with a par value of $0.0001 per share. Each holder of Class A Common Stockholder is entitled to one vote per share of Class A Common Stock held. Class A Common Stockholders and holders of Class B Common Stock are entitled to receive dividends, as may be declared by the Board, if any, subject to the preferential dividend rights of the convertible preferred stock. No dividends have been declared or paid during the years ended December 31, 2018 or 2019.

The Company has reserved the following shares of Class A Common Stock as of December 31, 2018 and Class A Common Stock or Class B Common Stock for future instances of Voting Preferred Stock and Non-Voting Preferred Stock and Class A Common Stock for stock options as of December 31, 2019:

	December 31,	
	2018	2019
Shares reserved for conversion of outstanding Series A Preferred Stock	204,503	—
Shares reserved for conversion of outstanding Series B Preferred Stock	678,686	—
Shares reserved for conversion of outstanding Series C Preferred Stock	748,848	—
Shares reserved for conversion of outstanding Series C-1 Preferred Stock	—	15,887,375
Shares reserved for conversion of outstanding Series D-1 Preferred Stock	—	1,673,310
Shares reserved for conversion of outstanding Series D-2 Preferred Stock	—	8,922,811
Shares reserved for options to purchase Class A Common Stock under the 2013 Stock Option and Grant Plan	418,279	437,922
Shares reserved for issuance under the 2013 Stock Option and Grant Plan	231,000	6,410,201
Total	2,281,316	33,331,619

10. Stock-based compensation

2013 Equity Incentive Plan

The 2013 Equity Incentive Plan (2013 Plan) provides the Board the discretion to grant stock options and other equity-based awards to employees, directors, and consultants of the Company. The Board administers the 2013 Plan and has discretion to delegate some or all of the administration of the 2013 Plan to a committee or committees or an officer. To date, the Company has only granted Incentive Stock Options (ISOs) and Non-statutory Stock Options (NSOs) to employees, consultants, and directors. Therefore, the below discussion is limited to the terms applicable to ISOs and NSOs (collectively, stock options or options). As of December 31, 2019, there were 6,848,123 shares of Class A Common Stock reserved by the Company for outstanding grants under the 2013 Plan and an aggregate of 6,410,201 shares of Class A Common Stock remained available for future grants.

The exercise prices, vesting, and other restrictions are determined at the discretion of the Board, except that the exercise price per share of stock options may not be less than 100% of the estimated fair market value of the Class A Common Stock on the date of grant and not less than 110% if the employee owns more than 10% of the total combined voting power of all classes of the Company's stock. Stock options awarded under the 2013 Plan expire ten years after the grant date and five years after the grant date if the stockholder employee owns more than 10% of the total combined voting power of all classes of the Company's capital stock, unless the Board sets a shorter term. Vesting periods for awards under the 2013 Plan are determined at the discretion of the Board but in general vest over four years. Upon termination of employment, the optionholders' vested shares are subject to repurchase at the lower of (i) the estimated fair market value as of the date of repurchase or (ii) the original exercise price. The 2013 Plan allows for early exercise of certain options prior to vesting. No stock options were early exercised in the years ended December 31, 2018 or 2019. Unvested shares upon termination of employment are forfeited back to the Company and increase the number of shares available for future grants.

Stock option activity

As of December 31, 2019, the Company has only granted Class A Common Stock options with service based vesting conditions. A summary of Class A Common Stock option activity under the 2013 Plan during the year ended December 31, 2019 is as follows:

	Number of units outstanding	Weighted average strike price per unit	Weighted average remaining contractual term (in years)	Aggregate intrinsic value (in thousands)
Outstanding at December 31, 2018	418,279	$ 14.92	7.86	$ 1,955
Granted	66,959	19.60		
Exercised	(1,223)	15.33		
Forfeited/Expired	(46,093)	17.37		
Outstanding at December 31, 2019	437,922	$ 15.38	7.16	$ 696
Exercisable at December 31, 2019	253,664	$ 13.29	5.97	$ 696
Nonvested at December 31, 2019	184,258	$ 18.25	8.79	$ —

The aggregate intrinsic value of stock options is calculated as the difference between the exercise price of the stock options and the estimated fair value of Class A Common Stock for those stock options that had exercise prices lower than the estimated fair value of Class A Common Stock. The weighted-average estimated fair value of options granted during the years ended December 31, 2018 and 2019 was $12.90 and $14.30 per share, respectively.

As of December 31, 2019, the total unrecognized stock-based compensation expense for unvested stock options was $2.2 million, which is expected to be recognized over 2.7 years.

The weighted-average assumptions that the Company used in Black-Scholes option pricing model to determine the grant date fair value of stock options granted to employees and non-employees for the years ended December 31, 2018 and 2019 were as follows:

	Year ended December 31,	
	2018	2019
Expected term (in years)	6.08	6.08
Expected volatility	80.0%	80.0%
Risk-free interest rate	2.7%-3.1%	1.6%-2.5%
Expected dividend yield	—%	—%

The Company historically has been a private company and lacks company-specific historical and implied volatility information. Therefore, it estimates its expected stock volatility based on the historical volatility of a publicly traded set of guideline companies and expects to continue to do so until such time as it has adequate historical data regarding the volatility of its own traded stock price. The expected term of the Company's stock options has been determined utilizing the "simplified" method for awards that qualify as "plain-vanilla" options. The simplified method deems the term to be the average of the time-to-vesting and the contractual life of the stock-based awards. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. Expected dividend yield is based on the fact that the Company has never paid cash dividends and does not expect to pay any cash dividends in the foreseeable future.

Stock-based compensation expense

The following table summarizes the components of stock-based compensation expense recorded in the Company's statement of operations and comprehensive loss (in thousands):

	Year ended December 31,	
	2018	2019
Research and development	$ 258	$ 430
General and administrative	421	535
Total equity-based compensation	$ 679	$ 965

11. Related-party transactions

Research and development consulting services agreement

The Company has a service agreement with a major stockholder and current member of its Scientific Advisory Board, under which, the individual is compensated for providing the Company with research and development consulting services. Under the agreement, the Company has made payments of $0.1 million and $0.1 million for services rendered for the years ended December 31, 2018 and 2019, respectively. The Company had immaterial unpaid balances related to the service agreement at December 31, 2018 and 2019.

Financing activity

During the year ended December 31, 2019, the Company sold Series C-1 Preferred and Series D-2 Preferred for total proceeds of $21.6 million to stockholders who are considered to be related parties (see Note 9).

The Company also issued Notes to a stockholder considered to be a related party (see Note 8).

12. Income taxes

The Company had no income tax expense for the year ended December 31, 2018 and 2019, due to its history of operating losses. During the years ended December 31, 2018 and 2019 the Company recorded a net loss of $21.3 million and $27.4 million, respectively.

The effective tax rate for the years ended December 31, 2018 and 2019 is different from the federal statutory rate primarily due to the valuation allowance against deferred tax assets as a result of insufficient sources of income. The following is a reconciliation of the statutory federal income tax rate to the Company's effective tax rate:

	December 31,	
	2018	2019
Effective income tax rate:		
Expected income tax benefit at the federal statutory rate	21.0%	21.0%
State taxes, net of federal benefit	0.6%	7.8%
Research and development tax credits	(0.1%)	1.3%
Change in estimated fair value related to convertible notes	—%	(0.6%)
Permanent differences	(0.8%)	(0.8%)
Change in valuation allowance	(20.7%)	(28.7%)
Total provision for income taxes	—%	—%

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes and operating losses and tax credit carryforwards. Significant components of the Company's deferred income taxes are as follows (in thousands):

	December 31,	
	2018	2019
Deferred tax assets:		
Federal and state operating loss carryforwards	$ 10,776	$ 20,118
Research and development tax credits	1,314	1,998
Other accruals	374	574
Total gross deferred tax asset	12,464	22,690
Valuation allowance	(12,381)	(22,639)
Net deferred tax asset	83	51
Deferred tax liabilities:		
Depreciation	(83)	(51)
Total deferred tax liabilities	(83)	(51)
Net deferred tax asset	$ —	$ —

The Company determines its valuation allowance on deferred tax assets by considering both positive and negative evidence in order to ascertain whether it is more likely than not that deferred tax assets will be realized. Realization of deferred tax assets is dependent upon the generation of future taxable income, if any, the timing and amount of which are uncertain. Because of the Company's recent history of operating losses, the Company believes that recognition of the deferred tax assets arising from the above-mentioned future tax benefits is currently not likely to be realized and, accordingly, has provided a valuation allowance on its deferred tax assets. The valuation allowance increased by $4.3 million and $10.2 million for the years ended December 31, 2018 and 2019, respectively, primarily due to the increase in the Company's net operating losses (NOL) during the period.

NOLs and tax credit carryforwards as of December 31, 2019 are as follows (in thousands):

	Amount	Expiration years
NOLs, federal (post December 31, 2017)	$ 45,446	Do Not Expire
NOLs, federal (pre January 1, 2018)	30,901	2033—2037
NOLs, state	46,210	2033 to 2039
Research and development tax credits, federal	2,059	2035 to 2039
Research and development tax credits, state	2,333	Indefinite

Utilization of the NOL carryforwards and research and development tax credit carryforwards may be subject to a substantial annual limitation under Section 382 of the Internal Revenue Code of 1986 as amended (Section 382) due to ownership changes that have occurred previously or that could occur in the future. These ownership changes may limit the amount of carryforwards that can be utilized annually to offset future taxable income. In general, an ownership change, as defined by Section 382, results from transactions increasing the ownership of certain stockholders or public groups in the stock of a corporation by more than 50% over a three-year period. The Company has not conducted a study to assess whether a change of control has occurred or whether there have been multiple changes of control since inception due to the significant complexity and cost associated with such a study. If the Company has experienced a change of control, as defined by Section 382, at any time since

inception, utilization of the NOL carryforwards or research and development tax credit carryforwards would be subject to an annual limitation under Section 382, which is determined by first multiplying the value of the Company's stock at the time of the ownership change by the applicable long-term tax-exempt rate, and then could be subject to additional adjustments, as required. Any limitation may result in expiration of a portion of the NOL carryforwards or research and development tax credit carryforwards before utilization. Until a study is completed and any limitation is known, no amounts are being presented as an uncertain tax position.

Uncertain tax positions

A reconciliation of the beginning and ending balance of total gross unrecognized tax benefits is as follows (in thousands):

	December 31,	
	2018	**2019**
Unrecognized tax benefits at the beginning of the period	$ 507	$1,712
Additions for current tax positions	793	746
Changes for previous tax positions	412	(63)
Unrecognized tax benefits at the end of the period	$1,712	$2,395

During the years ended December 31, 2018 and 2019, the Company recognized no interest and penalties associated with unrecognized tax benefits. There are no tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly increase or decrease within twelve months of the reporting date.

The Company files income tax returns in the U.S. federal, California and Illinois tax jurisdictions. The federal and state income tax returns from inception through December 31, 2019 remain subject to examination by federal and state authorities, where applicable. There are currently no pending income tax examinations.

13. Net (loss) income per share attributable to Class A Common Stockholders

Net loss per share attributable to Class A Common Stockholders

For the year ended December 31, 2018, the Company reported a net loss attributable to Class A Common Stockholders of $21.3 million. For the year ended December 31, 2019, as a result of the Equity Transactions, the Company reported net income attributable to Class A Common Stockholders of $26.4 million. The basic and diluted (loss) income per share attributable to Class A Common Stockholders for the years ended December 31, 2018 and 2019 are computed as follows (in thousands, except for share and per share data):

	December 31,	
	2018	**2019**
Numerator:		
Net loss	$(21,337)	$(27,474)
Effect of Equity Transactions (Note 9)	—	53,856
Net (loss) income attributable to Class A common stockholders—basic	$(21,337)	$ 26,382
Effect of dilutive securities:		
Exclude effect of Equity Transactions for assumed conversion of Series C-1 and Series D-1 Preferred Stock	—	(53,856)
Numerator for diluted loss per share attributable to Class A Common Stockholders	$(21,337)	$(27,474)

	December 31,	
	2018	2019
Denominator:		
Weighted-average number of Class A Common Stock outstanding—basic	525,244	768,366
Weighted-average effect of dilutive securities:		
Assumed conversion of Series A, B and C Preferred Stock	—	1,382,278
Denominator for diluted loss per share attributable to Class A Common Stockholders	525,244	2,150,644
Net loss (income) per share attributable to Class A Common Stockholders—basic	$ (40.62)	$ 34.34
Diluted loss per share attributable to Class A Common Stockholders—diluted	$ (40.62)	$ (12.77)

For the year ended December 31, 2018, the Company reported a net loss attributable to Class A Common Stockholders. The potential Class A Common Stock would have been anti-dilutive and therefore basic and diluted loss per share were the same. During the year ended December 31, 2019, the Company reported net income attributable to Class A Common Stockholders. The stock options, convertible preferred stock and Notes were therefore assessed to determine whether they were antidilutive. Series A Preferred, Series B Preferred and Series C Preferred were determined to be dilutive and were therefore included in the diluted net loss per share attributable to Class A Common Stockholders calculation. The Series C-1 Preferred, Series D-1 Preferred and Series D-2 Preferred and the options to purchase Class A Common Stock were determined to be antidilutive and, therefore, excluded from the calculation.

The following common stock equivalents were excluded from the computation of diluted net loss per share attributable to Class A Common Stockholders for the years ended December 31, 2018 and 2019 because including them would have been antidilutive:

	Year ended December 31,	
	2018	2019
Convertible Preferred Stock	1,632,037	10,471,311
Options to purchase Class A Common Stock	418,279	437,922
Total	2,050,316	10,909,233

14. Employee benefit plans

The Company has a qualified deferred compensation plan under Section 401(k) of the Internal Revenue Code of 1986, as amended (401(k) Plan). Under the 401(k) Plan, employees may elect to defer a percentage of their salary, subject to Internal Revenue Service limits. The 401(k) Plan follows the Safe Harbor Deferral provisions, met with a Company Basic Matching Provision that is an amount equal to the employees' elective deferral that does not exceed 3.0% of their compensation for the 401(k) Plan year, plus half of the employees' elective deferrals that exceeds 3.0% of their compensation for the 401(k) Plan year but does not exceed 5.0% of their compensation for the 401(k) Plan year. The matching contribution under this provision totaled $0.3 million for each of the years ended December 31, 2018 and 2019.

The Company, at its sole discretion, may make discretionary profit-sharing contributions to the accounts of qualifying participants. There were no discretionary contributions to the 401(k) Plan for the years ended December 31, 2018 or 2019.

15. Subsequent events

The Company has evaluated subsequent events through October 15, 2020 (except for the going concern reassessment after considering the Series F-1 and F-2 financings discussed in paragraphs five through six of Note 1, the impact of the reverse stock split as discussed in the fourth paragraph of Note 2 and the subsequent events disclosed in paragraphs six through eight and twelve through eighteen in Note 15, as to which the date is February 8, 2021), the date these financial statements were reissued.

Series C-1 Preferred, Series D-1 Preferred, and Series D-2 Preferred Second Tranche Payments

In May and June 2020, the Company received net proceeds of $24.9 million for the Second Tranche Payments related to the 2019 issuance of Series C-1 Preferred, Series D-1 Preferred, and Series D-2 Preferred (see Note 9). Among the Second Tranche Payment received, $21.6 million was from related parties and their affiliates.

Cancellation of series C-1 Preferred, Series D-1 Preferred, and Series D-2 Preferred Third Tranche Payments and subsequent forfeiture of shares

In June 2020, the Company cancelled the Third Tranche Payments related to the 2019 issuance of Series C-1 Preferred, Series D-1 Preferred, and Series D-2 Preferred (see Note 9) due to the fact that the Company's short-term regulatory and commercial landscape changed significantly from December 2019 to June 2020 due to COVID-19 and the Company's progress on developing a COVID-19 test. In conjunction with the cancellation of the Third Tranche Payments, 9,314,766 shares, 955,666 shares, and 2,387,171 shares of Series C-1 Preferred, Series D-1 Preferred, and Series D-2 Preferred, respectively, were forfeited and transferred back to the Company for no consideration.

Series E-1 Preferred and Series E-2 Preferred initial closing and rights offering

In June and July 2020, the Company issued 2,289,899 shares and 11,187,189 shares of its Series E-1 Preferred and Series E-2 Preferred, respectively, at a purchase price of $7.42 per share, resulting in total net proceeds of $99.7 million, net of issuances cost of $0.3 million. Among the proceeds received from this financing, $90.3 million was from related parties and their affiliates.

Stock option modification

In March 2020, the Company modified the exercise price of stock options for the purchase of 407,415 shares of Class A Common Stock from a weighted average of $15.55 per share to $1.51 per share.

Increase of 2013 stock options plan authorized shares

In October 2020, the Board amended the 2013 Plan to increase the number of shares of Class A Common Stock reserved by 2,812,205 shares, resulting in an aggregate of 9,665,351 shares reserved for issuance.

Standby letter of credit

Between June 2020 and August 2020, the Company executed and amended a $33.0 million standby letter of credit (LOC) with JPMorgan Chase (JPMC) as terms of collateral that were required by one of the Company's contract manufacturing organizations. The LOC was set to expire on December 31, 2020 but automatically extended to December 31, 2021 when the Company did not terminate the agreement 90 days prior to the original expiration date. Interest on any borrowings under the LOC agreement is equal to the lesser of (a) Prime plus 2.0% and (b) the highest rate permitted by applicable law and is payable on demand. The Company is required to maintain a cash balance of $34.7 million as collateral for the LOC.

National institutes of health government contract

In July 2020, the Company was awarded a $25.4 million contract by the NIH for Phase 2 of its RADx initiative. The RADx initiative aims to speed the development, validation, and commercialization of innovative, rapid tests that can directly detect COVID-19. The funding will allow the Company to produce and distribute test cartridges on a larger scale. To date, the Company has received $10.1 million from RADx. The remaining $15.3 million is contingent upon meeting agreed-upon contractual milestones.

Income taxes

On March 18, 2020, the Families First Coronavirus Response Act (FFCR Act), and on March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) were each enacted in response to the COVID-19 pandemic. The FFCR Act and the CARES Act contain numerous income tax provisions relating to refundable payroll tax credits, deferment of employer side social security payments, NOL carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations and technical corrections to tax depreciation methods for qualified improvement property.

On June 29, 2020, Assembly Bill 85 (A.B. 85) was signed into California law. A.B. 85 provides for a three-year suspension of the use of NOLs for medium and large businesses and a three-year cap on the use of business incentive tax credits to offset no more than $5.0 million of tax per year. A.B. 85 suspends the use of NOLs for taxable years 2020, 2021 and 2022 for certain taxpayers with taxable income of $1.0 million or more. The carryover period for any NOLs that are suspended under this provision will be extended. A.B. 85 also requires that business incentive tax credits including carryovers may not reduce the applicable tax by more than $5.0 million for taxable years 2020, 2021 and 2022.

The FFCR Act and CARES Act did not have a material impact on the Company's financial statements as of December 31, 2019; however, the Company continues to examine the impacts the FFCR Act, CARES Act, and A.B. 85 may have on its business, results of operations, financial condition and liquidity.

Series F Preferred Stock Purchase Agreement

On October 30, 2020, the Company entered into the Series F Preferred Stock Purchase Agreement (Series F SPA) and authorized the sale and issuance of up to an aggregate of 17,990,027 shares of both its Series F-1 Preferred and its Series F-2 Preferred, for an aggregate investment amount of up to approximately $153.8 million.

In conjunction with entering the Series F SPA on October 30, 2020, the Company issued 1,730,995 shares of its Series F-1 Preferred at a purchase price of $8.55 per share, resulting in total net proceeds of $14.4 million, net of issuance costs of $0.4 million (Series F Initial Closing).

The Company held additional closings to sell up to the aggregate number of Series F-1 Preferred or Series F-2 Preferred shares remaining following the Series F Initial Closing. In November 2020, the Company issued and sold an additional 3,128,902 shares of its Series F-1 Preferred and 9,958,539 shares of its Series F-2 Preferred each at a purchase price of $8.55 per share, resulting in total net proceeds of $109.1 million, net of issuance costs of $2.8 million.

Among the proceeds received from this financing, $92.0 million was from existing investors.

Seventh Amended and Restated Certificate of Incorporation

On October 30, 2020, the Company filed its Seventh Amended and Restated Certificate of Incorporation, pursuant to which, each share of Class A Common Stock issued and outstanding immediately prior to the filing

was automatically renamed and reclassified as one share of Common Stock. No shares of Class B Common Stock were outstanding immediately prior to the filing. Class A Common Stock and Class B Common Stock ceased to exist upon the filing of the Seventh Amended and Restated Certificate of Incorporation. The amended and restated Certificate of Incorporation increased the number of shares the Company is authorized to issue to 230,000,000 shares of Common Stock and 229,296,908 shares of preferred stock, of which, 57,324,227 shares were designated as Series 1 convertible preferred stock (Series 1 Preferred) and 57,324,227 shares were designated as Series 2 non-voting convertible preferred stock (Series 2 Preferred).

Chicago laboratory lease

In January 2021 the Company entered a new operating lease for laboratory and storage space in Chicago, IL, which has not yet commenced. The lease will continue for an initial term of 11 years, with options to extend the term for two successive five-year periods after the initial expiration date. The Company's minimum commitment under the new lease is approximately $1.5 million dollars annually with fixed escalations of 2.5% per annum.

Redwood City office lease

In January 2021 the Company entered a new operating lease for office space in Redwood City, CA, which has not yet commenced. The lease will continue for an initial term of 10.5 years, with options to extend the term for two successive five-year periods after the initial expiration date. The Company's minimum commitment under the new lease is approximately $2.6 million dollars annually with fixed escalations of 3% per annum.

TALIS BIOMEDICAL CORPORATION
CONDENSED BALANCE SHEETS

(in thousands, except for share and par value)	December 31, 2019	September 30, 2020 (unaudited)
Assets		
Current assets:		
Cash	$ 21,604	$ 55,406
Restricted cash	—	34,650
Unbilled receivables	1,806	334
Prepaid research and development expenses	267	14,221
Prepaid expenses and other current assets	430	1,393
Total current assets	$ 24,107	$ 106,004
Property and equipment, net	1,535	8,423
Operating lease right-of-use assets	—	734
Other long term assets	91	91
Total assets	$ 25,733	$ 115,252
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 1,566	$ 3,958
Accrued expenses and other current liabilities	2,471	8,934
Current operating lease liabilities	—	825
Total current liabilities	$ 4,037	$ 13,717
Other non-current liabilities	81	76
Total liabilities	$ 4,118	$ 13,793
Commitments and contingencies (Note 7)		
Convertible preferred stock, $0.0001 par value—127,144,422 and 77,427,622 shares authorized as of December 31, 2019 and September 30, 2020, respectively; 37,871,430 and 38,690,915 shares issued and outstanding as of December 31, 2019 and September 30, 2020, respectively; aggregate liquidation preference of $62,678 and $205,814 as of December 31, 2019 and September 30, 2020, respectively	42,755	167,401
Stockholders' deficit:		
Common stock, $0.0001 par value; 82,000,000 and 100,000,000 Class A shares authorized at December 31, 2019 and September 30, 2020, respectively, 2,115,583 and 2,124,444 shares issued and outstanding at December 31, 2019 and September 30, 2020, respectively; 20,000,000 and 35,000,000 Class B shares authorized at December 31, 2019 and September 30, 2020, respectively, none issued and outstanding at December 31, 2019 and September 30, 2020	—	—
Additional paid-in capital	60,636	62,768
Accumulated deficit	(81,776)	(128,710)
Total stockholders' deficit	(21,140)	(65,942)
Total liabilities, convertible preferred stock and stockholders' deficit	$ 25,733	$ 115,252

See accompanying notes to the condensed financial statements

TALIS BIOMEDICAL CORPORATION
CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(in thousands, except for share and per share amounts) (unaudited)	Nine Months Ended September 30, 2019	2020
Grant revenue	$ 2,470	$ 10,705
Operating expenses:		
Research and development	16,866	49,909
General and administrative	5,100	7,798
Total operating expenses	21,966	57,707
Loss from operations	(19,496)	(47,002)
Other income (expense):		
Change in estimated fair value of convertible notes	(340)	—
Interest (expense) income, net	(2)	68
Total other (expense) income, net:	(342)	68
Net loss and comprehensive loss	$ (19,838)	$ (46,934)
Net loss attributable to Class A Common Stockholders	$ (19,838)	$ (46,934)
Net loss per share attributable to Class A Common Stockholders:		
Basic and diluted	$ (37.71)	$ (22.15)
Weighted average shares used in the calculation of net loss per share attributable to Class A Common Stockholders:		
Basic and diluted	526,092	2,118,607

See accompanying notes to the condensed financial statements

TALIS BIOMEDICAL CORPORATION
CONDENSED STATEMENTS OF CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT

(in thousands, except for share amounts)

For the Nine Months Ended September 30, 2019 (unaudited)	Convertible preferred stock		Class A common stock		Additional paid in capital	Accumulated deficit	Stockholders' deficit
	Shares	Value	Shares	Value			
Balance at December 31, 2018	2,333,837	$59,696	525,632	$ —	$ 2,300	$ (54,302)	$ (52,002)
Issuance of Class A Common Stock upon exercise of stock options	—	—	1,191	—	18	—	18
Stock-based compensation expense	—	—	—	—	723	—	723
Net loss	—	—	—	—	—	(19,838)	(19,838)
Balance at September 30, 2019	2,333,837	$59,696	526,823	$ —	$ 3,041	$ (74,140)	$ (71,099)

For the Nine Months Ended September 30, 2020 (unaudited)	Convertible preferred stock		Class A common stock		Additional paid in capital	Accumulated deficit	Stockholders' deficit
	Shares	Value	Shares	Value			
Balance at December 31, 2019	37,871,430	$42,755	2,115,583	$ —	$ 60,636	$ (81,776)	$ (21,140)
Issuance of Class A Common Stock upon exercise of stock options	—	—	8,861	—	13	—	13
Proceeds from second tranche of Series C-1 convertible preferred stock, net of issuance costs of $24	—	18,333	—	—	—	—	—
Proceeds from second tranche of Series D-1 convertible preferred stock, net of issuance costs of $3	—	1,884	—	—	—	—	—
Proceeds from second tranche of Series D-2 convertible preferred stock, net of issuance costs of $6	—	4,710	—	—	—	—	—
Cancellation of third tranche of Series C-1 convertible preferred stock	(9,314,766)	—	—	—	—	—	—
Cancellation of third tranche of Series D-1 convertible preferred stock	(955,666)	—	—	—	—	—	—
Cancellation of third tranche of Series D-2 convertible preferred stock	(2,387,171)	—	—	—	—	—	—

TALIS BIOMEDICAL CORPORATION
CONDENSED STATEMENTS OF CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT

(in thousands, except for share amounts)

For the Nine Months Ended September 30, 2020 (unaudited)	Convertible preferred stock		Class A common stock		Additional paid in capital	Accumulated deficit	Stockholders' deficit
	Shares	Value	Shares	Value			
Issuance of Series E-1 convertible preferred stock, net of issuance costs of $48	2,289,899	16,943	—	—	—	—	—
Issuance of Series E-2 convertible preferred stock, net of issuance costs of $233	11,187,189	82,776	—	—	—	—	—
Stock-based compensation expense	—	—	—	—	2,119	—	2,119
Net loss	—	—	—	—	—	(46,934)	(46,934)
Balance at September 30, 2020	38,690,915	$167,401	2,124,444	$ —	$ 62,768	$ (128,710)	$ (65,942)

See accompanying notes to the condensed financial statements

TALIS BIOMEDICAL CORPORATION
CONDENSED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Nine Months Ended September 30,	
	2019	**2020**
Operating activities		
Net loss	$ (19,838)	$ (46,934)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	723	2,119
Depreciation	539	564
Change in estimated fair value of convertible notes	340	—
Non-cash lease expense	—	444
Changes in operating assets and liabilities:		
Unbilled receivables	664	1,472
Accounts receivable	(716)	—
Prepaid expenses and other current assets	(177)	(431)
Prepaid research and development expenses	(175)	(13,688)
Accounts payable	260	943
Accrued expenses and other liabilities	69	5,771
Lease liabilities	—	(593)
Other long term assets	(152)	—
Net cash used in operating activities	$ (18,463)	$ (50,333)
Investing activities		
Purchase of property and equipment	(425)	(5,795)
Net cash used in investing activities	$ (425)	$ (5,795)
Financing activities		
Proceeds from the issuance of convertible preferred stock, net of issuance costs	—	124,646
Payment of issuance costs of convertible preferred stock	(20)	—
Proceeds from issuance of convertible notes	15,000	—
Proceeds from stock option exercises	18	13
Payment of deferred initial public offering costs	—	(79)
Net cash provided by financing activities	$ 14,998	$ 124,580
Net (decrease) increase in cash and restricted cash	(3,890)	68,452
Cash and restricted cash at beginning of period	6,895	21,604
Cash and restricted cash at end of period	$ 3,005	$ 90,056

TALIS BIOMEDICAL CORPORATION
CONDENSED STATEMENTS OF CASH FLOWS—(Continued)
(in thousands)
(unaudited)

	Nine Months Ended September 30,	
	2019	**2020**
Supplemental disclosure of noncash investing and financing activities		
Property and equipment purchases included in accounts payable and accrued expenses	$ —	$ 1,656
Right-of-use assets obtained in exchange for operating lease liabilities	$ —	$ 743
Remeasurement of operating lease right-of-use asset for lease modification	$ —	$ 417
Deferred initial public offering costs included in accounts payable and accrued expenses	$ —	$ 718

The following table provides a reconciliation of the cash and restricted cash balances as of each of the periods, shown above:

	September 30,	
	2019	**2020**
Cash	$ 3,005	$ 55,406
Restricted cash	—	34,650
Total cash and restricted cash	$ 3,005	$ 90,056

See accompanying notes to the condensed financial statements

TALIS BIOMEDICAL CORPORATION
NOTES TO THE CONDENSED FINANCIAL STATEMENTS

1. Organization and nature of business

Talis Biomedical Corporation (Company) is a molecular diagnostic company focused on transforming diagnostic testing through innovative molecular diagnostic products that enable customers to deploy accurate, reliable, low cost and rapid point-of-care testing for infectious diseases and other conditions. The Company was incorporated in 2013 under the general laws of the State of Delaware and is based in Menlo Park, California and Chicago, Illinois. The Company operates in one segment.

Liquidity

The Company has incurred operating losses since inception, including net losses of $47.2 million for the nine months ended September 30, 2020. As of September 30, 2020, the Company had unrestricted cash of $55.4 million to fund future operations and $34.7 million of restricted cash. Management expects to continue to incur additional substantial losses in the foreseeable future as a result of the Company's research and development activities. The Company will need to raise additional capital to support the completion of its research and development activities. The Company's activities are subject to significant risks and uncertainties, including failing to secure additional funding to continue to operationalize the Company's current technology and to advance the development of its products. We expect that the Company's cash as of September 30, 2020, along with the proceeds from its October and November 2020 Series F-1 and F-2 financings will be sufficient to fund its operations through at least one year from February 8, 2021, the date the unaudited condensed financial statements were available to be reissued.

The Company expects to finance its future operations with its existing restricted and unrestricted cash and through strategic financing opportunities that could include, but are not limited to, an initial public offering (IPO) of its common stock, future offerings of its equity, grant agreements, or the incurrence of debt. However, there is no guarantee that any of these strategic or financing opportunities will be executed or realized on favorable terms, if at all, and some could be dilutive to existing stockholders. The Company's ability to raise additional capital through either the issuance of equity or debt, is dependent on a number of factors including, but not limited to, the demand for the Company, which itself is subject to a number of development and business risks and uncertainties, as well as the uncertainty that the Company would be able to raise such additional capital at a price or on terms that are favorable to the Company.

2. Summary of significant accounting policies

Basis of presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Exchange of common stock

In March 2019, the Company's Board of Directors (Board) approved and the Company filed its Third Amended and Restated Certificate of Incorporation to authorize the issuance of up to 62,000,000 shares of the Company's Class A Common Stock (Class A Common Stock) and 20,000,000 shares of the Company's Class B Non-Voting Common Stock (Class B Common Stock), each with a par value of $0.0001 per share. In conjunction with the Amended and Restated Certificate of Incorporation, the Company exchanged all outstanding shares of the Company's common stock and options to purchase common stock for an equal number of shares of Class A

Common Stock and options to purchase Class A Common Stock. There were no changes in rights and privileges between the legacy common stock and Class A Common Stock. The accompanying financial statements and related notes has been retroactively revised to reflect the common stock as Class A Common Stock to reflect this change in capital structure.

December 2019 reverse stock split

In October 2019, the Board approved, and on November 1, 2019 and December 3, 2019, the Company filed its Fourth and Fifth Amended and Restated Certificate of Incorporation, respectively. The Fourth Amended and Restated Certificate of Incorporation amended the number of shares of Class A Common Stock and Class B Common Stock authorized for issuance to 82,000,000 and 20,000,000, respectively. The Fifth Amended and Restated Certificate of Incorporation was filed to effect a 1-for-10 reverse split (Reverse Split) of shares of Class A Common Stock and all classes of its convertible preferred stock. All share and per share data shown in the accompanying financial statements and related notes has been retroactively revised to reflect the Reverse Split. Upon the effectiveness of the Reverse Split, shares of all classes of its convertible preferred stock, Class A Common Stock, Class A Common Stock underlying outstanding stock options and other equity instruments were proportionately reduced and the respective exercise prices, if applicable, were proportionately increased in accordance with the terms of the agreements governing such securities. Shares of Class A Common Stock reserved for issuance upon the conversion of all classes of the convertible preferred stock were proportionately reduced and the respective conversion prices were proportionately increased. The par value per share and the authorized number of shares of Class A Common Stock and Class B Common Stock were not adjusted as a result of the Reverse Split.

February 2021 reverse stock split

On February 5, 2021, the Company amended and restated its amended and restated certificate of incorporation to effect a 1-for-1.43 reverse split (2021 Reverse Split) of shares of the Company's common stock. The par value and authorized shares of common stock were not adjusted as a result of the 2021 Reverse Split. Shares of the Company's convertible preferred stock were not subject to the 2021 Reverse Split. All of the share and per share information included in the accompanying condensed financial statements has been retroactively adjusted to reflect the 2021 Reverse Split.

Reclassification of prepaid research and development expenses

The accompanying condensed balance sheet at December 31, 2019 and the condensed statements of cash flows for the nine months ended September 30, 2019 and 2020 reflect the Company's reclassification of prepaid research and development expenses from prepaid expenses and other current assets in order to conform to the presentation of the current period.

Unaudited interim condensed financial statements

The accompanying condensed balance sheet at September 30, 2020, and the condensed statements of operations and comprehensive loss, statements of convertible preferred stock and stockholders' deficit and statements of cash flows for the nine months ended September 30, 2019 and 2020 are unaudited. The condensed interim financial statements have been prepared on the same basis as the audited annual financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments necessary for the fair presentation of the Company's financial position at September 30, 2020 and the results of its operations and its cash flows for the nine months ended September 30, 2019 and 2020. The financial data and other information disclosed in these notes related to the nine months ended September 30, 2019 and 2020 are also unaudited. The results for the nine months ended September 30, 2020 are not

necessarily indicative of results to be expected for the full year or for any other subsequent interim period. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with GAAP have been condensed or omitted. Therefore, these interim condensed financial statements should be read in conjunction with the Company's audited financial statements included elsewhere in this prospectus.

Concentration of credit risk and other risks and uncertainties

Financial instruments which potentially subject the Company to concentrations of credit risk consist primarily of cash and unbilled grant receivables. The Company's cash is deposited in accounts at large financial institutions. The Company believes it is not exposed to significant credit risk due to the financial strength of the depository institutions in which the cash is held and government grant funded nature of the Company's unbilled grant receivables.

In December 2019, a novel strain of coronavirus, which causes the disease known as COVID-19, was reported to have surfaced in Wuhan, China. Since then, COVID-19 coronavirus has spread globally. In March 2020, the World Health Organization declared the COVID-19 outbreak a pandemic. The COVID-19 pandemic has and may continue to impact the Company's third-party manufacturers and suppliers, which could disrupt its supply chain or the availability or cost of materials. The effects of the public health directives and the Company's work-from home policies may negatively impact productivity, disrupt its business and delay clinical programs, timelines and future clinical trials, the magnitude of which will depend, in part, on the length and severity of the restrictions and other limitations on the Company's ability to conduct business in the ordinary course. These and similar, and perhaps more severe, disruptions in the Company's operations could negatively impact business, results of operations and financial condition, including its ability to obtain financing. To date, the Company has not incurred impairment losses in the carrying values of its assets as a result of the pandemic and is not aware of any specific related event or circumstance that would require the Company to revise its estimates reflected in these financial statements.

The Company cannot be certain what the overall impact of the COVID-19 pandemic will be on its business and prospects. The extent to which the COVID-19 pandemic will further directly or indirectly impact its business, results of operations, financial condition and liquidity, including planned and future clinical trials and research and development costs, will depend on future developments that are highly uncertain, including as a result of new information that may emerge concerning COVID-19, the actions taken to contain or treat it, and the duration and intensity of the related effects. In addition, the Company could see some limitations on employee resources that would otherwise be focused on its operation, including but not limited to sickness of employees or their families, the desire of employees to avoid contact with large groups of people, and increased reliance on working from home. If the financial markets and/or the overall economy are impacted for an extended period, the Company's business, financial condition, results of operations and prospects may be adversely affected.

Restricted cash

Restricted cash consists primarily of cash that serves as collateral for the Company's standby letter of credit (see Note 7). Any cash that is legally restricted from use is classified as restricted cash. If the purpose of restricted cash relates to acquiring a long-term asset, liquidating a long-term liability, or is otherwise unavailable for a period longer than one year from the balance sheet date, the restricted cash is classified as a long term asset. Otherwise, restricted cash is included in other current assets in the condensed balance sheet.

Leases

Prior to January 1, 2020, the Company accounted for leases under Accounting Standards Codification (ASC) 840, *Leases* (ASC 840). The Company, as the lessee in its operating lease arrangements, recorded monthly rent expense on a straight-line basis, equal to the total of the payments due over the lease term, divided by the number of months of the lease term. The difference between rent expense recorded and the amount paid was charged to deferred rent. Effective January 1, 2020, the Company adopted Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842*) (ASC 842), using the modified retrospective transition method. Under this method, financial statements for reporting periods after adoption are presented in accordance with ASC 842 and prior-period financial statements continue to be presented in accordance with ASC 840, the accounting standard originally in effect for such periods.

At the inception of an arrangement, the Company determines whether the arrangement is or contains a lease based on the unique facts and circumstances present in the arrangement, including whether the Company controls the use of identified assets. Under ASC 842, the Company classifies leases with a term greater than one year as either operating or finance leases at the lease commencement date and records a right-of-use assets and current and non-current lease liabilities, as applicable on the condensed balance sheet. The Company has elected not to recognize on the condensed balance sheet leases with terms of one year or less, but payments are recognized as expense on a straight-line basis over the lease term. If a lease includes options to extend the lease term, the Company does not assume the option will be exercised in its initial lease term assessment unless there is reasonable certainty that the Company will renew based on an assessment of economic factors present as of the lease commencement date. The Company monitors its plans to renew its material leases each reporting period.

Lease liabilities and their corresponding right-of-use assets are recorded based on the present value of lease payments over the remaining lease term. The present value of future lease payments are discounted using the interest rate implicit in lease contracts if that rate is readily determinable; otherwise the Company utilizes its incremental borrowing rate (IBR), which reflects the fixed rate at which the Company could borrow on a collateralized basis over a similar term, the amount of the lease payments in a similar economic environment. After lease commencement and the establishment of a right-to-use asset and operating lease liability, lease expense is recorded on a straight-line basis over the lease term. The Company enters into contracts that contain both lease and non-lease components. Non-lease components include costs that do not provide a right-to-use a leased asset but instead provide a service, such as maintenance costs. The Company has elected to account for the lease and non-lease components together as a single component for all classes of underlying assets. Variable costs associated with the lease, such as maintenance and utilities, are not included in the measurement of right-to-use assets and lease liabilities but rather are expensed when the events determining the amount of variable consideration to be paid have occurred.

The Company enters into certain manufacturing and supply arrangements with third-party suppliers that may contain embedded leases for the manufacturing of its Talis One cartridges which require highly specialized production lines. The Company must assess its involvement with the design and construction of the production lines. If determined to control the underlying assets during construction, the Company may be deemed to be the “owner” for accounting purposes during the construction period and may be required to capitalize the project costs on its condensed balance sheet. As the Company has funded all of the construction costs, the recognition of a financing liability for amounts funded by the third-party supplier is not necessary. Upon completion of the construction, the Company is required to perform a sale-leaseback analysis to assess whether control is transferred, in which case the Company should de-recognize the capitalized project costs, if any, and account for the arrangement as a lease. If the sale-leaseback criteria are not met, the capitalized project costs will remain on the Company’s condensed balance sheet to be depreciated over the estimated useful life of the underlying assets.

Research and development costs

Research and development costs are expensed as incurred. Research and development expenses include certain payroll and personnel expenses, laboratory supplies, consulting costs, external contract research and development expenses, allocated overhead and facility occupancy costs. Costs to develop the Company's technologies, including software, are recorded as research and development expense except for costs that meet the criteria to be capitalized as internal-use software costs. These expenses relate to both Company sponsored programs as well as costs incurred pursuant to grants. Non-refundable advance payments made for goods or services that will be used or rendered for future research and development activities are deferred and capitalized and recognized as expense as the goods are received or the related services are rendered.

The Company does not capitalize pre-launch inventory costs until future commercialization is considered probable and the future economic benefit is expected to be realized. Capitalizing pre-launch inventory costs will not occur prior to obtaining an Emergency Use Authorization (EUA) or other U.S Food and Drug Administration (FDA) marketing authorization unless the regulatory review process has progressed to a point that objective and persuasive evidence of regulatory approval is sufficiently probable, and future economic benefit can be asserted. The Company records such costs as research and development expenses, or if used in marketing evaluations records such costs as general and administrative expenses. A number of factors are taken into consideration, based on management's judgment, including the current status in the regulatory approval process, potential impediments to the approval process, anticipated research and development initiatives and risk of technical feasibility, viability of commercialization and marketplace trends.

In 2020, the Company began developing production lines to automate the production of its Talis One cartridges for the COVID-19 assay with the intention to scale up its manufacturing capabilities to meet the high demand expected in response to the COVID-19 pandemic. The Company plans to apply for an EUA for the Talis One platform and COVID-19 assay cartridges in January 2021. Approximately $19.1 million of the high capacity production equipment acquired as part of the Company's effort to scale up its manufacturing capacity, is highly specialized for the manufacturing of the Company's Talis One cartridges and was determined not to have an alternative future use. All materials, equipment, and external consulting costs associated with developing aspects of the production line that do not have an alternative future use are expensed as research and development costs until regulatory approval is obtained. Materials, equipment, and external consulting costs associated with developing aspects of the production line that are deemed to have an alternative future use are capitalized as property and equipment, assessed for impairment and depreciated over their related useful lives. These research and development costs, including expenditures for property and equipment with no alternative future use, are classified as operating cash outflows within the Company's condensed statements of cash flows.

For certain research and development services where the Company has not yet been invoiced or otherwise notified of actual cost from the third-party contracted service providers, the Company is required to estimate the extent of the services that have been performed on its behalf and the associated costs incurred at each reporting period. The majority of its service providers invoice the Company monthly in arrears for services performed. The Company makes estimates of its accrued expenses as of each balance sheet date in its financial statements based on facts and circumstances at that time. The Company periodically confirms the accuracy of its estimates with the service providers and makes adjustments if necessary.

Although the Company does not expect its estimates to be materially different from amounts actually incurred, the Company's understanding of the status and timing of services performed relative to the actual status and timing of services performed may vary and may result in reporting amounts that are too high or too low in any particular period. To date, there have not been any material adjustments to the Company's prior estimates of accrued research and development expenses.

Grant revenue

Grants awarded to the Company for research and development by government entities are outside the scope of the contracts with customers and contributions guidance. This is because these granting entities are not considered to be customers and are not receiving reciprocal value for their grant support provided to the Company. These grants provide the Company with payments for certain types of expenditures in return for research and development activities over a contractually defined period. For efforts performed under these grant agreements, the Company's policy is to recognize revenue when it is reasonably assured that the grant funding will be received as evidenced through the existence of a grant arrangement, amounts eligible for reimbursement are determinable and have been incurred and paid, the applicable conditions under the grant arrangements have been or will be met, and collectability of amounts due is reasonably assured. Costs of grant revenue are recorded as a component of research and development expenses in the Company's statements of operations and comprehensive loss.

Grant funds received from third parties are recorded as revenue if the Company is deemed to be the principal participant in the arrangement. If the Company is not the principal participant, the funds from grants are recorded as a reduction to research and development expense. Reimbursable costs paid prior to being billed are recorded as unbilled grant receivables. Funds received in advance are recorded as deferred grant revenue. Management has determined that the Company is the principal participant under the Company's grant agreements, and accordingly, the Company records amounts earned under these arrangements as grant revenue.

Convertible preferred stock

The Company records convertible preferred stock at fair value on the dates of issuance, net of issuance costs. The Company has classified convertible preferred stock, which is redeemable, as temporary equity in the accompanying condensed balance sheets due to terms that allow for redemption of the shares in cash upon certain change in control events that are outside of the Company's control, including the sale or transfer of the Company by holders of the convertible preferred stock which could trigger redemption of the shares.

The carrying values of the convertible preferred stock are adjusted to their liquidation preferences if and when it becomes probable that such a liquidation event will occur. The Company did not accrete the value of the convertible preferred stock to the redemption values since a future change in control event was not considered probable as of December 31, 2019 or September 30, 2020. Subsequent adjustments of the carrying values to the ultimate redemption values will be made only when it becomes probable that such liquidation events will occur, causing the shares to become redeemable.

The Company also evaluates the features of its convertible preferred stock to determine if the features require bifurcation from the underlying shares by evaluating if they are clearly and closely related to the underlying shares and if they do, or do not, meet the definition of a derivative.

In determining if an extinguishment or modification of changes to mezzanine equity-classified preferred shares has occurred, the Company has elected a policy to evaluate if changes add, delete or significantly change a substantive contractual term (e.g., one that is at least reasonably possible of being exercised), or fundamentally change the nature of the convertible preferred shares. This evaluation includes the consideration of both the expected economics as well as the business purpose for the amendment.

Stock-based compensation

The Company maintains an equity incentive plan as a long-term incentive for employees, consultants, and directors. The Company accounts for all stock-based awards based on their fair value on the date of the grant

and recognizes compensation expense for those awards on a straight-line basis over the requisite service period, which is generally the vesting period of the respective award. The measurement date for stock awards is the date of grant. From time to time, the Company may grant stock options to employees, including executive officers, and consultants that vest upon the satisfaction of both service-based and performance-based vesting conditions. The Company recognizes stock-based compensation over the requisite service period using the accelerated attribution method for awards with a performance condition if the performance condition is deemed probable of being met. Stock-based compensation is classified in the accompanying statements of operations and comprehensive loss based on the function to which the related services are provided. The Company recognizes stock-based compensation expense for the portion of awards that have vested. Forfeitures are accounted for as they occur.

The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes options-pricing model, which requires inputs based on certain subjective assumptions, including the expected stock price volatility, the expected term of the option, the risk-free interest rate for a period that approximates the expected term of the option, and the Company's expected dividend yield.

The fair value of the Class A Common Stock is determined by the Board with the assistance of management. The fair value of Class A Common Stock is determined using valuation methodologies which utilize certain assumptions including probability weighting of events, volatility, time to an exit event, a risk-free interest rate and an assumption for a discount for lack of marketability. In determining the fair value of Class A Common Stock, the methodologies used to estimate the enterprise value of the Company were performed using methodologies, approaches, and assumptions consistent with the American Institute of Certified Public Accountants' Accounting and Valuation Guide, *Valuation of Privately-Held-Company Equity Securities Issued as Compensation*.

Comprehensive loss

Comprehensive loss is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources. The Company did not have any other comprehensive income or loss for any of the periods presented, and therefore comprehensive loss was the same as the Company's net loss.

Deferred initial public offering costs

Deferred offering costs, which consist of direct incremental legal, consulting, banking and accounting fees primarily relating to the Company's contemplated initial public offering (IPO), are capitalized and will be offset against proceeds upon the consummation of the offering within stockholders' equity. In the event an anticipated offering is terminated, deferred IPO offering costs will be expensed. As of December 31, 2019, there were no capitalized deferred IPO offering costs on the condensed balance sheet. As of September 30, 2020, there were $0.8 million of deferred IPO offering costs within prepaid and other current assets on the condensed balance sheet.

Emerging growth company status

The Company is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012 (JOBS Act). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act, until such time as those standards apply to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the

earlier of the date that it (i) is no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, these financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

New accounting pronouncements

Recently adopted accounting standards

In February 2016, the FASB issued ASC 842, which supersedes the guidance in ASC 840. The new standard, as amended by subsequent ASUs, requires lessees to apply a dual approach, classifying leases as either finance or operating leases based on the principle of whether or not the lease is effectively a financed purchase by the lessee. This classification will determine the recognition pattern of lease expense over the term of the lease. A lessee is also required to record (i) a right-of-use asset and a lease liability for all leases with a term of greater than 12 months regardless of their classification and (ii) lease expense on its statement of operations for operating leases and amortization and interest expense on its statement of operations for financing leases. Leases with a term of 12 months or less will be accounted for similar to existing guidance for operating leases under ASC 840.

Effective January 1, 2020, the Company adopted ASC 842, using the required modified retrospective approach and utilized the effective date as its date of initial application, with prior periods presented in accordance with previous guidance under ASC 840. ASC 842 provides several optional practical expedients in transition. The Company applied the package of practical expedients to leases that commenced prior to the effective date whereby the following are not required to be reassessed: (i) whether any expired or existing contracts are or contain leases; (ii) the lease classification for any expired or existing leases; and (iii) the treatment of initial direct costs for existing leases. The Company also elected the short-term lease expedient for all leases that qualified based on a lease term of 12 months or less, and consequently a right-of-use asset or lease liability was not recognized for short-term leases.

Upon its adoption of ASC 842, the Company recorded lease liabilities and their corresponding right-of-use assets based on the present value of lease payments over the remaining lease term. The relevant IBR at January 1, 2020, specific to each lease and based on the remaining lease term, was used to calculate the present value of the Company's leases as of that date. Adoption of this standard resulted in the recording of operating lease right-of-use assets of $0.8 million and current and noncurrent operating lease liabilities of $0.8 million and $0.3 million, respectively, on the Company's condensed balance sheet and the de-recognition of deferred rent liabilities of $0.3 million on the date of adoption. The adoption of the standard had no impact on the Company's condensed statements of operations and comprehensive loss or to its cash flows from or used in operating, financing, or investing activities on its condensed statements of cash flows. No cumulative-effect adjustment within accumulated deficit was required to be recorded as a result of adopting this standard. Refer to Note 7 for right-of-use assets and liabilities recorded during the nine months ended September 30, 2020.

In August 2018, the FASB issued ASU 2018-15, *Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That is a Service Contract*. This pronouncement clarifies the requirements for capitalizing implementation costs in cloud computing arrangements and aligns them with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The guidance can be adopted retrospectively or prospectively to all cloud computing arrangement implementation costs incurred after the date of adoption. The Company adopted the new guidance on January 1, 2020 on a prospective basis and it did not have a material impact on the Company's condensed financial statements and related disclosures.

Recently issued accounting standards not yet adopted

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments – Credit Losses* (ASU 2016-13) to require the measurement of expected credit losses for financial instruments held at the reporting date based on historical experience, current conditions and reasonable forecasts. The main objective of this ASU is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. As a result of the Company having elected the extended transition period for complying with new or revised accounting standards pursuant to Section 107(b) of the JOBS Act, and assuming the Company continues to be considered an Emerging Growth Company, ASU 2016-13 will be effective for the Company on January 1, 2023. The Company has not yet determined the potential effects of ASU 2016-13 on its condensed financial statements and disclosures.

3. Fair value measurements

Management believes that the carrying amounts of the Company's financial instruments, including unbilled grant receivables, prepaid expenses and other current assets, accounts payable and accrued expenses approximate fair value due to the short-term nature of those instruments.

In March 2019 and August 2019, the Company issued $10.0 million and $5.0 million in convertible promissory notes (the Notes) (see Note 8). In December 2019, the convertible notes were converted to 6,937,252 shares of Series D-2 convertible preferred stock with a conversion price of $2.74 per share. The Company elected the fair value option to account for the Notes that were issued and settled during 2019. The Company recorded these Notes at their estimated fair value with changes in estimated fair value recorded as a component of other income (expense), net in the statement of operations and comprehensive loss unless the change was a result of a change in credit risk of the Notes, in which case such change in estimated fair value was recorded within other comprehensive income (loss). No other financial instruments measured at fair value on a recurring basis were outstanding as of December 31, 2019 and September 30, 2020. The fair value of the notes was determined based on significant inputs not observable in the market, which represent a Level 3 measurement within the fair value hierarchy.

The Notes were valued using a scenario-based discounted cash flow analysis. Two primary scenarios were considered, and probability weighted to arrive at the estimated fair value for each of the Notes. The first scenario considered the value impact of conversion at the stated discount to the issue price if the Company had a qualifying financing event, i.e. raised $45.0 million in an equity financing before the first anniversary of the issuance date, while the second scenario assumed the Notes were converted at the option of the holder assuming the qualified financing event did not occur. As of the issuance date of the Notes, an implied yield was calculated such that the probability weighted value of the Notes was equal to the principal investment amount. The average implied yield of previously issued convertible notes is carried forward and used as the primary discount rate for subsequent valuation dates.

The following table summarizes the significant unobservable inputs used in the fair value measurement of the Notes during the nine months ended September 30, 2019:

Fair Value Range (in thousands)	Valuation Technique	Unobservable Input	Input Range
$15,231 - $15,340	**Scenario-based analysis**	**Discount Rate**	**15.0% - 15.0%**
		Timing of the scenarios	0.17 years - 0.80 years
		Probability of Qualified Financing	82.8% - 82.8%
		Probability of Default	17.2% - 17.2%
		Recovery Rate	0.0.% - 0.0%

The Company recorded a loss of $0.3 million for changes in the fair value of the Notes in the statements of operations and comprehensive loss during the nine months ended September 30, 2019.

The following table provides a roll forward of the aggregate fair value of the Company's convertible notes, for which fair value was determined using Level 3 inputs (in thousands):

Convertible Notes	Nine Months Ended September 30, 2019
Balance at December 31, 2018	$ —
Issuance of convertible notes	15,000
Change in estimated fair value	340
Balance at September 30, 2019	$ 15,340

During the nine months ended September 30, 2019 and 2020, there were no transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy.

4. Property and equipment, net

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

	December 31, 2019	September 30, 2020
Lab equipment	$ 2,293	$ 3,181
Office and computer equipment	325	456
Furniture and fixtures	338	374
Leasehold improvements	814	814
Total	3,770	4,825
Less accumulated depreciation	(2,235)	(2,799)
Total	1,535	2,026
Construction in progress	—	6,397
Property and equipment, net	$ 1,535	$ 8,423

Construction in progress includes high capacity production equipment funded as part of the Company's effort to scale up its manufacturing capacity for commercial launch. The equipment capitalized in construction in progress is production equipment that has been determined to have an alternative future use. Under the build to suit leasing guidance, the Company is considered the accounting owner of this equipment during its construction. Construction in progress is stated at cost and does not depreciate. Once the equipment is completed and ready for its intended use, the Company will assess whether a sale and leaseback have occurred.

All of the Company's property and equipment is located in the U.S. and Germany, with the majority of the construction in progress being located in Germany.

5. Accrued expenses and other current liabilities

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

	December 31, 2019	September 30, 2020
Accrued research and development activities	$ —	$ 5,165
Compensation and benefits	1,908	2,603
Deferred rent, current	235	—
Professional fees	223	753
Accrued property and equipment	—	199
Other accrued liabilities	105	214
	$ 2,471	$ 8,934

6. Grants and unbilled receivables

CARB-X grant

In April 2018, the Company entered into a subaward agreement with the Trustees of Boston University as part of the Combating Antibiotic-Resistant Bacteria Biopharmaceutical Accelerator (CARB-X) grant to support the development of a rapid Clinical Laboratory Improvement Amendments-waived molecular diagnostic test to detect chlamydia and gonorrhea directly from a patient sample in 20 minutes or less and develop a similarly rapid phenotypic antibiotic susceptibility test for gonorrhea. The subaward agreement consisted of $4.4 million of initial funding through September 30, 2019. During 2020, the subaward agreement was extended through September 2020 and the initial funding was increased by $1.2 million in order to expand development efforts. Under the subaward agreement, there is a possibility of an additional $2.8 million of funding through June 2021 based on the discretion of CARB-X and the achievement of certain project milestones. During the nine months ended September 30 2019 and 2020, the Company recognized $1.9 million and $0.6 million of revenue respectively, of which $1.1 million and $0.2 million of reimbursable expenses had been incurred and paid but were not yet invoiced and were included in unbilled grant receivables at September 30, 2019 and September 30, 2020. The unbilled grant receivables at September 30, 2019 were subsequently invoiced and collected by February 2020 and the unbilled grant receivables at September 30, 2020 were invoiced but still outstanding as of December 2020.

NIH grant

In May 2018, the Company was awarded a grant from the National Institute of Health (NIH) for the Diagnostics via Rapid Enrichment, Identification, and Phenotypic Antibiotic Susceptibility Testing of Pathogens from Blood project. The structure of the agreement consisted of a $1.3 million initial funding term through April 2019 with the possibility of an additional $4.4 million of funding through April 2023, subject to the availability of funds and satisfactory progress of the project. In March 2019, the Company exercised its first one-year option under the grant, extending the term through April 2020. In April 2020, the Company exercised its second one-year option under the grant, extending the term through April 2021.

During the nine months ended September, 30 2019 and 2020, $0.6 million and $0.9 million of revenue related to this grant, respectively, of which $0.2 million and $0.1 million of reimbursable expenses had been incurred and paid but were not yet invoiced and were included in unbilled grant receivables at September 30, 2019 and 2020, respectively. These amounts were subsequently invoiced and collected by October 2019 and October 2020, respectively.

NIH Rapid Acceleration of Diagnostics - Advanced Technology Platforms (RADx) Initiative contracts

In July 2020, the Company was awarded a $0.4 million subaward grant from the University of Massachusetts Medical School for Phase 1 of the NIH's RADx initiative and a $25.4 million contract from the NIH directly for Phase 2 of the RADx initiative. The RADx initiative aims to speed the development, validation, and commercialization of innovative, rapid tests that can directly detect COVID-19. The subaward agreement required the Company to produce functional Talis One COVID-19 assay cartridges in order to assess the Talis One instrument's capability of successfully detecting COVID-19. During the nine months ended September 30, 2020, the Company fulfilled its contractual obligations for the subaward grant and all $0.4 million of revenue related to the grant had been recognized and received.

The NIH contract for Phase 2 of the RADx initiative is subject to meeting certain milestones and is comprised of five stages. The terms and milestone conditions of the first two stages, for consideration of up to $10.1 million, was agreed to in July 2020 while the milestone conditions and terms of the final three stages, for consideration of up to $15.3 million, was agreed to in December 2020. The Phase 2 RADx contract has a performance period of one year beginning July 2020 and contains key deliverables and milestones that directly support the upgrade and addition of new manufacturing lines which will support the Company's expansion of its manufacturing capacity to produce and distribute its COVID-19 assay cartridge. If the NIH contract is terminated by the NIH for cause upon the Company's failure to perform as specified in the NIH contract, the Company would be required to repay the NIH 15.0% of the amounts previously received as liquidated damages, in place of any actual damages. Such repayment would not be required if a delay in delivery or performance was beyond the Company's control. During the nine months ended September 30, 2020, the Company has recognized and received $8.9 million relating to completing the first stage of the contract, with the remaining $16.5 million being contingent upon the Company meeting agreed-upon contractual milestones.

7. Commitments and contingencies

Leases

In December 2015, the Company entered a lease agreement in Menlo Park, California for laboratory and office space. The lease agreement commenced on May 1, 2016 and had an expiration date of April 30, 2021. In June 2020, the Company extended the term of this operating lease for six months, extending the lease end date to October 31, 2021. This modification resulted in an increase to the right-of-use asset and lease liability of $0.4 million, with the lease remaining classified as an operating lease. The lease payments increase by 3.0% in each year. The lease included $0.8 million in tenant inducements, which has been fully utilized through qualifying tenant improvements and rental credits. Monthly rent expense is recognized net of the tenant inducement amount on a straight-line basis over the lease term. As of September 30, 2020, the Company did not have an option to extend the term of the lease. The Company also leases office space on a month-to-month basis in Chicago, Illinois.

The Company has an operating lease agreement for equipment for which the related expense is immaterial.

The components of the lease costs and supplemental cash flow information relating to the Company's leases for the nine months ended September 30, 2020 were as follows (in thousands):

Lease costs	Nine month ended September 30, 2020
Operating lease costs	$ 457
Short-term lease costs	17
Total operating lease costs	$ 474
Cash flows	
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows used for operating leases	$ 606

Weighted-average remaining lease terms and discount rates as of September 30, 2020 were as follows:

	September 30 2020
Weighted-average remaining lease term	1.1 years
Weighted-average discount rate	1.2%

The undiscounted future lease payments for operating leases as of September 30, 2020, were as follows (in thousands):

Year ending December 31,	Operating Leases
2020 (excluding 9 months ended September 30, 2020)	$ 205
2021	696
2022	6
Total future minimum lease payments	907
Less: imputed interest	(6)
Present value of operating lease liabilities	901
Less: current operating lease liabilities	(825)
Noncurrent portion of lease liability	$ 76

Operating lease liabilities, net of current position is recorded as a component of other non-current liabilities in the condensed balance sheet.

The Company recognized rent expense of $0.6 million for the year ended December 31, 2019 and future minimum lease payments under operating leases as of December 31, 2019, were as follows (in thousands):

Year ending December 31,	Operating Leases
2020	$ 807
2021	271
Total minimum lease payments	$ 1,078

Standby letter of credit

Between June 2020 and August 2020, the Company executed and amended a $33.0 million standby letter of credit (LOC) with JPMorgan Chase (JPMC) as terms of collateral that were required by one of the Company's contract manufacturing organizations. The LOC was set to expire on December 31, 2020 but automatically

extended to December 31, 2021 when the Company did not terminate the agreement 90 days prior to the original expiration date. Interest on any borrowings under the LOC agreement is equal to the lesser of (a) Prime plus 2.0% and (b) the highest rate permitted by applicable law and is payable on demand. The Company is required to maintain a cash balance of $34.7 million as collateral for the LOC, which is classified as restricted cash at September 30, 2020 in the condensed balance sheet. As of September 30, 2020, the LOC had not been exercised.

Indemnification agreements

In the ordinary course of business, the Company may provide indemnification of varying scope and terms to vendors, lessors, customers and other parties with respect to certain matters including, but not limited to, losses arising out of breach of such agreements or from intellectual property infringement claims made by third parties. These indemnities include indemnities to the directors and officers of the Company to the maximum extent permitted under applicable Delaware law. The maximum potential amount of future payments that the Company could be required to make under these indemnification agreements is, in many cases, unlimited. The Company has not incurred any material costs as a result of such indemnifications and is not currently aware of any indemnification claims.

Contingencies

The Company is party to certain legal matters arising in the ordinary course of its business. In addition, third parties may, from time to time, assert claims against us in the form of letters and other communications. The Company records a provision for contingent losses when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. The Company currently does not believe that the ultimate outcome of any of the matters is probable or reasonably estimable, or that these matters will have a material adverse effect on its business; however, the results of litigation and claims are inherently unpredictable. Regardless of the outcome, litigation can have an adverse impact on the Company because of litigation and settlement costs, diversion of management resources and other factors.

Unconditional purchase obligations

In the normal course of business, the Company entered into various firm purchase commitments primarily related to the build out of manufacturing capacity and certain inventory related items. As of September 30, 2020, these commitments are approximately $81.3 million, all of which are expected to be incurred in 2021.

8. Convertible notes due to related party

In March 2019 (Effective Date), the Company executed a Convertible Note Purchase Agreement under which the Company agreed to issue an aggregate principal amount of up to $15.0 million (First Tranche Funding) and up to an additional $5.0 million (Second Tranche Funding) of the Notes to an existing investor and related party. The Notes were subject to adjustments to their principle balances whereby upon the issuance of the Notes under the First Tranche Funding and the Second Tranche Funding, the principal owed increased by 10.0% of the face value of the Notes. The Company issued, taking into the effect of the 10.0% increment, $11.0 million of Notes under the First Tranche Funding and $5.5 million under the Second Tranche Funding in March 2019 and August 2019, respectively.

An additional 5.0% installment adjustment was applied to the outstanding First Tranche Funding principal and accrued interest on the 150th day after the Effective Date, the 180th day after the Effective Date, and the 210th day after the Effective Date.

The Notes bore interest at a fixed per annum rate of 6.5% compounded monthly until their maturity date of December 31, 2019, at which time all outstanding principal and interest became due and payable in cash if not already converted.

In the event of a qualified financing, whereby the Company issued and sold its convertible preferred stock and raised capital of at least $45.0 million of total gross proceeds in cash, the Notes would automatically convert into convertible preferred stock at a price equal to the issue price per share of the shares issued in the qualified financing and on the same terms and conditions of such qualified financing. In the event of a non-qualified financing, the holders of the Notes had the option to convert the outstanding principal and unpaid interest of the Notes into such financing at a conversion price equal to the issue price per share of the financing shares and on the same terms and conditions of such non-qualified financing.

Upon a change of control in the company, the holders of the Notes could elect to either declare the Notes payable in an amount equal to 200% multiplied by the outstanding principal plus all unpaid interest or convert the outstanding principal and unpaid interest into shares of Series C Preferred at a conversion price equal to the Series C Preferred original issue price. Upon an event of default, including failure to comply with the Company's payment and other obligations under the Notes, the outstanding principal and unpaid interest became due and payable.

The Company elected to account for the Notes at estimated fair value pursuant to the fair value option and recorded the change in estimated fair value in the statement of operations and comprehensive loss until the Notes were converted into 6,937,252 shares of Series D-2 Preferred at a conversion price of $2.74 per share in December 2019.

The Company recorded a loss of $0.3 million relating to the change in estimated fair value of the Notes in the change in estimated fair value of convertible notes line on the statement of operations and comprehensive loss during the nine months ended September 30, 2019. As the Notes were converted in December 2019, there was no fair value change recorded during the nine months ended September 30, 2020.

9. Convertible preferred stock and stockholders' equity

Convertible preferred stock

In the fourth quarter of 2019, the Company executed the Series C-1 Preferred Stock and Series D-1 Preferred Stock Purchase Agreement (Series C-1 and D-1 SPA) which authorized the sale and issuance of up to an aggregate of 23,338,437 shares of Series C-1 convertible preferred stock (Series C-1 Preferred) and up to an aggregate of 40,233,774 shares of Series D-1 convertible preferred stock (Series D-1 Preferred), and up to an aggregate of 40,233,774 shares of Series D-2 convertible preferred stock (Series D-2 Preferred). The Company sold 22,718,963 shares, 2,330,899 shares, and 5,822,371 shares of Series C-1 Preferred, Series D-1 Preferred, and Series D-2 Preferred, respectively, at a purchase price of $2.74 per share.

The cash proceeds associated with the sale of the Series C-1 Preferred, Series D-1 Preferred and Series D-2 Preferred were to be received by the Company over three tranches of payments. The first tranche was due and payable upon the respective closing date of the sale and issuance of the stock (First Tranche Payment). The First Tranche Payment was received in the fourth quarter of 2019, the second and third tranches were due and payable upon the Company's completion of sufficient technical and operational progress, respectively, as determined by the Company's majority stockholder, in its sole and absolute discretion (Second Tranche Payment and Third Tranche Payment, respectively). The Company determined that neither the Second Tranche Payment nor the Third Tranche Payment met the definition of a freestanding financial instrument because the obligation on the applicable stockholder was not legally detachable from the host share.

The following table provides the cash payment per share due and payable upon the First Tranche Payment, Second Tranche Payment and Third Tranche Payment:

	First Tranche	Second Trache	Third Tranche	Total
Series C-1 Preferred Stock	$ 0.81	$ 0.81	$ 1.12	$ 2.74
Series D-1 Preferred Stock	$ 0.81	$ 0.81	$ 1.12	$ 2.74
Series D-2 Preferred Stock	$ 0.81	$ 0.81	$ 1.12	$ 2.74

As of December 31, 2019, the First Tranche Payment had been received and the Second Tranche Payment and Third Tranche Payment remained outstanding for issuances of the Company's Series C Preferred and Series D Preferred.

During the second quarter of 2020, the Company received the Second Tranche Payment, resulting in total net proceeds of $24.9 million, net of issuance costs of less than $0.1 million.

In June 2020, the Company amended the Series C-1 and Series D-1 SPA to revise the date by which the third tranche milestone must be met from October 1, 2020 to June 30, 2020, and as a result the third tranche milestone was not met. Pursuant to the amendment, due to the third tranche milestone not being met, purchasers were not required to fund the Third Tranche Payment and as a result, 9,314,766 shares, 955,666 shares, and 2,387,171 shares of Series C-1 Preferred, Series D-1 Preferred and Series D-2 Preferred, respectively, were cancelled and transferred back to the Company for no consideration, as no consideration had previously been received for such shares.

The Company determined that the amendment to the Series C-1 and Series D-1 SPA represented a modification but that no incremental expense would be recorded as the difference between the fair values of the Series C-1 Preferred, Series D-1 Preferred, and Series D-2 Preferred immediately before and after the amendment was insignificant.

The Company's June 2020 Sixth Amended Restated Certificate of Incorporation authorized the issuance of up to 77,427,634 shares of convertible preferred stock, of which 13,404,185 shares were designated as Series C-1 Preferred, 13,404,185 shares were designated as Series C-2 Preferred, 11,809,626 shares were designated as Series D-1 Preferred, 11,809,626 shares were designated as Series D-2 Preferred, 13,500,000 shares were designated as Series E-1 convertible preferred stock (Series E-1 Preferred), and 13,500,000 shares were designated as Series E-2 non-voting convertible preferred stock (Series E-2 Preferred).

Between June and July 2020, the Company entered into a Series E Preferred Stock Purchase Agreement (Series E SPA) and also conducted a rights offering with existing Class A common, Series C-1 and Series D-1 preferred stockholders which resulted in the issuance of 2,289,899 shares and 11,187,189 shares of its Series E-1 Preferred and Series E-2 Preferred, respectively, at a purchase price of $7.42 per share, for total net proceeds of $99.7 million, net of issuances cost of $0.3 million. Existing stockholders who were party to the Series E SPA and participated in the rights offering purchased 1,035,932 shares of the Series E-1 Preferred issued and all of the shares of Series E-2 Preferred issued, amounting to gross proceeds of $90.7 million. Included in the terms of the Series E SPA and rights offering were written options to purchase additional shares of Series E-1 and E-2 convertible preferred stock under the same terms as those provided at the initial closing in June 2020. The Company concluded that the fair value of these financial instruments requiring recognition as liabilities at fair value was insignificant.

The Company's convertible preferred stock consisted of the following (in thousands, except share amounts):

December 31, 2019	Preferred authorized	Preferred shares issued and outstanding	Carrying value	Liquidation preference	Common shares issuable upon conversion
Series C-1 convertible preferred stock	23,338,437	22,718,963	$ 21,423	$ 124,500	4,607,400
Series C-2 convertible preferred stock	23,338,437	—	—	—	—
Series D-1 convertible preferred stock	40,233,774	2,392,844	1,677	6,556	516,034
Series D-2 convertible preferred stock	40,233,774	12,759,623	19,655	34,961	6,031,990
	127,144,422	**37,871,430**	**$ 42,755**	**$ 166,017**	**11,155,424**

September 30, 2020	Preferred authorized	Preferred shares issued and outstanding	Carrying value	Liquidation preference	Common shares issuable upon conversion
Series C-1 convertible preferred stock	13,404,197	13,404,197	$ 39,756	$ 73,455	9,373,556
Series C-2 convertible preferred stock	13,404,185	—	—	—	—
Series D-1 convertible preferred stock	11,809,626	1,437,178	3,561	3,938	1,005,013
Series D-2 convertible preferred stock	11,809,626	10,372,452	24,365	28,421	7,253,461
Series E-1 convertible preferred stock	13,500,000	2,289,899	16,943	16,991	1,601,316
Series E-2 convertible preferred stock	13,500,000	11,187,189	82,776	83,009	7,823,208
	77,427,634	**38,690,915**	**$ 167,401**	**$ 205,814**	**27,056,554**

As of December 31, 2019, as a result of only the First Tranche Payment having been received, the liquidation preference for the shares of Series C-1 Preferred, Series D-1 Preferred, and Series D-2 Preferred that were not subject to forfeiture was $36.9 million, $2.1 million, and $23.7 million, respectively.

The convertible preferred stock also has various rights, privileges and features. The Company determined that none of the features required bifurcation from the underlying shares, either because they are clearly and closely related to the underlying shares or because they do not meet the definition of a derivative. The rights, preferences, and privileges of the Company's convertible preferred stock were as follows as of September 30, 2020:

Voting rights

As of December 31, 2019, the holders of Series C-1 Preferred and Series D-1 Preferred, voting as a separate class, shall be entitled to elect four members of the Board at each meeting or pursuant to each consent of the Company's stockholders for the election of directors. The Series C-2 Preferred and Series D-2 Preferred is non-voting. Any additional members of the Board shall be elected by the holders of Class A Common Stock,

Series C-1 Preferred and Series D-1 Preferred, voting together as a single class. Each holder of the Series C-1 Preferred and Series D-1 Preferred shall be entitled to the number of votes equal to the applicable number of shares of Class A Common Stock into which the shares convert.

As of September 30, 2020, the holders of Series C-1 Preferred, Series D-1 Preferred and Series E-1 Preferred (Voting Preferred Stock), voting as a separate class, shall be entitled to elect four members of the Board at each meeting or pursuant to each consent of the Company's stockholders for the election of directors. The Series C-2 Preferred, Series D-2 Preferred and Series E-2 Preferred (Non-Voting Preferred Stock) is non-voting. Any additional members of the Board shall be elected by the holders of Class A Common Stock and Voting Preferred Stock, voting together as a single class. Each holder of the Voting Preferred Stock shall be entitled to the number of votes equal to the applicable number of shares of Class A Common Stock into which the shares convert.

Dividends

The Series C-1 Preferred, Series D-1 Preferred, and Series D-2 Preferred outstanding as of December 31, 2019 and Series C-1 Preferred, Series D-1 Preferred, Series D-2 Preferred, Series E-1 Preferred and Series E-2 Preferred outstanding as of September 30, 2020 do not have rights to receive dividends nor participate in the Company's earnings distribution. However, any such dividend or distribution is subject to the prior approval of these preferred stockholders. As of December 31, 2019 and September 30, 2020, no such dividends had been declared or accrued.

Liquidation distributions

In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, the holders of Series C-1 Preferred, Series C-2 Preferred, Series D-1 Preferred, and Series D-2 Preferred at December 31, 2019 and the holders of Series C-1 Preferred, Series C-2 Preferred, Series D-1 Preferred, Series D-2 Preferred, Series E-1 Preferred and Series E-2 Preferred at September 30, 2020 shall be entitled to receive, prior and in preference to any distribution of any of the assets of the Company to the holders of the Class A Common Stock by reason of their ownership of such stock, the greater of (i) an amount per share of $5.48 per share of Series C-1 Preferred and Series C-2 Preferred and $2.74 per share of Series D-1 Preferred and Series D-2 Preferred plus any declared but unpaid dividends as of December 31, 2019 and an amount per share of $5.48 per share of Series C-1 Preferred and Series C-2 Preferred, $2.74 per share of Series D-1 Preferred and Series D-2 Preferred and $7.42 per share of Series E-1 Preferred and Series E-2 Preferred plus any declared but unpaid dividends as of September 30, 2020, or (ii) such amount per share as would have been payable had all shares of such series of Series C-1 Preferred, Series C-2 Preferred, Series D-1 Preferred, Series D-2 Preferred, Series E-1 Preferred and Series E-2 Preferred been converted into Class A Common Stock immediately prior to such liquidation, dissolution or winding up of the Company. If upon the liquidation, dissolution or winding up of the Company, the assets of the Company legally available for distribution to the holders of the Series C-1 Preferred, Series C-2 Preferred, Series D-1 Preferred, Series D-2 Preferred, Series E-1 Preferred and Series E-2 Preferred are insufficient to permit the payment to such holders of the full amounts, then the entire assets of the Company legally available for distribution shall be distributed with equal priority and pro rata among the holders of the Series C-1 Preferred, Series C-2 Preferred, Series D-1 Preferred, Series D-2 Preferred, Series E-1 Preferred and Series E-2 Preferred in proportion to the full amounts they would otherwise be entitled to receive.

Unless stockholders representing a majority of the then-outstanding Voting Preferred Stock, voting together as a single class, elect otherwise, a liquidation event is defined in the Company's Amended and Restated Certificate of Incorporation to include (i) any liquidation, dissolution, or winding up of the Company, (ii) the

merger or consolidation of the Company in which the holders of capital stock of the Company outstanding immediately prior to such merger or consolidation do not continue to represent immediately following such merger or consolidation at least 50%, by voting power, of the outstanding capital stock of the resulting or surviving entity or (iii) a sale, lease, transfer or other disposition of all or substantially all of the Company's assets. The Company classifies its convertible preferred stock outside of stockholders' deficit because the shares contain liquidation features that are not solely within the Company's control.

Redemption rights

No shares of convertible preferred stock are unilaterally redeemable by either the stockholders or the Company; however, the Company's Amended and Restated Certificate of Incorporation provides that upon any liquidation event such shares shall be entitled to receive the applicable liquidation preference.

Conversion rights

Each share of the Company's convertible preferred stock shall be convertible, at the option of the holder, into the number of Class A Common shares determined by dividing their original issuance by the conversion price then in effect for each series (Conversion Rate). Upon any increase or decrease in the conversion price for any series of convertible preferred stock, the Conversion Rates are appropriately increased or decreased. As of December 31, 2019, the conversion price was $7.84 per share for Series C-1 Preferred and Series C-2 Preferred and $3.92 per share for Series D-1 Preferred and Series D-2 Preferred. As of September 30, 2020, the conversion price was $7.84 per share for Series C-1 Preferred and Series C-2 Preferred, $3.92 per share for Series D-1 Preferred and Series D-2 Preferred and $10.62 per share for Series E-1 Preferred and Series E-2 Preferred.

Each share of the Company's convertible preferred stock shall be automatically converted into fully-paid, non-assessable shares of either Class A Common Stock or Class B Common Stock, in the sole and absolute discretion of such holder, as of December 31, 2019 and September 30, 2020, at the then effective Conversion Rate of each such share (i) immediately prior to the closing of a firm commitment underwritten initial public offering pursuant to an effective registration statement filed under the Securities Act of 1933, as amended (Securities Act), covering the offer and sale of the Class A Common Stock, provided that the offering price per share is not less than $7.82, as adjusted for recapitalizations as defined in the Series C-1 and D-1 SPA, the aggregate gross proceeds to the Company are not less than $50.0 million, and the shares of Class A Common Stock are listed for trading on the New York Stock Exchange or NASDAQ, or (ii) upon the receipt by the Company of a written request for such conversion from the holders of a majority of the Company's convertible preferred stock then outstanding (voting as a single class and on an as-converted basis), or, if later, the effective date for conversion specified in such requests.

Subject to minimum outstanding share requirements and in addition to any other vote or consent required herein or by law, the vote or written consent of the holders of a majority of the outstanding preferred shares shall be necessary for approving certain actions, primarily those that may adversely impact the voting or other powers, preferences, or other special rights, privileges or restrictions of the Company's convertible preferred stock.

Registration rights

Holders of the Company's convertible preferred stock have the right to request the Company to file certain registration statements with the Securities and Exchange Commission for the registration of shares related to the convertible preferred stock. The obligations of the Company regarding such registration rights include, but

are not limited to, reasonable efforts to cause such registration statement to become effective, keep such registration statement effective for up to 30 days, prepare and file amendments and supplements to such registration statement and the prospectus used in connection with such registration statement, and notify each selling holder, promptly after the Company receives notice thereof, of the time when such registration statement has been declared effective or a supplement to any prospectus forming a part of such registration statement has been filed. The terms of the registration rights provide for the payment of certain expenses related to the registration of the shares, including a capped reimbursement of legal fees of a single special counsel for the holders of the shares, but do not impose any obligations for the Company to pay additional consideration to the holders in case a registration statement is not declared effective.

Common stock

Under the Company's Sixth Amended and Restated Certificate of Incorporation, the Company is authorized to issue 100,000,000 shares of Class A Common Stock and 35,000,000 shares of Class B Common Stock, each with a par value of $0.0001 per share. Each holder of Class A Common Stockholder is entitled to one vote per share of Class A Common Stock held. Class B Common Stock is non-voting. Class A Common Stockholders and holders of Class B Common Stock are entitled to receive dividends, as may be declared by the Board, if any, subject to the preferential dividend rights of the convertible preferred stock. No dividends have been declared or paid as of September 30, 2020 and 2020.

The Company has reserved the following shares of Class A Common Stock or Class B Common Stock for future instances of Voting Preferred Stock and Non-Voting Preferred Stock and Class A Common Stock for stock options as of:

	December 31, 2019	September 30, 2020
Shares reserved for conversion of outstanding Series C-1 Preferred Stock	15,887,375	9,373,556
Shares reserved for conversion of outstanding Series D-1 Preferred Stock	1,673,310	1,005,013
Shares reserved for conversion of outstanding Series D-2 Preferred Stock	8,922,811	7,253,461
Shares reserved for conversion of outstanding Series E-1 Preferred Stock	—	1,601,316
Shares reserved for conversion of outstanding Series E-2 Preferred Stock	—	7,823,208
Shares reserved for options to purchase Class A Common Stock under the 2013 Stock Option and Grant Plan	437,922	7,424,661
Shares reserved for issuance under the 2013 Stock Option and Grant Plan	6,410,201	—
Total	33,331,619	34,481,215

10. Stock-based compensation

2013 Equity Incentive Plan

The 2013 Equity Incentive Plan (2013 Plan) provides the Board the discretion to grant stock options and other equity-based awards to employees, directors, and consultants of the Company. The Board administers the 2013 Plan and has discretion to delegate some or all of the administration of the 2013 Plan to a committee or committees or an officer. To date, the Company has only granted Incentive Stock Options (ISOs) and Non-statutory Stock Options (NSOs) to employees and directors. Therefore, the below discussion is limited to the terms applicable to ISOs and NSOs (collectively, stock options or options). As of December 31, 2019, there were 6,848,123 shares of Class A Common Stock reserved by the Company for outstanding grants under the 2013 Plan and an aggregate of 6,410,201 shares of Class A Common Stock remained available for future grants. As of September 30, 2020, there were 7,424,661 shares of Class A Common Stock reserved by the Company for

outstanding grants under the 2013 Plan and no shares remaining available for grant under the 2013 Plan. On October 7, 2020, the Board of Directors of the Company adopted the sixth amendment to the 2013 Plan and the number of shares available for issuance under the plan automatically increased by 699,301 shares.

The exercise prices, vesting, and other restrictions are determined at the discretion of the Board, except that the exercise price per share of stock options may not be less than 100% of the estimated fair market value of the Class A Common Stock on the date of grant and not less than 110% if the employee owns more than 10% of the total combined voting power of all classes of the Company's stock. Stock options awarded under the 2013 Plan expire ten years after the grant date and five years after the grant date if the stockholder employee owns more than 10% of the total combined voting power of all classes of the Company's capital stock, unless the Board sets a shorter term. Vesting periods for awards under the 2013 Plan are determined at the discretion of the Board but in general vest over four years. Upon termination of employment, the option holders' vested shares are subject to repurchase at the lower of (i) the estimated fair market value as of the date of repurchase or (ii) the original exercise price. The 2013 Plan allows for early exercise of certain options prior to vesting. No stock options were early exercised in the nine months ended September 30, 2019 or 2020. Unvested shares upon termination of employment are forfeited back to the Company and increase the number of shares available for future grants.

Stock option activity

In March 2020, the Company offered to reprice the unexercised stock options of each employee or non-employee director with an exercise price equal to $6.38 or higher per share to the estimated fair market value of the Company's Class A Common Stock on March 13, 2020, $1.51. The repriced options were subject to the same terms as the original granted options, except for the new exercise price. The Company modified the exercise price of stock options for the purchase of 407,415 shares of Class A Common Stock with a weighted average of $15.55 per share, by cancelling these options and reissuing stock options with exercise price of $1.51 per share to purchase 407,415 shares of Class A Common Stock. The calculation of the incremental compensation expense is based on the excess of the fair value of the award measured immediately before and after the modification. As a result of the modification, the Company recognized an incremental compensation expense of $0.2 million for the nine months ended September 30, 2020 and $0.1 million of the incremental expense relating to the unvested shares remained unrecognized as of September 30, 2020.

Prior to December 31, 2019, the Company had only granted Class A Common Stock options with service based vesting conditions. During the nine months ended September 30, 2020, the Chief Executive Officer of the Company received stock options for the purchase of 241,958 shares of Class A Common Stock that vest based on a performance condition that was initially tied to the regulatory approval of the Company's Talis One platform for chlamydia and gonorrhea (CT/NG). The original award had a grant date fair value of $0.3 million. The Company modified the performance condition in August 2020 to be tied to the first sale by the Company of a regulatory approved product (considered to be an improbable to improbable modification). The modified grant date fair value of the award was $1.4 million. As of September 30, 2020, there was $1.4 million of unrecognized compensation expense related to these stock options as the achievement of the performance condition was not yet deemed probable.

A summary of option activity under the 2013 Plan during the nine months ended September 30, 2020 is as follows:

	Number of Units Outstanding	Weighted Average Strike Price per Unit	Weighted Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2019	437,922	$ 15.38	7.16	$ 696
Granted	7,612,998	$ 3.81		
Exercised	(8,856)	$ 1.51		
Forfeited/Expired	(617,403)	$ 11.42		
Outstanding at September 30, 2020	7,424,661	$ 3.86	9.49	$ 17,795
Exercisable at September 30, 2020	832,718	$ 1.60	8.18	$ 3,888
Nonvested at September 30, 2020	6,591,943	$ 4.14	9.65	$ 13,907

The aggregate intrinsic value of stock options is calculated as the difference between the exercise price of the stock options and the estimated fair value of Class A Common Stock for those stock options that had exercise prices lower than the estimated fair value of Class A Common Stock. The weighted-average estimated fair value of options granted during the nine months ended September 30, 2019 and 2020 was $1.43 and $2.67 per share, respectively.

As of September 30, 2020, the total unrecognized stock-based compensation expense for unvested service related stock options was $18.6 million, which is expected to be recognized over 3.4 years.

The weighted-average assumptions that the Company used in Black-Scholes option pricing model to determine the grant date fair value of stock options granted to employees and non-employees for the nine months ended September 30, 2019 and 2020 were as follows:

	Nine Months Ended September 30,	
	2019	2020
Expected term (in years)	6.08	5.00 - 6.25
Volatility	80.0%	80.0%
Risk-free interest rate	1.6% - 2.5%	0.3% - 1.5%
Dividend yield	—%	—%

Stock-based compensation expense

The following table summarizes the components of stock-based compensation expense recorded in the Company's statement of operations and comprehensive loss (in thousands):

	Nine Months Ended September 30,	
	2019	2020
Research and development	$ 309	$ 911
General and administrative	414	1,208
Total equity-based compensation	$ 723	$ 2,119

11. Related-party transactions

Research and development consulting services agreement

The Company has a service agreement with a major stockholder and current member of its Scientific Advisory Board, under which, the individual is compensated for providing the Company with research and development consulting services. Under the agreement, the Company has made payments of less than $0.1 million for services rendered in each of the nine months ended September 30, 2019 and 2020. The Company had immaterial unpaid balances related to the service agreement both at December 31, 2019 and September 30, 2020.

Financing activity

During the nine months ended September 30, 2020, the Company sold Series C-1 Preferred, Series D-2 Preferred and E-2 Preferred for total proceeds of $103.1 million to stockholders who are considered to be related parties (see Note 9).

The Company also entered into a Convertible Note Purchase Agreement with a stockholder considered to be a related party during the nine months ended September 30, 2019 (see Note 8).

12. Net loss per share attributable to Class A Common Stockholders

Net loss per share attributable to Class A Common Stockholders

For the nine months ended September 30, 2019 and 2020, the Company reported a net loss attributable to Class A Common Stockholders of $19.8 million and $46.9 million, respectively. The basic and diluted loss per share attributable to Class A Common Stockholders for the nine months ended September 30, 2019 and 2020 are computed as follows (in thousands, except for share and per share data):

	Nine Months Ended September 30,	
	2019	2020
Numerator:		
Net loss	$ (19,838)	$ (46,934)
Net loss attributable to Class A Common Stockholders - basic and diluted	$ (19,838)	$ (46,934)
Denominator:		
Weighted-average number of Class A Common Stock outstanding - basic and diluted	526,092	2,118,607
Net loss per share attributable to Class A Common Stockholders - basic and diluted	$ (37.71)	$ (22.15)

For the nine months ended September 30, 2019 and 2020, the Company reported a net loss attributable to Class A Common Stockholders. The potential Class A Common Stock would have been anti-dilutive and therefore basic and diluted loss per share were the same.

The following common stock equivalents were excluded from the computation of diluted net loss per share attributable to Class A Common Stockholders for the nine months ended September 30, 2019 and 2020 because including them would have been antidilutive:

	September 30,	
	2019	2020
Convertible Preferred Stock	1,632,037	27,056,554
Conversion of convertible notes outstanding principal and accrued interest	4,622,390	—
Options to purchase Class A Common Stock	435,403	7,424,661
Total	6,689,830	34,481,215

13. Income tax

Income taxes for the nine months ended September 30, 2019 and 2020 have been calculated based on an estimated annual effective tax rate and certain discrete items. For the nine months ended September 30, 2019 and 2020, the income tax recorded by the Company was insignificant.

On March 18, 2020, the Families First Coronavirus Response Act (FFCR Act), and on March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) were each enacted in response to the COVID-19 pandemic. The FFCR Act and the CARES Act contain numerous income tax provisions relating to refundable payroll tax credits, deferment of employer side social security payments, NOL carryback periods, alternative minimum tax credit refunds, modifications to the net interest deduction limitations and technical corrections to tax depreciation methods for qualified improvement property.

On June 29, 2020, Assembly Bill 85 (A.B. 85) was signed into California law. A.B. 85 provides for a three-year suspension of the use of NOLs for medium and large businesses and a three-year cap on the use of business incentive tax credits to offset no more than $5.0 million of tax per year. A.B. 85 suspends the use of NOLs for taxable years 2020, 2021 and 2022 for certain taxpayers with taxable income of $1.0 million or more. The carryover period for any NOLs that are suspended under this provision will be extended. A.B. 85 also requires that business incentive tax credits including carryovers may not reduce the applicable tax by more than $5.0 million for taxable years 2020, 2021 and 2022.

The Company has never been examined by the Internal Revenue Service or any other jurisdiction for any tax years and, as such, all years within the applicable statutes of limitations are potentially subject to audit.

14. Subsequent events

The Company has evaluated all subsequent events through January 5, 2021 (except for the impact of the reverse stock split as discussed in the fourth paragraph of Note 2 and the subsequent events disclosed in paragraphs seven through nine of Note 14, as to which the date is February 8, 2021), the date on which the condensed financial statements were available to be reissued.

Series F Preferred Stock Purchase Agreement

On October 30, 2020, the Company entered into the Series F Preferred Stock Purchase Agreement (Series F SPA) and authorized the sale and issuance of up to an aggregate of 17,990,027 shares of both its Series F-1 Preferred and its Series F-2 Preferred, for an aggregate investment amount of up to approximately $153.8 million.

In conjunction with entering the Series F SPA on October 30, 2020, the Company issued 1,730,995 shares of its Series F-1 Preferred at a purchase price of $8.55 per share, resulting in total net proceeds of $14.4 million, net of issuance costs of $0.4 million (Series F Initial Closing).

The Company held additional closings to sell up to the aggregate number of Series F-1 Preferred or Series F-2 Preferred shares remaining following the Series F Initial Closing. In November 2020, the Company issued and sold an additional 3,128,902 shares of its Series F-1 Preferred and 9,958,539 shares of its Series F-2 Preferred each at a purchase price of $8.55 per share, resulting in total net proceeds of $109.1 million, net of issuance costs of $2.8 million.

Among the proceeds received from this financing, $92.0 million was from existing investors.

Seventh Amended and Restated Certificate of Incorporation

On October 30, 2020, the Company filed its Seventh Amended and Restated Certificate of Incorporation, pursuant to which, each share of Class A Common Stock issued and outstanding immediately prior to the filing was automatically renamed and reclassified as one share of Common Stock. No shares of Class B Common Stock were outstanding immediately prior to the filing. Class A Common Stock and Class B Common Stock ceased to exist upon the filing of the Seventh Amended and Restated Certificate of Incorporation. The amended and restated Certificate of Incorporation increased the number of shares the Company is authorized to issue to 230,000,000 shares of Common Stock and 229,296,908 shares of preferred stock, of which, 57,324,227 shares were designated as Series 1 convertible preferred stock (Series 1 Preferred) and 57,324,227 shares were designated as Series 2 non-voting convertible preferred stock (Series 2 Preferred).

Chicago laboratory lease

In January 2021, the Company entered a new operating lease for laboratory and storage space in Chicago, IL, which has not yet commenced. The lease will continue for an initial term of 11 years, with options to extend the term for two successive five-year periods after the initial expiration date. The Company’s minimum commitment under the new lease is approximately $1.5 million dollars annually with fixed escalations of 2.5% per annum.

Redwood City office lease

In January 2021, the Company entered a new operating lease for office space in Redwood City, CA, which has not yet commenced. The lease will continue for an initial term of 10.5 years, with options to extend the term for two successive five-year periods after the initial expiration date. The Company’s minimum commitment under the new lease is approximately $2.6 million dollars annually with fixed escalations of 3% per annum.

Emergency Use Authorization

In January 2021, the Company submitted a request for an EUA to the FDA for its Talis One platform for its COVID-19 molecular diagnostic assay.

Table of Contents

10,000,000 shares

Common stock

Prospectus

J.P. Morgan **BofA Securities** **Piper Sandler**

BTIG

, 2021

Part II
Information not required in prospectus

Item 13. Other expenses of issuance and distribution.

The following table sets forth all costs and expenses, other than underwriting discounts and commissions, payable by Talis Biomedical Corporation (Registrant), in connection with the sale of the common stock being registered. All amounts shown are estimates except for the Securities and Exchange Commission (SEC), registration fee, the Financial Industry Regulatory Authority, Inc. (FINRA) filing fee and The Nasdaq Global Market listing fee.

	Amount
SEC registration fee	$ 20,075
FINRA filing fee	28,100
Nasdaq Global Market listing fee	150,000
Printing and engraving expenses	400,000
Legal fees and expenses	1,400,000
Accounting fees and expenses	1,100,000
Transfer agent and registrar fees and expenses	5,000
Miscellaneous expenses	79,825
Total	$ 3,183,000

Item 14. Indemnification of directors and officers.

The Registrant is incorporated under the laws of the State of Delaware. Section 145 of the Delaware General Corporation Law provides that a Delaware corporation may indemnify any persons who were, are, or are threatened to be made, parties to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of such corporation), by reason of the fact that such person is or was an officer, director, employee or agent of such corporation, or is or was serving at the request of such corporation as an officer, director, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with such action, suit or proceeding, provided that such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the corporation's best interests and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was illegal. A Delaware corporation may indemnify any persons who were, are, or are threatened to be made, a party to any threatened, pending or completed action or suit by or in the right of the corporation by reason of the fact that such person is or was a director, officer, employee or agent of such corporation, or is or was serving at the request of such corporation as a director, officer, employee or agent of another corporation or enterprise. The indemnity may include expenses (including attorneys' fees) actually and reasonably incurred by such person in connection with the defense or settlement of such action or suit, provided such person acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the corporation's best interests, except that no indemnification is permitted without judicial approval if the officer or director is adjudged to be liable to the corporation. Where an officer or director is successful on the merits or otherwise in the defense of any action referred to above, the corporation must indemnify him or her against the expenses (including attorneys' fees) actually and reasonably incurred.

The Registrant's amended and restated certificate of incorporation and amended and restated bylaws, which will become effective upon the completion of this offering, respectively, provide for the indemnification of its

directors and officers to the fullest extent permitted under the Delaware General Corporation Law. Section 102(b)(7) of the Delaware General Corporation Law permits a corporation to provide in its certificate of incorporation that a director of the corporation shall not be personally liable to the corporation or its stockholders for monetary damages for breach of fiduciary duties as a director, except for liability for any:

- transaction from which the director derives an improper personal benefit;
- act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payment of dividends or redemption of shares; or
- breach of a director's duty of loyalty to the corporation or its stockholders.

The Registrant's amended and restated certificate of incorporation, as currently in effect, includes such a provision, and the Registrant's amended and restated certificate of incorporation that will become effective immediately following the completion of this offering will include such a provision. Expenses incurred by any officer or director in defending any such action, suit or proceeding in advance of its final disposition shall be paid by the Registrant upon delivery to it of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified by the Registrant.

Section 174 of the Delaware General Corporation Law provides, among other things, that a director who willfully or negligently approves of an unlawful payment of dividends or an unlawful stock purchase or redemption may be held liable for such actions. A director who was either absent when the unlawful actions were approved or dissented at the time may avoid liability by causing his or her dissent to such actions to be entered in the books containing minutes of the meetings of the board of directors at the time such action occurred or immediately after such absent director receives notice of the unlawful acts.

As permitted by the Delaware General Corporation Law, the Registrant has entered into indemnity agreements with each of its directors and executive officers, that require the Registrant to indemnify such persons against any and all costs and expenses (including attorneys', witness or other professional fees) actually and reasonably incurred by such persons in connection with any action, suit or proceeding (including derivative actions), whether actual or threatened, to which any such person may be made a party by reason of the fact that such person is or was a director or officer or is or was acting or serving as an officer, director, employee or agent of the Registrant or any of its affiliated enterprises. Under these agreements, the Registrant is not required to provided indemnification for certain matters, including:

- indemnification beyond that permitted by the Delaware General Corporation Law;
- indemnification for any proceeding with respect to the unlawful payment of remuneration to the director or officer;
- indemnification for certain proceedings involving a final judgment that the director or officer is required to disgorge profits from the purchase or sale of the Registrant's stock;
- indemnification for proceedings involving a final judgment that the director's or officer's conduct was in bad faith, knowingly fraudulent or deliberately dishonest or constituted willful misconduct or a breach of his or her duty of loyalty, but only to the extent of such specific determination;
- indemnification for proceedings or claims brought by an officer or director against us or any of the Registrant's directors, officers, employees or agents, except for claims to establish a right of indemnification or proceedings or claims approved by the Registrant's board of directors or required by law;
- indemnification for settlements the director or officer enters into without the Registrant's consent; or

- indemnification in violation of any undertaking required by the Securities Act of 1933, as amended (Securities Act), or in any registration statement filed by the Registrant.

The indemnification agreements also set forth certain procedures that will apply in the event of a claim for indemnification thereunder. Except as otherwise disclosed under the heading “Legal proceedings” in the “Business” section of the prospectus included in this registration statement, there is at present no pending litigation or proceeding involving any of the Registrant’s directors or executive officers as to which indemnification is required or permitted, and the Registrant is not aware of any threatened litigation or proceeding that may result in a claim for indemnification.

The Registrant has an insurance policy in place that covers its officers and directors with respect to certain liabilities, including liabilities arising under the Securities Act, or otherwise.

The Registrant plans to enter into an underwriting agreement which provides that the underwriters are obligated, under some circumstances, to indemnify the Registrant’s directors, officers and controlling persons against specified liabilities, including liabilities under the Securities Act.

Item 15. Recent sales of unregistered securities.

Set forth below is information regarding securities issued and options granted by the Registrant since January 1, 2018 that were not registered under the Securities Act. Also included is the consideration, if any, received by the Registrant, for such securities and options and information relating to the Securities Act, or rule of the SEC, under which exemption from registration was claimed. The share and per share figures set forth below give retrospective effect to a (i) 1-for-10 reverse stock split of the Registrant’s common stock and convertible preferred stock effected in December 2019, and (ii) 1-for-1.43 reverse stock split of the Registrant’s common stock effected in February 2021, as described in paragraphs (3) and (7), respectively, below.

(1) From March 2019 through August 2019, the Registrant issued and sold, in a series of closings, convertible promissory notes in the aggregate principal amount of $15.0 million to two accredited investors.

(2) From November 2019 to December 2019, the Registrant issued and sold, in a series of closings, shares of its Series C-1 convertible preferred stock, Series D-1 convertible preferred stock, and Series D-2 convertible preferred stock. The purchase price for this financing was to be funded in three separate tranches, with a proportional number of shares subject to forfeiture should any tranche not be called or funded. The first and second tranches were funded and the timeline to call the third tranche expired and the corresponding shares were forfeited. Taking into account such forfeitures, the Registrant issued and sold an aggregate of 13,404,197 shares of its Series C-1 convertible preferred stock, 1,437,178 shares of its Series D-1 convertible preferred stock, and 10,372,452 shares of its Series D-2 convertible preferred stock to 20 accredited investors for an aggregate purchase price of approximately $69.1 million, which included the conversion of the convertible promissory notes described in paragraph (2) above.

(3) In December 2019, the Registrant effected a 1-for-10 reverse stock split, whereby (i) each outstanding share of its common stock was converted into 0.1 shares of its common stock, (ii) each outstanding share of its convertible preferred stock was converted into 0.1 shares of the same series of its convertible preferred stock, and (iii) each outstanding option to purchase shares of its common stock was converted into an option to purchase one-tenth the number of shares of common stock underlying such option immediately prior to the reverse stock split with an exercise price equal to ten times the exercise price of such option immediately prior to the reverse stock split.

(4) In February 2020, the Registrant effected a repricing of outstanding and unexercised stock options to purchase an aggregate of 407,415 shares of the its common stock, to an exercise price of $1.51 per share (the Option Repricing). To effect the Option Repricing, all such outstanding stock options were amended

solely to reduce the exercise price to $1.51 per share; the amended options otherwise continued to have all the same terms and conditions under which they were granted, including the number of underlying shares of the Registrant's common stock and the expiration date.

(5) From June 2020 to July 2020, the Registrant issued and sold, in a series of closings, an aggregate of 2,289,899 shares of its Series E-1 convertible preferred stock and 11,187,189 shares of its Series E-2 convertible preferred stock to 22 accredited investors, each at a purchase price of $7.42 per share for an aggregate purchase price of approximately $100.0 million.

(6) From October 2020 to November 2020, the Registrant issued and sold, in a series of closings, an aggregate of 4,859,897 shares of its Series F-1 convertible preferred stock and 9,958,539 shares of its Series F-2 convertible preferred stock to 31 accredited investors, each at a purchase price of $8.55 per share for an aggregate purchase price of approximately $126.7 million.

(7) In February 2021, the Registrant effected a 1-for-1.43 reverse stock split, whereby (i) each outstanding share of its common stock was converted into approximately 0.7 shares of its common stock, and (ii) each outstanding option to purchase shares of its common stock was converted into an option to purchase approximately seven-tenths of the number of shares of common stock underlying such option immediately prior to the reverse stock split with an exercise price equal to 1.43 times the exercise price of such option immediately prior to the reverse stock split.

(8) From January 1, 2018 through the effective date of this registration statement, the Registrant granted stock options to purchase an aggregate of shares of our common stock, at a weighted-average exercise price of $4.54 per share, to certain of its employees, consultants and directors in connection with services provided to us by such persons. Through the effective date of this registration statement, the Registrant has issued an aggregate of 69,157 shares of our common stock upon exercise of such stock options for aggregate consideration of $147,834.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering. Unless otherwise specified above, the Registrant believes these transactions were exempt from registration under the Securities Act in reliance on Section 4(a)(2) of the Securities Act (and Regulation D or Regulation S promulgated thereunder) or Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer not involving any public offering or under benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed on the share certificates issued in these transactions. All recipients had adequate access, through their relationships with the Registrant, to information about the Registrant. The sales of these securities were made without any general solicitation or advertising.

Item 16. Exhibits and financial statement schedules.

(a) Exhibits.

The exhibits listed below are filed as part of this registration statement.

Exhibit number	Description of document
1.1	Form of Underwriting Agreement.
3.1	Amended and Restated Certificate of Incorporation, as amended, as currently in effect.
3.2	Form of Amended and Restated Certificate of Incorporation to become effective immediately following the completion of this offering.
3.3#	Bylaws, as currently in effect.
3.4	Form of Amended and Restated Bylaws to become effective upon the completion of this offering.
4.1	Form of Common Stock Certificate of the Registrant.
4.2^#	Amended and Restated Investor Rights Agreement, dated October 30, 2020, by and among the Registrant and certain of its stockholders.
4.3#	Nominating Agreement, dated November 1, 2019, by and among the Registrant, Baker Brothers Life Sciences, L.P. and 667, L.P.
5.1	Opinion of Cooley LLP.
10.1+#	Form of Indemnity Agreement, by and between the Registrant and its directors and officers.
10.2+#	Talis Biomedical Corporation 2013 Equity Incentive Plan and Forms of Option Grant Notice, Option Agreement and Notice of Exercise thereunder, as amended.
10.3+	Talis Biomedical Corporation 2021 Equity Incentive Plan and Forms of Stock Option Grant Notice, Option Agreement and Notice of Exercise thereunder.
10.4+	Talis Biomedical Corporation 2021 Employee Stock Purchase Plan.
10.5+	Talis Biomedical Corporation Non-Employee Director Compensation Policy.
10.6+	Talis Biomedical Corporation Severance and Change in Control Plan.
10.7+#	Offer Letter, dated April 3, 2020, by and between the Registrant and J. Roger Moody, Jr.
10.8+#	Offer Letter, dated December 1, 2014, by and between the Registrant and Karen E. Flick.
10.9+#	Offer Letter, dated August 19, 2020, by and between the Registrant and Robert Kelley.
10.10+#	Offer Letter, dated September 21, 2020, by and between the Registrant and Douglas Liu.
10.11+#	Offer Letter, dated April 23, 2019, by and between the Registrant and Ramesh Ramakrishnan.
10.12#	Business Park Lease, dated December 14, 2015, by and between the Registrant and Facebook, Inc., as amended on April 4, 2018.
10.13*#	Supply Agreement, dated May 22, 2020, by and between the Registrant and thinXXS Microtechnology AG.
10.14*#	Contract, dated July 30, 2020, by and between the Registrant and the National Institutes of Health.
10.15	Lease, dated January 20, 2021, by and between the Registrant and Fulton Ogden Venture, LLC.
10.16	Lease Agreement, dated January 20, 2021, by and between the Registrant and Westport Office Park, LLC.

Exhibit number	Description of document
23.1	Consent of Independent Registered Public Accounting Firm.
23.2	Consent of Cooley LLP. Reference is made to Exhibit 5.1.
24.1#	Power of Attorney.

Previously filed.

+ Indicates management contract or compensatory plan.

* Certain portions of this exhibit (indicated by "[***]") have been omitted as we have determined (i) the omitted information is not material and (ii) the omitted information would likely cause harm to us if publicly disclosed.

^ Schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Registrant undertakes to furnish supplemental copies of any of the omitted schedules upon request by the SEC.

(b) Financial statement schedules.

No financial statement schedules are provided because the information called for is not required or is shown either in the financial statements or the notes thereto.

Item 17. Undertakings.

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(a) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(b) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Signatures

Pursuant to the requirements of the Securities Act of 1933, as amended (Securities Act), the Registrant has duly caused this Amendment No. 1 to the registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Menlo Park, State of California, on the 8th day of February, 2021.

TALIS BIOMEDICAL CORPORATION

By: /s/ Brian Coe
Brian Coe
Chief Executive Officer

Pursuant to the requirements of the Securities Act, this Amendment No. 1 to the registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Brian Coe Brian Coe	Chief Executive Officer and Member of the Board of Directors *(Principal Executive Officer)*	February 8, 2021
/s/ J. Roger Moody, Jr. J. Roger Moody, Jr.	Chief Financial Officer *(Principal Financial and Accounting Officer)*	February 8, 2021
* Felix Baker, Ph.D.	Member of the Board of Directors	February 8, 2021
* Raymond Cheong, M.D., Ph.D.	Member of the Board of Directors	February 8, 2021
* Melissa Gilliam M.D., M.P.H.	Member of the Board of Directors	February 8, 2021
* Rustem F. Ismagilov, Ph.D.	Member of the Board of Directors	February 8, 2021
* Kimberly J. Popovits	Member of the Board of Directors	February 8, 2021
* Matthew L. Posard	Member of the Board of Directors	February 8, 2021
* Randal Scott, Ph.D.	Member of the Board of Directors	February 8, 2021

*By: /s/ Brian Coe
Brian Coe
Attorney-in fact

Exhibit 1.1

TALIS BIOMEDICAL CORPORATION

[●] Shares of Common Stock

Underwriting Agreement

[●], 2021

J.P. Morgan Securities LLC
BofA Securities, Inc.
As Representatives of
the several Underwriters listed in
Schedule 1 hereto

c/o J.P. Morgan Securities LLC
383 Madison Avenue
New York, NY 10179

c/o BofA Securities, Inc.
One Bryant Park
New York, NY 10036

Ladies and Gentlemen:

Talis Biomedical Corporation, a Delaware corporation (the "Company"), proposes to issue and sell to the several underwriters listed in Schedule 1 hereto (the "Underwriters"), for whom you are acting as representatives (the "Representatives"), an aggregate of [●] shares of common stock, par value $0.0001 per share ("Common Stock"), of the Company (the "Underwritten Shares") and, at the option of the Underwriters, up to an additional [●] shares of Common Stock of the Company (the "Option Shares"). The Underwritten Shares and the Option Shares are herein referred to as the "Shares". The shares of Common Stock of the Company to be outstanding after giving effect to the sale of the Shares are referred to herein as the "Stock".

J.P. Morgan Securities LLC (the "Directed Share Underwriter") has agreed to reserve a portion of the Shares to be purchased by it under this Agreement, up to [●] Shares, for sale to the Company's directors, officers, and certain employees and other parties related to the Company (collectively, the "Participants"), as set forth in the Prospectus (as hereinafter defined) under the heading "Underwriting" (the "Directed Share Program"). The Shares to be sold by the Directed Share Underwriter and its affiliates pursuant to the Directed Share Program are referred to hereinafter as the "Directed Shares". Any Directed Shares not orally confirmed for purchase by any Participant by [●] [A/P].M., New York City time on the business day on which this Agreement is executed will be offered to the public by the Underwriters as set forth in the Prospectus.

The Company hereby confirms its agreement with the several Underwriters concerning the purchase and sale of the Shares, as follows:

1. Registration Statement. The Company has prepared and filed with the Securities and Exchange Commission (the "Commission") under the Securities Act of 1933, as amended, and the rules and regulations of the Commission thereunder (collectively, the "Securities Act"), a registration statement on Form S-1 (File No. 333-252360), including a prospectus, relating to the Shares. Such registration statement, as amended at the time it became effective, including the information, if any, deemed pursuant to Rule 430A, 430B or 430C under the Securities Act to be part of the registration statement at the time of its effectiveness ("Rule 430 Information"), is referred to herein as the "Registration Statement;" and as used herein, the term "Preliminary Prospectus" means each prospectus included in such registration statement (and any amendments thereto) before effectiveness, any prospectus filed with the Commission pursuant to Rule 424(a) under the Securities Act and the prospectus included in the Registration Statement at the time of its effectiveness that omits Rule 430 Information, and the term "Prospectus" means the prospectus in the form first used (or made available upon request of purchasers pursuant to Rule 173 under the Securities Act) in connection with confirmation of sales of the Shares. If the Company has filed an abbreviated registration statement pursuant to Rule 462(b) under the Securities Act (the "Rule 462 Registration Statement"), then any reference herein to the term "Registration Statement" shall be deemed to include such Rule 462 Registration Statement. Capitalized terms used but not defined herein shall have the meanings given to such terms in the Registration Statement and the Prospectus.

At or prior to the Applicable Time (as defined below), the Company had prepared the following information (collectively with the pricing information set forth on Annex A, the "Pricing Disclosure Package"): a Preliminary Prospectus dated [●], 2021 and each "free-writing prospectus" (as defined pursuant to Rule 405 under the Securities Act) listed on Annex A hereto.

"Applicable Time" means [●] P.M., New York City time, on [●], 2021.

2. Purchase of the Shares.

(a) The Company agrees to issue and sell the Underwritten Shares to the several Underwriters as provided in this underwriting agreement (this "Agreement"), and each Underwriter, on the basis of the representations, warranties and agreements set forth herein and subject to the conditions set forth herein, agrees, severally and not jointly, to purchase at a price per share of $[●] (the "Purchase Price") from the Company the respective number of Underwritten Shares set forth opposite such Underwriter's name in Schedule 1 hereto.

In addition, the Company agrees to issue and sell the Option Shares to the several Underwriters as provided in this Agreement, and the Underwriters, on the basis of the representations, warranties and agreements set forth herein and subject to the conditions set forth herein, shall have the option to purchase, severally and not jointly, from the Company the Option Shares at the Purchase Price less an amount per share equal to any dividends or distributions declared by the Company and payable on the Underwritten Shares but not payable on the Option Shares.

If any Option Shares are to be purchased, the number of Option Shares to be purchased by each Underwriter shall be the number of Option Shares which bears the same ratio to the aggregate number of Option Shares being purchased as the number of Underwritten Shares set forth opposite the name of such Underwriter in Schedule 1 hereto (or such number increased as set forth in Section 10 hereof) bears to the aggregate number of Underwritten Shares being purchased from the Company by the several Underwriters, subject, however, to such adjustments to eliminate any fractional Shares as the Representatives in their sole discretion shall make.

The Underwriters may exercise the option to purchase Option Shares at any time in whole, or from time to time in part, on or before the thirtieth day following the date of the Prospectus, by written notice from the Representatives to the Company. Such notice shall set forth the aggregate number of Option Shares as to which the option is being exercised and the date and time when the Option Shares are to be delivered and paid for, which may be the same date and time as the Closing Date (as hereinafter defined) but shall not be earlier than the Closing Date nor later than the tenth full business day (as hereinafter defined) after the date of such notice (unless such time and date are postponed in accordance with the provisions of Section 10 hereof). Any such notice shall be given at least two business days prior to the date and time of delivery specified therein.

(b) The Company understands that the Underwriters intend to make a public offering of the Shares, and initially to offer the Shares on the terms set forth in the Pricing Disclosure Package. The Company acknowledges and agrees that the Underwriters may offer and sell Shares to or through any affiliate of an Underwriter.

(c) Payment for the Shares shall be made by wire transfer in immediately available funds to the account specified by the Company to the Representatives in the case of the Underwritten Shares, at the offices of Latham & Watkins LLP, 140 Scott Drive, Menlo Park, California 94025, at [10:00] A.M. New York City time on [●], 2021, or at such other time or place on the same or such other date, not later than the fifth business day thereafter, as the Representatives and the Company may agree upon in writing or, in the case of the Option Shares, on the date and at the time and place specified by the Representatives in the written notice of the Underwriters' election to purchase such Option Shares. The time and date of such payment for the Underwritten Shares is referred to herein as the "Closing Date," and the time and date for such payment for the Option Shares, if other than the Closing Date, is herein referred to as the "Additional Closing Date."

Payment for the Shares to be purchased on the Closing Date or the Additional Closing Date, as the case may be, shall be made against delivery to the Representatives for the respective accounts of the several Underwriters of the Shares to be purchased on such date registered in such names and in such denominations as the Representatives shall request in writing not later than two full business days prior to the Closing Date or the Additional Closing Date, as the case may be, with any transfer taxes payable in connection with the sale of such Shares duly paid by the Company. Delivery of the Shares shall be made through the facilities of The Depository Trust Company ("DTC") unless the Representatives shall otherwise instruct.

(d) The Company acknowledges and agrees that the Representatives and the other Underwriters are acting solely in the capacity of an arm's length contractual counterparty to the Company with respect to the offering of Shares contemplated hereby (including in connection with determining the terms of the offering) and not as a financial advisor or a fiduciary to, or an agent of, the Company or any other person, and does not constitute a recommendation, investment advice, or solicitation of any action by the Underwriters. Additionally, neither the

Representatives nor any other Underwriter is advising the Company or any other person as to any legal, tax, investment, accounting or regulatory matters in any jurisdiction. The Company shall consult with its own advisors concerning such matters and shall be responsible for making its own independent investigation and appraisal of the transactions contemplated hereby, and neither the Representatives nor the other Underwriters shall have any responsibility or liability to the Company with respect thereto. Any review by the Representatives and the other Underwriters of the Company, the transactions contemplated hereby or other matters relating to such transactions will be performed solely for the benefit of the Underwriters and shall not be on behalf of the Company. None of the activities of the Underwriters in connection with the transactions contemplated herein constitutes a recommendation, investment advice or solicitation of any action by the Underwriters with respect to any entity or natural person.

3. Representations and Warranties of the Company. The Company represents and warrants to each Underwriter that:

(a) *Preliminary Prospectus.* No order preventing or suspending the use of any Preliminary Prospectus has been issued by the Commission, and each Preliminary Prospectus included in the Pricing Disclosure Package, at the time of filing thereof, complied in all material respects with the Securities Act, and no Preliminary Prospectus included in the Pricing Disclosure Package, at the time of filing thereof, contained any untrue statement of a material fact or omitted to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in any Preliminary Prospectus, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 7(b) hereof.

(b) *Pricing Disclosure Package*. The Pricing Disclosure Package as of the Applicable Time did not, and as of the Closing Date and as of the Additional Closing Date, as the case may be, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in such Pricing Disclosure Package, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 7(b) hereof. No statement of material fact included in the Prospectus has been omitted from the Pricing Disclosure Package and no statement of material fact included in the Pricing Disclosure Package that is required to be included in the Prospectus has been omitted therefrom.

(c) *Issuer Free Writing Prospectus.* Other than the Registration Statement, the Preliminary Prospectus and the Prospectus, the Company (including its agents and representatives, other than the Underwriters in their capacity as such) has not prepared, made, used, authorized, approved or referred to and will not prepare, make, use, authorize, approve or refer to any "written communication" (as defined in Rule 405 under the Securities Act) that constitutes an offer to sell or solicitation of an offer to buy the Shares (each such communication by the Company or its agents and representatives (other than a communication referred to in clause (i) below) an "Issuer Free Writing Prospectus") other than (i) any document not constituting a prospectus pursuant to Section 2(a)(10)(a) of the Securities Act or Rule 134 under the Securities Act or (ii) the documents listed on Annex A hereto, each electronic road show and any other written communications approved in writing in advance by the Representatives. Each such Issuer Free Writing Prospectus complies in all material respects with the Securities Act, has been or will be (within the time period specified in Rule 433 under the Securities Act) filed in accordance with the Securities Act (to the extent required thereby) and does not conflict with the information contained in the Registration Statement or the Pricing Disclosure Package, and, when taken together with all other Issuer Free Writing Prospectuses and the Preliminary Prospectus accompanying, or delivered prior to delivery of, or filed prior to the first use of, such Issuer Free Writing Prospectus, did not, and as of the Closing Date and as of the Additional Closing Date, as the case may be, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation or warranty with respect to any statements or omissions made in each such Issuer Free Writing Prospectus or Preliminary Prospectus in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in such Issuer Free Writing Prospectus or Preliminary Prospectus, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 7(b) hereof.

(d) *Emerging Growth Company*. From the time of initial confidential submission of the Registration Statement to the Commission (or, if earlier, the first date on which the Company engaged directly or through any person authorized to act on its behalf in any Testing-the-Waters Communication (as defined below)) through the date hereof, the Company has been and is an "emerging growth company," as defined in Section 2(a) of the Securities Act (an "Emerging Growth Company"). "Testing-the-Waters Communication" means any oral or written communication with potential investors undertaken in reliance on either Section 5(d) of, or Rule 163B under, the Securities Act.

(e) *Testing-the-Waters Materials.* The Company (i) has not alone engaged in any Testing-the-Waters Communications other than Testing-the-Waters Communications with the consent of the Representatives (x) with entities that are qualified institutional buyers ("QIBs") within the meaning of Rule 144A under the Securities Act or institutions that are accredited investors within the meaning of Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Securities Act ("IAIs") and otherwise in compliance with the requirements of Section 5(d) of the Securities Act or (y) with entities that the Company reasonably believed to be QIBs or IAIs and otherwise in compliance with the requirements of Rule 163B under the Securities Act and (ii) has not authorized anyone

other than the Representatives to engage in Testing-the-Waters Communications. The Company reconfirms that the Representatives have been authorized to act on its behalf in undertaking Testing-the-Waters Communications by virtue of a writing substantially in the form of Exhibit A hereto. The Company has not distributed or approved for distribution any Written Testing-the-Waters Communications other than those listed on Annex B hereto. "Written Testing-the-Waters Communication" means any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Securities Act. Any individual Written Testing-the-Waters Communication does not conflict with the information contained in the Registration Statement or the Pricing Disclosure Package, complied in all material respects with the Securities Act, and when taken together with the Pricing Disclosure Package as of the Applicable Time, did not, and as of the Closing Date and as of the Additional Closing Date, as the case may be, will not, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) *Registration Statement and Prospectus.* The Registration Statement has been declared effective by the Commission. No order suspending the effectiveness of the Registration Statement has been issued by the Commission, and no proceeding for that purpose or pursuant to Section 8A of the Securities Act against the Company or related to the offering of the Shares has been initiated or, to the knowledge of the Company, threatened by the Commission; as of the applicable effective date of the Registration Statement and any post-effective amendment thereto, the Registration Statement and any such post-effective amendment complied and will comply in all material respects with the applicable requirements of the Securities Act, and did not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary in order to make the statements therein not misleading; and as of the date of the Prospectus and any amendment or supplement thereto and as of the Closing Date and as of the Additional Closing Date, as the case may be, the Prospectus will comply in all material respects with the Securities Act and will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided that the Company makes no representation or warranty with respect to any statements or omissions made in reliance upon and in conformity with information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in the Registration Statement and the Prospectus and any amendment or supplement thereto, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in Section 7(b) hereof.

(g) *Financial Statements.* The financial statements (including the related notes thereto) of the Company included in the Registration Statement, the Pricing Disclosure Package and the Prospectus comply in all material respects with the applicable requirements of the Securities Act and present fairly in all material respects the financial position of the Company as of the dates indicated and the results of its operations and the changes in its cash flows for the periods specified; such financial statements have been prepared in conformity with generally accepted accounting principles ("GAAP") in the

United States applied on a consistent basis throughout the periods covered thereby, except in the case of any unaudited interim financial statements, which are subject to normal year-end adjustments and do not contain certain footnotes as permitted by the applicable rules of the Commission, and any supporting schedules included in the Registration Statement present fairly in all material respects the information required to be stated therein; the other financial information included in the Registration Statement, the Pricing Disclosure Package and the Prospectus has been derived from the accounting records of the Company and presents fairly in all material respects the information shown thereby; all disclosures included in the Registration Statement, the Pricing Disclosure Package and the Prospectus regarding "non-GAAP financial measures" (as such term is defined by the rules and regulations of the Commission) comply with Regulation G of the Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder (collectively, the "Exchange Act") and Item 10 of Regulation S-K of the Securities Act, to the extent applicable.

(h) *No Material Adverse Change.* Since the date of the most recent financial statements of the Company included in the Registration Statement, the Pricing Disclosure Package and the Prospectus, (i) there has not been any change in the capital stock (other than the issuance of shares of Common Stock upon exercise of stock options described as outstanding in, and the grant of options and awards under existing equity incentive plans described in, the Registration Statement, the Pricing Disclosure Package and the Prospectus), short-term debt or long-term debt of the Company, or any dividend or distribution of any kind declared, set aside for payment, paid or made by the Company on any class of capital stock, or any material adverse change, or any development that would reasonably be expected to result in a material adverse change, in or affecting the business, properties, management, financial position, stockholders' equity, results of operations or prospects of the Company; (ii) the Company has not entered into any transaction or agreement (whether or not in the ordinary course of business) that is material to the Company or incurred any liability or obligation, direct or contingent, that is material to the Company; and (iii) the Company has not sustained any loss or interference with its business that is material to the Company and that is either from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor disturbance or dispute or any action, order or decree of any court or arbitrator or governmental or regulatory authority, except in each case as otherwise disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

(i) *Organization and Good Standing.* The Company has been duly organized and is validly existing and in good standing under the laws of its jurisdiction of organization, is duly qualified to do business and is in good standing in each jurisdiction in which its ownership or lease of property or the conduct of its business requires such qualification, and has all power and authority necessary to own or hold its properties and to conduct the business in which it is engaged, except where the failure to be so qualified or in good standing or have such power or authority would not, individually or in the aggregate, reasonably be expected to have a material adverse effect on the business, properties, management, financial position, stockholders' equity, results of operations or prospects of the Company or on the performance by the Company of its obligations under this Agreement (a "Material Adverse Effect"). The Company does not own or control, directly or indirectly, any corporation, association or other entity.

(j) *Capitalization.* The Company has an authorized capitalization as set forth in the Registration Statement, the Pricing Disclosure Package and the Prospectus under the heading "Capitalization" and "Description of Capital Stock"; all the outstanding shares of capital stock of the Company have been duly and validly authorized and issued and are fully paid and non-assessable and are not subject to any pre-emptive or similar rights that have not been duly waived or satisfied; except as described in or expressly contemplated by the Registration Statement, the Pricing Disclosure Package and the Prospectus, there are no outstanding rights (including, without limitation, pre-emptive rights that have not been duly waived or satisfied), warrants or options to acquire, or instruments convertible into or exchangeable for, any shares of capital stock or other equity interest in the Company, or any contract, commitment, agreement, understanding or arrangement of any kind relating to the issuance of any capital stock of the Company, any such convertible or exchangeable securities or any such rights, warrants or options; the capital stock of the Company conforms in all material respects to the description thereof contained in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

(k) *Stock Options.* With respect to the stock options (the "Stock Options") granted pursuant to the equity incentive or other stock-based compensation plans of the Company (collectively, the "Company Equity Plans"), (i) each Stock Option intended to qualify as an "incentive stock option" under Section 422 of the Internal Revenue Code of 1986, as amended (the "Code") so qualifies, (ii) each grant of a Stock Option was duly authorized no later than the date on which the grant of such Stock Option was by its terms to be effective (the "Grant Date") by all necessary corporate action, including, as applicable, approval by the board of directors of the Company (or a duly constituted and authorized committee thereof) and any required stockholder approval by the necessary number of votes or written consents, and, to the knowledge of the Company (other than with respect to due execution and delivery by the Company), the award agreement governing such grant (if any) was duly executed and delivered by each party thereto, (iii) each such grant was made in accordance with the terms of the Company Equity Plans, and (iv) each such grant was properly accounted for in accordance with GAAP in the financial statements (including the related notes) of the Company. Each Company Equity Plan is accurately described in all material respects in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

(l) *Due Authorization.* The Company has full right, power and authority to execute and deliver this Agreement and to perform its obligations hereunder; and all action required to be taken for the due and proper authorization, execution and delivery by it of this Agreement and the consummation by it of the transactions contemplated hereby has been duly and validly taken.

(m) *Underwriting Agreement.* This Agreement has been duly authorized, executed and delivered by the Company.

(n) *The Shares.* The Shares to be issued and sold by the Company hereunder have been duly authorized by the Company and, when issued and delivered and paid for as provided herein, will be duly and validly issued, will be fully paid and nonassessable and will conform to the descriptions thereof in the Registration Statement, the Pricing Disclosure Package and the Prospectus; and the issuance of the Shares is not subject to any preemptive or similar rights that have not been duly waived or satisfied.

(o) *Listing*. The Shares have been approved for listing on the Nasdaq Global Select Market (the "Nasdaq Market"), subject to notice of issuance.

(p) *No Violation or Default.* The Company is not (i) in violation of its charter or by-laws or similar organizational documents; (ii) in default, and no event has occurred that, with notice or lapse of time or both, would constitute such a default, in the due performance or observance of any term, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company is a party or by which the Company is bound or to which any property or asset of the Company is subject; or (iii) in violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority, except, in the case of clauses (ii) and (iii) above, for any such default or violation that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(q) *No Conflicts.* The execution, delivery and performance by the Company of this Agreement, the issuance and sale of the Shares by the Company and the consummation by the Company of the transactions contemplated by this Agreement or the Pricing Disclosure Package and the Prospectus will not (i) conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, result in the termination, modification or acceleration of, or result in the creation or imposition of any lien, charge or encumbrance upon any property, right or asset of the Company pursuant to, any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company is a party or by which the Company is bound or to which any property, right or asset of the Company is subject, (ii) result in any violation of the provisions of the charter or by-laws or similar organizational documents of the Company or (iii) result in the violation of any law or statute or any judgment, order, rule or regulation of any court or arbitrator or governmental or regulatory authority having jurisdiction over the Company, except, in the case of clauses (i) and (iii) above, for any such conflict, breach, violation, default, lien, charge or encumbrance that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(r) *No Consents Required.* No consent, approval, authorization, order, registration or qualification of or with any court or arbitrator or governmental or regulatory authority is required for the execution, delivery and performance by the Company of this Agreement, the issuance and sale of the Shares and the consummation by the Company of the transactions contemplated by this Agreement, except for the registration of the Shares under the Securities Act and such consents, approvals, authorizations, orders and registrations or qualifications as may be required by the Financial Industry Regulatory Authority, Inc. ("FINRA"), the Nasdaq Market, and under applicable state securities laws in connection with the purchase and distribution of the Shares by the Underwriters.

(s) *Legal Proceedings.* Except as described in the Registration Statement, the Pricing Disclosure Package, and the Prospectus, there are no legal, governmental or regulatory investigations, actions, demands, claims, suits, litigations, arbitrations, inquiries , complaints (including a *qui tam* complaint), subpoenas, civil investigative demands, proceedings, hearings, or enforcements (collectively, "Actions"), including any Actions related to potential violations of applicable Health Care Laws (as defined below), pending to which the Company is or, may reasonably be expected to become a party or to which any property of the Company is or may reasonably be expected to become the subject that, individually or in the aggregate, if determined adversely to the Company, would reasonably be expected to have a Material Adverse Effect; no such Actions are threatened or, to the knowledge of the Company, contemplated by any governmental or regulatory authority or threatened by others, including any *qui tam* relator or whistleblower, and the Company has not received any written notice from any governmental or regulatory authority, court, arbitrator or third party alleging or asserting any non-compliance with applicable Laws, including Health Care Laws; and (i) there are no current or pending Actions that are required under the Securities Act to be described in the Registration Statement, the Pricing Disclosure Package or the Prospectus that are not so described in the Registration Statement, the Pricing Disclosure Package and the Prospectus and (ii) there are no statutes, regulations or contracts or other documents that are required under the Securities Act to be filed as exhibits to the Registration Statement or described in the Registration Statement, the Pricing Disclosure Package or the Prospectus that are not so filed as exhibits to the Registration Statement or described in the Registration Statement, the Pricing Disclosure Package and the Prospectus.

(t) *Independent Accountants*. Ernst & Young LLP, who has certified certain financial statements of the Company, is an independent registered public accounting firm with respect to the Company within the applicable rules and regulations adopted by the Commission and the Public Company Accounting Oversight Board (United States) and as required by the Securities Act.

(u) *Title to Real and Personal Property*. The Company has good and marketable title in fee simple (in the case of real property) to, or has valid rights to lease or otherwise use, all items of real and personal property that are material to the business of the Company, in each case free and clear of all liens, encumbrances, claims and defects and imperfections of title except those that (i) do not materially interfere with the use made and proposed to be made of such property by the Company or (ii) would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

(v) *Intellectual Property.* (i) The Company owns, possesses, or has the right to use all patents, trademarks, service marks, trade names, domain names and other source indicators, copyrights and copyrightable works, know-how (including trade secrets, data and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures), software, proprietary or confidential information and all other worldwide

intellectual property and proprietary rights (including all registrations, and applications for registration of, and all goodwill associated with, the foregoing) (collectively, "Intellectual Property") used in, or, to the knowledge of the Company, necessary for, the conduct of its business as currently conducted and as proposed to be conducted as disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus; (ii) to the knowledge of the Company, the Company's conduct of its business as currently conducted has not infringed, misappropriated or otherwise violated any valid Intellectual Property of any person; (iii) other than in connection with proceedings with the relevant patent, trademark, or similar intellectual property offices in relevant jurisdictions (including the United States Patent and Trademark Office) in the ordinary course of prosecuting, maintaining, obtaining, or registering patent rights, trademark rights, copyrights, or other Intellectual Property of the Company, there is no claim, action, suit, investigation or proceeding pending against, or to the knowledge of the Company, threatened against, the Company (A) based upon, or challenging or seeking to deny or restrict, any rights of the Company in any Intellectual Property owned by or exclusively licensed by the Company, (B) challenging the ownership, validity, enforceability or scope of any Intellectual Property owned or exclusively licensed by the Company, or (C) alleging that the Company has infringed, misappropriated or otherwise violated any Intellectual Property of any person, except in each case as otherwise disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus; (iv) to the knowledge of the Company, the Intellectual Property owned or exclusively licensed by the Company has not been infringed, misappropriated or otherwise violated by any person; (v) to the knowledge of the Company, none of the Intellectual Property owned or exclusively licensed by the Company has been adjudged invalid or unenforceable and all such Intellectual Property is valid and enforceable; and (vi) the Company has taken reasonable steps in accordance with normal industry practice to maintain the confidentiality of all Intellectual Property of the Company the value of which to the Company is contingent upon maintaining the confidentiality thereof, and, to the knowledge of the Company, no such Intellectual Property has been disclosed other than to employees, representatives, partners, legal or financial advisors and agents of the Company, or other third parties, all of whom are bound by written or other professional or ethical obligations of confidentiality with respect thereto.

(w) *No Undisclosed Relationships*. No relationship, direct or indirect, exists between or among the Company, on the one hand, and the directors, officers, stockholders, customers, suppliers or other affiliates of the Company, on the other, that is required by the Securities Act to be described in each of the Registration Statement and the Prospectus and that is not so described in such documents and in the Pricing Disclosure Package.

(x) *Investment Company Act*. The Company is not and, immediately after giving effect to the offering and sale of the Shares and the application of the proceeds thereof as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, will not be required to register as an "investment company" or an entity "controlled" by an "investment company" within the meaning of the Investment Company Act of 1940, as amended, and the rules and regulations of the Commission thereunder (collectively, the "Investment Company Act").

(y) *Taxes.* The Company has paid all material federal, state, local and foreign taxes and filed all material tax returns required to be paid (except for taxes being contested in good faith) or filed through the date hereof; and except as otherwise disclosed in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus, there is no material tax deficiency that has been, or would reasonably be expected to be, asserted against the Company or any of its properties or assets that would reasonably be expected have a Material Adverse Effect.

(z) *Licenses and Permits.* Except as described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, the Company possesses all licenses, sub-licenses, certificates, permits, accreditations, clearances, exemptions, approvals and other authorizations issued by, and have made all declarations and filings with, the appropriate federal, state, local or foreign governmental or regulatory authorities (each, a "Governmental Authority") that are necessary for the ownership or lease of its properties or the conduct of its business as described in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus, including, without limitation, from the U.S. Food and Drug Administration ("FDA"), except where the failure to possess or make the same would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and the Company has not received notice of any revocation or modification of any such license, sub-license, certificate, permit, clearance or authorization or has any reason to believe that any such license, sub-license, certificate, permit or authorization will not be renewed in the ordinary course. The Company is, and since its incorporation has been, in compliance with all statutes, rules and regulations applicable to the ownership, testing, development, manufacture, packaging, processing, use, distribution, storage, import, export or disposal of any product manufactured or distributed by the Company, and other statutes, rules and regulations applicable to the Company, including any fraud and abuse, health care program exclusion, and privacy laws and regulations, except where the failure to be in compliance would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

(aa) *No Labor Disputes.* No labor disturbance by or dispute with employees of the Company exists or, to the knowledge of the Company, is contemplated or threatened, and the Company is not aware of any existing or imminent labor disturbance by, or dispute with, the employees of any of its principal suppliers, contractors or customers, except as would not reasonably be expected to have a Material Adverse Effect. The Company has not received any notice of cancellation or termination with respect to any collective bargaining agreement to which it is a party.

(bb) *Certain Environmental Matters*. (i) The Company (x) is in compliance with all, and has not violated any, applicable federal, state, local and foreign laws, rules, regulations, requirements, decisions, judgments, decrees, orders and other legally enforceable requirements relating to pollution or the protection of human health or safety, the environment, natural resources, hazardous or toxic substances or wastes, pollutants or contaminants (collectively, "Environmental Laws"); (y) has received and is in compliance with all, and has not violated any, permits, licenses, certificates or other authorizations or approvals required of it under any Environmental Laws to conduct its

business; and (z) has not received notice of any actual or potential liability or obligation under or relating to, or any actual or potential violation of, any Environmental Laws, including for the investigation or remediation of any disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants, and has no knowledge of any event or condition that would reasonably be expected to result in any such notice; (ii) there are no costs or liabilities associated with Environmental Laws of or relating to the Company, except in the case of each of (i) and (ii) above, for any such matter as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and (iii) except as described in each of the Pricing Disclosure Package and the Prospectus, (x) there is no proceeding that is pending, or that is known by the Company to be contemplated, against the Company under any Environmental Laws in which a Governmental Authority is also a party, other than such proceeding regarding which the Company reasonably believes no monetary sanctions of $100,000 or more will be imposed, (y) the Company is not aware of any facts or issues regarding compliance with Environmental Laws, or liabilities or other obligations under Environmental Laws or concerning hazardous or toxic substances or wastes, pollutants or contaminants, that would reasonably be expected to have a Material Adverse Effect, and (z) the Company does not anticipate material capital expenditures relating to any Environmental Laws.

(cc) *Hazardous Materials*. There has been no storage, generation, transportation, use, handling, treatment, Release or threat of Release of Hazardous Materials by, relating to or caused by the Company (or, to the knowledge of the Company, any other entity (including any predecessor) for whose acts or omissions the Company is or would reasonably be expected to be liable) at, on, under or from any property or facility now or previously owned, operated or leased by the Company, or to the knowledge of the Company, at, on, under or from any other property or facility, in material violation by the Company of any Environmental Laws or in a manner or amount or to a location that would reasonably be expected to result in any material liability to the Company under any Environmental Law. “Hazardous Materials” means any material, chemical, substance, waste, pollutant, contaminant, compound, mixture, or constituent thereof, in any form or amount, including petroleum (including crude oil or any fraction thereof) and petroleum products, natural gas liquids, asbestos and asbestos-containing materials, naturally occurring radioactive materials, brine, and drilling mud, regulated or which can give rise to liability under any Environmental Law. “Release” means any spilling, leaking, seepage, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, disposing, depositing, dispersing, or migrating in, into or through the environment, or in, into, from or through any building or structure.

(dd) *Compliance with ERISA*. (i) Each employee benefit plan, within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended (“ERISA”), for which the Company or any member of its “Controlled Group” (defined as any entity, whether or not incorporated, that is under common control with the Company within the meaning of Section 4001(a)(14) of ERISA or any entity that would be regarded as a single employer with the Company under Section 414(b),(c),(m) or (o) of the Code would have any liability (each, a “Plan”) has been maintained in compliance with its terms and the requirements of any applicable statutes, orders, rules and regulations, including but not limited to ERISA and the Code; (ii) no prohibited

transaction, within the meaning of Section 406 of ERISA or Section 4975 of the Code, has occurred with respect to any Plan, excluding transactions effected pursuant to a statutory or administrative exemption; (iii) for each Plan that is subject to the funding rules of Section 412 of the Code or Section 302 of ERISA, no Plan has failed (whether or not waived), or is reasonably expected to fail, to satisfy the minimum funding standards (within the meaning of Section 302 of ERISA or Section 412 of the Code) applicable to such Plan; (iv) no Plan is, or is reasonably expected to be, in "at risk status" (within the meaning of Section 303(i) of ERISA) and no Plan that is a "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA is in "endangered status" or "critical status" (within the meaning of Sections 304 and 305 of ERISA) (v) the fair market value of the assets of each Plan that is required to be funded exceeds the present value of all benefits accrued under such Plan (determined based on those assumptions used to fund such Plan); (vi) no "reportable event" (within the meaning of Section 4043(c) of ERISA and the regulations promulgated thereunder) has occurred or is reasonably expected to occur; (vii) each Plan that is intended to be qualified under Section 401(a) of the Code is so qualified, and to the knowledge of the Company, nothing has occurred, whether by action or by failure to act, which would cause the loss of such qualification; (viii) neither the Company nor any member of the Controlled Group has incurred, nor reasonably expects to incur, any liability under Title IV of ERISA (other than contributions to the Plan or premiums to the Pension Benefit Guarantee Corporation, in the ordinary course and without default) in respect of a Plan (including a "multiemployer plan" within the meaning of Section 4001(a)(3) of ERISA); and (ix) none of the following events has occurred or is reasonably likely to occur: (A) a material increase in the aggregate amount of contributions required to be made to all Plans by the Company or its Controlled Group affiliates in the current fiscal year of the Company and its Controlled Group affiliates compared to the amount of such contributions made in the Company's and its Controlled Group affiliates' most recently completed fiscal year; or (B) a material increase in the Company's "accumulated post-retirement benefit obligations" (within the meaning of Accounting Standards Codification Topic 715-60) compared to the amount of such obligations in the Company's most recently completed fiscal year, except in each case with respect to the events or conditions set forth in (i) through (ix) hereof, as would not, individually or in the aggregate, have a Material Adverse Effect.

(ee) *Disclosure Controls*. The Company maintains an effective system of "disclosure controls and procedures" (as defined in Rule 13a-15(e) of the Exchange Act) that complies with the applicable requirements of the Exchange Act and that has been designed to ensure that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms, including controls and procedures designed to ensure that such information is accumulated and communicated to the Company's management as appropriate to allow timely decisions regarding required disclosure.

(ff) *Accounting Controls.* The Company maintains a system of "internal control over financial reporting" (as defined in Rule 13a-15(f) of the Exchange Act) that have been designed to comply with the applicable requirements of the Exchange Act and have been designed by, or under the supervision of, its principal executive and principal financial officers, or persons performing similar functions, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. The Company maintains internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations; (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain asset accountability; (iii) access to assets is permitted only in accordance with management's general or specific authorization; and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Except as disclosed in the Registration Statement, the Pricing Disclosure Package, and the Prospectus, there are no material weaknesses in the Company's internal controls over financial reporting. The Company's auditors and the Audit Committee of the Board of Directors of the Company have been advised of: (x) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which have adversely affected or are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and (y) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal controls over financial reporting.

(gg) *Insurance.* The Company has insurance covering its properties, operations, personnel and business, including business interruption insurance, which insurance is in amounts and insures against such losses and risks as the Company reasonably believes are adequate to protect the Company and its business; and the Company has (i) not received notice from any insurer or agent of such insurer that capital improvements or other expenditures are required or necessary to be made in order to continue such insurance or (ii) no reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage at reasonable cost from similar insurers as may be necessary to continue its business.

(hh) *Cybersecurity; Data Protection.* The Company's information technology assets and equipment, computers, systems, networks, hardware, software, websites, applications, and databases owned or used by the Company (collectively, "IT Systems") are substantially adequate for, and operate and perform as required in connection with the operation of the business of the Company as currently conducted and as proposed to be conducted in the Registration Statement, the Pricing Disclosure Package and the Prospectus. To the knowledge of the Company, the IT Systems are free and clear of all bugs, errors, defects, Trojan horses, time bombs, malware, viruses, ransomware, and other disabling or malicious codes or corruptants. The Company has implemented and maintained commercially reasonable controls, policies, procedures, and safeguards designed to maintain and protect its confidential information and the integrity, continuous operation, redundancy and security of the IT Systems and data collected, used, maintained or otherwise processed, by the Company (including all sensitive, confidential or regulated data collected, used or processed in connection with its business (including "personal data," "personal information," "protected health information," "nonpublic personal information," or other similar terms as defined by the Data Security Obligations (as such term is defined below)) ("Personal Data")), and, to the knowledge of the Company, there have been no material breaches, incidents, violations, outages or unauthorized uses of or accesses to the IT Systems. The Company has implemented commercially reasonable backup and disaster recovery technology.

(ii) *Privacy*. The Company has complied with and is in compliance with all applicable federal, state, local and foreign laws or statutes (including, without limitation, to the extent applicable, the Federal Trade Commission Act, the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act, the Telephone Consumer Protection Act of 1991, the California Consumer Privacy Act, and the European Union General Data Protection Regulation ("GDPR")) and similar foreign laws, and all applicable rules or regulations promulgated under any such laws or requirements, and all applicable judgments, orders, rules and regulations of any court or arbitrator or governmental or regulatory authority, as well as applicable internal and external policies, and contractual obligations of the Company relating to the privacy and security of IT Systems and the collection, use, transfer, import, export, storage, disposal and disclosure of Personal Data and to the protection of such IT Systems and Personal Data from unauthorized use, access, misappropriation or modification ("Data Security Obligations"), except where the failure to comply would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company has not received any notification of or written complaint regarding non-compliance with any Data Security Obligation from any governmental agency, authority or body. There is no pending, or to the knowledge of the Company, threatened, action, suit or proceeding by or before any court or governmental agency, authority or body alleging non-compliance with any Data Security Obligation. To the knowledge of the Company, there has been no unauthorized access to Personal Data collected, used or processed by or on behalf of the Company in connection with the Company's business. The Company has made all disclosures to users or customers required by applicable laws and regulatory rules or requirements, and no such disclosures have been materially inaccurate or in material violation of any applicable laws or regulatory rules and requirements.

(jj) *Software*. Except as would not reasonably be expected to have a Material Adverse Effect, (i) the Company uses and has used any and all software and other materials distributed under a "free," "open source," or similar licensing model (including but not limited to the MIT License, Apache License, GNU General Public License, GNU Lesser General Public License and GNU Affero General Public License) ("Open Source Software") in compliance with all license terms applicable to such Open Source Software; (ii) the Company does not use or distribute or has used or distributed any Open Source Software in any manner that, to the knowledge of the Company, requires or has required (A) Company to permit reverse engineering of any software code or other technology owned by Company or (B) any software code or other technology owned by Company to be (1) disclosed or distributed in source code form, (2) licensed for the purpose of making derivative works or (3) redistributed at no charge; and (iii) the Company has not deposited, nor could be required to deposit, into escrow the source code of any of its software and no such source code has been released to any third party, or is entitled to be released to any third party, by any escrow agent, and the consummation of the transactions contemplated by this Agreement will not trigger the release of any such source code.

(kk) *No Unlawful Payments.* Neither the Company nor any director or officer of the Company nor, to the knowledge of the Company, any employee, agent, affiliate or other person acting on behalf of the Company has (i) used any corporate funds for any unlawful contribution, gift, entertainment or other unlawful expense relating to political activity; (ii) made or taken an act in furtherance of an offer, promise or authorization of any direct or indirect unlawful payment or benefit to any foreign or domestic government or regulatory official or employee, including of any government-owned or controlled entity or of a public international organization, or any person acting in an official capacity for or on behalf of any of the foregoing, or any political party or party official or candidate for political office; (iii) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977, as amended, or any applicable law or regulation implementing the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions, or committed an offence under the Bribery Act 2010 of the United Kingdom or any other applicable anti-bribery or anti-corruption law; or (iv) made, offered, agreed, requested or taken an act in furtherance of any unlawful bribe or other unlawful benefit, including, without limitation, any rebate, payoff, influence payment, kickback or other unlawful or improper payment or benefit. The Company has instituted, maintains and enforces, and will continue to maintain and enforce policies and procedures designed to promote and ensure compliance with all applicable anti-bribery and anti-corruption laws. The Company will not use the proceeds of the offering in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any person in violation of any applicable anti-bribery or anti-corruption laws.

(ll) *Compliance with Anti-Money Laundering Laws*. The operations of the Company are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements, including those of the Currency and Foreign Transactions Reporting Act of 1970, as amended, the applicable money laundering statutes of all jurisdictions where the Company conducts business, the rules and regulations thereunder and any related or similar rules, regulations or guidelines issued, administered or enforced by any governmental or regulatory agency with respect to any jurisdiction where the Company conducts business (collectively, the "Anti-Money Laundering Laws") and no action, suit or proceeding by or before any court or governmental or regulatory agency, authority or body or any arbitrator involving the Company with respect to the Anti-Money Laundering Laws is pending or, to the knowledge of the Company, threatened.

(mm) *No Conflicts with Sanctions Laws.* Neither the Company nor any of its directors or officers, nor, to the knowledge of the Company, any employee, agent, affiliate or other person acting on behalf of the Company is or is owned or controlled by one or more persons that are currently the subject or the target of any sanctions administered or enforced by the U.S. government, (including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.S.

Department of State and including, without limitation, the designation as a "specially designated national" or "blocked person"), the United Nations Security Council, the European Union, Her Majesty's Treasury or other relevant sanctions authority (collectively, "Sanctions"), nor is the Company or any of directors or officers, or, to the knowledge of the Company, any employee, agent, affiliate or other person acting on behalf of the Company located, organized or resident, or owned or controlled by one or more persons that are located, organized or resident in a country or territory that is the subject or target of Sanctions, including, without limitation, Crimea, Cuba, Iran, North Korea and Syria (each, a "Sanctioned Country"); and the Company will not use the proceeds of the offering of the Shares hereunder, or lend, contribute or otherwise make available such proceeds to any joint venture partner or other person or entity (i) to fund or facilitate any activities of or business with any person that, at the time of such funding or facilitation, is the subject or target of Sanctions, (ii) to fund or facilitate any activities of or business in any Sanctioned Country or (iii) in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions. For the past five years, the Company has not knowingly engaged in and is not now knowingly engaged in any dealings or transactions with any person that at the time of the dealing or transaction is or was the subject or the target of Sanctions or with any Sanctioned Country.

(nn) *No Broker's Fees.* The Company is not party to any contract, agreement or understanding with any person (other than this Agreement) that would give rise to a valid claim against any of them or any Underwriter for a brokerage commission, finder's fee or like payment in connection with the offering and sale of the Shares.

(oo) *No Registration Rights*. No person has the right to require the Company to register any securities for sale under the Securities Act by reason of the filing of the Registration Statement with the Commission or the issuance and sale of the Shares, except for such rights as have been duly waived.

(pp) *No Stabilization.* The Company has not taken, directly or indirectly, without giving effect to activities by the Underwriters, any action designed to or that would reasonably be expected to cause or result in any stabilization or manipulation of the price of the Shares.

(qq) *Margin Rules*. Neither the issuance, sale and delivery of the Shares nor the application of the proceeds thereof by the Company as described in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus will violate Regulation T, U, or X of the Board of Governors of the Federal Reserve System or any other regulation of such Board of Governors.

(rr) *Forward-Looking Statements.* No forward-looking statement (within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act) included in any of the Registration Statement, the Pricing Disclosure Package or the Prospectus has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith.

(ss) *Statistical and Market Data.* Nothing has come to the attention of the Company that has caused the Company to believe that the statistical and market-related data included in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus is not based on or derived from sources that are reliable and accurate in all material respects.

(tt) *Sarbanes-Oxley Act*. There is and has been no failure on the part of the Company or, to the knowledge of the Company, any of the Company's directors or officers, in their capacities as such, to comply with any applicable provision of the Sarbanes-Oxley Act of 2002, as amended and the rules and regulations promulgated in connection therewith (the "Sarbanes-Oxley Act"), including Section 402 related to loans and Sections 302 and 906 related to certifications.

(uu) *Status under the Securities Act*. At the time of filing the Registration Statement and any post-effective amendment thereto, at the earliest time thereafter that the Company or any offering participant made a *bona fide* offer (within the meaning of Rule 164(h)(2) under the Securities Act) of the Shares and at the date hereof, the Company was not and is not an "ineligible issuer," as defined in Rule 405 under the Securities Act. The Company has paid the registration fee for this offering pursuant to Rule 456(b)(1) under the Securities Act or will pay such fee within the time period required by such rule (without giving effect to the proviso therein) and in any event prior to the Closing Date.

(vv) *No Ratings*. There are (and prior to the Closing Date, will be) no debt securities, convertible securities or preferred stock issued or guaranteed by the Company that are rated by a "nationally recognized statistical rating organization", as such term is defined in Section 3(a)(62) under the Exchange Act.

(ww) *Health Care Authorizations*. The Company has submitted and possesses, or qualifies for applicable exemptions to, such valid and current registrations, listings, approvals, clearances, licenses, certificates, authorizations or permits and supplements or amendments thereto issued or required by the appropriate state, federal or foreign regulatory agencies or bodies necessary to conduct its business ("Permits"), including, without limitation, all such Permits required by the United States Food and Drug Administration (the "FDA"), the United States Department of Health and Human Services ("HHS"), the United States Centers for Medicare & Medicaid Services ("CMS"), Health Canada or any other comparable state, federal or foreign agencies or bodies to which it is subject, and the Company has not received any notice of proceedings relating to the revocation or modification of, or non-compliance with, any such Permit, except for such Permits, the lack of which would not, individually or in the aggregate, result in a Material Adverse Event.

(xx) *Clinical Trials*. The studies, tests and preclinical and clinical trials conducted by or on behalf of, or sponsored by, the Company, or in which the Company has participated, that are described in the Registration Statement, the Time of Sale Disclosure Package or the Prospectus, or the results of which are referred to in the Registration Statement, the Time of Sale Disclosure Package or the Prospectus, were and,

if still pending, are being conducted in all material respects in accordance with protocols, procedures and controls pursuant to, where applicable, accepted professional and scientific standards for products or product candidates comparable to those being developed by the Company and all applicable statutes, rules and regulations of the FDA, Health Canada and other comparable regulatory agencies outside of the United States to which they are subject, including, without limitation, 21 C.F.R. Parts 50, 54, 56, 58, and 812; the descriptions of the results of such studies, tests and trials contained in the Registration Statement, the Time of Sale Disclosure Package or the Prospectus do not contain any misstatement of a material fact or omit a material fact necessary to make such statements not misleading; the Company has no knowledge of any studies, tests or trials not described in the Disclosure Package and the Prospectus the results of which reasonably call into question in any material respect the results of the studies, tests and trials described in the Registration Statement, the Time of Sale Disclosure Package or Prospectus; and the Company has not received any notices or other correspondence from the FDA, Health Canada or any other foreign, state or local governmental body exercising comparable authority or any Institutional Review Board or comparable authority requiring or threatening the termination, suspension or material modification of any studies, tests or preclinical or clinical trials conducted by or on behalf of, or sponsored by, the Company or in which the Company has participated, and, to the Company's knowledge, there are no reasonable grounds for the same. Except as disclosed in the Registration Statement, the Time of Sale Disclosure Package and the Prospectus, there has not been any violation of law or regulation by the Company in its product development efforts, submissions or reports to any regulatory authority that would reasonably be expected to require investigation, corrective action or enforcement action.

(yy) *Compliance with Health Care Laws*. The Company and, to the Company's knowledge, its directors, employees and agents (while acting in such capacity) are and at all times have been in compliance with, all health care laws applicable to the Company, or any of its products or activities, including, but not limited to, the federal Anti-Kickback Statute (42 U.S.C. Section 1320a 7b(b)), the Civil Monetary Penalties Law (42 U.S.C. Section 1320a 7a), the civil False Claims Act (31 U.S.C. Section 3729 et seq.), the criminal False Claims Law (42 U.S.C. Section 1320a 7b(a)), any criminal laws relating to health care fraud and abuse, including but not limited to 18 U.S.C. Sections 286, 287, 1347 and 1349, and the health care fraud criminal provisions under the Health Insurance Portability and Accountability Act of 1996 (42 U.S.C. Section 1320d et seq.) as amended by the Health Information Technology for Economic and Clinical Health Act (42 U.S.C. Section 17921 et seq.), the exclusion laws (42 U.S.C. Section 1320a 7), the Federal Food, Drug, and Cosmetic Act (21 U.S.C. Section 301 et seq.), Medicare (Title XVIII of the Social Security Act), and Medicaid (Title XIX of the Social Security Act), the regulations promulgated pursuant to such laws, and any other applicable state, federal or foreign law, accreditation standards, regulation or other issuance which imposes requirements on manufacturing, development, testing, labeling, advertising, marketing, promotion, distribution, reporting, kickbacks, patient or program charges, recordkeeping, claims process, documentation requirements, medical necessity, referrals, the hiring of employees or acquisition of services or supplies from those who have been excluded from government health care

programs, quality, safety, privacy, security, licensure, accreditation or any other aspect of providing health care, clinical laboratory or diagnostics products or services (collectively, "Health Care Laws"), except where the failure to comply would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company has not received any notification, correspondence or any other written or oral communication, including notification of any pending or threatened claim, suit, proceeding, hearing, enforcement, investigation, arbitration or other action from any governmental authority, including, without limitation, the FDA, Health Canada, the United States Federal Trade Commission, CMS, HHS's Office of Inspector General, the United States Department of Justice and state Attorneys General or similar agencies of potential or actual non-compliance by, or liability of, the Company under any Health Care Laws, except, with respect to any of the foregoing, such as would not, individually or in the aggregate, result in a Material Adverse Event. To the Company's knowledge, there are no facts or circumstances that would reasonably be expected to give rise to material liability of the Company under any Health Care Laws. The Company is not a party to or have any ongoing reporting obligations pursuant to any corporate integrity agreements, deferred or non-prosecution agreements, monitoring agreements, consent decrees, settlement orders, plans of correction or similar agreements with or imposed by any governmental authority. The Company has not been excluded, suspended or debarred from participation in any government health care program or human clinical research or, to the knowledge of the Company, is subject to a governmental inquiry, investigation, proceeding, or other similar action that would reasonably be expected to result in debarment, suspension, or exclusion. The statements with respect to Health Care Laws and the Company's compliance therewith included in the Preliminary Prospectus, in the Time of Sale Disclosure Package and in the Prospectus fairly summarize the matters therein described.

(zz) *No Shutdowns or Prohibitions*. The Company has not had any product, clinical laboratory or manufacturing site (whether Company-owned or that of a third party manufacturer for the Company's products) subject to a governmental authority (including FDA) shutdown or import or export prohibition, nor received any FDA Form 483 or other Governmental Authority notice of inspectional observations, "warning letters," "untitled letters," requests to make changes to the Company's products, processes or operations, or similar correspondence or notice from the FDA or other governmental authority alleging or asserting material noncompliance with any applicable Health Care Laws. To the Company's knowledge, neither the FDA nor any other Governmental Authority is considering such action.

(aaa) *Product Manufacturing*. The manufacture of the Company's products by or, to the knowledge of the Company, on behalf of the Company, to the extent applicable, is being conducted in compliance with the FDCA, including, without limitation, the FDA's Quality System Regulation set forth at 21 CFR Part 820.

(bbb) *Directed Share Program*. The Company represents and warrants that (i) the Registration Statement, the Pricing Disclosure Package and the Prospectus, any Preliminary Prospectus and any Issuer Free Writing Prospectuses comply in all material respects, and any further amendments or supplements thereto will comply in all material

respects, with any applicable laws or regulations of foreign jurisdictions in which the Pricing Disclosure Package, the Prospectus, any Preliminary Prospectus and any Issuer Free Writing Prospectus, as amended or supplemented, if applicable, are distributed in connection with the Directed Share Program, and that (ii) no authorization, approval, consent, license, order, registration or qualification of or with any government, governmental instrumentality or court, other than such as have been obtained, is necessary under the securities laws and regulations of foreign jurisdictions in which the Directed Shares are offered outside the United States. The Company has not offered, or caused the Underwriters to offer, Shares to any person pursuant to the Directed Share Program with the specific intent to unlawfully influence (i) a customer or supplier of the Company to alter the customer or supplier's level or type of business with the Company, or (ii) a trade journalist or publication to write or publish favorable information about the Company or its products.

4. Further Agreements of the Company. The Company covenants and agrees with each Underwriter that:

(a) *Required Filings.* The Company will file the final Prospectus with the Commission within the time periods specified by Rule 424(b) and Rule 430A, 430B or 430C under the Securities Act, will file any Issuer Free Writing Prospectus to the extent required by Rule 433 under the Securities Act; and the Company will furnish copies of the Prospectus and each Issuer Free Writing Prospectus (to the extent not previously delivered) to the Underwriters in New York City prior to 10:00 A.M., New York City time, on the business day next succeeding the date of this Agreement in such quantities as the Representatives may reasonably request.

(b) *Delivery of Copies.* Upon written request of the Representatives, the Company will deliver, without charge, (i) to the Representatives, four signed copies of the Registration Statement as originally filed and each amendment thereto, in each case including all exhibits and consents filed therewith; and (ii) to each Underwriter (A) a conformed copy of the Registration Statement as originally filed and each amendment thereto (without exhibits) and (B) during the Prospectus Delivery Period (as defined below), as many copies of the Prospectus (including all amendments and supplements thereto and each Issuer Free Writing Prospectus) as the Representatives may reasonably request. As used herein, the term "Prospectus Delivery Period" means such period of time after the first date of the public offering of the Shares as in the opinion of counsel for the Underwriters a prospectus relating to the Shares is required by law to be delivered (or required to be delivered but for Rule 172 under the Securities Act) in connection with sales of the Shares by any Underwriter or dealer.

(c) *Amendments or Supplements, Issuer Free Writing Prospectuses.* Before making, preparing, using, authorizing, approving, referring to or filing any Issuer Free Writing Prospectus, and before filing any amendment or supplement to the Registration Statement, the Pricing Disclosure Package or the Prospectus, the Company will furnish to the Representatives and counsel for the Underwriters a copy of the proposed Issuer Free Writing Prospectus, amendment or supplement for review and will not make, prepare, use, authorize, approve, refer to or file any such Issuer Free Writing Prospectus or file any such proposed amendment or supplement to which the Representatives reasonably object in a timely manner.

(d) *Notice to the Representatives.* The Company will advise the Representatives promptly, and confirm such advice in writing (which may be by electronic mail), (i) when the Registration Statement has become effective; (ii) when any amendment to the Registration Statement has been filed or becomes effective; (iii) when any supplement to the Pricing Disclosure Package, the Prospectus, any Issuer Free Writing Prospectus, any Written Testing-the-Waters Communication or any amendment to the Prospectus has been filed or distributed; (iv) of any request by the Commission for any amendment to the Registration Statement or any amendment or supplement to the Prospectus or the receipt of any comments from the Commission relating to the Registration Statement or any other request by the Commission for any additional information including, but not limited to, any request for information concerning any Testing-the-Waters Communication; (v) of the issuance by the Commission or any other governmental or regulatory authority of any order suspending the effectiveness of the Registration Statement or preventing or suspending the use of any Preliminary Prospectus, any of the Pricing Disclosure Package, the Prospectus or any Written Testing-the-Waters Communication or, to the knowledge of the Company, the initiation or threatening of any proceeding for that purpose or pursuant to Section 8A of the Securities Act; (vi) of the occurrence of any event or development within the Prospectus Delivery Period as a result of which the Prospectus, any of the Pricing Disclosure Package, any Issuer Free Writing Prospectus or any Written Testing-the-Waters Communication as then amended or supplemented would include any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Prospectus, the Pricing Disclosure Package, any such Issuer Free Writing Prospectus or any Written Testing-the-Waters Communication is delivered to a purchaser, not misleading; and (vii) of the receipt by the Company of any notice with respect to any suspension of the qualification of the Shares for offer and sale in any jurisdiction, to the knowledge of the Company, or the initiation or threatening of any proceeding for such purpose; and the Company will use its reasonable best efforts to prevent the issuance of any such order suspending the effectiveness of the Registration Statement, preventing or suspending the use of any Preliminary Prospectus, any of the Pricing Disclosure Package or the Prospectus or any Written Testing-the-Waters Communication or suspending any such qualification of the Shares and, if any such order is issued, will use reasonable best efforts to obtain as soon as possible the withdrawal thereof.

(e) *Ongoing Compliance.* (1) If during the Prospectus Delivery Period (i) any event or development shall occur or condition shall exist as a result of which the Prospectus as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Prospectus is delivered to a purchaser, not misleading or (ii) it is necessary to amend or supplement the Prospectus to comply with law, the Company will promptly notify the Underwriters thereof and forthwith prepare and, subject to paragraph (c) above, file with the Commission and furnish to the Underwriters and to such dealers as the Representatives may designate such

amendments or supplements to the Prospectus as may be necessary so that the statements in the Prospectus as so amended or supplemented will not, in the light of the circumstances existing when the Prospectus is delivered to a purchaser, be misleading or so that the Prospectus will comply with law and (2) if at any time prior to the Closing Date (i) any event or development shall occur or condition shall exist as a result of which the Pricing Disclosure Package as then amended or supplemented would include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances existing when the Pricing Disclosure Package is delivered to a purchaser, not misleading or (ii) it is necessary to amend or supplement the Pricing Disclosure Package to comply with law, the Company will promptly notify the Underwriters thereof and forthwith prepare and, subject to paragraph (c) above, file with the Commission (to the extent required) and furnish to the Underwriters and to such dealers as the Representatives may designate such amendments or supplements to the Pricing Disclosure Package as may be necessary so that the statements in the Pricing Disclosure Package as so amended or supplemented will not, in the light of the circumstances existing when the Pricing Disclosure Package is delivered to a purchaser, be misleading or so that the Pricing Disclosure Package will comply with law.

(f) *Blue Sky Compliance*. The Company will qualify the Shares for offer and sale under the securities or Blue Sky laws of such jurisdictions as the Representatives shall reasonably request and will continue such qualifications in effect so long as required for distribution of the Shares; provided that the Company shall not be required to (i) qualify as a foreign corporation or other entity or as a dealer in securities in any such jurisdiction where it would not otherwise be required to so qualify, (ii) file any general consent to service of process in any such jurisdiction or (iii) subject itself to taxation in any such jurisdiction if it is not otherwise so subject.

(g) *Earning Statement.* The Company will make generally available to its security holders and the Representatives as soon as reasonably practicable an earning statement that satisfies the provisions of Section 11(a) of the Securities Act and Rule 158 of the Commission promulgated thereunder covering a period of at least twelve months beginning with the first fiscal quarter of the Company occurring after the "effective date" (as defined in Rule 158) of the Registration Statement; provided that the Company will be deemed to have furnished such statements to its security holders and the Representatives to the extent they are filed on the Commission's Electronic Data Gathering, Analysis and Retrieval system ("EDGAR").

(h) *Clear Market.* For a period of 180 days after the date of the Prospectus, the Company will not (i) offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, or submit to, or file with, the Commission a registration statement under the Securities Act relating to, any shares of Stock or any securities convertible into or exercisable or exchangeable for Stock, or (ii) enter into any hedging, swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Stock or any such other securities, or publicly disclose the intention to undertake any of the transactions described

in clause (i) or (ii), whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Stock or such other securities, in cash or otherwise, without the prior written consent of the Representatives, other than (A) the Shares to be sold hereunder, (B) any shares of Stock of the Company issued upon the conversion of convertible preferred stock outstanding on the date of this Agreement in connection with the transactions contemplated by this Agreement and as disclosed in the Registration Statement, the Pricing Disclosure Package and the Prospectus, (C) any shares of Stock of the Company issued upon the exercise, vesting or settlement of options or other awards granted under Company Equity Plans or pursuant to any employee stock purchase plan of the Company, in each case described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, (D) any options, shares of Stock and other awards granted under a Company Equity Plan or employee stock purchase plan of the Company, in each case described in the Registration Statement, the Pricing Disclosure Package and the Prospectus, and (E) the filing by the Company of any registration statement on Form S-8 or a successor form thereto relating to a Company Equity Plan or employee stock purchase plan described in the Registration Statement, the Pricing Disclosure Package and the Prospectus; provided that the recipient of any such shares of Stock or securities issued pursuant to clauses (B), (C) and (D) during the 180-day restricted period described above shall enter into an agreement for the remainder of the Restricted Period substantially in the form of Exhibit D hereto.

If J.P. Morgan Securities LLC, in its sole discretion, agrees to release or waive the restrictions set forth in a lock-up letter described in Section 6(n) hereof for an officer or director of the Company and provide the Company with notice of the impending release or waiver substantially in the form of Exhibit B hereto at least three business days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver by a press release substantially in the form of Exhibit C hereto through a major news service at least two business days before the effective date of the release or waiver.

(i) *Use of Proceeds.* The Company will apply the net proceeds from the sale of the Shares as described in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus under the heading “Use of proceeds”.

(j) *No Stabilization.* Neither the Company nor its affiliates will take, directly or indirectly, without giving effect to activities by the Underwriters, any action designed to or that would reasonably be expected to cause or result in any stabilization or manipulation of the price of the Stock.

(k) *Exchange Listing.* The Company will use its reasonable best efforts to list for quotation the Shares on the Nasdaq Market.

(l) *Reports.* For a period of three years from the date of this Agreement (provided that the Company remains subject to the reporting requirements of either Section 13 or Section 15(d) of the Exchange Act), the Company will furnish to the Representatives, as soon as commercially reasonable after the date that they are available, copies of all reports or other communications (financial or other) furnished to holders of

the Shares, and copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange or automatic quotation system; provided the Company will be deemed to have furnished such reports and financial statements to the Representatives to the extent they are filed on EDGAR.

(m) *Record Retention*. The Company will, pursuant to reasonable procedures developed in good faith, retain copies of each Issuer Free Writing Prospectus that is not filed with the Commission in accordance with Rule 433 under the Securities Act.

(n) *Filings.* The Company will file with the Commission such reports as may be required by Rule 463 under the Securities Act.

(o) *Directed Share Program*. The Company will comply with all applicable securities and other laws, rules and regulations in each jurisdiction in which the Directed Shares are offered in connection with the Directed Share Program.

(p) *Emerging Growth Company*. The Company will promptly notify the Representatives if the Company ceases to be an Emerging Growth Company at any time prior to the later of (i) completion of the distribution of Shares within the meaning of the Securities Act and (ii) completion of the 180-day restricted period referred to in Section 4(h) hereof.

5. Certain Agreements of the Underwriters. Each Underwriter hereby represents and agrees that:

(a) It has not used, authorized use of, referred to or participated in the planning for use of, and will not use, authorize use of, refer to or participate in the planning for use of, any "free writing prospectus", as defined in Rule 405 under the Securities Act (which term includes use of any written information furnished to the Commission by the Company and not incorporated by reference into the Registration Statement and any press release issued by the Company) other than (i) a free writing prospectus that contains no "issuer information" (as defined in Rule 433(h)(2) under the Securities Act) that was not included (including through incorporation by reference) in the Preliminary Prospectus or a previously filed Issuer Free Writing Prospectus, (ii) any Issuer Free Writing Prospectus listed on Annex A or prepared pursuant to Section 3(c) or Section 4(c) above (including any electronic road show approved by the Company in advance in writing), or (iii) any free writing prospectus prepared by such underwriter and approved by the Company in advance in writing (each such free writing prospectus referred to in clauses (i) or (iii), an "Underwriter Free Writing Prospectus").

(b) It has not and will not, without the prior written consent of the Company, use any free writing prospectus that contains the final terms of the offering of the Shares unless such terms have previously been included in a free writing prospectus filed with the Commission.

(c) It is not subject to any pending proceeding under Section 8A of the Securities Act with respect to the offering (and will promptly notify the Company if any such proceeding against it is initiated during the Prospectus Delivery Period).

6. Conditions of Underwriters' Obligations. The obligation of each Underwriter to purchase the Underwritten Shares on the Closing Date or the Option Shares on the Additional Closing Date, as the case may be, as provided herein is subject to the performance by the Company of its covenants and other obligations hereunder and to the following additional conditions:

(a) *Registration Compliance; No Stop Order.* No order suspending the effectiveness of the Registration Statement shall be in effect, and no proceeding for such purpose or pursuant to Section 8A under the Securities Act shall be pending before or threatened by the Commission; the Prospectus and each Issuer Free Writing Prospectus shall have been timely filed with the Commission under the Securities Act (in the case of an Issuer Free Writing Prospectus, to the extent required by Rule 433 under the Securities Act) and in accordance with Section 4(a) hereof; and all requests by the Commission for additional information shall have been complied with to the reasonable satisfaction of the Representatives.

(b) *Representations and Warranties.* The representations and warranties of the Company contained herein shall be true and correct on the date hereof and on and as of the Closing Date or the Additional Closing Date, as the case may be; and the statements of the Company and its officers made in any certificates delivered pursuant to this Agreement shall be true and correct on and as of the Closing Date or the Additional Closing Date, as the case may be.

(c) *No Material Adverse Change.* No event or condition of a type described in Section 3(h) hereof shall have occurred or shall exist, which event or condition is not described in the Pricing Disclosure Package (excluding any amendment or supplement thereto) and the Prospectus (excluding any amendment or supplement thereto) and the effect of which in the judgment of the Representatives makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Shares on the Closing Date or the Additional Closing Date, as the case may be, on the terms and in the manner contemplated by this Agreement, the Pricing Disclosure Package and the Prospectus.

(d) *Officers' Certificate.* The Representatives shall have received on and as of the Closing Date or the Additional Closing Date, as the case may be, a certificate of the principal financial officer or principal accounting officer of the Company and one additional senior executive officer of the Company who is satisfactory to the Representatives (i) confirming that such officers have reviewed the Registration Statement, the Pricing Disclosure Package and the Prospectus and, to the knowledge of such officers, the representations of the Company set forth in Sections 3(b) and 3(f) hereof are true and correct, (ii) confirming that the other representations and warranties of the Company in this Agreement are true and correct and that the Company has complied with all agreements and satisfied all conditions on its part to be performed or satisfied hereunder at or prior to the Closing Date or the Additional Closing Date, as the case may be, and (iii) to the effect set forth in paragraphs (a), (b) and (c) above.

(e) *Comfort Letters.* On the date of this Agreement and on the Closing Date or the Additional Closing Date, as the case may be, Ernst & Young LLP shall have furnished to the Representatives, at the request of the Company, letters, dated the respective dates of delivery thereof and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representatives, containing statements and information of the type customarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in each of the Registration Statement, the Pricing Disclosure Package and the Prospectus; provided, that the letter delivered on the Closing Date or the Additional Closing Date, as the case may be, shall use a "cut-off" date no more than three business days prior to such Closing Date or such Additional Closing Date, as the case may be.

(f) *Certificate of Chief Financial Officer.* On the date of this Agreement and on the Closing Date or the Additional Closing Date, as the case may be, the Company shall have furnished to the Representatives a certificate, dated the respective dates of delivery thereof and addressed to the Underwriters, of its chief financial officer with respect to certain financial data contained in the Pricing Disclosure Package and the Prospectus, providing "management comfort" with respect to such information, in form and substance reasonably satisfactory to the Representatives.

(g) *Opinion of Intellectual Property Counsels for the Company*. Shay Glenn LLP, and Goodwin Procter LLP, as counsels for the Company, each shall have furnished to the Representatives, at the request of the Company, their written opinions, dated the Closing Date or the Additional Closing Date, as the case may be, and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representatives.

(h) *Omitted.*

(i) *Opinion and Negative Assurance of Counsel for the Company.* Cooley LLP, counsel for the Company, shall have furnished to the Representatives, at the request of the Company, their written opinion and negative assurance, dated the Closing Date or the Additional Closing Date, as the case may be, and addressed to the Underwriters, in form and substance reasonably satisfactory to the Representatives.

(j) *Opinion and Negative Assurance of Counsel for the Underwriters.* The Representatives shall have received on and as of the Closing Date or the Additional Closing Date, as the case may be, an opinion and negative assurance, addressed to the Underwriters, of Latham & Watkins LLP, counsel for the Underwriters, with respect to such matters as the Representatives may reasonably request, and such counsel shall have received such documents and information as they may reasonably request to enable them to pass upon such matters.

(k) *No Legal Impediment to Issuance and Sale.* No action shall have been taken and no statute, rule, regulation or order shall have been enacted, adopted or issued by any federal, state or foreign governmental or regulatory authority that would, as of the Closing Date or the Additional Closing Date, as the case may be, prevent the issuance or sale of the Shares; and no injunction or order of any federal, state or foreign court shall have been issued that would, as of the Closing Date or the Additional Closing Date, as the case may be, prevent the issuance or sale of the Shares.

(l) *Good Standing*. The Representatives shall have received on and as of the Closing Date or the Additional Closing Date, as the case may be, satisfactory evidence of the good standing of the Company in its jurisdiction of organization and its good standing in such other jurisdictions as the Representatives may reasonably request, in each case in writing or any standard form of telecommunication from the appropriate governmental authorities of such jurisdictions.

(m) *Exchange Listing.* The Shares to be delivered on the Closing Date or the Additional Closing Date, as the case may be, shall have been approved for listing on the Nasdaq Market, subject to official notice of issuance.

(n) *Lock-up Agreements*. The "lock-up" agreements, each substantially in the form of Exhibit D hereto, between you and substantially all of the securityholders of the Company relating to sales and certain other dispositions of shares of Stock or certain other securities, delivered to you on or before the date hereof, shall be full force and effect on the Closing Date or the Additional Closing Date, as the case may be.

(o) *Certificate Regarding Beneficial Ownership*. The Representatives shall have received, prior to the date of this Agreement, properly completed and executed Certifications Regarding Beneficial Ownership of Legal Entity Customers, together with copies of identifying documentation.

(p) *Additional Documents.* On or prior to the Closing Date or the Additional Closing Date, as the case may be, the Company shall have furnished to the Representatives such further certificates and documents as the Representatives may reasonably request.

All opinions, letters, certificates and evidence mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof only if they are in form and substance reasonably satisfactory to counsel for the Underwriters.

7. Indemnification and Contribution.

(a) *Indemnification of the Underwriters.* The Company agrees to indemnify and hold harmless each Underwriter, its affiliates, directors and officers and each person, if any, who controls such Underwriter within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act, from and against any and all losses, claims, damages and liabilities (including, without limitation, reasonable and documented legal fees and other reasonable and documented expenses incurred in connection with any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred), joint or several, that arise out of, or are based upon, (i) any untrue statement or alleged untrue statement of a material fact contained in the Registration Statement or caused by any omission or alleged omission to state therein a material fact required to be stated therein or necessary in order to make the statements therein, not misleading, or (ii) any untrue statement or alleged untrue statement of a material fact contained in the Prospectus (or any amendment or supplement thereto), any Preliminary Prospectus, any Issuer Free Writing Prospectus, any "issuer information" filed or required to be filed pursuant to Rule 433(d) under the Securities Act, any Written Testing-the-Waters Communication, any road

show as defined in Rule 433(h) under the Securities Act (a "road show") or any Pricing Disclosure Package (including any Pricing Disclosure Package that has subsequently been amended), or caused by any omission or alleged omission to state therein a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading, in each case except insofar as such losses, claims, damages or liabilities arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to any Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use therein, it being understood and agreed that the only such information furnished by any Underwriter consists of the information described as such in paragraph (b) below.

(b) *Indemnification of the Company*. Each Underwriter agrees, severally and not jointly, to indemnify and hold harmless the Company, its directors, its officers who signed the Registration Statement and each person, if any, who controls the Company within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act to the same extent as the indemnity set forth in paragraph (a) above, but only with respect to any losses, claims, damages or liabilities that arise out of, or are based upon, any untrue statement or omission or alleged untrue statement or omission made in reliance upon and in conformity with any information relating to such Underwriter furnished to the Company in writing by such Underwriter through the Representatives expressly for use in the Registration Statement, the Prospectus (or any amendment or supplement thereto), any Preliminary Prospectus, any Issuer Free Writing Prospectus, any Written Testing-the-Waters Communication, any road show or any Pricing Disclosure Package (including any Pricing Disclosure Package that has subsequently been amended), it being understood and agreed upon that the only such information furnished by any Underwriter consists of the following information in the Prospectus furnished on behalf of each Underwriter: the concession figures appearing in the fourth paragraph under the caption "Underwriting" and the information contained in the sixteenth and seventeenth paragraphs under the caption "Underwriting" relating to price stabilization, short positions and penalty bids.

(c) *Notice and Procedures.* If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any person in respect of which indemnification may be sought pursuant to the preceding paragraphs of this Section 7, such person (the "Indemnified Person") shall promptly notify the person against whom such indemnification may be sought (the "Indemnifying Person") in writing; provided that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have under the preceding paragraphs of this Section 7 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided, further, that the failure to notify the Indemnifying Person shall not relieve it from any liability that it may have to an Indemnified Person otherwise than under the preceding paragraphs of this Section 7. If any such proceeding shall be brought or asserted against an Indemnified Person and it shall have notified the Indemnifying Person thereof, the Indemnifying Person shall retain counsel reasonably satisfactory to the Indemnified Person (who shall not, without the consent of the Indemnified Person, be counsel to the Indemnifying Person) to represent the Indemnified Person and any others entitled to indemnification pursuant to this Section that the Indemnifying Person may designate in such proceeding and shall pay the reasonable and documented fees and expenses in such proceeding and shall pay the reasonable

and documented fees and expenses of such counsel related to such proceeding, as incurred. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless (i) the Indemnifying Person and the Indemnified Person shall have mutually agreed to the contrary; (ii) the Indemnifying Person has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Person; (iii) the Indemnified Person shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Indemnifying Person; or (iv) the named parties in any such proceeding (including any impleaded parties) include both the Indemnifying Person and the Indemnified Person and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood and agreed that the Indemnifying Person shall not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Persons, and that all such reasonable and documented fees and expenses shall be paid or reimbursed as they are incurred upon receipt from the Indemnified Person of a written request for payment thereof accompanied by a written statement with reasonable supporting detail of such fees and expenses. Any such separate firm for any Underwriter, its affiliates, directors and officers and any control persons of such Underwriter shall be designated in writing by J.P. Morgan Securities LLC and any such separate firm for the Company, its directors, its officers who signed the Registration Statement and any control persons of the Company shall be designated in writing by the Company. The Indemnifying Person shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent, the Indemnifying Person agrees to indemnify each Indemnified Person from and against any loss or liability by reason of such settlement. Notwithstanding the foregoing sentence, if at any time an Indemnified Person shall have requested that an Indemnifying Person reimburse the Indemnified Person for reasonable and documented fees and expenses of counsel as contemplated by this paragraph, the Indemnifying Person shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by the Indemnifying Person of such request and (ii) the Indemnifying Person shall not have reimbursed the Indemnified Person in accordance with such request prior to the date of such settlement. No Indemnifying Person shall, without the written consent of the Indemnified Person, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnification could have been sought hereunder by such Indemnified Person, unless such settlement (x) includes an unconditional release of such Indemnified Person, in form and substance reasonably satisfactory to such Indemnified Person, from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Person.

(d) *Contribution.* If the indemnification provided for in paragraphs (a) or (b) above is unavailable to an Indemnified Person or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then each Indemnifying Person under such paragraph, in lieu of indemnifying such Indemnified Person thereunder, shall contribute to the amount paid or payable by such Indemnified Person as a result of such losses, claims, damages or liabilities (i) in such proportion as is appropriate to reflect the relative benefits received by the Company, on the one hand, and the Underwriters on the other, from the offering of the Shares or (ii) if the allocation provided by clause (i) is not permitted by applicable law, in such proportion as is appropriate to

reflect not only the relative benefits referred to in clause (i) but also the relative fault of the Company, on the one hand, and the Underwriters on the other, in connection with the statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company, on the one hand, and the Underwriters on the other, shall be deemed to be in the same respective proportions as the net proceeds (before deducting expenses) received by the Company from the sale of the Shares and the total underwriting discounts and commissions received by the Underwriters in connection therewith, in each case as set forth in the table on the cover of the Prospectus, bear to the aggregate offering price of the Shares. The relative fault of the Company, on the one hand, and the Underwriters on the other, shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or by the Underwriters and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(e) *Limitation on Liability.* The Company and the Underwriters agree that it would not be just and equitable if contribution pursuant to paragraph (d) above were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (d) above. The amount paid or payable by an Indemnified Person as a result of the losses, claims, damages and liabilities referred to in paragraph (d) above shall be deemed to include, subject to the limitations set forth above, any reasonable and documented legal or other expenses incurred by such Indemnified Person in connection with any such action or claim. Notwithstanding the provisions of paragraphs (d) and (e), in no event shall an Underwriter be required to contribute any amount in excess of the amount by which the total underwriting discounts and commissions received by such Underwriter with respect to the offering of the Shares exceeds the amount of any damages that such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations to contribute pursuant to paragraphs (d) and (e) are several in proportion to their respective purchase obligations hereunder and not joint.

(f) *Non-Exclusive Remedies.* The remedies provided for in this Section 7 paragraphs (a) through (e) are not exclusive and shall not limit any rights or remedies which may otherwise be available to any Indemnified Person at law or in equity.

(g) *Directed Share Program Indemnification.* The Company agrees to indemnify and hold harmless the Directed Share Underwriter, its affiliates, directors and officers and each person, if any, who controls the Directed Share Underwriter within the meaning of either Section 15 of the Securities Act or Section 20 of the Exchange Act (each a "Directed Share Underwriter Entity") from and against any and all losses, claims, damages and liabilities (including, without limitation, any legal fees and other expenses incurred in connection with defending or investigating any suit, action or proceeding or any claim asserted, as such fees and expenses are incurred) (i) caused by any untrue statement or alleged untrue statement of a material fact contained in any material prepared by or with the consent of the Company for distribution to

Participants in connection with the Directed Share Program or caused by any omission or alleged omission to state therein a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; (ii) caused by the failure of any Participant to pay for and accept delivery of Directed Shares that the Participant agreed to purchase; or (iii) related to, arising out of, or in connection with the Directed Share Program, other than losses, claims, damages or liabilities (or expenses relating thereto) that are finally judicially determined to have resulted from the bad faith or gross negligence of the Directed Share Underwriter Entities.

(h) In case any proceeding (including any governmental investigation) shall be instituted involving any Directed Share Underwriter Entity in respect of which indemnity may be sought pursuant to paragraph (g) above, the Directed Share Underwriter Entity seeking indemnity shall promptly notify the Company in writing and the Company, upon request of the Directed Share Underwriter Entity, shall retain counsel reasonably satisfactory to the Directed Share Underwriter Entity to represent the Directed Share Underwriter Entity and any others the Company may designate in such proceeding and shall pay the reasonable fees and disbursements of such counsel related to such proceeding. In any such proceeding, any Directed Share Underwriter Entity shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Directed Share Underwriter Entity unless (i) the Company and such Directed Share Underwriter Entity shall have mutually agreed to the retention of such counsel, (ii) the Company has failed within a reasonable time to retain counsel reasonably satisfactory to such Directed Share Underwriter Entity, (iii) the Directed Share Underwriter Entity shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Company or (iv) the named parties to any such proceeding (including any impleaded parties) include both the Company and the Directed Share Underwriter Entity and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. The Company shall not, in respect of the legal expenses of the Directed Share Underwriter Entities in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Directed Share Underwriter Entities. The Company shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent, the Company agrees to indemnify the Directed Share Underwriter Entities from and against any loss or liability by reason of such settlement. Notwithstanding the foregoing sentence, if at any time any Directed Share Underwriter Entity shall have requested the Company to reimburse such Directed Share Underwriter Entity for fees and expenses of counsel as contemplated by the second and third sentences of this paragraph, the Company agrees that it shall be liable for any settlement of any proceeding effected without its written consent if (i) such settlement is entered into more than 30 days after receipt by the Company of the aforesaid request and (ii) the Company shall not have reimbursed such Directed Share Underwriter Entity in accordance with such request prior to the date of such settlement. The Company shall not, without the prior written consent of the Directed Share Underwriter, effect any settlement of any pending or threatened proceeding in respect of which any Directed Share Underwriter Entity is or could have been a party and indemnity could have been sought hereunder by such Directed Share Underwriter Entity, unless (x) such settlement includes an unconditional release of the Directed Share Underwriter Entities from all liability on claims that are the subject matter of such proceeding and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of the Directed Share Underwriter Entity.

(i) To the extent the indemnification provided for in paragraph (g) above is unavailable to a Directed Share Underwriter Entity or insufficient in respect of any losses, claims, damages or liabilities referred to therein, then the Company in lieu of indemnifying the Directed Share Underwriter Entity thereunder, shall contribute to the amount paid or payable by the Directed Share Underwriter Entity as a result of such losses, claims, damages or liabilities (1) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Directed Share Underwriter Entities on the other hand from the offering of the Directed Shares or (2) if the allocation provided by clause 7(i)(1) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause 7(i)(1) above but also the relative fault of the Company on the one hand and of the Directed Share Underwriter Entities on the other hand in connection with any statements or omissions that resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Directed Share Underwriter Entities on the other hand in connection with the offering of the Directed Shares shall be deemed to be in the same respective proportions as the net proceeds from the offering of the Directed Shares (before deducting expenses) and the total underwriting discounts and commissions received by the Directed Share Underwriter Entities for the Directed Shares, bear to the aggregate public offering price of the Directed Shares. If the loss, claim, damage or liability is caused by an untrue or alleged untrue statement of material fact or the omission or alleged omission to state a material fact, the relative fault of the Company on the one hand and the Directed Share Underwriter Entities on the other hand shall be determined by reference to, among other things, whether the untrue or alleged untrue statement or the omission or alleged omission relates to information supplied by the Company or by the Directed Share Underwriter Entities and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission.

(j) The Company and the Directed Share Underwriter Entities agree that it would be not just or equitable if contribution pursuant to paragraph (i) above were determined by pro rata allocation (even if the Directed Share Underwriter Entities were treated as one entity for such purpose) or by any other method of allocation that does not take account of the equitable considerations referred to in paragraph (i) above. The amount paid or payable by the Directed Share Underwriter Entities as a result of the losses, claims, damages and liabilities referred to in the immediately preceding paragraph shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by the Directed Share Underwriter Entities in connection with investigating or defending such any action or claim. Notwithstanding the provisions of paragraph (i) above, no Directed Share Underwriter Entity shall be required to contribute any amount in excess of the amount by which the total price at which the Directed Shares distributed to the public were offered to the public exceeds the amount of any damages that such Directed Share Underwriter Entity has otherwise been required to pay. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The remedies provided for in paragraphs (g) through (j) are not exclusive and shall not limit any rights or remedies which may otherwise be available to any indemnified party at law or in equity.

(k) The indemnity and contribution provisions contained in paragraphs (g) through (j) shall remain operative and in full force and effect regardless of (i) any termination of this Agreement, (ii) any investigation made by or on behalf of any Directed Share Underwriter Entity or the Company, its officers or directors or any person controlling the Company and (iii) acceptance of and payment for any of the Directed Shares.

8. Effectiveness of Agreement. This Agreement shall become effective as of the date first written above.

9. Termination. This Agreement may be terminated in the absolute discretion of the Representatives, by notice to the Company, if after the execution and delivery of this Agreement and on or prior to the Closing Date or, in the case of the Option Shares, prior to the Additional Closing Date (i) trading generally shall have been suspended or materially limited on or by any of the New York Stock Exchange or the Nasdaq Stock Market; (ii) trading of any securities issued or guaranteed by the Company shall have been suspended on any exchange or in any over-the-counter market; (iii) a general moratorium on commercial banking activities shall have been declared by federal or New York State authorities; or (iv) there shall have occurred any outbreak or escalation of hostilities or any change in financial markets or any calamity or crisis, either within or outside the United States, that, in the judgment of the Representatives, is material and adverse and makes it impracticable or inadvisable to proceed with the offering, sale or delivery of the Shares on the Closing Date or the Additional Closing Date, as the case may be, on the terms and in the manner contemplated by this Agreement, the Pricing Disclosure Package and the Prospectus.

10. Defaulting Underwriter.

(a) If, on the Closing Date or the Additional Closing Date, as the case may be, any Underwriter defaults on its obligation to purchase the Shares that it has agreed to purchase hereunder on such date, the non-defaulting Underwriters may in their discretion arrange for the purchase of such Shares by other persons satisfactory to the Company on the terms contained in this Agreement. If, within 36 hours after any such default by any Underwriter, the non-defaulting Underwriters do not arrange for the purchase of such Shares, then the Company shall be entitled to a further period of 36 hours within which to procure other persons satisfactory to the non-defaulting Underwriters to purchase such Shares on such terms. If other persons become obligated or agree to purchase the Shares of a defaulting Underwriter, either the non-defaulting Underwriters or the Company may postpone the Closing Date or the Additional Closing Date, as the case may be, for up to five full business days in order to effect any changes that in the opinion of counsel for the Company or counsel for the Underwriters may be necessary in the Registration Statement and the Prospectus or in any other document or arrangement, and the Company agrees to promptly prepare any amendment or supplement to the Registration Statement and the Prospectus that effects any such changes. As used in this Agreement, the term “Underwriter” includes, for all purposes of this Agreement unless the context otherwise requires, any person not listed in Schedule 1 hereto that, pursuant to this Section 10, purchases Shares that a defaulting Underwriter agreed but failed to purchase.

(b) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by the non-defaulting Underwriters and the Company as provided in paragraph (a) above, the aggregate number of Shares that remain unpurchased on the Closing Date or the Additional Closing Date, as the case may be, does not exceed one-eleventh of the aggregate number of Shares to be purchased on such date, then the Company shall have the right to require each non-defaulting Underwriter to purchase the number of Shares that such Underwriter agreed to purchase hereunder on such date plus such Underwriter's pro rata share (based on the number of Shares that such Underwriter agreed to purchase on such date) of the Shares of such defaulting Underwriter or Underwriters for which such arrangements have not been made.

(c) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by the non-defaulting Underwriters and the Company as provided in paragraph (a) above, the aggregate number of Shares that remain unpurchased on the Closing Date or the Additional Closing Date, as the case may be, exceeds one-eleventh of the aggregate amount of Shares to be purchased on such date, or if the Company shall not exercise the right described in paragraph (b) above, then this Agreement or, with respect to any Additional Closing Date, the obligation of the Underwriters to purchase Shares on the Additional Closing Date, as the case may be, shall terminate without liability on the part of the non-defaulting Underwriters. Any termination of this Agreement pursuant to this Section 10 shall be without liability on the part of the Company, except that the Company will continue to be liable for the payment of expenses as set forth in Section 11 hereof and except that the provisions of Section 7 hereof shall not terminate and shall remain in effect.

(d) Nothing contained herein shall relieve a defaulting Underwriter of any liability it may have to the Company or any non-defaulting Underwriter for damages caused by its default.

11. Payment of Expenses.

(a) Whether or not the transactions contemplated by this Agreement are consummated or this Agreement is terminated, the Company will pay or cause to be paid all costs and expenses incident to the performance of its obligations hereunder, including without limitation, (i) the costs incident to the authorization, issuance, sale, preparation and delivery of the Shares and any taxes payable in that connection; (ii) the costs incident to the preparation, printing and filing under the Securities Act of the Registration Statement, the Preliminary Prospectus, any Issuer Free Writing Prospectus, any Pricing Disclosure Package and the Prospectus (including all exhibits, amendments and supplements thereto) and the distribution thereof; (iii) the fees and expenses of the Company's counsel and independent accountants; (iv) the fees and expenses incurred in connection with the registration or qualification and determination of eligibility for investment of the Shares under the laws of such jurisdictions as the Representatives may designate and the preparation, printing and distribution of a Blue Sky Memorandum (including the related fees and expenses of counsel for the Underwriters); (v) the cost of preparing stock certificates; (vi) the costs and charges of any transfer agent and any registrar; (vii) all expenses and application fees incurred in connection with any filing with, and clearance of the offering by, FINRA, provided that the aggregate amount payable by the Company pursuant to clauses (iv) and (vii) shall not exceed $40,000; (viii) all expenses incurred by the Company in connection with any "road show" presentation to potential investors; (x) all expenses and application fees related to the listing of the Shares on the Nasdaq Market; and (xi) all of the fees and disbursements of counsel incurred by the Underwriters in connection with the Directed Share Program and stamp duties, similar taxes or duties or other taxes, if any, incurred by the Underwriters in connection with the Directed Share Program.

(b) If (i) this Agreement is terminated pursuant to Section 9, (ii) the Company for any reason fails to tender the Shares for delivery to the Underwriters (other than by reason of a default by any Underwriter) or (iii) the Underwriters decline to purchase the Shares for any reason permitted under this Agreement (other than following termination of this Agreement pursuant to clauses (i), (iii) or (iv) of Section 9), the Company agrees to reimburse the Underwriters for all reasonable and documented out-of-pocket costs and expenses (including the reasonable and documented fees and expenses of their counsel) reasonably incurred by the Underwriters in connection with this Agreement and the offering contemplated hereby.

12. Persons Entitled to Benefit of Agreement. This Agreement shall inure to the benefit of and be binding upon the parties hereto and their respective successors and the officers and directors and any controlling persons referred to herein, and the affiliates of each Underwriter referred to in Section 7 hereof. Nothing in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement or any provision contained herein. No purchaser of Shares from any Underwriter shall be deemed to be a successor merely by reason of such purchase.

13. Survival. The respective indemnities, rights of contribution, representations, warranties and agreements of the Company and the Underwriters contained in this Agreement or made by or on behalf of the Company or the Underwriters pursuant to this Agreement or any certificate delivered pursuant hereto shall survive the delivery of and payment for the Shares and shall remain in full force and effect, regardless of any termination of this Agreement or any investigation made by or on behalf of the Company or the Underwriters or the directors, officers, controlling persons or affiliates referred to in Section 7 hereof.

14. Certain Defined Terms. For purposes of this Agreement, (a) except where otherwise expressly provided, the term “affiliate” has the meaning set forth in Rule 405 under the Securities Act; (b) the term “business day” means any day other than a day on which banks are permitted or required to be closed in New York City; and (c) the term “subsidiary” has the meaning set forth in Rule 405 under the Securities Act.

15. Compliance with USA Patriot Act. In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Underwriters are required to obtain, verify and record information that identifies their respective clients, including the Company, which information may include the name and address of their respective clients, as well as other information that will allow the Underwriters to properly identify their respective clients.

16. Miscellaneous.

(a) *Notices.* All notices and other communications hereunder shall be in writing and shall be deemed to have been duly given if mailed or transmitted and confirmed by any standard form of telecommunication. Notices to the Underwriters shall be given to the Representatives c/o J.P. Morgan Securities LLC, 383 Madison Avenue, New York, New York 10179 (fax: (212) 622-8358) and c/o BofA Securities, Inc., One Bryant Park, New York, New York 10036, Attention: Syndicate Department (fax: (646) 855-3073) with a copy to ECM Legal (fax: (212) 230-8730). Notices to the Company shall be given to it at Talis Biomedical Corporation, 230 Constitution Drive, Menlo Park, California 94025, and a copy (which shall not constitute notice) to Cooley LLP, 4401 Eastgate Mall, San Diego, California 92121, Attention: Karen E. Deschaine.

(b) *Governing Law.* This Agreement and any claim, controversy or dispute arising under or related to this Agreement shall be governed by and construed in accordance with the laws of the State of New York.

(c) *Submission to Jurisdiction*. The Company hereby submits to the exclusive jurisdiction of the U.S. federal and New York state courts in the Borough of Manhattan in The City of New York in any suit or proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. The Company waives any objection which it may now or hereafter have to the laying of venue of any such suit or proceeding in such courts. The Company agrees that final judgment in any such suit, action or proceeding brought in such court shall be conclusive and binding upon the Company and may be enforced in any court to the jurisdiction of which Company is subject by a suit upon such judgment.

(d) *Waiver of Jury Trial.* Each of the parties hereto hereby waives any right to trial by jury in any suit or proceeding arising out of or relating to this Agreement and the transactions contemplated hereby.

(e) *Recognition of the U.S. Special Resolution Regimes*.

(i) In the event that any Underwriter that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Underwriter of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(ii) In the event that any Underwriter that is a Covered Entity or a BHC Act Affiliate of such Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

As used in this Section 16(e):

"BHC Act Affiliate" has the meaning assigned to the term "affiliate" in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

"Covered Entity" means any of the following:

(i) a "covered entity" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a "covered bank" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a "covered FSI" as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

"Default Right" has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

"U.S. Special Resolution Regime" means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

(f) *Counterparts.* This Agreement may be signed in counterparts (which may include counterparts delivered by any standard form of telecommunication), each of which shall be an original and all of which together shall constitute one and the same instrument. Electronic signatures complying with the New York Electronic Signatures and Records Act (N.Y. State Tech. §§ 301-309), as amended from time to time, or other applicable law will be deemed original signatures for purposes of this Agreement. Transmission by telecopy, electronic mail or other transmission method of an executed counterpart of this Agreement will constitute due and sufficient delivery of such counterpart.

(g) *Amendments or Waivers.* No amendment or waiver of any provision of this Agreement, nor any consent or approval to any departure therefrom, shall in any event be effective unless the same shall be in writing and signed by the parties hereto.

(h) *Headings.* The headings herein are included for convenience of reference only and are not intended to be part of, or to affect the meaning or interpretation of, this Agreement.

If the foregoing is in accordance with your understanding, please indicate your acceptance of this Agreement by signing in the space provided below.

Very truly yours,

TALIS BIOMEDICAL CORPORATION

By: _____
Name:
Title:

Accepted: As of the date first written above

J.P. MORGAN SECURITIES LLC BOFA SECURITIES, INC.

Each for itself and on behalf of the several Underwriters listed in Schedule 1 hereto.

J.P. MORGAN SECURITIES LLC

By: _____
Authorized Signatory
Name:
Title:

BOFA SECURITIES, INC.

By: _____
Authorized Signatory
Name:
Title:

Schedule 1

Underwriter	Number of Shares
J.P. Morgan Securities LLC	
BofA Securities, Inc.	
Piper Sandler & Co.	
BTIG, LLC	
Total	

a. **Pricing Disclosure Package**

[To list each Issuer Free Writing Prospectus to be included in the Pricing Disclosure Package]

b. **Pricing Information Provided by Underwriters**

[Underwritten Shares: [●] shares

Option Shares: [●] shares

Public Offering Price Per Share: $[●]]

Written Testing-the-Waters Communications

[None]

Exhibit A

Talis Biomedical Corporation

Testing-the-Waters Authorization Letter

[●], 2020

J.P. Morgan Securities LLC
BofA Securities, Inc.

c/o J.P. Morgan Securities LLC
383 Madison Avenue
New York, NY 10179

c/o BofA Securities, Inc.
One Bryant Park
New York, New York 10036

In reliance on Section 5(d) or Rule 163B of the Securities Act of 1933, as amended (the "Act"), Talis Biomedical Corporation (the "Issuer") hereby authorizes each of J.P. Morgan Securities LLC ("J.P. Morgan") and BofA Securities, Inc. ("BofA") and the affiliates and respective employees of each, to engage on behalf of the Issuer in oral and written communications with potential investors that are "qualified institutional buyers", as defined in Rule 144A under the Act, or institutions that are "accredited investors", within the meaning of Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Act, to determine whether such investors might have an interest in the Issuer's contemplated initial public offering ("Testing-the-Waters Communications"). A "Written Testing-the Waters Communication" means any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Act. Each of J.P. Morgan and BofA, individually and not jointly, agrees that it shall not distribute any Written Testing-the-Waters Communication that has not been approved by the Issuer.

The Issuer represents that (i) except as disclosed to J.P. Morgan and BofA, it has not alone engaged in any Testing-the-Waters Communication, and (ii) it has not authorized anyone other than J.P. Morgan and BofA to engage in Testing-the-Waters Communications. The Issuer agrees that it shall not authorize any other third party to engage on its behalf in oral or written communications with potential investors without the written consent of J.P. Morgan and BofA. The issuer also represents that it is an "emerging growth company" as defined in Section 2(a)(19) of the Act ("Emerging Growth Company") and agrees to promptly notify J.P. Morgan and BofA in writing if the Issuer hereafter ceases to be an Emerging Growth Company while this authorization is in effect. If at any time following the distribution of any Written Testing-the-Waters Communication there occurs an event or development as a result of which such Written Testing-the-Waters Communication included or would include an untrue statement of a material fact or omitted or would omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at that subsequent time, not misleading, the Issuer will promptly notify J.P. Morgan and BofA and will promptly amend or supplement, at its own expense, such Written Testing-the-Waters Communication to eliminate or correct such untrue statement or omission.

Nothing in this authorization is intended to limit or otherwise affect the ability of J.P. Morgan and BofA and the affiliates and respective employees of each, to engage in communications in which they could otherwise lawfully engage in the absence of this authorization, including, without limitation, any written communication containing only one or more of the statements specified under Rule 134(a) under the Act. This authorization shall remain in effect until the Issuer has provided to J.P. Morgan and BofA a written notice revoking this authorization. All notices as described herein shall be sent by email to the attention of Brad Benini at bradley.l.benini@jpmchase.com and Glenn Silverstein at glenn.silverstein@bofa.com.

[Remainder of Page Intentionally Left Blank]

Very truly yours,

Talis Biomedical Corporation

By: _____
Name:
Title:

Exhibit B

Form of Waiver of Lock-up

J.P. MORGAN SECURITIES LLC
Talis Biomedical Corporation
Public Offering of Common Stock

, 2021

[Name and Address of
Officer or Director
Requesting Waiver]

Dear Mr./Ms. [Name]:

This letter is being delivered to you in connection with the offering by Talis Biomedical Corporation (the "Company") of _____ shares of common stock, $0.0001 par value (the "Common Stock"), of the Company and the lock-up letter dated_____, 20__ (the "Lock-up Letter"), executed by you in connection with such offering, and your request for a [waiver] [release] dated_____, 20__, with respect to _____ shares of Common Stock (the "Shares").

J.P. Morgan Securities LLC hereby agrees to [waive] [release] the transfer restrictions set forth in the Lock-up Letter, but only with respect to the Shares, effective _____, 20__; provided, however, that such [waiver] [release] is conditioned on the Company announcing the impending [waiver] [release] by press release through a major news service at least two business days before effectiveness of such [waiver] [release]. This letter will serve as notice to the Company of the impending [waiver] [release].

Except as expressly [waived] [released] hereby, the Lock-up Letter shall remain in full force and effect.

[*Signature page follows*]

Yours very truly,

J.P. MORGAN SECURITIES LLC

By: _____
Authorized Signatory
Name:
Title:

BOFA SECURITIES, INC.

By: _____
Authorized Signatory
Name:
Title:

cc: Talis Biomedical Corporation

Exhibit C

Form of Press Release

Talis Biomedical Corporation
[Date]

Talis Biomedical Corporation ("Company") announced today that J.P. Morgan Securities LLC and BofA Securities, Inc., book-running managers in the Company's recent public sale of shares of common stock, are [waiving] [releasing] a lock-up restriction with respect to shares of the Company's common stock held by [certain officers or directors] [an officer or director] of the Company. The [waiver] [release] will take effect on _____, 20__, and the shares may be sold on or after such date.

This press release is not an offer for sale of the securities in the United States or in any other jurisdiction where such offer is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended.

Form of Lock-up Agreement

SEVENTH AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
TALIS BIOMEDICAL CORPORATION

Brian Coe hereby certifies that:

ONE: The original name of this company is SlipChip Corporation and the date of filing the original Certificate of Incorporation of this corporation with the Secretary of State of the State of Delaware was June 26, 2013.

TWO: He is the duly elected and acting Chief Executive Officer of **TALIS BIOMEDICAL CORPORATION**, a Delaware corporation.

THREE: The Certificate of Incorporation of this company is hereby amended and restated to read as follows:

I.

The name of this corporation is **TALIS BIOMEDICAL CORPORATION** (the "***Company***").

II.

The address of the registered office of this Company in the State of Delaware is 251 Little Falls Drive, City of Wilmington, County of New Castle, zip code 19808. The name of its registered agent at such address is Corporation Service Company.

III.

The purpose of the Company is to engage in any lawful act or activity for which a corporation may be organized under the Delaware General Corporation Law ("***DGCL***").

IV.

Effective upon the filing of this Seventh Amended and Restated Certificate of Incorporation (the "***Effective Time***"), each share of Class A Common Stock issued and outstanding immediately prior to the Effective Time (the "***Prior Class A Common Stock***") shall automatically and without action on the part of the holder thereof be renamed and reclassified as one share of Common Stock (the "***Reclassification***").

Each holder of record of a certificate or certificates which immediately prior to the Effective Time represented outstanding shares of Prior Class A Common Stock (the "***Prior Class A Common Stock Certificates***") shall be entitled to receive a certificate or certificates representing a number of whole shares of Common Stock (the "***Common Stock Certificates***"). With respect to each holder of shares of Prior Class A Common Stock, all shares of Prior Class A Common Stock held by such holder immediately prior to the Effective Time shall be aggregated for the purpose of determining the number of shares of Common Stock that such holder shall be entitled to as a result of the Reclassification. From and after the Effective Time, and until the Common Stock

Certificates are issued, each Prior Class A Common Stock Certificate shall represent the whole shares of Common Stock into which the shares evidenced thereby immediately before the Effective Time are reclassified under the terms hereof.

A. The total number of shares that the Company is authorized to issue is 459,296,908 shares, 230,000,000 shares of which shall be Common Stock (the "***Common Stock***"), and 229,296,908 shares of which shall be Preferred Stock (the "***Preferred Stock***"). The Preferred Stock shall have a par value of $0.0001 per share, and the Common Stock shall have a par value of $0.0001 per share.

B. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares of Common Stock then outstanding) by the affirmative vote of the holders of a majority of the stock of the Company entitled to vote (voting together as a single class on an as-if-converted to Common Stock basis).

C. The Preferred Stock shall consist of one class, which will be comprised of ten series as follows: 57,324,227 of the authorized shares of Preferred Stock are hereby designated "Series 1 Preferred Stock" (the "***Series 1 Preferred***"), 57,324,227 of the authorized shares of Preferred Stock are hereby designated "Series 2 Non-Voting Preferred Stock" (the "***Series 2 Non-Voting Preferred***"), 13,404,197 of the authorized shares of Preferred Stock are hereby designated "Series C-1 Preferred Stock" (the "***Series C-1 Preferred***"), 13,404,197 of the authorized shares of Preferred Stock are hereby designated "Series C-2 Non-Voting Preferred Stock" (the "***Series C-2 Non-Voting Preferred***"), 11,809,630 of the authorized shares of Preferred Stock are hereby designated "Series D-1 Preferred Stock" (the "***Series D-1 Preferred***"), 11,809,630 of the authorized shares of Preferred Stock are hereby designated "Series D-2 Non-Voting Preferred Stock" (the "***Series D-2 Non-Voting Preferred***"), 13,477,088 of the authorized shares of Preferred Stock are hereby designated "Series E-1 Preferred Stock" (the "***Series E-1 Preferred***"), 13,477,088 of the authorized Preferred Shares are hereby designed "Series E-2 Non-Voting Preferred Stock" (the "***Series E-2 Non-Voting Preferred***"), 18,633,312 of the authorized shares of Preferred Stock are hereby designated "Series F-1 Preferred Stock" (the "***Series F-1 Preferred***" and, together with the Series 1 Preferred, Series C-1 Preferred, Series D-1 Preferred and Series E-1 Preferred, the "***Voting Preferred***") and 18,633,312 of the authorized Preferred Shares are hereby designated "Series F-2 Non-Voting Preferred Stock" (the "***Series F-2 Non-Voting Preferred***" and, together with the Series 2 Non-Voting Preferred, Series E-2 Non-Voting Preferred, Series D-2 Non-Voting Preferred, Series C-2 Non-Voting Preferred, the "***Non-Voting Preferred***" and, together with the Voting Preferred, the "***Series Preferred***").

D. The rights, preferences, privileges, restrictions and other matters relating to the Common Stock and Series Preferred are as follows:

1. VOTING RIGHTS.

a. General Rights.

(i) Common Stock. Except as otherwise provided by law, the holders of Common Stock shall have full voting rights and powers to vote on all matters submitted to stockholders of the Company for vote, consent or approval, and each holder of Common Stock shall be entitled to one vote for each share of Common Stock held of record by such holder.

(ii) Series Preferred. Each holder of shares of the Series Preferred (other than the Series 2 Non-Voting Preferred) shall be entitled to the number of votes equal to the number of shares of Common Stock into which such shares of Series Preferred could be converted (pursuant to Section 3 hereof, and assuming no such shares are converted into Series 2 Non-Voting Preferred) immediately after the close of business on the record date fixed for such meeting or the effective date of such written consent and shall have voting rights and powers equal to the voting rights and powers of the Common Stock and shall be entitled to notice of any stockholders' meeting in accordance with the bylaws of the Company; *provided*, *however*, that the Non-Voting Preferred shall have no right to vote on any matter related to the appointment, election or removal of the directors of the Company, and the Series 2 Non-Voting Preferred shall have no right to vote other than as required by law. Except as otherwise provided herein or as required by law, the Series Preferred shall vote together with the Common Stock at any annual or special meeting of the stockholders and not as a separate class, and may act by written consent in the same manner as the Common Stock. At any special meeting of the Series Preferred, a majority of the outstanding shares of Series Preferred entitled to vote at such meeting, on an as-if converted to Common Stock basis, shall constitute a quorum.

b. Separate Vote of Series Preferred. For so long as at least 3,000,000 shares of Series Preferred (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date hereof), other than shares of Series 2 Non-Voting Preferred, remain outstanding, in addition to any other vote or consent required herein or by law, the vote or written consent of the holders of a majority of the outstanding Series Preferred, (voting as a single class and not as separate series) on an as-if converted to Common Stock basis (assuming no such shares are converted into Series 2 Non-Voting Preferred), shall be necessary for effecting or validating the following actions (whether by merger, recapitalization or otherwise):

(i) Any amendment, alteration, or repeal of any provision of the Certificate of Incorporation (including any filing of a Certificate of Designation) or the Bylaws of the Company that materially alters or changes adversely (A) the voting or other powers, preferences, or other special rights, privileges or restrictions of the Voting Preferred, (B) at any time when no Series 2 Non-Voting Preferred is outstanding, the voting or other powers, preferences, or other special rights, privileges or restrictions of the Series 2 Non-Voting Preferred, or (C) at any time when no Non-Voting Preferred is outstanding, the voting or other powers, preferences, or other special rights, privileges or restrictions of the Non-Voting Preferred; *provided*, that, for the avoidance of doubt, if a share of Series 2 Non-Voting Preferred or Non-Voting Preferred, respectively, is outstanding, the Series Preferred shall not have a right to vote on such matters set forth in clauses (B) or (C), as applicable;

(ii) Any authorization or any designation, whether by reclassification or otherwise, of any new class or series of stock or any other securities convertible into equity securities of the Company or any increase in the authorized or designated number of any such class or series;

(iii) Any redemption or repurchase of the Company's Common Stock or Preferred Stock (except for acquisitions of Common Stock by the Company pursuant to agreements which permit the Company to repurchase such shares at the lesser of cost or fair market value upon termination of services to the Company);

(iv) Any action that results in the payment or declaration of a dividend or other distributions with respect to Common Stock or Preferred Stock; or

(v) Any agreement by the Company regarding an Asset Transfer or Acquisition (each as defined in Section 2 hereof).

c. Separate Vote of Series 2 Non-Voting Preferred. For so long as any shares of Series 2 Non-Voting Preferred remain outstanding, in addition to any other vote or consent required herein or by law, the vote or written consent of the holders of a majority of the outstanding Series 2 Non-Voting Preferred shall be necessary for effecting or validating the following actions (whether by merger, recapitalization or otherwise):

(i) Any amendment, alteration, or repeal of any provision of the Certificate of Incorporation (including any filing of a Certificate of Designation or any other amendment to the powers, preferences, or other special rights, privileges or restrictions of any class of capital stock of the Company) or the Bylaws of the Company that materially alters or adversely changes the powers, preferences, or other special rights, privileges or restrictions of the Series 2 Non-Voting Preferred (other than the fact that the Series 2 Non-Voting Preferred is non-voting) in a manner that is materially different than the manner in which such amendment, alteration, or repeal impacts the Common Stock; or

(ii) Any material and adverse change to the rights, preferences and privileges of the Series 2 Non-Voting Preferred.

d. Separate Vote of Non-Voting Preferred. For so long as any shares of Non-Voting Preferred remain outstanding, in addition to any other vote or consent required herein or by law, the vote or written consent of the holders of a majority of the outstanding Non-Voting Preferred Stock shall be necessary for effecting or validating the following actions (whether by merger, recapitalization or otherwise):

(i) Any amendment, alteration, or repeal of any provision of the Certificate of Incorporation (including any filing of a Certificate of Designation or any other amendment to the powers, preferences, or other special rights, privileges or restrictions of any class of capital stock of the Company) or the Bylaws of the Company that materially alters or changes adversely the powers, preferences, or other special rights, privileges or restrictions of the Series C-2 Non-Voting Preferred, Series D-2 Non-Voting Preferred, Series E-2 Non-Voting Preferred or Series F-2 Non-Voting Preferred (other than the fact that the Series C-2 Non-Voting Preferred, Series D-2 Non-Voting Preferred, Series E-2 Non-Voting Preferred and Series F-2 Non-Voting Preferred is non-voting for purposes of electing directors) in a manner that is materially different than the manner in which such amendment, alteration, or repeal impacts the Series 1 Preferred, Series C-1 Preferred, Series D-1 Preferred, Series E-1 Preferred, or Series F-1 Preferred, respectively; or

(ii) Any material and adverse change to the rights, preferences and privileges of the Non-Voting Preferred.

e. Election of Board of Directors.

(i) For so long as any shares of Voting Preferred remain outstanding, the holders of Voting Preferred, voting as a separate class on an as-if converted to Common Stock basis, shall be entitled to elect four (4) members of the Board at each meeting or pursuant to each consent of the Company's stockholders for the election of directors, and to remove from office such directors and to fill any vacancy caused by the resignation, death or removal of such directors.

(ii) The holders of Common Stock, voting as a separate class, shall be entitled to elect two (2) members of the Board at each meeting or pursuant to each consent of the Company's stockholders for the election of directors, and to remove from office such directors and to fill any vacancy caused by the resignation, death or removal of such directors.

(iii) The holders of Common Stock and Voting Preferred, voting together as a single class on an as-if-converted to Common Stock basis, shall be entitled to elect all remaining members of the Board at each meeting or pursuant to each consent of the Company's stockholders for the election of directors, and to remove from office such directors and to fill any vacancy caused by the resignation, death or removal of such directors.

(iv) Notwithstanding the provisions of Section 223(a)(1) and 223(a)(2) of the DGCL, any vacancy, including newly created directorships resulting from any increase in the authorized number of directors or amendment of this Seventh Amended and Restated Certificate of Incorporation, and vacancies created by removal or resignation of a director, may be filled by a majority of the directors then in office, though less than a quorum, or by a sole remaining director, and the directors so chosen shall hold office until the next annual election and until their successors are duly elected and shall qualify, unless sooner displaced; provided, however, that where such vacancy occurs among the directors elected by the holders of a class or series of stock, (A) such vacancy shall be filled by the other directors elected by such class or series then in office and (B) the holders of shares of such class or series may override the Board of Directors' action to fill such vacancy by (i) voting for their own designee to fill such vacancy at a meeting of the Company's stockholders or (ii) written consent, if the consenting stockholders hold a sufficient number of shares to elect their designee at a meeting of the stockholders in which all members of such class or series are present and voted. Any director may be removed during his or her term of office without cause, by, and only by, the affirmative vote of the holders of the shares of the class or series of stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders, and any vacancy thereby created may be filled by the holders of that class or series of stock represented at the meeting or pursuant to written consent. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director.

2. LIQUIDATION RIGHTS.

a. Upon any liquidation, dissolution, or winding up of the Company, whether voluntary or involuntary (a "***Liquidation Event***"), before any distribution or payment shall be made to the holders of any Common Stock, subject to the right of any series of Preferred Stock that may from time to time come into existence**,** the holders of Series Preferred shall be entitled to be paid out of the assets of the Company legally available for distribution (or the consideration received by the Company or its stockholders in an Acquisition) for each share of Series Preferred held by them, an amount per share of Series Preferred equal to the applicable Original Issue Price for the Series Preferred (as defined below). If, upon any such Liquidation Event, the assets of the Company shall be insufficient to make payment in full to all holders of Series Preferred of the liquidation preference set forth in this Section 2(a), then such assets (or consideration) shall be distributed among the holders of Series Preferred at the time outstanding, ratably in proportion to the full amounts to which they would otherwise be respectively entitled. The "***Series C-1 Original Issue Price***" will be $5.48 per share for the Series C-1 Preferred (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date of this Seventh Amended and Restated Certificate of Incorporation). The "***Series C-2 Original Issue Price***" will be $5.48 per share for the Series C-2 Non-Voting Preferred (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date of this Seventh Amended and Restated Certificate of Incorporation). The "***Series D-1 Original Issue Price***" will be $2.74 per share for the Series D-1 Preferred (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date of this Seventh Amended and Restated Certificate of Incorporation). The "***Series D-2 Original Issue Price***" will be $2.74 per share for the Series D-2 Non-Voting Preferred (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date of this Seventh Amended and Restated Certificate of Incorporation). The "***Series E-1 Original Issue Price***" will be $7.42 per share for the Series E-1 Preferred (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date of this Seventh Amended and Restated Certificate of Incorporation). The "***Series E-2 Original Issue Price***" will be $7.42 per share for the Series E-2 Non-Voting Preferred (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date of this Seventh Amended and Restated Certificate of Incorporation). The "***Series F-1 Original Issue Price***" will be $8.55 per share for the Series F-1 Preferred (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date of this Seventh Amended and Restated Certificate of Incorporation). The "***Series F-2 Original Issue Price***" will be $8.55 per share for the Series F-2 Non-Voting Preferred (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date of this Seventh Amended and Restated Certificate of Incorporation). The "***Series 1 Original Issue Price***" will be $0.0001 per share for the Series 1 Preferred (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date of this Seventh Amended and Restated Certificate of Incorporation). The "***Series 2 Original Issue Price***" will be $0.0001 per share for the Series 2 Non-Voting Preferred (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date of this Seventh Amended and Restated Certificate of Incorporation). Each of the "Series C-1 Original Issue Price", the "Series C-2 Original Issue Price", the "Series D-1 Original Issue Price", the "Series D-2 Original Issue Price", the "Series E-1 Original Issue Price", the "Series E-2 Original Issue Price", the "Series F-1 Original Issue Price", the "Series F-2 Original Issue Price", the "Series 1 Original Issue Price", the "Series 2 Original Issue Price" is an "***Original Issue Price***."

b. After the payment of the full liquidation preference of the Series Preferred as set forth in Section 2(a) above, the remaining assets of the Company legally available for distribution (or the consideration received by the Company or its stockholders in an Acquisition), if any, shall be distributed ratably to the holders of the Common Stock.

c. An Asset Transfer or Acquisition (each as defined below) shall be deemed a Liquidation Event for purposes of this Section 2.

(i) For the purposes of this Section 2 (unless otherwise determined by holders of a majority of the Series Preferred): (i) "***Acquisition***" shall mean any consolidation or merger of the Company with or into any other corporation or other entity or person, or any other corporate reorganization, other than any such consolidation, merger or reorganization in which the shares of capital stock of the Company immediately prior to such consolidation, merger or reorganization, continue to represent a majority of the voting power of the surviving entity (or, if the surviving entity is a wholly owned subsidiary, its parent) immediately after such consolidation, merger or reorganization, (including any shares of Common Stock issued in such transaction upon exercise, conversion or settlement of any Convertible Securities (as defined below) outstanding immediately prior to such consolidation or merger); provided that an Acquisition shall not include any transaction or series of transactions principally for bona fide equity financing purposes in which cash is received by the Company or any successor or indebtedness of the Company is cancelled or converted or a combination thereof; and (ii) "***Asset Transfer***" shall mean a sale, lease, exclusive license or other disposition of all or substantially all of the assets of the Company in any transaction or series of related transactions.

(ii) In any Acquisition or Asset Transfer, if the consideration to be received is securities of a corporation or other property other than cash, its value will be deemed its fair market value as determined in good faith by the Board on the date such determination is made.

(iii) The Company shall not have the power to effect an Acquisition or Asset Transfer unless the definitive agreement for such transaction (the "***Agreement***") provides that the consideration payable to the stockholders of the Company in connection therewith shall be allocated among the holders of capital stock of the Company in accordance with this Section 2.

d. Notwithstanding the foregoing, upon any Liquidation Event, (including an Acquisition or Asset Transfer), each holder of Series Preferred shall be entitled to receive, for each share of each series of Series Preferred then held, out of the proceeds available for distribution, the greater of (i) the amount of cash, securities or other property which such holder would be entitled to receive with respect to such shares in a Liquidation Event pursuant to Section 2(a) (without giving effect to this Section 2(d)) or (ii) the amount of cash, securities or other property which such holder would be entitled to receive in a Liquidation Event with respect to such shares if such shares had been converted to Common Stock immediately prior to such Liquidation Event or Acquisition or Asset Transfer, giving effect to this Section 2(d) with respect to all series of Preferred Stock simultaneously.

e. In the event of a Liquidation Event (including an Acquisition or Asset Transfer), if any portion of the consideration payable to the stockholders of the Company is placed into escrow or subject to contingencies, the Agreement shall provide that (x) the total consideration payable to the stockholders of the Company shall be allocated among the holders of capital stock of the Company as if the total consideration payable to the stockholders of the Company, after deduction for the escrowed or contingent amount, were being paid to the stockholders of the Company and (y) the portion of such consideration that is placed in escrow or subject to contingencies shall then be allocated among or deductible from the holders of capital stock of the Company pro rata based on the amount of such consideration otherwise payable to each stockholder pursuant to clause (x) above.

3. CONVERSION RIGHTS.

The holders of the Series Preferred, excluding the Series 1 Preferred and Series 2 Non-Voting Preferred, (the "***Convertible Series Preferred***"), shall have the following rights with respect to the conversion of the Convertible Series Preferred into shares of Common Stock (the "***Conversion Rights***"):

a. Optional Conversion to Common Stock. Subject to and in compliance with the provisions of this Section 3, any shares of Convertible Series Preferred may, at the option of the holder, be converted at any time into fully-paid and nonassessable shares of Common Stock in the sole and absolute discretion of the holder of such shares of Convertible Series Preferred. The number of shares of Common Stock to which a holder of Convertible Series Preferred shall be entitled upon conversion shall be the product obtained by multiplying the "Series Preferred Conversion Rate" then in effect for the Convertible Series Preferred (determined as provided in Section 3(b)) by the number of shares of Convertible Series Preferred being converted.

b. Series Preferred Conversion Rate. The conversion rate in effect at any time for conversion of a particular series of the Convertible Series Preferred (each, a "***Series Preferred Conversion Rate***") shall be the quotient obtained by dividing the Original Issue Price applicable to such series of Convertible Series Preferred by the applicable "Series Preferred Conversion Price," calculated as provided in Section 3(c).

c. Series Preferred Conversion Price. The conversion price for the Convertible Series Preferred shall initially be the Original Issue Price applicable to such series of Convertible Series Preferred (each, a "***Series Preferred Conversion Price***"). Each such initial Series Preferred Conversion Price shall be adjusted from time to time in accordance with this Section 3. All references to the Series Preferred Conversion Price of a particular series of Convertible Series Preferred herein shall mean the Series Preferred Conversion Price as so adjusted.

d. Mechanics of Optional Conversion. Each holder of Convertible Series Preferred who desires to convert the same into shares of Common Stock pursuant to this Section 3 shall surrender the certificate or certificates therefor, duly endorsed, at the office of the Company or any transfer agent for the Convertible Series Preferred, and shall give written notice to the Company at such office that such holder elects to convert the same. Such notice shall state the number of shares of Convertible Series Preferred being converted. Thereupon, the Company shall promptly issue and deliver at such office to such holder a certificate or certificates for the number of shares of Common Stock to which such holder is entitled and shall promptly pay (i) in cash or, to the extent sufficient funds are not then legally available therefor, in Common Stock (at the Common Stock's fair market value determined by the Board as of the date of such conversion and, if applicable, in accordance with the terms of Section 3(m)), any declared and unpaid dividends on the shares of Convertible Series Preferred being converted and (ii) in cash (at the Common Stock's fair market value determined by the Board as of the date of conversion) the value of any fractional share of Common Stock otherwise issuable to any holder of Convertible Series Preferred. Such conversion shall be deemed to have been made at the close of business on the date of such surrender of the certificates representing the shares of Convertible Series Preferred to be converted, and the person entitled to receive the shares of Common Stock issuable upon such conversion shall be treated for all purposes as the record holder of such shares of Common Stock on such date.

e. Adjustment for Stock Splits and Combinations. If at any time or from time to time on or after the date that the first share of Convertible Series Preferred is issued (the "***Original Issue Date***") the Company effects a subdivision of the outstanding Common Stock, the applicable Series Preferred Conversion Price for each series of Series Preferred in effect immediately before that subdivision shall be proportionately decreased. Conversely, if at any time or from time to time after the Original Issue Date the Company combines the outstanding shares of Common Stock into a smaller number of shares, the applicable Series Preferred Conversion Price for each series of Convertible Series Preferred in effect immediately before the combination shall be proportionately increased. Any adjustment under this Section 3(e) shall become effective at the close of business on the date the subdivision or combination becomes effective.

f. Adjustment for Common Stock Dividends and Distributions. If at any time or from time to time on or after the Original Issue Date the Company pays to holders of Common Stock a dividend or other distribution in additional shares of Common Stock, the Series Preferred Conversion Price of each series of Series Preferred then in effect shall be decreased as of the time of such issuance, as provided below:

(i) The applicable Series Preferred Conversion Price for the Convertible Series Preferred shall be adjusted by multiplying such Series Preferred Conversion Price then in effect by a fraction equal to:

(a) the numerator of which is the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance, and

(b) the denominator of which is the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance plus the number of shares of Common Stock issuable in payment of such dividend or distribution;

(ii) If the Company fixes a record date to determine which holders of Common Stock are entitled to receive such dividend or other distribution, the applicable Series Preferred Conversion Price shall be fixed as of the close of business on such record date and the number of shares of Common Stock shall be calculated immediately prior to the close of business on such record date; and

(iii) If such record date is fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the applicable Series Preferred Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter such Series Preferred Conversion Price shall be adjusted pursuant to this Section 3(f) to reflect the actual payment of such dividend or distribution.

g. Adjustment for Reclassification, Exchange, Substitution, Reorganization, Merger or Consolidation. If at any time or from time to time on or after the Original Issue Date the Common Stock issuable upon the conversion of the Convertible Series Preferred is changed into the same or a different number of shares of any class or classes of stock, whether by recapitalization, reclassification, merger, consolidation or otherwise (other than an Acquisition as defined in Section 2 or a subdivision or combination of shares or stock dividend provided for elsewhere in this Section 3), in any such event each share of Convertible Series Preferred shall thereafter be convertible in lieu of the Common Stock into which it was convertible prior to such event into the kind and amount of securities, cash or other property that a holder of the number of shares of Common Stock of the Company issuable upon conversion of one share of Convertible Series Preferred immediately prior to such recapitalization, reclassification, merger, consolidation or other transaction would have been entitled to receive pursuant to such transaction, all subject to further adjustment as provided herein or with respect to such other securities or property by the terms thereof. In any such case, appropriate adjustment shall be made in the application of the provisions of this Section 3 with respect to the rights of the holders of Convertible Series Preferred after the capital reorganization to the end that the provisions of this Section 3 (including adjustment of the Series Preferred Conversion Price then in effect and the number of shares issuable upon conversion of the Convertible Series Preferred) shall be applicable after that event and be as nearly equivalent as practicable.

h. Sale of Shares Below Series Preferred Conversion Price.

(i) If at any time or from time to time on or after the Original Issue Date the Company issues or sells, or is deemed by the express provisions of this Section 3(h) to have issued or sold, Additional Shares of Common Stock (as defined below) for an Effective Price (as defined below) less than the then effective Series Preferred Conversion Price of any series of Series Preferred (a "***Qualifying Dilutive Issuance***"), then and in each such case, the then existing Series Preferred Conversion Price for such series of Convertible Series Preferred shall be reduced, as of the opening of business on the date of such issue or sale, to a price determined by multiplying the Series Preferred Conversion Price for such series of Convertible Series Preferred in effect immediately prior to such issuance or sale by a fraction:

(a) the numerator of which shall be (A) the number of shares of Common Stock deemed outstanding (as determined below) immediately prior to such issue or sale, plus (B) the number of shares of Common Stock that the Aggregate Consideration (as defined below) received or deemed received by the Company for the total number of Additional Shares of Common Stock so issued would purchase at such then-existing Series Preferred Conversion Price for such series of Convertible Series Preferred, and

(b) the denominator of which shall be the number of shares of Common Stock deemed outstanding (as determined below) immediately prior to such issue or sale plus the total number of Additional Shares of Common Stock so issued.

For the purposes of the preceding sentence, the number of shares of Common Stock deemed to be outstanding as of a given date shall be the sum of (A) the number of shares of Common Stock outstanding, (B) the number of shares of Common Stock into which the then outstanding shares of Convertible Series Preferred could be converted if fully converted on the day immediately preceding the given date, and (C) the number of shares of Common Stock that are issuable upon the exercise or conversion of all other rights, options and convertible securities outstanding on the day immediately preceding the given date. If issuance of Additional Shares of Common Stock could result in adjustment under this Section 3(h) or Sections 3(e), 3(f) or 3(g) above, adjustment shall be made under the provision which results in the greatest adjustment to the then existing Series Preferred Conversion Price for each such series of Convertible Series Preferred.

(ii) No adjustment shall be made to a Series Preferred Conversion Price in an amount less than one percent (1%) of the Series Preferred Conversion Price then in effect. Any adjustment otherwise required by this Section 3(h) that is not required to be made due to the first sentence of this subsection (ii) shall be included in any subsequent adjustment to the applicable Series Preferred Conversion Price. Any adjustment required by this Section 3(h) shall be rounded to the first decimal for which such rounding represents less than one percent (1%) of the applicable Series Preferred Conversion Price in effect after such adjustment.

(iii) For the purpose of making any adjustment required under this Section 3(h), the aggregate consideration received by the Company for any issue or sale of securities (the "***Aggregate Consideration***") shall be defined as: (A) to the extent it consists of cash, the gross amount of cash received by the Company before deduction of any underwriting or similar commissions, compensation or concessions paid or allowed by the Company in connection with such issue or sale and without deduction of any expenses payable by the Company, (B) to the extent it consists of property other than cash, the fair market value of that property as determined in good faith by the Board, and (C) if Additional Shares of Common Stock, Convertible Securities (as defined below) or rights or options to purchase either Additional Shares of Common Stock or Convertible Securities are issued or sold together with other stock or securities or other assets of the Company for a consideration that covers both, the portion of the consideration so received that may be reasonably determined in good faith by the Board to be allocable to such Additional Shares of Common Stock, Convertible Securities or rights or options.

(iv) For the purpose of the adjustment required under this Section 3(h), if the Company issues or sells (x) Preferred Stock or other stock, options, warrants, purchase rights or other securities exercisable for or convertible into, Additional Shares of Common Stock (such convertible stock or securities being herein referred to as "***Convertible Securities***") or (y) rights or options for the purchase of Additional Shares of Common Stock or Convertible Securities and if the Effective Price of such Additional Shares of Common Stock is

less than the Series Preferred Conversion Price of the Convertible Series Preferred, in each case the Company shall be deemed to have issued at the time of the issuance of such rights or options or Convertible Securities the maximum number of Additional Shares of Common Stock issuable upon exercise or conversion thereof and to have received as consideration for the issuance of such shares an amount equal to the total amount of the consideration, if any, received by the Company for the issuance of such rights or options or Convertible Securities plus:

(a) in the case of such rights or options, the minimum amounts of consideration, if any, payable to the Company upon the exercise of such rights or options; and

(b) in the case of Convertible Securities, the minimum amounts of consideration, if any, payable to the Company upon the conversion thereof (other than by cancellation of liabilities or obligations evidenced by such Convertible Securities); *provided* that if the minimum amounts of such consideration cannot be ascertained, but are a function of antidilution or similar protective clauses, the Company shall be deemed to have received the minimum amounts of consideration without reference to such clauses.

(c) If the minimum amount of consideration payable to the Company upon the exercise or conversion of rights, options or Convertible Securities is reduced over time or on the occurrence or non-occurrence of specified events other than by reason of antidilution adjustments that also result in antidilution adjustments hereunder, the Effective Price shall be recalculated using the figure to which such minimum amount of consideration is reduced; *provided further,* that if the minimum amount of consideration payable to the Company upon the exercise or conversion of such rights, options or Convertible Securities is subsequently increased, the Effective Price shall be again recalculated using the increased minimum amount of consideration payable to the Company upon the exercise or conversion of such rights, options or Convertible Securities.

(d) No further adjustment of the Series Preferred Conversion Price of any series of Convertible Series Preferred, as adjusted upon the issuance of such rights, options or Convertible Securities, shall be made as a result of the actual issuance of Additional Shares of Common Stock or the exercise of any such rights or options or the conversion of any such Convertible Securities. If any such rights or options or the conversion privilege represented by any such Convertible Securities shall expire without having been exercised, each Series Preferred Conversion Price as adjusted upon the issuance of such rights, options or Convertible Securities shall be readjusted to the Series Preferred Conversion Price that would have been in effect had an adjustment been made on the basis that the only Additional Shares of Common Stock so issued were the Additional Shares of Common Stock, if any, actually issued or sold on the exercise of such rights or options or rights of conversion of such Convertible Securities, and such Additional Shares of Common Stock, if any, were issued or sold for the consideration actually received by the Company upon such exercise, plus the consideration, if any, actually received by the Company for the granting of all such rights or options, whether or not exercised, plus the consideration received for issuing or selling the Convertible Securities actually converted, plus the consideration, if any, actually received by the Company (other than by cancellation of liabilities or obligations evidenced by such Convertible Securities) on the conversion of such Convertible Securities, *provided* that such readjustment shall not apply to prior conversions of Series Preferred.

(v) For the purpose of making any adjustment to the Conversion Price of the Convertible Series Preferred required under this Section 3(h), "***Additional Shares of Common Stock***" shall mean all shares of Common Stock issued by the Company or deemed to be issued pursuant to this Section 3(h) (including shares of Common Stock subsequently reacquired or retired by the Company), other than:

(a) shares of Common Stock issued upon conversion of the Convertible Series Preferred;

(b) shares of Common Stock or Convertible Securities issued after the Original Issue Date to employees, officers or directors of, or consultants or advisors to the Company or any subsidiary pursuant to stock purchase or stock option plans or other arrangements that are approved by the Board.

(c) shares of Common Stock issued pursuant to the exercise or conversion of Convertible Securities outstanding as of the Original Issue Date;

(d) shares of Common Stock or Convertible Securities issued for consideration other than cash pursuant to a merger, consolidation, acquisition, strategic alliance or similar business combination approved by the Board;

(e) shares of Common Stock or Convertible Securities issued pursuant to any equipment loan or leasing arrangement, real property leasing arrangement or debt financing from a bank or similar financial or lending institution approved by the Board;

(f) shares of Common Stock or Convertible Securities issued to third-party service providers in exchange for or as partial consideration for services rendered to the Company as approved by the Board;

(g) shares of Common Stock or Convertible Securities issued in connection with strategic transactions involving the Company and other entities approved by the Board, including without limitation joint ventures, manufacturing, marketing, distribution, technology transfer or development arrangements; and

(h) shares of Common Stock or Convertible Securities that the holders of a majority of the outstanding shares of Convertible Series Preferred elect in writing to exclude from the definition of "Additional Shares of Common Stock" for purposes of this Section 3.

References to Common Stock in the subsections of this clause (v) above shall mean all shares of Common Stock issued by the Company or deemed to be issued pursuant to this Section 3(h). The "***Effective Price***" of Additional Shares of Common Stock shall mean the quotient determined by dividing the total number of Additional Shares of Common Stock issued or sold, or deemed to have been issued or sold by the Company under this Section 3(h), into the Aggregate Consideration received, or deemed to have been received by the Company for such

issue under this Section 3(h), for such Additional Shares of Common Stock. In the event that the number of shares of Additional Shares of Common Stock or the Effective Price cannot be ascertained at the time of issuance, such Additional Shares of Common Stock shall be deemed issued immediately upon the occurrence of the first event that makes such number of shares or the Effective Price, as applicable, ascertainable.

(vi) In the event that the Company issues or sells, or is deemed to have issued or sold, Additional Shares of Common Stock in a Qualifying Dilutive Issuance (the "***First Dilutive Issuance***"), then in the event that the Company issues or sells, or is deemed to have issued or sold, Additional Shares of Common Stock in a Qualifying Dilutive Issuance other than the First Dilutive Issuance as a part of the same transaction or series of related transactions as the First Dilutive Issuance (a "***Subsequent Dilutive Issuance***"), then and in each such case upon a Subsequent Dilutive Issuance the Series Preferred Conversion Price of each series of Convertible Series Preferred that was reduced as a result of the First Dilutive Issuance shall be reduced to the Series Preferred Conversion Price that would have been in effect had the First Dilutive Issuance and each Subsequent Dilutive Issuance all occurred on the closing date of the First Dilutive Issuance.

i. Waiver of Antidilution Protection. Notwithstanding anything to the contrary, any provision of Section 3(h) and any adjustments made or required to be made to the Series Preferred Conversion Price of any series of Convertible Series Preferred pursuant hereto may be waived on behalf of all shares of such series of Convertible Series Preferred by the vote or written consent of the holders of a majority of the outstanding shares of such series of Convertible Series Preferred (voting as a single class and not as separate series) on an as-if converted to Common Stock basis.

j. Certificate of Adjustment. In each case of an adjustment or readjustment of the Series Preferred Conversion Price for the number of shares of Common Stock or other securities issuable upon conversion of the Convertible Series Preferred, if the Convertible Series Preferred is then convertible pursuant to this Section 3, the Company, at its expense, shall compute such adjustment or readjustment in accordance with the provisions hereof and shall, upon request, prepare a certificate showing such adjustment or readjustment, and shall mail such certificate, by first class mail, postage prepaid, to each registered holder of Convertible Series Preferred so requesting at the holder's address as shown in the Company's books. The certificate shall set forth such adjustment or readjustment, showing in detail the facts upon which such adjustment or readjustment is based, including a statement of (i) the consideration received or deemed to be received by the Company for any Additional Shares of Common Stock issued or sold or deemed to have been issued or sold, (ii) the Series Preferred Conversion Price at the time in effect for such series of Convertible Series Preferred, (iii) the number of Additional Shares of Common Stock and (iv) the type and amount, if any, of other property that at the time would be received upon conversion of such series of Convertible Series Preferred. Failure to request or provide such notice shall have no effect on any such adjustment.

k. Notices of Record Date. Upon (i) any taking by the Company of a record of the holders of any class of securities for the purpose of determining the holders thereof who are entitled to receive any dividend or other distribution, or (ii) any Acquisition (as defined in Section 2) or other capital reorganization of the Company, any reclassification or

recapitalization of the capital stock of the Company, any merger or consolidation of the Company with or into any other corporation, or any Asset Transfer (as defined in Section 2), or any voluntary or involuntary dissolution, liquidation or winding up of the Company, the Company shall mail to each holder of Convertible Series Preferred at least ten (10) days prior to (x) the record date, if any, specified therein; or (y) if no record date is specified, the date upon which such action is to take effect (or, in either case, such shorter period approved by the holders of a majority of the outstanding Convertible Series Preferred) a notice specifying (A) the date on which any such record is to be taken for the purpose of such dividend or distribution and a description of such dividend or distribution, (B) the date on which any such Acquisition, reorganization, reclassification, transfer, consolidation, merger, Asset Transfer, dissolution, liquidation or winding up is expected to become effective, and (C) the date, if any, that is to be fixed as to when the holders of record of Common Stock (or other securities) shall be entitled to exchange their shares of Common Stock (or other securities) for securities or other property deliverable upon such Acquisition, reorganization, reclassification, transfer, consolidation, merger, Asset Transfer, dissolution, liquidation or winding up.

l. Automatic Conversion.

(i) Each share of Convertible Series Preferred shall automatically be converted into shares of Common Stock, in accordance with the terms of Section 3(m), based on the then-effective applicable Series Preferred Conversion Price, (A) at any time upon the affirmative election of the holders of a majority of the outstanding shares of the Convertible Series Preferred, (voting as a single class and not as separate series) on an as-if converted to Common Stock basis, or (B) immediately upon the closing of a firmly underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended (the "***Securities Act***"), covering the offer and sale of Common Stock for the account of the Company in which (i) the per share price is at least $5.4712 (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to such shares after the filing date hereof), (ii) the gross cash proceeds to the Company (before underwriting discounts, commissions and fees) are at least $50,000,000 and (iii) the Company's shares have been listed for trading on the New York Stock Exchange, NASDAQ Global Select Market or NASDAQ Global Market (a "***Qualified Public Offering***"). Upon such automatic conversion, any declared and unpaid dividends shall be paid in accordance with the provisions of Section 3(d).

(ii) Upon the occurrence of either of the events specified in Section 3(l)(i) above, the outstanding shares of Convertible Series Preferred shall be converted automatically without any further action by the holders of such shares and whether or not the certificates representing such shares are surrendered to the Company or its transfer agent; *provided*, *however*, that the Company shall not be obligated to issue certificates evidencing the shares of Common Stock issuable upon such conversion unless the certificates evidencing such shares of Convertible Series Preferred are either delivered to the Company or its transfer agent as provided below, or the holder notifies the Company or its transfer agent that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Company to indemnify the Company from any loss incurred by it in connection with such certificates. Upon the occurrence of such automatic conversion of the Convertible Series Preferred, the holders of Convertible Series Preferred shall surrender the certificates representing such shares at the office of the Company or any transfer agent for the Convertible Series Preferred. Thereupon, there shall

be issued and delivered to such holder promptly at such office and in its name as shown on such surrendered certificate or certificates, a certificate or certificates for the number of shares of Common Stock into which the shares of Convertible Series Preferred surrendered were convertible on the date on which such automatic conversion occurred, and any declared and unpaid dividends shall be paid in accordance with the provisions of Section 3(d).

m. Conversion Option Upon Qualified Public Offering; Beneficial Ownership Limitation.

(i) In the event of the automatic conversion of the Convertible Series Preferred in accordance with Section 3(l), each holder of shares of the Convertible Series Preferred who together with its affiliates and the members of each group of which such holder or any of its affiliates is a member would hold in excess of 9.99% of the number of shares of Common Stock outstanding immediately following such automatic conversion, shall have the option to convert any shares of the Convertible Series Preferred held by such holder as of such automatic conversion into either Common Stock or Series 1 Preferred Stock in the sole and absolute discretion of such holder.

(ii) The Series 2 Non-Voting Preferred shall in all respects be identical to the Series 1 Preferred, except that the Series 2 Non-Voting Preferred shall be non-voting and convertible into Common Stock on a one-for-one basis at the option of the applicable holder; provided that the Company shall not effect any conversion of the Series 2 Non-Voting Preferred, and each holder shall not have the right to convert any portion of the Series 2 Non-Voting Preferred, to the extent that, after giving effect to such conversion, such holder (together with its affiliates and the members of each group of which such holder or any of its affiliates is a member) would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by such holder shall include the number of shares of Common Stock issuable upon conversion of the Series 2 Non-Voting Preferred with respect to which such determination is being made, but shall exclude the number of shares of Common Stock that are issuable upon (a) conversion of the remaining, unconverted Series 2 Non-Voting Preferred beneficially owned by such holder (together with its affiliates and the members of each group of which such holder or any of its affiliates is a member) to the extent that the conversion of such Series 2 Non-Voting Preferred would result in the issuance of shares of Common Stock in excess of the Beneficial Ownership Limitation and (b) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company subject to a limitation on conversion or exercise analogous to the limitation contained herein, beneficially owned by such holder, its affiliates and the members of each group of which such holder or any of its affiliates is a member. For the avoidance of doubt, beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act, and the rules and regulations promulgated thereunder.

(iii) Upon the written or oral request of a holder (which may be via email), the Company shall within three business days confirm orally or in writing to such holder the aggregate number of shares of Common Stock then outstanding.

(iv) The "***Beneficial Ownership Limitation***" shall be, with respect to each holder, 4.99% (or, upon the election by a holder, in its sole and absolute discretion, prior to the issuance of any shares of Series 2 Non-Voting Preferred, any other percentage so elected) of the number of shares of the Common Stock outstanding. A holder, upon notice to the Company, may increase or decrease, in its sole and absolute discretion, the Beneficial Ownership Limitation provisions applicable to its Series 2 Non-Voting Preferred; provided that the provisions of this Seventh Amended and Restated Certificate of Incorporation shall continue to apply. Any such increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company and shall only apply to such holder and no other holder. The limitations contained in this Seventh Amended and Restated Certificate of Incorporation shall apply to a successor holder of Series 2 Non-Voting Preferred.

(v) Upon the consummation of any sale of any shares of Series 2 Non-Voting Preferred by any holder of shares of Series 2 Non-Voting Preferred to any other person, each share of Series 2 Non-Voting Preferred thereby sold shall automatically be converted into Common Stock.

n. Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of Series Preferred. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series Preferred by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after the aforementioned aggregation, the conversion would result in the issuance of any fractional share, the Company shall, in lieu of issuing any fractional share, pay cash equal to the product of such fraction multiplied by the fair market value of one share of Common Stock (as determined by the Board) on the date of conversion.

o. Reservation of Stock Issuable Upon Conversion. The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock and Preferred Stock, solely for the purpose of effecting the conversion of the shares of the Series Preferred, such number of its shares of Common Stock or Preferred Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series Preferred, including, but not limited to, conversion of Series Preferred in accordance with Sections 6 and 7, below, and, in the event of an Initial Public Offering or Registration, such number of its shares of Series 2 Non-Voting Preferred as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series Preferred. If at any time the number of authorized but unissued shares of Common Stock or Preferred Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series Preferred, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock or Preferred Stock to such number of shares as shall be sufficient for such purpose.

4. COMMON STOCK REDEMPTION RIGHTS.

The Company shall not redeem, repurchase or otherwise acquire for value any shares of Common Stock unless it offers to redeem, repurchase or otherwise acquire for value a pro rata portion of the shares of Series 2 Non-Voting Preferred then issued and outstanding from all holders of Series 2 Non-Voting Preferred.

5. NO REISSUANCE OF SERIES PREFERRED.

Any shares or shares of Series Preferred redeemed, purchased, converted or exchanged by the Company shall be cancelled and retired and shall not be reissued or transferred.

6. SERIES C CONVERSION RIGHTS.

Any shares of Series C-1 Preferred or Series C-2 Non-Voting Preferred may, at the option of the holder, be converted at any time into fully-paid and nonassessable shares of Series C-2 Non-Voting Preferred or Series C-1 Preferred, respectively, on a one-for-one basis in the sole and absolute discretion of the holder of such shares.

7. SERIES D CONVERSION RIGHTS.

Any shares of Series D-1 Preferred or Series D-2 Non-Voting Preferred may, at the option of the holder, be converted at any time into fully-paid and nonassessable shares of Series D-2 Non-Voting Preferred or Series D-1 Preferred, respectively, on a one-for-one basis in the sole and absolute discretion of the holder of such shares.

8. SERIES E CONVERSION RIGHTS.

Any shares of Series E-1 Preferred or Series E-2 Non-Voting Preferred may, at the option of the holder, be converted at any time into fully-paid and nonassessable shares of Series E-2 Non-Voting Preferred or Series E-1 Preferred, respectively, on a one-for-one basis in the sole and absolute discretion of the holder of such shares.

9. SERIES F CONVERSION RIGHTS.

Any shares of Series F-1 Preferred or Series F-2 Non-Voting Preferred may, at the option of the holder, be converted at any time into fully-paid and nonassessable shares of Series F-2 Non-Voting Preferred or Series F-1 Preferred, respectively, on a one-for-one basis in the sole and absolute discretion of the holder of such shares.

10. SERIES 1 CONVERSION RIGHTS.

At any time following the three (3) year anniversary of an Initial Public Offering or Registration, any shares of Series 1 Preferred may, at the option of the holder be converted at any time into fully paid and nonassesable shares of Series 2 Non-Voting Preferred, on a one-for-one basis in the sole and absolute discretion of the holder of such shares.

V.

A. The liability of the directors of the Company for monetary damages shall be eliminated to the fullest extent under applicable law.

B. To the fullest extent permitted by applicable law, the Company is authorized to provide indemnification of (and advancement of expenses to) directors, officers and agents of the Company (and any other persons to which applicable law permits the Company to provide indemnification) through Bylaw provisions, agreements with such agents or other persons, vote of stockholders or disinterested directors or otherwise in excess of the indemnification and

advancement otherwise permitted by Section 145 of the DGCL and, if applicable, Section 317 of the California General Corporation Law. If the DGCL or any other law of the State of Delaware is amended after approval by the stockholders of this Article V to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director to the Company shall be eliminated or limited to the fullest extent permitted by the DGCL as so amended.

C. Any repeal or modification of this Article V shall only be prospective and shall not affect the rights or protections or increase the liability of any director under this Article V in effect at the time of the alleged occurrence of any action or omission to act giving rise to liability.

VI.

For the management of the business and for the conduct of the affairs of the Company, and in further definition, limitation and regulation of the powers of the Company, of its directors and of its stockholders or any class thereof, as the case may be, it is further *provided* that:

A. The management of the business and the conduct of the affairs of the Company shall be vested in its Board. The number of directors that shall constitute the whole Board shall be fixed by the Board in the manner provided in the Bylaws, subject to any restrictions which may be set forth in this Seventh Amended and Restated Certificate of Incorporation.

B. The Board of Directors is expressly empowered to adopt, amend or repeal the Bylaws of the Company, subject to any restrictions that may be set forth in this Seventh Amended and Restated Certificate of Incorporation. The stockholders shall also have the power to adopt, amend or repeal the Bylaws of the Company, subject to any restrictions that may be set forth in this Seventh Amended and Restated Certificate of Incorporation.

C. The directors of the Company need not be elected by written ballot unless the Bylaws so provide.

* * * *

FOUR: This Seventh Amended and Restated Certificate of Incorporation has been duly approved by the Board of Directors of the Company.

FIVE: This Seventh Amended and Restated Certificate of Incorporation was approved by the holders of the requisite number of shares of the Company in accordance with Section 228 of the DGCL. This Seventh Amended and Restated Certificate of Incorporation has been duly adopted in accordance with the provisions of Sections 242 and 245 of the DGCL by the stockholders of the Company.

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IN WITNESS WHEREOF, Talis Biomedical Corporation has caused this Seventh Amended and Restated Certificate of Incorporation to be signed by its Chief Executive Officer this 30th day of October, 2020.

TALIS BIOMEDICAL CORPORATION

By: /s/ Brian Coe
Brian Coe
Chief Executive Officer

[SIGNATURE PAGE TO SEVENTH AMENDED AND RESTATED CERTIFICATE OF INCORPORATION]

FIRST CERTIFICATE OF AMENDMENT
TO SEVENTH AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
TALIS BIOMEDICAL CORPORATION

Talis Biomedical Corporation (the "***Company***"), a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the "***DGCL***"), hereby certifies that:

1. The name of the Company is Talis Biomedical Corporation. The Company's Certificate of Incorporation was originally filed with the Secretary of State of the State of Delaware on June 26, 2013.

2. The Seventh Amended and Restated Certificate of Incorporation of the Company was filed with the Secretary of State of the State of Delaware on October 30, 2020 (as amended, the "***Restated Certificate***").

3. The Board of Directors of the Company (the "***Board***"), acting in accordance with the provisions of Sections 141 and 242 of the DGCL, duly adopted resolutions amending the Restated Certificate as follows:

a. Section A of Article IV of the Restated Certificate is hereby amended by appending the following language at the end of such Section A:

"Effective at the time this First Certificate of Amendment to Seventh Amended and Restated Certificate of Incorporation is filed with and accepted by the Secretary of State of the State of Delaware, every 1.43 outstanding shares of Common Stock shall, automatically and without any action on the part of the respective holders thereof, be combined into one share of Common Stock, without increasing or decreasing the par value of each share of Common Stock (the "***Reverse Split***"); *provided, however*, that the Company shall issue no fractional shares of Common Stock as a result of the Reverse Split, but shall instead pay to any stockholder who would be entitled to receive a fractional share, as a result of the actions set forth herein, a sum in cash equal to the fair market value of the shares constituting such fractional share as determined by the Company's Board of Directors (the "***Board***"). The Reverse Split shall occur whether or not the certificates representing such shares of Common Stock are surrendered to the Company or its transfer agent. The Reverse Split shall be effected on a record holder-by-record holder basis, such that any fractional shares of Common Stock resulting from the Reverse Split and held by a single record holder shall be aggregated. All rights, preferences and privileges of the Common Stock and each series of Preferred Stock set forth in the Seventh Amended and Restated Certificate of Incorporation, shall be appropriately adjusted to give effect to the Reverse Split, as applicable."

b. A new Section D.1.a.(iii) of Article IV of the Restated Certificate is hereby inserted to read in its entirety as follows:

"(iii) Until the Approval Condition (as defined below) has been satisfied, the Series 1 Preferred shall have no right to vote on any matter related to the appointment, election or removal of the directors of the Company, and the Series 1 Preferred shall have no right to vote other than as required by law. For purposes of this Section IV.D.1.a.(iii) the "Approval Condition" shall mean that any applicable waiting period (and any extensions thereof) under the Hart Scott Rodino Antitrust Improvement Act of 1976, as amended, (the "***HSR Act***") with respect to the acquisition by each holder of Series 1 Preferred of its respective aggregate voting interest in the Company (if such approval is required, assuming one vote per share with respect to the Series 1 Preferred) has expired or been terminated."

4. Thereafter, pursuant to a resolution of the Board, this First Certificate of Amendment to the Restated Certificate was submitted to the stockholders of the Company for their approval, and was duly adopted in accordance with Sections 228 and 242 of the DGCL.

5. All other provisions of the Restated Certificate as currently on file with the Secretary of State of the State of Delaware, shall remain in full force and effect.

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IN WITNESS WHEREOF, the Company has caused this First Certificate of Amendment to be signed by its Chief Executive Officer this 5th day of February, 2021.

/s/ Brian Coe

Name: Brian Coe
Title: Chief Executive Officer

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION OF
TALIS BIOMEDICAL CORPORATION

Brian Coe hereby certifies that:

ONE: The original name of this company is SlipChip Corporation and the date of filing the original Certificate of Incorporation of this corporation with the Secretary of State of the State of Delaware was June 26, 2013.

TWO: He is the duly elected and acting Chief Executive Officer of Talis Biomedical Corporation, a Delaware corporation.

THREE: The Certificate of Incorporation of this corporation is hereby amended and restated to read in its entirety as follows:

I.

The name of this corporation is Talis Biomedical Corporation (the "***Company***").

II.

The address of the registered office of this Company in the State of Delaware is 251 Little Falls Drive, City of Wilmington, County of New Castle, zip code 19808. The name of its registered agent at such address is Corporation Service Company,

III.

The purpose of the Company is to engage in any lawful act or activity for which a corporation may be organized under the Delaware General Corporation Law ("***DGCL***").

IV.

A. The Company is authorized to issue two classes of stock to be designated, respectively, "***Common Stock***" and "***Preferred Stock***." The total number of shares which the Company is authorized to issue is 370,000,000 shares. 200,000,000 shares shall be Common Stock, each having a par value of $0.0001. 170,000,000 shares shall be Preferred Stock, each having a par value of $0.0001.

B. The Preferred Stock shall consist of one class, which will be comprised of two series as follows: 60,000,000 of the authorized shares of Preferred Stock are hereby designated "Series 1 Preferred Stock" (the "***Series 1 Preferred***"), 60,000,000 of the authorized shares of Preferred Stock are hereby designated "Series 2 Non-Voting Preferred Stock" (the "***Series 2 Non-Voting Preferred***" and together with the Series 1 Preferred, the "***Series Preferred***").

C. All other authorized Preferred Stock may be issued from time to time in one or more series. The Board of Directors of the Company (the "***Board of Directors***") is hereby expressly authorized to provide for the issue of any or all of the unissued and undesignated shares of the Preferred Stock in one or more series, and to fix the number of shares and to determine or alter for each such series, such voting powers, full or limited, or no voting powers, and such designation, preferences, and relative, participating, optional, or other rights and such qualifications, limitations, or restrictions thereof, as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issuance of such shares and as may be permitted by the DGCL. The Board of Directors is also expressly authorized to increase or decrease the number of shares of any series subsequent to the issuance of shares of that series, but not below the number of shares of such series then outstanding. In case the number of shares of any series shall be decreased in accordance with the foregoing sentence, the shares constituting such decrease shall resume the status that they had prior to the adoption of the resolution originally fixing the number of shares of such series. The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of the stock of the Company entitled to vote thereon, without a separate vote of the holders of the Preferred Stock, or of any series thereof, unless a vote of any such holders is required pursuant to the terms hereof of any certificate of designation filed with respect to any series of Preferred Stock.

D. The rights, preferences, privileges, restrictions and other matters relating to the Common Stock and Series Preferred are as follows:

1. VOTING RIGHTS.

a. Common Stock. Each outstanding share of Common Stock shall entitle the holder thereof to one vote on each matter properly submitted to the stockholders of the Company for their vote; *provided*, *however*, that, except as otherwise required by law, holders of Common Stock shall not be entitled to vote on any amendment to this Amended and Restated Certificate of Incorporation (this "***Certificate of Incorporation***") (including any certificate of designation filed with respect to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series of Preferred Stock are entitled, either separately or together as a class with the holders of one or more other such series of Preferred Stock, to vote thereon by law or pursuant to this Certificate of Incorporation (including any certificate of designation filed with respect to any series of Preferred Stock).

b. Series Preferred.

(i) Each holder of shares of the Series 1 Preferred shall be entitled to the number of votes equal to the number of shares of Common Stock into which such shares of Series 1 Preferred could be converted pursuant to Section IV.D.4 hereof (assuming no such shares are converted into Series 2 Non-Voting Preferred) immediately after the close of business on the record date fixed for such meeting or the effective date of such written consent and shall have voting rights and powers equal to the voting rights and powers of the Common Stock and shall be entitled to notice of any stockholders' meeting in accordance with the bylaws of the Company; provided that, until the Approval Condition (as defined below) has been satisfied, the

Series 1 Preferred shall have no right to vote on any matter related to the appointment, election or removal of the directors of the Company, and the Series 1 Preferred shall have no right to vote other than as required by law. For purposes of this Section IV.D.1.b.i the "***Approval Condition***" shall mean that any applicable waiting period (and any extensions thereof) under the Hart Scott Rodino Antitrust Improvement Act of 1976, as amended, (the "***HSR Act***") with respect to the acquisition by each holder of Series 1 Preferred of its respective aggregate voting interest in the Company (if such approval is required, assuming one vote per share with respect to the Series 1 Preferred) has expired or been terminated. Except as otherwise provided herein or as required by law, the Series 1 Preferred shall vote together with the Common Stock at any annual or special meeting of the stockholders and not as a separate class, and may act by written consent in the same manner as the Common Stock.

(ii) The Series 2 Non-Voting Preferred shall have no right to vote on any matter related to the appointment, election or removal of the directors of the Company, and the Series 2 Non-Voting Preferred shall have no right to vote other than as required by law.

(iii) At any special meeting of the Series 1 Preferred or the Series 2 Preferred, a majority of the outstanding shares of Series 1 Preferred or Series 2 Preferred, as applicable, entitled to vote at such meeting, on an as-if converted to Common Stock basis, shall constitute a quorum.

c. Separate Vote of Series 1 Preferred. For so long as any shares of Series 1 Preferred remain outstanding, in addition to any other vote or consent required herein or by law, the vote or written consent of the holders of a majority of the outstanding Series 1 Preferred shall be necessary for effecting or validating the following actions (whether by merger, recapitalization or otherwise):

(i) Any amendment, alteration, or repeal of any provision of the Certificate of Incorporation (including any filing of a Certificate of Designation or any other amendment to the powers, preferences, or other special rights, privileges or restrictions of any class of capital stock of the Company) or the Bylaws of the Company that materially alters or adversely changes the powers, preferences, or other special rights, privileges or restrictions of the Series 1 Preferred in a manner that is materially different than the manner in which such amendment, alteration, or repeal impacts the Common Stock;

(ii) Any amendment, alteration, or repeal of any provision of the Certificate of Incorporation (including any filing of a Certificate of Designation or any other amendment to the powers, preferences, or other special rights, privileges or restrictions of any class of capital stock of the Company) or the Bylaws of the Company at a time when there are no shares of Series 2 Preferred outstanding, which amendment, alteration, or repeal materially alters or adversely changes the powers, preferences, or other special rights, privileges or restrictions of the Series 2 Preferred in a manner that is materially different than the manner in which such amendment, alteration, or repeal impacts the Common Stock;

(iii) Any material and adverse change to the rights, preferences and privileges of the Series 1 Preferred; or

(iv) Any material and adverse change to the rights, preferences and privileges of the Series 2 Preferred at a time when there are no shares of Series 2 Preferred outstanding.

d. Separate Vote of Series 2 Non-Voting Preferred. For so long as any shares of Series 2 Non-Voting Preferred remain outstanding, in addition to any other vote or consent required herein or by law, the vote or written consent of the holders of a majority of the outstanding Series 2 Non-Voting Preferred shall be necessary for effecting or validating the following actions (whether by merger, recapitalization or otherwise):

(i) Any amendment, alteration, or repeal of any provision of the Certificate of Incorporation (including any filing of a Certificate of Designation or any other amendment to the powers, preferences, or other special rights, privileges or restrictions of any class of capital stock of the Company) or the Bylaws of the Company that materially alters or adversely changes the powers, preferences, or other special rights, privileges or restrictions of the Series 2 Non-Voting Preferred (other than the fact that the Series 2 Non-Voting Preferred is non-voting) in a manner that is materially different than the manner in which such amendment, alteration, or repeal impacts the Common Stock; or

(ii) Any material and adverse change to the rights, preferences and privileges of the Series 2 Non-Voting Preferred.

2. LIQUIDATION RIGHTS.

a. Upon any liquidation, dissolution, or winding up of the Company, whether voluntary or involuntary (a "***Liquidation Event***"), before any distribution or payment shall be made to the holders of any Common Stock, subject to the right of any series of Preferred Stock that may from time to time come into existence**,** the holders of Series Preferred shall be entitled to be paid out of the assets of the Company legally available for distribution (or the consideration received by the Company or its stockholders in an Acquisition) for each share of Series Preferred held by them, an amount per share of Series Preferred equal to the applicable Original Issue Price for the Series Preferred (as defined below). If, upon any such Liquidation Event, the assets of the Company shall be insufficient to make payment in full to all holders of Series Preferred of the liquidation preference set forth in this Section IV.D.2(a), then such assets (or consideration) shall be distributed among the holders of Series Preferred at the time outstanding, ratably in proportion to the full amounts to which they would otherwise be respectively entitled. The "***Series 1 Original Issue Price***" will be $0.0001 per share for the Series 1 Preferred; provided that in the event of a stock split, stock dividend, exchange, substitution, combination, reclassification or similar change to the Company's outstanding capital stock, the Board of Directors shall act in good faith to determine and make any appropriate adjustment to the Series 1 Original Issue Price to put the holders of Series 1 Preferred Shares in the same relative position as prior to such action. The "***Series 2 Original Issue Price***" will be $0.0001 per share for the Series 2 Non-Voting Preferred; provided that in the event of a stock split, stock dividend, exchange, substitution, combination, reclassification or similar change to the Company's outstanding capital stock, the Board of Directors shall act in good faith to determine and make any appropriate adjustment to the Series 2 Original Issue Price to put the holders of Series 2 Preferred Shares in the same relative position as prior to such action. Each of the "Series 1 Original Issue Price", the "Series 2 Original Issue Price" is an "***Original Issue Price***."

b. After the payment of the full liquidation preference of the Series Preferred as set forth in Section IV.D.2(a) above, the remaining assets of the Company legally available for distribution (or the consideration received by the Company or its stockholders in an Acquisition), if any, shall be distributed ratably to the holders of the Series Preferred (determined on an as-converted to Common Stock basis, notwithstanding any limitations herein on the conversion thereof) and Common Stock.

c. An Asset Transfer or Acquisition (each as defined below) shall be deemed a Liquidation Event for purposes of this Section IV.D.2.

(i) For the purposes of this Section IV.D.2 (unless otherwise determined by holders of a majority of the Series Preferred): (i) "***Acquisition***" shall mean any consolidation or merger of the Company with or into any other corporation or other entity or person, or any other corporate reorganization, other than any such consolidation, merger or reorganization in which the shares of capital stock of the Company immediately prior to such consolidation, merger or reorganization, continue to represent a majority of the voting power of the surviving entity (or, if the surviving entity is a wholly owned subsidiary, its parent) immediately after such consolidation, merger or reorganization, (including any shares of Common Stock issued in such transaction upon exercise, conversion or settlement of any Convertible Securities (as defined below) outstanding immediately prior to such consolidation or merger); provided that an Acquisition shall not include any transaction or series of transactions principally for bona fide equity financing purposes in which cash is received by the Company or any successor or indebtedness of the Company is cancelled or converted or a combination thereof; and (ii) "***Asset Transfer***" shall mean a sale, lease, exclusive license or other disposition of all or substantially all of the assets of the Company in any transaction or series of related transactions.

(ii) In any Acquisition or Asset Transfer, if the consideration to be received is securities of a corporation or other property other than cash, its value will be deemed its fair market value as determined in good faith by the Board on the date such determination is made.

(iii) The Company shall not have the power to effect an Acquisition or Asset Transfer unless the definitive agreement for such transaction (the "***Agreement***") provides that the consideration payable to the stockholders of the Company in connection therewith shall be allocated among the holders of capital stock of the Company in accordance with this Section IV.D.2.

d. Notwithstanding the foregoing, upon any Liquidation Event, (including an Acquisition or Asset Transfer), each holder of Series Preferred shall be entitled to receive, for each share of each series of Series Preferred then held, out of the proceeds available for distribution, the greater of (i) the amount of cash, securities or other property which such holder would be entitled to receive with respect to such shares in a Liquidation Event pursuant to Section IV.D.2(a) (without giving effect to this Section IV.D.2(d)) or (ii) the amount of cash, securities or other property which such holder would be entitled to receive in a Liquidation Event with respect to such shares if such shares had been converted to Common Stock immediately prior to such Liquidation Event or Acquisition or Asset Transfer, giving effect to this Section IV.D.2(d) with respect to all series of Preferred Stock simultaneously.

e. In the event of a Liquidation Event (including an Acquisition or Asset Transfer), if any portion of the consideration payable to the stockholders of the Company is placed into escrow or subject to contingencies, the Agreement shall provide that (x) the total consideration payable to the stockholders of the Company shall be allocated among the holders of capital stock of the Company as if the total consideration payable to the stockholders of the Company, after deduction for the escrowed or contingent amount, were being paid to the stockholders of the Company and (y) the portion of such consideration that is placed in escrow or subject to contingencies shall then be allocated among or deductible from the holders of capital stock of the Company pro rata based on the amount of such consideration otherwise payable to each stockholder pursuant to clause (x) above.

3. DIVIDENDS

a. The Series Preferred shall have the right to receive dividends prior to or simultaneously with payment of any dividends on Common Stock, and shall be paid to holders of Series Preferred on an as-converted to Common Stock basis (notwithstanding any limitations herein on the conversion thereof).

b. In the event the Company declares a dividend that would be payable in Common Stock (or any security exercisable for or convertible into Common Stock), holders of Series Preferred shall be entitled to elect to receive such dividend in the form of Series 1 Preferred or Series 2 Non-Voting Preferred (or any security exercisable for or convertible into Series 1 Preferred or Series 2 Non-Voting Preferred), in each case, in an amount calculated based on the application conversion ratio set forth in Section IV.D.4 or Section IV.D.5 below.

4. SERIES 1 PREFERRED CONVERSION RIGHTS.

a. Any shares of Series 1 Preferred may be convertible into Common Stock at any time on a one-for-one basis; provided that in the event of a stock split, stock dividend, exchange, substitution, combination, reclassification or similar change to the Company's outstanding capital stock, the Board of Directors shall act in good faith to determine and make any appropriate adjustment to such conversion ratio to put the holders of Series 1 Preferred Shares in the same relative position as prior to such action.

b. At any time following February __, 2024, any shares of Series 1 Preferred may, at the option of the holder be converted at any time into fully paid and nonassesable shares of Series 2 Non-Voting Preferred, on a one-for-one basis in the sole and absolute discretion of the holder of such shares; provided that in the event of a stock split, stock dividend, exchange, substitution, combination, reclassification or similar change to the Company's outstanding capital stock, the Board of Directors shall act in good faith to determine and make any appropriate adjustment to such conversion ratio to put the holders of Series 1 Preferred Shares in the same relative position as prior to such action.

c. Upon the consummation of any sale of any shares of Series 1 Preferred by any holder of shares of Series 1 Preferred to any other person, each share of Series 1 Preferred thereby sold shall automatically be converted into Common Stock in accordance with conversion ratio set out in Section IV.d.4(a).

5. SERIES 2 NON-VOTING PREFERRED CONVERSION RIGHTS.

a. Any shares of Series 2 Non-Voting Preferred may be convertible into Common Stock on a one-for-one basis; provided that in the event of a stock split, stock dividend, exchange, substitution, combination, reclassification or similar change to the Company's outstanding capital stock, the Board of Directors shall act in good faith to determine and make any appropriate adjustment to such conversion ratio to put the holders of Series 2 Preferred Shares in the same relative position as prior to such action; provided further that the Company shall not effect any conversion of the Series 2 Non-Voting Preferred, and each holder shall not have the right to convert any portion of the Series 2 Non-Voting Preferred, to the extent that, after giving effect to such conversion, such holder (together with its affiliates and the members of each group of which such holder or any of its affiliates is a member) would beneficially own in excess of the Beneficial Ownership Limitation (as defined below). For purposes of the foregoing sentence, the number of shares of Common Stock beneficially owned by such holder shall include the number of shares of Common Stock issuable upon conversion of the Series 2 Non-Voting Preferred with respect to which such determination is being made and any other Series Preferred held by such holder, but shall exclude the number of shares of Common Stock that are issuable upon (a) conversion of the remaining, unconverted Series Preferred beneficially owned by such holder (together with its affiliates and the members of each group of which such holder or any of its affiliates is a member) to the extent that the conversion of such Series Preferred would result in the issuance of shares of Common Stock in excess of the Beneficial Ownership Limitation and (b) exercise or conversion of the unexercised or unconverted portion of any other securities of the Company subject to a limitation on conversion or exercise analogous to the limitation contained herein, beneficially owned by such holder, its affiliates and the members of each group of which such holder or any of its affiliates is a member. For the avoidance of doubt, beneficial ownership shall be calculated in accordance with Section 13(d) of the Exchange Act, and the rules and regulations promulgated thereunder.

b. Upon the written or oral request of a holder (which may be via email), the Company shall within three business days confirm orally or in writing to such holder the aggregate number of shares of Common Stock then outstanding.

c. The "***Beneficial Ownership Limitation***" shall be, with respect to each holder, 4.99% (or, upon the election by a holder, in its sole and absolute discretion, prior to the issuance of any shares of Series 2 Non-Voting Preferred, any other percentage so elected) of the number of shares of the Common Stock outstanding. A holder, upon notice to the Company, may increase or decrease, in its sole and absolute discretion, the Beneficial Ownership Limitation provisions applicable to its Series 2 Non-Voting Preferred not in excess of 19.99%; provided that the provisions of this Eighth Amended and Restated Certificate of Incorporation shall continue to apply. Any such increase in the Beneficial Ownership Limitation will not be effective until the 61st day after such notice is delivered to the Company and shall only apply to such holder and no other holder. The limitations contained in this Eighth Amended and Restated Certificate of Incorporation shall apply to a successor holder of Series 2 Non-Voting Preferred.

d. Upon the consummation of any sale of any shares of Series 2 Non-Voting Preferred by any holder of shares of Series 2 Non-Voting Preferred to any other person, each share of Series 2 Non-Voting Preferred thereby sold shall automatically be converted into Common Stock in accordance with the conversion ratio set out in Section IV.D.5(a).

6. OTHER MATTERS REGARDING SERIES PREFERRED CONVERSIONS.

a. No fractional shares of Common Stock shall be issued upon conversion of Series Preferred. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one share of Series Preferred by a holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of any fractional share. If, after the aforementioned aggregation, the conversion would result in the issuance of any fractional share, the Company shall, in lieu of issuing any fractional share, pay cash equal to the product of such fraction multiplied by the fair market value of one share of Common Stock (as determined by the Board of Directors) on the date of conversion.

b. The Company shall at all times reserve and keep available out of its authorized but unissued shares of Common Stock and Preferred Stock, solely for the purpose of effecting the conversion of the shares of the Series Preferred, such number of its shares of Common Stock or Preferred Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of the Series Preferred in accordance herewith. If at any time the number of authorized but unissued shares of Common Stock or Preferred Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Series Preferred, the Company will take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Common Stock or Preferred Stock to such number of shares as shall be sufficient for such purpose.

V.

For the management of the business and for the conduct of the affairs of the Company, and in further definition, limitation and regulation of the powers of the Company, of its directors and of its stockholders or any class thereof, as the case may be, it is further provided that:

A. The management of the business and the conduct of the affairs of the Company shall be vested in its Board of Directors. The number of directors that shall constitute the Board of Directors shall be fixed exclusively by resolutions adopted by a majority of the authorized number of directors constituting the Board of Directors.

B. Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, the directors shall be divided into three classes designated as Class I, Class II and Class III, respectively. The Board of Directors is authorized to assign members of the Board of Directors already in office to such classes at the time the classification becomes effective. At the first annual meeting of stockholders following the initial classification of the Board of Directors, the term of office of the Class I directors shall expire and

Class I directors shall be elected for a full term of three years. At the second annual meeting of stockholders following such initial classification, the term of office of the Class II directors shall expire and Class II directors shall be elected for a full term of three years. At the third annual meeting of stockholders following such initial classification, the term of office of the Class III directors shall expire and Class III directors shall be elected for a full term of three years. At each succeeding annual meeting of stockholders, directors shall be elected for a full term of three years to succeed the directors of the class whose terms expire at such annual meeting.

Notwithstanding the foregoing provisions of this section, each director shall serve until his or her successor is duly elected and qualified or until his or her earlier death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

C. Subject to the rights of any series of Preferred Stock that may be designated from time to time to elect additional directors under specified circumstances, neither the Board of Directors nor any individual director may be removed without cause. Subject to any limitations imposed by applicable law, any individual director or directors may be removed with cause by the affirmative vote of the holders of at least 66 2/3% of the voting power of all then-outstanding shares of capital stock of the Company entitled to vote generally at an election of directors, voting together as a single class.

D. Subject to any limitations imposed by applicable law and subject to the rights of the holders of any series of Preferred Stock that may be designated from time to time, any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors, shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by the stockholders and except as otherwise provided by applicable law, be filled only by the affirmative vote of a majority of the directors then in office, even though less than a quorum of the Board of Directors, and not by the stockholders. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified.

E. The Board of Directors is expressly empowered to adopt, amend or repeal the Amended and Restated Bylaws of the Company (the "***Bylaws***"). Any adoption, amendment or repeal of the Bylaws by the Board of Directors shall require the approval of a majority of the authorized number of directors. The stockholders shall also have power to adopt, amend or repeal the Bylaws; *provided, however,* that, in addition to any vote of the holders of any class or series of stock of the Company required by law or by this Certificate of Incorporation, such action by stockholders shall require the affirmative vote of the holders of at least 66 2/3% of the voting power of all of the then-outstanding shares of the capital stock of the Company entitled to vote generally in the election of directors, voting together as a single class.

F. The directors of the Company need not be elected by written ballot unless the Bylaws so provide.

G. No action shall be taken by the stockholders of the Company except at an annual or special meeting of stockholders called in accordance with the Bylaws. No action shall be taken by the stockholders of the Company by written consent or electronic transmission.

H. Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Company shall be given in the manner provided in the Bylaws.

VI.

A. The liability of a director of the Company for monetary damages shall be eliminated to the fullest extent under applicable law. If applicable law is amended after approval by the stockholders of this Article VI to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director to the Company shall be eliminated or limited to the fullest extent permitted by applicable law as so amended.

B. To the fullest extent permitted by applicable law, the Company is authorized to provide indemnification of (and advancement of expenses to) directors, officers and agents of the Company (and any other persons to which applicable law permits the Company to provide indemnification) through Bylaw provisions, agreements with such agents or other persons, vote of stockholders or disinterested directors or otherwise in excess of the indemnification and advancement otherwise permitted by such applicable law.

C. Any repeal or modification of this Article VI shall only be prospective and shall not affect the rights or protections or increase the liability of any director under this Article VI in effect at the time of the alleged occurrence of any act or omission to act giving rise to liability or indemnification.

VII.

A. Unless the Company consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) and any appellate court therefrom shall be the sole and exclusive forum for the following claims or causes of action under the Delaware statutory or common law: (1) any derivative claim or cause of action brought on behalf of the Company; (2) any claim or cause of action for breach of a fiduciary duty owed by any current or former director, officer or other employee of the Company to the Company or the Company's stockholders; (3) any claim or cause of action against the Company or any current or former director, officer or other employee of the Company, arising out of or pursuant to any provision of the DGCL, this Certificate of Incorporation or Bylaws (as each may be amended from time to time); (4) any claim or cause of action seeking to interpret, apply, enforce or determine the validity of this Certificate of Incorporation or the Company's Bylaws (as each may be amended from time to time, including any right, obligation, or remedy thereunder); (5) any claim or cause of action as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware; and (6) any claim or cause of action against the Company or any director, officer or other employee of the Company governed

by the internal-affairs doctrine, in all cases to the fullest extent permitted by law and subject to the court's having personal jurisdiction over the indispensable parties named as defendants. This Section A of Article VII shall not apply to claims or causes of action brought to enforce a duty or liability created by the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or any other claim for which the federal courts have exclusive jurisdiction.

B. Unless the Company consents in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended.

C. Any person or entity holding, owning or otherwise acquiring any interest in any security of the Company shall be deemed to have notice of and consented to the provisions of this Certificate of Incorporation.

VIII.

In the event that a member of the Board who is also a partner or employee of an entity that is a holder of capital stock and that is in the business of investing and reinvesting in other entities, or an employee of an entity that manages such an entity or is an affiliate of such an entity (each, a "**Fund**") acquires knowledge of a potential transaction or other matter in such individual's capacity as a partner or employee of the Fund or the manager or general partner of the Fund (and other than directly in connection with such individual's service as a member of the Board) and that may be an opportunity of interest for both the Company and such Fund (a "**Corporate Opportunity**"), then the Company (i) renounces any expectancy that such director or Fund offer an opportunity to participate in such Corporate Opportunity to the Company and (ii) to the fullest extent permitted by law, waives any claim that such opportunity constituted a Corporate Opportunity that should have been presented by such director or Fund to the Company or any of its affiliates; provided, however, that such director acts in good faith.

IX.

A. The Company reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation, in the manner now or hereafter prescribed by statute, except as provided in Section B of this Article IX, and all rights conferred upon the stockholders herein are granted subject to this reservation.

B. Notwithstanding any other provisions of this Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any particular class or series of the Company required by law or by this Certificate of Incorporation or any certificate of designation filed with respect to a series of Preferred Stock that may be designated from time to time, subject to the rights of the holders of any series of Preferred Stock, the affirmative vote of the holders of at least 66 2/3% of the voting power of all of the then-outstanding shares of capital stock of the Company entitled to vote generally in the election of directors, voting together as a single class, shall be required to alter, amend or repeal Articles V, VI, VIII or XI of this Certificate of Incorporation.

* * * *

FOUR: This Certificate of Incorporation has been duly adopted and approved by the Board of Directors and by written consent of the stockholders in accordance with Sections 228, 242 and 245 of the DGCL.

[Signature page follows]

IN WITNESS WHEREOF, Talis Biomedical Corporation has caused this Eighth Amended and Restated Certificate of Incorporation to be signed by its Chief Executive Officer this ____day of _____, 2021.

TALIS BIOMEDICAL CORPORATION

BRIAN COE
Chief Executive Officer

AMENDED AND RESTATED BYLAWS OF TALIS BIOMEDICAL CORPORATION

ARTICLE I

OFFICES

Section 1. Registered Office. The registered office of the corporation in the State of Delaware shall be in the City of Wilmington, County of New Castle.

Section 2. Other Offices. The corporation shall also have and maintain an office or principal place of business at such place as may be fixed by the corporation's Board of Directors (the "***Board of Directors***"), and may also have offices at such other places, both within and without the State of Delaware as the Board of Directors may from time to time determine or the business of the corporation may require.

ARTICLE II

CORPORATE SEAL

Section 3. Corporate Seal. The Board of Directors may adopt a corporate seal. The corporate seal shall consist of a die bearing the name of the corporation and the inscription, "Corporate Seal-Delaware." Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

ARTICLE III

STOCKHOLDERS' MEETINGS

Section 4. Place of Meetings. Meetings of the stockholders of the corporation may be held at such place, either within or without the State of Delaware, as may be determined from time to time by the Board of Directors. The Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as provided under the Delaware General Corporation Law (the "***DGCL***").

Section 5. Annual Meetings.

(a) The annual meeting of the stockholders of the corporation, for the purpose of election of directors and for such other business as may properly come before it, shall be held on such date and at such time as may be designated from time to time by the Board of Directors. Nominations of persons for election to the Board of Directors of the corporation and the proposal of business to be considered by the stockholders may be made at an annual meeting of stockholders: (i) pursuant to the corporation's notice of meeting of stockholders (with respect to business other than nominations); (ii) brought specifically by or at the direction of the Board of Directors; or (iii) by any stockholder of the corporation who was a stockholder of record at the

time of giving the stockholder's notice provided for in Section 5(b) of these Amended and Restated Bylaws (the "***Bylaws***"), who is entitled to vote at the meeting and who complied with the notice procedures set forth in this Section 5. For the avoidance of doubt, clause (iii) above shall be the exclusive means for a stockholder to make nominations and submit other business (other than matters properly included in the corporation's notice of meeting of stockholders and proxy statement under Rule 14a-8 under the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder (the "***1934 Act***")) before an annual meeting of stockholders.

(b) At an annual meeting of the stockholders, only such business shall be conducted as is a proper matter for stockholder action under Delaware law and as shall have been properly brought before the meeting.

(i) For nominations for the election to the Board of Directors to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Section 5(a) of these Bylaws, the stockholder must deliver written notice to the Secretary at the principal executive offices of the corporation on a timely basis as set forth in Section 5(b)(iii) of these Bylaws and must update and supplement such written notice on a timely basis as set forth in Section 5(c) of these Bylaws. Such stockholder's notice shall set forth: (A) as to each nominee such stockholder proposes to nominate at the meeting: (1) the name, age, business address and residence address of such nominee; (2) the principal occupation or employment of such nominee; (3) the class and number of shares of each class of capital stock of the corporation which are owned of record and beneficially by such nominee; (4) the date or dates on which such shares were acquired and the investment intent of such acquisition; (5) with respect to each nominee for election or re-election to the Board of Directors, include a completed and signed questionnaire, representation and agreement required by Section 5(e) of these Bylaws; and (6) such other information concerning such nominee as would be required to be disclosed in a proxy statement soliciting proxies for the election of such nominee as a director in an election contest (even if an election contest is not involved), or that is otherwise required to be disclosed pursuant to Section 14 of the 1934 Act and the rules and regulations promulgated thereunder (including such person's written consent to being named as a nominee and to serving as a director if elected); and (B) the information required by Section 5(b)(iv) of these Bylaws. The corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as an independent director of the corporation or that could be material to a reasonable stockholder's understanding of the independence, or lack thereof, of such proposed nominee.

(ii) Other than proposals sought to be included in the corporation's proxy materials pursuant to Rule 14a-8 under the 1934 Act, for business other than nominations for the election to the Board of Directors to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Section 5(a) of these Bylaws, the stockholder must deliver written notice to the Secretary at the principal executive offices of the corporation on a timely basis as set forth in Section 5(b)(iii) of these Bylaws, and must update and supplement such written notice on a timely basis as set forth in Section 5(c) of these Bylaws. Such stockholder's notice shall set forth: (A) as to each matter such stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the complete text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend any corporate

document, the language of the proposed amendment), the reasons for conducting such business at the meeting, and any material interest (including any anticipated benefit of such business to any Proponent (as defined below) other than solely as a result of its ownership of the corporation's capital stock, that is material to any Proponent individually, or to the Proponents in the aggregate) in such business of any Proponent; (B) the information required by Section 5(b)(iv) of these Bylaws; (C) a description of any proxy, contract, arrangement, undertaking or relationship pursuant to which such Proponent has the right to vote any shares of any security of the corporation; (D) a summary of any material discussion regarding the business proposed to be brought before the meeting between such Proponent, on the one hand, and any other record or beneficial owners of the shares of common stock of the corporation or any other class or series of capital stock of the corporation (including their names) on the other hand; (E) any performance-related fees (other than an asset based fee) that such Proponent is entitled to base on any increase or decrease in the value of shares of capital stock of the corporation, if any, including any such interests held by members of such Proponent's immediate family sharing the same household; and (F) any other information relating to such Proponent required to be disclosed under the DGCL or in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal of other business.

(iii) To be timely, the written notice required by Section 5(b)(i) or 5(b)(ii) of these Bylaws must be received by the Secretary at the principal executive offices of the corporation not later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the first anniversary of the preceding year's annual meeting; *provided, however,* that, subject to the last sentence of this Section 5(b)(iii), in the event that the date of the annual meeting is advanced more than 30 days prior to or delayed by more than 30 days after the anniversary of the preceding year's annual meeting, notice by the stockholder to be timely must be so received not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which public announcement of the date of such meeting is first made. In no event shall an adjournment or a postponement of an annual meeting for which notice has been given, or the public announcement thereof has been made, commence a new time period for the giving of a stockholder's notice as described above.

(iv) The written notice required by Section 5(b)(i) or 5(b)(ii) of these Bylaws shall also set forth, as of the date of the notice and as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (each, a "***Proponent***" and collectively, the "***Proponents***"): (A) the name and address of each Proponent, as they appear on the corporation's books; (B) the class, series and number of shares of the corporation that are owned beneficially and of record by each Proponent; (C) a description of any agreement, arrangement or understanding (whether oral or in writing) with respect to such nomination or proposal between or among any Proponent and any of its affiliates or associates, and any others (including their names) acting in concert, or otherwise under the agreement, arrangement or understanding, with any of the foregoing; (D) a representation that the Proponents are holders of record or beneficial owners, as the case may be, of shares of the corporation entitled to vote at the meeting, will continue to be a holder of record of stock of the corporation entitled to vote at such meeting through the date of the meeting and intend to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice (with respect to a notice under Section 5(b)(i) of these Bylaws) or to propose the business that is

specified in the notice (with respect to a notice under Section 5(b)(ii) of these Bylaws); (E) a representation as to whether the Proponents intend to deliver a proxy statement and form of proxy to holders of a sufficient number of holders of the corporation's voting shares to elect such nominee or nominees (with respect to a notice under Section 5(b)(i) of these Bylaws) or to carry such proposal (with respect to a notice under Section 5(b)(ii) of these Bylaws); (F) to the extent known by any Proponent, the name and address of any other stockholder supporting the proposal on the date of such stockholder's notice; (G) a complete and accurate description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three (3) years, and any other material relationship between or among each of the Proponent, one the one hand, and each proposed nominee, and his or her respective affiliates or associates (as such terms are defined below), or any other person or persons (including their names) acting in concert therewith, on the other hand, including, without limitation, all information that would be required to be disclosed pursuant to Item 404 promulgated under Regulation S-K if the stockholder making the nomination and any beneficial owner on whose behalf the nomination is made, if any, or any affiliate or associate thereof or person acting in concert therewith, were the "registrant" for purposes of such rule and the nominee were a director or executive officer of such registrant; and (H) a description of all Derivative Transactions (as defined below) by each Proponent during the previous 12 month period, including the date of the transactions and the class, series and number of securities involved in, and the material economic terms of, such Derivative Transactions.

(c) A stockholder providing written notice required by Section 5(b)(i) or (ii) of these Bylaws shall update and supplement such notice in writing, if necessary, so that the information provided or required to be provided in such notice is true and correct in all material respects as of (i) the record date for the meeting and (ii) the date that is five business days prior to the meeting and, in the event of any adjournment or postponement thereof, five business days prior to such adjourned or postponed meeting. In the case of an update and supplement pursuant to clause (i) of this Section 5(c), such update and supplement shall be received by the Secretary at the principal executive offices of the corporation not later than five business days after the record date for the meeting. In the case of an update and supplement pursuant to clause (ii) of this Section 5(c), such update and supplement shall be received by the Secretary at the principal executive offices of the corporation not later than two business days prior to the date for the meeting, and, in the event of any adjournment or postponement thereof, two business days prior to such adjourned or postponed meeting.

(d) Notwithstanding anything in Section 5(b)(iii) of these Bylaws to the contrary, in the event that the number of directors in an Expiring Class (as defined below) is increased and there is no public announcement of the appointment of a director to such class, or, if no appointment was made, of the vacancy in such class, made by the corporation at least 10 days before the last day a stockholder may deliver a notice of nomination in accordance with Section 5(b)(iii) of these Bylaws, a stockholder's notice required by this Section 5 and which complies with the requirements in Section 5(b)(i) of these Bylaws, other than the timing requirements in Section 5(b)(iii) of these Bylaws, shall also be considered timely, but only with respect to nominees for any new positions in such Expiring Class created by such increase, if it shall be received by the Secretary at the principal executive offices of the corporation not later than the close of business on the 10th day following the day on which such public announcement is first made by the corporation. For purposes of this Section 5, an "***Expiring Class***" shall mean a class of directors whose term shall expire at the next annual meeting of stockholders.

(e) To be eligible to be a nominee for election or re-election as a director of the corporation pursuant to a nomination under clause (iii) of Section 5(a) of these Bylaws, such proposed nominee or a person on such proposed nominee's behalf must deliver (in accordance with the time periods prescribed for delivery of notice under Section 5(b)(iii) or 5(d) of these Bylaws, as applicable) to the Secretary at the principal executive offices of the corporation a written questionnaire with respect to the background and qualification of such proposed nominee and the background of any other person or entity on whose behalf the nomination is being made (which questionnaire shall be provided by the Secretary upon written request) and a written representation and agreement (in the form provided by the Secretary upon written request) that such person (i) is not and will not become a party to (A) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the corporation, will act or vote on any issue or question (a "***Voting Commitment***") that has not been disclosed to the corporation in the questionnaire or (B) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the corporation, with such person's fiduciary duties under applicable law; (ii) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director of the corporation that has not been disclosed therein; (iii) in such person's individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, would be in compliance, if elected as a director of the corporation, and will comply with, all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the corporation; (iv) consents to being named in the proxy statement as a nominee; (v) in his or her individual capacity and on behalf of any person or entity on whose behalf the nomination is being made, intends to serve a full term if elected as a director of the corporation; and (vi) acknowledges that as a director of the corporation, he or she will owe a fiduciary duty under Delaware law with respect to the corporation and its stockholders.

(f) A person shall not be eligible for election or re-election as a director unless the person is nominated either in accordance with clause (ii) of Section 5(a) of these Bylaws, or in accordance with clause (iii) of Section 5(a) of these Bylaws. Except as otherwise required by law, the chairman of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made, or proposed, as the case may be, in accordance with the procedures set forth in these Bylaws and, if any proposed nomination or business is not in compliance with these Bylaws, or the Proponent does not act in accordance with the representations in Sections 5(b)(iv)(D) and 5(b)(iv)(E) of these Bylaws, to declare that such proposal or nomination shall not be presented for stockholder action at the meeting and shall be disregarded, notwithstanding that proxies in respect of such nominations or such business may have been solicited or received.

(g) Notwithstanding the foregoing provisions of this Section 5, in order to include information with respect to a stockholder proposal in the proxy statement and form of proxy for a stockholders' meeting, a stockholder must also comply with all applicable requirements of the 1934 Act and the rules and regulations thereunder. Nothing in these Bylaws shall be deemed to affect any rights of stockholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the 1934 Act; *provided, however,* that any references in these Bylaws to the 1934 Act or the rules and regulations thereunder are not intended to and shall not limit the requirements applicable to proposals and/or nominations to be considered pursuant to Section 5(a)(iii) of these Bylaws.

(h) For purposes of Sections 5 and 6 of these Bylaws,

(i) "***affiliates***" and "***associates***" shall have the meanings set forth in Rule 405 under the Securities Act of 1933, as amended (the "***1933 Act***");

(ii) "***Derivative Transaction***" means any agreement, arrangement, interest or understanding entered into by, or on behalf or for the benefit of, any Proponent or any of its affiliates or associates, whether record or beneficial:

(w) the value of which is derived in whole or in part from the value of any class or series of shares or other securities of the corporation;

(x) which otherwise provides any direct or indirect opportunity to gain or share in any gain derived from a change in the value of securities of the corporation;

(y) the effect or intent of which is to mitigate loss, manage risk or benefit of security value or price changes; or

(z) which provides the right to vote or increase or decrease the voting power of, such Proponent, or any of its affiliates or associates, with respect to any securities of the corporation,

which agreement, arrangement, interest or understanding may include, without limitation, any option, warrant, debt position, note, bond, convertible security, swap, stock appreciation right, short position, profit interest, hedge, right to dividends, voting agreement, performance-related fee or arrangement to borrow or lend shares (whether or not subject to payment, settlement, exercise or conversion in any such class or series), and any proportionate interest of such Proponent in the securities of the corporation held by any general or limited partnership, or any limited liability company, of which such Proponent is, directly or indirectly, a general partner or managing member; and

(iii) "***public announcement***" shall mean disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the 1934 Act.

Section 6. Special Meetings.

(a) Special meetings of the stockholders of the corporation may be called, for any purpose as is a proper matter for stockholder action under Delaware law, by (i) the Chairman of the Board of Directors, (ii) the Chief Executive Officer, or (iii) the Board of Directors pursuant to a resolution adopted by a majority of the total number of authorized directors (whether or not there exist any vacancies in previously authorized directorships at the time any such resolution is presented to the Board of Directors for adoption).

(b) The Board of Directors shall determine the time and place, if any, of such special meeting. Upon determination of the time and place, if any, of the meeting, the Secretary shall cause a notice of meeting to be given to the stockholders entitled to vote, in accordance with the provisions of Section 7 of these Bylaws. No business may be transacted at such special meeting otherwise than as specified in the notice of meeting.

(c) Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected (i) by or at the direction of the Board of Directors or (ii) by any stockholder of the corporation who is a stockholder of record at the time of giving notice provided for in this paragraph, who shall be entitled to vote at the meeting and who delivers written notice to the Secretary of the corporation setting forth the information required by Section 5(b)(i) of these Bylaws. In the event the corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder of record may nominate a person or persons (as the case may be), for election to such position(s) as specified in the corporation's notice of meeting, if written notice setting forth the information required by Section 5(b)(i) of these Bylaws shall be received by the Secretary at the principal executive offices of the corporation not later than the close of business on the later of the 90th day prior to such meeting or the 10th day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. The stockholder shall also update and supplement such information as required under Section 5(c) of these Bylaws. In no event shall an adjournment or a postponement of a special meeting for which notice has been given, or the public announcement thereof has been made, commence a new time period for the giving of a stockholder's notice as described above.

(d) Notwithstanding the foregoing provisions of this Section 6, a stockholder must also comply with all applicable requirements of the 1934 Act and the rules and regulations thereunder with respect to matters set forth in this Section 6. Nothing in these Bylaws shall be deemed to affect any rights of stockholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the 1934 Act; *provided, however,* that any references in these Bylaws to the 1934 Act or the rules and regulations thereunder are not intended to and shall not limit the requirements applicable to nominations for the election to the Board of Directors to be considered pursuant to Section 6(c) of these Bylaws.

Section 7. Notice of Meetings. Except as otherwise provided by law, notice, given in writing or by electronic transmission, of each meeting of stockholders shall be given not less than 10 nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting, such notice to specify the place, if any, date and hour, in the case of special meetings, the purpose or purposes of the meeting, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at any such meeting. If mailed, notice is deemed given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the corporation. If sent via electronic transmission, notice is deemed given as of the

sending time recorded at the time of transmission. Notice of the time, place, if any, and purpose of any meeting of stockholders may be waived in writing, signed by the person entitled to notice thereof, or by electronic transmission by such person, either before or after such meeting, and will be waived by any stockholder by his attendance thereat in person, by remote communication, if applicable, or by proxy, except when the stockholder attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Any stockholder so waiving notice of such meeting shall be bound by the proceedings of any such meeting in all respects as if due notice thereof had been given.

Section 8. Quorum. At all meetings of stockholders, except where otherwise provided by statute or by the corporation's Amended and Restated Certificate of Incorporation ("***Certificate of Incorporation***"), or by these Bylaws, the presence, in person, by remote communication, if applicable, or by proxy duly authorized, of the holders of a majority of the outstanding shares of stock entitled to vote shall constitute a quorum for the transaction of business. In the absence of a quorum, any meeting of stockholders may be adjourned, from time to time, either by the chairman of the meeting or by vote of the holders of a majority of the shares represented thereat, but no other business shall be transacted at such meeting. The stockholders present at a duly called or convened meeting, at which a quorum is present, may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum. Except as otherwise provided by statute or by applicable stock exchange rules, or by the Certificate of Incorporation or these Bylaws, in all matters other than the election of directors, the affirmative vote of the majority of shares present in person, by remote communication, if applicable, or represented by proxy at the meeting and entitled to vote generally on the subject matter shall be the act of the stockholders. Except as otherwise provided by statute, the Certificate of Incorporation or these Bylaws, directors shall be elected by a plurality of the votes of the shares present in person, by remote communication, if applicable, or represented by proxy at the meeting and entitled to vote generally on the election of directors. Where a separate vote by a class or classes or series is required, except where otherwise provided by statute or by the Certificate of Incorporation or these Bylaws, a majority of the outstanding shares of such class or classes or series, present in person, by remote communication, if applicable, or represented by proxy duly authorized, shall constitute a quorum entitled to take action with respect to that vote on that matter. Except where otherwise provided by statute or by the Certificate of Incorporation or these Bylaws, the affirmative vote of the majority (plurality, in the case of the election of directors) of shares of such class or classes or series present in person, by remote communication, if applicable, or represented by proxy at the meeting shall be the act of such class or classes or series.

Section 9. Adjournment and Notice of Adjourned Meetings. Any meeting of stockholders, whether annual or special, may be adjourned from time to time either by the chairman of the meeting or by the vote of a majority of the shares present in person, by remote communication, if applicable, or represented by proxy at the meeting. When a meeting is adjourned to another time or place, if any, notice need not be given of the adjourned meeting if the time and place, if any, thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than 30 days or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

Section 10. Voting Rights. For the purpose of determining those stockholders entitled to vote at any meeting of the stockholders, except as otherwise provided by law, only persons in whose names shares stand on the stock records of the corporation on the record date, as provided in Section 12 of these Bylaws, shall be entitled to vote at any meeting of stockholders. Every person entitled to vote shall have the right to do so either in person, by remote communication, if applicable, or by an agent or agents authorized by a proxy granted in accordance with Delaware law. An agent so appointed need not be a stockholder. No proxy shall be voted after three years from its date of creation unless the proxy provides for a longer period.

Section 11. Joint Owners of Stock. If shares or other securities having voting power stand of record in the names of two or more persons, whether fiduciaries, members of a partnership, joint tenants, tenants in common, tenants by the entirety, or otherwise, or if two or more persons have the same fiduciary relationship respecting the same shares, unless the Secretary is given written notice to the contrary and is furnished with a copy of the instrument or order appointing them or creating the relationship wherein it is so provided, their acts with respect to voting shall have the following effect: (a) if only one votes, his act binds all; (b) if more than one votes, the act of the majority so voting binds all; or (c) if more than one votes, but the vote is evenly split on any particular matter, each faction may vote the securities in question proportionally, or may apply to the Delaware Court of Chancery for relief as provided in the DGCL, Section 217(b). If the instrument filed with the Secretary shows that any such tenancy is held in unequal interests, a majority or even-split for the purpose of clause (c) of this Section 11 shall be a majority or even-split in interest.

Section 12. List of Stockholders. The Secretary shall prepare and make, at least 10 days before every meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting, arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the principal place of business of the corporation. In the event that the corporation determines to make the list available on an electronic network, the corporation may take reasonable steps to ensure that such information is available only to stockholders of the corporation. The list shall be open to examination of any stockholder during the time of the meeting as provided by law.

Section 13. Action Without Meeting. No action shall be taken by the stockholders except at an annual or special meeting of stockholders called in accordance with these Bylaws, and no action shall be taken by the stockholders by written consent or electronic transmission.

Section 14. Organization.

(a) At every meeting of stockholders, the Chairman of the Board of Directors, or, if a Chairman has not been appointed or is absent, the President, or, if the President is absent, a chairman of the meeting chosen by a majority in interest of the stockholders entitled to vote, present in person or by proxy, shall act as chairman. The Secretary, or, in his or her absence, an Assistant Secretary directed to do so by the President, shall act as secretary of the meeting.

(b) The Board of Directors of the corporation shall be entitled to make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations of the Board of Directors, if any, the chairman of the meeting shall have the right and authority to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are necessary, appropriate or convenient for the proper conduct of the meeting, including, without limitation, establishing an agenda or order of business for the meeting, rules and procedures for maintaining order at the meeting and the safety of those present, limitations on participation in such meeting to stockholders of record of the corporation and their duly authorized and constituted proxies and such other persons as the chairman shall permit, restrictions on entry to the meeting after the time fixed for the commencement thereof, limitations on the time allotted to questions or comments by participants and regulation of the opening and closing of the polls for balloting on matters which are to be voted on by ballot. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting. Unless and to the extent determined by the Board of Directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with rules of parliamentary procedure.

ARTICLE IV

DIRECTORS

Section 15. Number and Term of Office. The authorized number of directors of the corporation shall be fixed in accordance with the Certificate of Incorporation. Directors need not be stockholders unless so required by the Certificate of Incorporation. If for any cause, the directors shall not have been elected at an annual meeting, they may be elected as soon thereafter as convenient at a special meeting of the stockholders called for that purpose in the manner provided in these Bylaws.

Section 16. Powers. The business and affairs of the corporation shall be managed by or under the direction of the Board of Directors, except as may be otherwise provided by statute or by the Certificate of Incorporation.

Section 17. Classes of Directors. Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, the directors shall be divided into three classes designated as Class I, Class II and Class III, respectively. The Board of Directors is authorized to assign members of the Board of Directors already in office to such classes at the time the classification becomes effective. At the first annual meeting of stockholders following the initial classification of the Board of Directors, the term of office of the Class I directors shall expire and Class I directors shall be elected for a full term of three years. At the second annual meeting of stockholders following such initial classification, the term of office of the Class II directors shall expire and Class II directors shall be elected for a full term of three years. At the third annual meeting of stockholders following such initial classification, the term of office of the Class III directors shall expire and Class III directors shall be elected for a full term of three years. At each succeeding annual meeting of stockholders, directors shall be elected for a full term of three years to succeed the directors of the class whose terms expire at such annual meeting.

Notwithstanding the foregoing provisions of this Section 17, each director shall serve until his or her successor is duly elected and qualified or until his or her earlier death, resignation or removal. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

Section 18. Vacancies. Unless otherwise provided in the Certificate of Incorporation, and subject to the rights of the holders of any series of Preferred Stock, any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by stockholders, be filled only by the affirmative vote of a majority of the directors then in office, even though less than a quorum of the Board of Directors, or by a sole remaining director, and not by the stockholders, *provided*, *however*, that whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors by the provisions of the Certificate of Incorporation, vacancies and newly created directorships of such class or classes or series shall, unless the Board of Directors determines by resolution that any such vacancies or newly created directorships shall be filled by stockholders, be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by a sole remaining director so elected, and not by the stockholders. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified. A vacancy in the Board of Directors shall be deemed to exist under this Bylaw in the case of the death, removal or resignation of any director.

Section 19. Resignation. Any director may resign at any time by delivering his or her notice in writing or by electronic transmission to the Secretary, such resignation to specify whether it will be effective at a particular time. If no such specification is made, it shall be deemed effective at the time of delivery to the Secretary. When one or more directors shall resign from the Board of Directors, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office for the unexpired portion of the term of the director whose place shall be vacated and until his successor shall have been duly elected and qualified.

Section 20. Removal.

(a) Subject to the rights of any series of Preferred Stock to elect additional directors under specified circumstances, neither the Board of Directors nor any individual director may be removed without cause.

(b) Subject to any limitation imposed by law, any individual director or directors may be removed with cause by the affirmative vote of the holders of at least 66 2/3% of the voting power of all then outstanding shares of capital stock of the corporation entitled to vote generally at an election of directors.

Section 21. Meetings.

(a) Regular Meetings. Unless otherwise restricted by the Certificate of Incorporation, regular meetings of the Board of Directors may be held at any time or date and at any place within or without the State of Delaware which has been designated by the Board of Directors and publicized among all directors, either orally or in writing, by telephone, including a voice-messaging system or other system designed to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other electronic means. No further notice shall be required for regular meetings of the Board of Directors.

(b) Special Meetings. Unless otherwise restricted by the Certificate of Incorporation, special meetings of the Board of Directors may be held at any time and place within or without the State of Delaware whenever called by the Chairman of the Board, the Chief Executive Officer or a majority of the authorized number of directors.

(c) Meetings by Electronic Communications Equipment. Any member of the Board of Directors, or of any committee thereof, may participate in a meeting by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

(d) Notice of Special Meetings. Notice of the time and place of all special meetings of the Board of Directors shall be orally or in writing, by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, facsimile, telegraph or telex, or by electronic mail or other electronic means, during normal business hours, at least 24 hours before the date and time of the meeting. If notice is sent by U.S. mail, it shall be sent by first class mail, charges prepaid, at least three days before the date of the meeting. Notice of any meeting may be waived in writing, or by electronic transmission, at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends the meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

(e) Waiver of Notice. The transaction of all business at any meeting of the Board of Directors, or any committee thereof, however called or noticed, or wherever held, shall be as valid as though it had been transacted at a meeting duly held after regular call and notice, if a quorum be present and if, either before or after the meeting, each of the directors not present who did not receive notice shall sign a written waiver of notice or shall waive notice by electronic transmission. All such waivers shall be filed with the corporate records or made a part of the minutes of the meeting.

Section 22. Quorum and Voting.

(a) Unless the Certificate of Incorporation requires a greater number, and except with respect to questions related to indemnification arising under Section 45 of these Bylaws for which a quorum shall be one-third of the exact number of directors fixed from time to time, a quorum of the Board of Directors shall consist of a majority of the exact number of directors fixed from time to time by the Board of Directors in accordance with the Certificate of Incorporation; *provided, however,* at any meeting whether a quorum be present or otherwise, a majority of the directors present may adjourn from time to time until the time fixed for the next regular meeting of the Board of Directors, without notice other than by announcement at the meeting.

(b) At each meeting of the Board of Directors at which a quorum is present, all questions and business shall be determined by the affirmative vote of a majority of the directors present, unless a different vote be required by law, the Certificate of Incorporation or these Bylaws.

Section 23. Action Without Meeting. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors or of any committee thereof may be taken without a meeting, if all members of the Board of Directors or committee, as the case may be, consent thereto in writing or by electronic transmission, and such writing or writings or transmission or transmissions are filed with the minutes of proceedings of the Board of Directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 24. Fees and Compensation. Directors shall be entitled to such compensation for their services as may be approved by the Board of Directors, including, if so approved, by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, for attendance at each regular or special meeting of the Board of Directors and at any meeting of a committee of the Board of Directors. Nothing herein contained shall be construed to preclude any director from serving the corporation in any other capacity as an officer, agent, employee, or otherwise and receiving compensation therefor.

Section 25. Committees.

(a) Executive Committee. The Board of Directors may appoint an Executive Committee to consist of one or more members of the Board of Directors. The Executive Committee, to the extent permitted by law and provided in the resolution of the Board of Directors shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to (i) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopting, amending or repealing any Bylaw of the corporation.

(b) Other Committees. The Board of Directors may, from time to time, appoint such other committees as may be permitted by law. Such other committees appointed by the Board of Directors shall consist of one or more members of the Board of Directors and shall have such powers and perform such duties as may be prescribed by the resolution or resolutions creating such committees, but in no event shall any such committee have the powers denied to the Executive Committee in these Bylaws.

(c) Term. The Board of Directors, subject to any requirements of any outstanding series of Preferred Stock and the provisions of subsections (a) or (b) of this Section 25, may at any time increase or decrease the number of members of a committee or terminate the existence of a committee. The membership of a committee member shall terminate on the date of his death or voluntary resignation from the committee or from the Board of Directors. The Board of Directors may at any time for any reason remove any individual committee member and the Board of Directors may fill any committee vacancy created by death, resignation, removal or increase in the number of members of the committee. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee, and, in addition, in the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in the place of any such absent or disqualified member.

(d) Meetings. Unless the Board of Directors shall otherwise provide, regular meetings of the Executive Committee or any other committee appointed pursuant to this Section 25 shall be held at such times and places as are determined by the Board of Directors, or by any such committee, and when notice thereof has been given to each member of such committee, no further notice of such regular meetings need be given thereafter. Special meetings of any such committee may be held at any place which has been determined from time to time by such committee, and may be called by any director who is a member of such committee, upon notice to the members of such committee of the time and place of such special meeting given in the manner provided for the giving of notice to members of the Board of Directors of the time and place of special meetings of the Board of Directors. Notice of any special meeting of any committee may be waived in writing or by electronic transmission at any time before or after the meeting and will be waived by any director by attendance thereat, except when the director attends such special meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Unless otherwise provided by the Board of Directors in the resolutions authorizing the creation of the committee, a majority of the authorized number of members of any such committee shall constitute a quorum for the transaction of business, and the act of a majority of those present at any meeting at which a quorum is present shall be the act of such committee.

Section 26. Duties of Chairman of the Board of Directors. The Chairman of the Board of Directors, when present, shall preside at all meetings of the stockholders and the Board of Directors. The Chairman of the Board of Directors shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers, as the Board of Directors shall designate from time to time.

Section 27. Lead Independent Director. The Chairman of the Board of Directors, or if the Chairman is not an independent director, one of the independent directors, may be designated by the Board of Directors as lead independent director ("***Lead Independent Director***") to serve until replaced by the Board of Directors. The Lead Independent Director will: with the Chairman of the Board of Directors, establish the agenda for regular Board meetings and serve as chairman of Board of Directors meetings in the absence of the Chairman of the Board of Directors; establish the agenda for meetings of the independent directors; coordinate with the committee chairs regarding meeting agendas and informational requirements; preside over meetings of the independent directors; preside over any portions of meetings of the Board of Directors at which the evaluation or compensation of the Chief Executive Officer is presented or discussed; preside over any portions of meetings of the Board of Directors at which the performance of the Board of Directors is presented or discussed; and perform such other duties as may be established or delegated by the Chairman of the Board of Directors**.**

Section 28. Organization. At every meeting of the directors, the Chairman of the Board of Directors, or, if a Chairman has not been appointed or is absent, the Lead Independent Director, or if the Lead Independent Director is absent, the Chief Executive Officer (if a director), or, if a Chief Executive Officer is absent, the President (if a director), or if the President is absent, the most senior Vice President (if a director), or, in the absence of any such person, a chairman of the meeting chosen by a majority of the directors present, shall preside over the meeting. The Secretary, or in his absence, any Assistant Secretary or other officer or director directed to do so by the Chairman, shall act as secretary of the meeting.

ARTICLE V

OFFICERS

Section 29. Officers Designated. The officers of the corporation shall include, if and when designated by the Board of Directors, the Chairman of the Board of Directors, the Chief Executive Officer, the President, one or more Vice Presidents, the Secretary, the Chief Financial Officer and the Treasurer. The Board of Directors may also appoint one or more Assistant Secretaries and Assistant Treasurers and such other officers and agents with such powers and duties as it shall deem necessary. The Board of Directors may assign such additional titles to one or more of the officers as it shall deem appropriate. Any one person may hold any number of offices of the corporation at any one time unless specifically prohibited therefrom by law. The salaries and other compensation of the officers of the corporation shall be fixed by or in the manner designated by the Board of Directors.

Section 30. Tenure and Duties of Officers.

(a) General. All officers shall hold office at the pleasure of the Board of Directors and until their successors shall have been duly elected and qualified, unless sooner removed. Any officer elected or appointed by the Board of Directors may be removed at any time by the Board of Directors. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board of Directors.

(b) Duties of Chief Executive Officer. The Chief Executive Officer shall preside at all meetings of the stockholders and at all meetings of the Board of Directors, unless the Chairman of the Board of Directors or the Lead Independent Director has been appointed and is present. Unless an officer has been appointed Chief Executive Officer of the corporation, the President shall be the Chief Executive Officer of the corporation and shall, subject to the control

of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. To the extent that a Chief Executive Officer has been appointed and no President has been appointed, all references in these Bylaws to the President shall be deemed references to the Chief Executive Officer. The Chief Executive Officer shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers, as the Board of Directors shall designate from time to time.

(c) Duties of President. The President shall preside at all meetings of the stockholders and at all meetings of the Board of Directors, unless the Chairman of the Board of Directors, the Lead Independent Director, or the Chief Executive Officer has been appointed and is present. Unless another officer has been appointed Chief Executive Officer of the corporation, the President shall be the Chief Executive Officer of the corporation and shall, subject to the control of the Board of Directors, have general supervision, direction and control of the business and officers of the corporation. The President shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers, as the Board of Directors shall designate from time to time.

(d) Duties of Vice Presidents. The Vice Presidents may assume and perform the duties of the President in the absence or disability of the President or whenever the office of President is vacant. The Vice Presidents shall perform other duties commonly incident to their office and shall also perform such other duties and have such other powers as the Board of Directors or the Chief Executive Officer, or, if the Chief Executive Officer has not been appointed or is absent, the President shall designate from time to time.

(e) Duties of Secretary. The Secretary shall attend all meetings of the stockholders and of the Board of Directors and shall record all acts and proceedings thereof in the minute book of the corporation. The Secretary shall give notice in conformity with these Bylaws of all meetings of the stockholders and of all meetings of the Board of Directors and any committee thereof requiring notice. The Secretary shall perform all other duties provided for in these Bylaws and other duties commonly incident to the office and shall also perform such other duties and have such other powers, as the Board of Directors shall designate from time to time. The President may direct any Assistant Secretary or other officer to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and each Assistant Secretary shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

(f) Duties of Chief Financial Officer. The Chief Financial Officer shall keep or cause to be kept the books of account of the corporation in a thorough and proper manner and shall render statements of the financial affairs of the corporation in such form and as often as required by the Board of Directors or the President. The Chief Financial Officer, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the corporation. The Chief Financial Officer shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time. To the extent that a Chief Financial Officer has been appointed and no Treasurer has been appointed, all references in these Bylaws to the Treasurer shall be deemed references to the Chief Financial Officer. The President may

direct the Treasurer, if any, or any Assistant Treasurer, or the Controller or any Assistant Controller to assume and perform the duties of the Chief Financial Officer in the absence or disability of the Chief Financial Officer, and each Treasurer and Assistant Treasurer and each Controller and Assistant Controller shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

(g) Duties of Treasurer. Unless another officer has been appointed Chief Financial Officer of the corporation, the Treasurer shall be the chief financial officer of the corporation and shall keep or cause to be kept the books of account of the corporation in a thorough and proper manner and shall render statements of the financial affairs of the corporation in such form and as often as required by the Board of Directors or the President, and, subject to the order of the Board of Directors, shall have the custody of all funds and securities of the corporation. The Treasurer shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board of Directors or the President shall designate from time to time.

Section 31. Delegation of Authority. The Board of Directors may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

Section 32. Resignations. Any officer may resign at any time by giving notice in writing or by electronic transmission to the Board of Directors or to the President or to the Secretary. Any such resignation shall be effective when received by the person or persons to whom such notice is given, unless a later time is specified therein, in which event the resignation shall become effective at such later time. Unless otherwise specified in such notice, the acceptance of any such resignation shall not be necessary to make it effective. Any resignation shall be without prejudice to the rights, if any, of the corporation under any contract with the resigning officer.

Section 33. Removal. Any officer may be removed from office at any time, either with or without cause, by the affirmative vote of a majority of the directors in office at the time, or by the unanimous written consent of the directors in office at the time, or by any committee or by the Chief Executive Officer or by other superior officers upon whom such power of removal may have been conferred by the Board of Directors.

ARTICLE VI

EXECUTION OF CORPORATE INSTRUMENTS AND VOTING OF SECURITIES OWNED BY THE CORPORATION

Section 34. Execution of Corporate Instruments. The Board of Directors may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute on behalf of the corporation any corporate instrument or document, or to sign on behalf of the corporation the corporate name without limitation, or to enter into contracts on behalf of the corporation, except where otherwise provided by law or these Bylaws, and such execution or signature shall be binding upon the corporation.

All checks and drafts drawn on banks or other depositaries on funds to the credit of the corporation or in special accounts of the corporation shall be signed by such person or persons as the Board of Directors shall authorize so to do.

Unless authorized or ratified by the Board of Directors or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

Section 35. Voting of Securities Owned by the Corporation. All stock and other securities of other corporations owned or held by the corporation for itself, or for other parties in any capacity, shall be voted, and all proxies with respect thereto shall be executed, by the person authorized so to do by resolution of the Board of Directors, or, in the absence of such authorization, by the Chairman of the Board of Directors, the Chief Executive Officer, the President, or any Vice President.

ARTICLE VII

SHARES OF STOCK

Section 36. Form and Execution of Certificates. The shares of the corporation shall be represented by certificates, or shall be uncertificated if so provided by resolution or resolutions of the Board of Directors. Certificates for the shares of stock of the corporation, if any, shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock represented by certificate in the corporation shall be entitled to have a certificate signed by or in the name of the corporation by the Chairman of the Board of Directors, the Chief Executive Officer, or the President or any Vice President and by the Chief Financial Officer, Treasurer or Assistant Treasurer or the Secretary or Assistant Secretary, certifying the number of shares owned by him in the corporation. Any or all of the signatures on the certificate may be facsimiles. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

Section 37. Lost Certificates. A new certificate or certificates shall be issued in place of any certificate or certificates theretofore issued by the corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. The corporation may require, as a condition precedent to the issuance of a new certificate or certificates, the owner of such lost, stolen, or destroyed certificate or certificates, or the owner’s legal representative, to agree to indemnify the corporation in such manner as it shall require or to give the corporation a surety bond in such form and amount as it may direct as indemnity against any claim that may be made against the corporation with respect to the certificate alleged to have been lost, stolen, or destroyed.

Section 38. Transfers.

(a) Transfers of record of shares of stock of the corporation shall be made only upon its books by the holders thereof, in person or by attorney duly authorized, and, in the case of stock represented by certificate, upon the surrender of a properly endorsed certificate or certificates for a like number of shares.

(b) The corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes of stock of the corporation to restrict the transfer of shares of stock of the corporation of any one or more classes owned by such stockholders in any manner not prohibited by the DGCL.

Section 39. Fixing Record Dates.

(a) In order that the corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall, subject to applicable law, not be more than 60 nor less than 10 days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; *provided, however,* that the Board of Directors may fix a new record date for the adjourned meeting.

(b) In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 40. Registered Stockholders. The corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

ARTICLE VIII

OTHER SECURITIES OF THE CORPORATION

Section 41. Execution of Other Securities. All bonds, debentures and other corporate securities of the corporation, other than stock certificates (covered in Section 36 of these Bylaws), may be signed by the Chairman of the Board of Directors, the Chief Executive Officer, the President or any Vice President, or such other person as may be authorized by the Board of Directors, and the corporate seal impressed thereon or a facsimile of such seal imprinted thereon and attested by the signature of the Secretary or an Assistant Secretary, or the Chief Financial Officer or Treasurer or an Assistant Treasurer; *provided*, *however*, that where any such bond, debenture or other corporate security shall be authenticated by the manual signature, or where permissible facsimile signature, of a trustee under an indenture pursuant to which such bond, debenture or other corporate security shall be issued, the signatures of the persons signing and attesting the corporate seal on such bond, debenture or other corporate security may be the imprinted facsimile of the signatures of such persons. Interest coupons appertaining to any such bond, debenture or other corporate security, authenticated by a trustee as aforesaid, shall be signed by the Treasurer or an Assistant Treasurer of the corporation or such other person as may be authorized by the Board of Directors, or bear imprinted thereon the facsimile signature of such person. In case any officer who shall have signed or attested any bond, debenture or other corporate security, or whose facsimile signature shall appear thereon or on any such interest coupon, shall have ceased to be such officer before the bond, debenture or other corporate security so signed or attested shall have been delivered, such bond, debenture or other corporate security nevertheless may be adopted by the corporation and issued and delivered as though the person who signed the same or whose facsimile signature shall have been used thereon had not ceased to be such officer of the corporation.

ARTICLE IX

DIVIDENDS

Section 42. Declaration of Dividends. Dividends upon the capital stock of the corporation, subject to the provisions of the Certificate of Incorporation and applicable law, if any, may be declared by the Board of Directors pursuant to law at any regular or special meeting. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of Incorporation and applicable law.

Section 43. Dividend Reserve. Before payment of any dividend, there may be set aside out of any funds of the corporation available for dividends such sum or sums as the Board of Directors from time to time, in their absolute discretion, think proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the corporation, or for such other purpose as the Board of Directors shall think conducive to the interests of the corporation, and the Board of Directors may modify or abolish any such reserve in the manner in which it was created.

ARTICLE X

FISCAL YEAR

Section 44. Fiscal Year. The fiscal year of the corporation shall be fixed by resolution of the Board of Directors.

ARTICLE XI

INDEMNIFICATION

Section 45. Indemnification of Directors, Officers, Employees and Other Agents.

(a) Directors and Officers. The corporation shall indemnify its directors and officers to the extent not prohibited by the DGCL or any other applicable law; *provided, however,* that the corporation may modify the extent of such indemnification by individual contracts with its directors and officers; and, *provided, further,* that the corporation shall not be required to indemnify any director or officer in connection with any proceeding (or part thereof) initiated by such person unless (i) such indemnification is expressly required to be made by law, (ii) the proceeding was authorized by the Board of Directors of the corporation, (iii) such indemnification is provided by the corporation, in its sole discretion, pursuant to the powers vested in the corporation under the DGCL or any other applicable law or (iv) such indemnification is required to be made under subsection (d).

(b) Employees and Other Agents. The corporation shall have power to indemnify its employees and other agents as set forth in the DGCL or any other applicable law. The Board of Directors shall have the power to delegate the determination of whether indemnification shall be given to any such person (except for officers) or other persons as the Board of Directors shall determine.

(c) Expenses. The corporation shall advance to any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that he is or was a director or officer, of the corporation, or is or was serving at the request of the corporation as a director or officer of another corporation, partnership, joint venture, trust or other enterprise, prior to the final disposition of the proceeding, promptly following request therefor, all expenses incurred by any director or officer in connection with such proceeding provided, however, that if the DGCL requires, an advancement of expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the corporation of an undertaking (hereinafter an "***undertaking***"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "***final adjudication***") that such indemnitee is not entitled to be indemnified for such expenses under this Section 45 or otherwise.

Notwithstanding the foregoing, unless otherwise determined pursuant to paragraph (e) of this Section 45, no advance shall be made by the corporation to an officer of the corporation (except by reason of the fact that such officer is or was a director of the corporation in which event this paragraph shall not apply) in any action, suit or proceeding, whether civil, criminal, administrative or investigative, if a determination is reasonably and promptly made (i) by a majority vote of directors who were not parties to the proceeding, even if not a quorum, or (ii) by a committee of such directors designated by a majority vote of such directors, even though less than a quorum, or (iii) if there are no such directors, or such directors so direct, by independent legal counsel in a written opinion, that the facts known to the decision-making party at the time such determination is made demonstrate clearly and convincingly that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the corporation.

(d) Enforcement. Without the necessity of entering into an express contract, all rights to indemnification and advances to directors and officers under this Section 45 shall be deemed to be contractual rights and be effective to the same extent and as if provided for in a contract between the corporation and the director or officer. Any right to indemnification or advances granted by this Section 45 to a director or officer shall be enforceable by or on behalf of the person holding such right in any court of competent jurisdiction if (i) the claim for indemnification or advances is denied, in whole or in part, or (ii) no disposition of such claim is made within 90 days of request therefor. To the extent permitted by law, the claimant in such enforcement action, if successful in whole or in part, shall be entitled to be paid also the expense of prosecuting the claim. In connection with any claim for indemnification, the corporation shall be entitled to raise as a defense to any such action that the claimant has not met the standards of conduct that make it permissible under the DGCL or any other applicable law for the corporation to indemnify the claimant for the amount claimed. In connection with any claim by an officer of the corporation (except in any action, suit or proceeding, whether civil, criminal, administrative or investigative, by reason of the fact that such officer is or was a director of the corporation) for advances, the corporation shall be entitled to raise a defense as to any such action clear and convincing evidence that such person acted in bad faith or in a manner that such person did not believe to be in or not opposed to the best interests of the corporation, or with respect to any criminal action or proceeding that such person acted without reasonable cause to believe that his conduct was lawful. Neither the failure of the corporation (including its Board of Directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because the director or officer has met the applicable standard of conduct set forth in the DGCL or any other applicable law, nor an actual determination by the corporation (including its Board of Directors, independent legal counsel or its stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct. In any suit brought by a director or officer to enforce a right to indemnification or to an advancement of expenses hereunder, the burden of proving that the director or officer is not entitled to be indemnified, or to such advancement of expenses, under this Section 45 or otherwise shall be on the corporation.

(e) Non-Exclusivity of Rights. The rights conferred on any person by this Bylaw shall not be exclusive of any other right which such person may have or hereafter acquire under any applicable statute, provision of the Certificate of Incorporation, Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding office. The corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advances, to the fullest extent not prohibited by the DGCL, or by any other applicable law.

(f) Survival of Rights. The rights conferred on any person by this Bylaw shall continue as to a person who has ceased to be a director or officer, or, if applicable, employee or other agent, and shall inure to the benefit of the heirs, executors and administrators of such a person.

(g) Insurance. To the fullest extent permitted by the DGCL or any other applicable law, the corporation, upon approval by the Board of Directors, may purchase insurance on behalf of any person required or permitted to be indemnified pursuant to this Section 45.

(h) Amendments. Any repeal or modification of this Section 45 shall only be prospective and shall not affect the rights under this Bylaw in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any proceeding against any agent of the corporation.

(i) Saving Clause. If this Bylaw or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the corporation shall nevertheless indemnify each director and officer to the full extent not prohibited by any applicable portion of this Section 45 that shall not have been invalidated, or by any other applicable law. If this Section 45 shall be invalid due to the application of the indemnification provisions of another jurisdiction, then the corporation shall indemnify each director and officer to the full extent under any other applicable law.

(j) Certain Definitions. For the purposes of this Bylaw, the following definitions shall apply:

(i) The term "***proceeding***" shall be broadly construed and shall include, without limitation, the investigation, preparation, prosecution, defense, settlement, arbitration and appeal of, and the giving of testimony in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.

(ii) The term "***expenses***" shall be broadly construed and shall include, without limitation, court costs, attorneys' fees, witness fees, fines, amounts paid in settlement or judgment and any other costs and expenses of any nature or kind incurred in connection with any proceeding.

(iii) The term the "***corporation***" shall include, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Section 45 with respect to the resulting or surviving corporation as he would have with respect to such constituent corporation if its separate existence had continued.

(iv) References to a "***director***," "***officer***," "***employee***," or "***agent***" of the corporation shall include, without limitation, situations where such person is serving at the request of the corporation as, respectively, a director, officer, employee, trustee or agent of another corporation, partnership, joint venture, trust or other enterprise.

(v) References to "***other enterprises***" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "***serving at the request of the corporation***" shall include any service as a director, officer, employee or agent of the corporation which imposes duties on, or involves services by, such director, officer, employee, or agent with respect to an employee benefit plan, its participants, or beneficiaries; and a person who acted in good faith and in a manner such person reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "***not opposed to the best interests of the corporation***" as referred to in this Section 45.

ARTICLE XII

NOTICES

Section 46. Notices.

(a) Notice to Stockholders. Written notice to stockholders of stockholder meetings shall be given as provided in Section 7 of these Bylaws. Without limiting the manner by which notice may otherwise be given effectively to stockholders under any agreement or contract with such stockholder, and except as otherwise required by law, written notice to stockholders for purposes other than stockholder meetings may be sent by U.S. mail or nationally recognized overnight courier, or by facsimile, telegraph or telex or by electronic mail or other electronic means.

(b) Notice to Directors. Any notice required to be given to any director may be given by the method stated in subsection (a), as otherwise provided in these Bylaws, or by overnight delivery service, facsimile, telex or telegram, except that such notice other than one which is delivered personally shall be sent to such address as such director shall have filed in writing with the Secretary, or, in the absence of such filing, to the last known post office address of such director.

(c) Affidavit of Mailing. An affidavit of mailing, executed by a duly authorized and competent employee of the corporation or its transfer agent appointed with respect to the class of stock affected, or other agent, specifying the name and address or the names and addresses of the stockholder or stockholders, or director or directors, to whom any such notice or notices was or were given, and the time and method of giving the same, shall in the absence of fraud, be prima facie evidence of the facts therein contained.

(d) Methods of Notice. It shall not be necessary that the same method of giving notice be employed in respect of all recipients of notice, but one permissible method may be employed in respect of any one or more, and any other permissible method or methods may be employed in respect of any other or others.

(e) Notice to Person With Whom Communication is Unlawful. Whenever notice is required to be given, under any provision of law or of the Certificate of Incorporation or Bylaws of the corporation, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting which shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the corporation is such as to require the filing of a certificate under any provision of the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.

(f) Notice to Stockholders Sharing an Address. Except as otherwise prohibited under the DGCL, any notice given under the provisions of the DGCL, the Certificate of Incorporation or the Bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Such consent shall have been deemed to have been given if such stockholder fails to object in writing to the corporation within 60 days of having been given notice by the corporation of its intention to send the single notice. Any consent shall be revocable by the stockholder by written notice to the corporation.

ARTICLE XIII

AMENDMENTS

Section 47. Amendments. Subject to the limitations set forth in Section 45(h) of these Bylaws or the provisions of the Certificate of Incorporation, the Board of Directors is expressly empowered to adopt, amend or repeal the Bylaws of the corporation. Any adoption, amendment or repeal of the Bylaws of the corporation by the Board of Directors shall require the approval of a majority of the authorized number of directors. The stockholders also shall have power to adopt, amend or repeal the Bylaws of the corporation; *provided, however,* that, in addition to any vote of the holders of any class or series of stock of the corporation required by law or by the Certificate of Incorporation, such action by stockholders shall require the affirmative vote of the holders of at least 66 2/3% of the voting power of all of the then-outstanding shares of the capital stock of the corporation entitled to vote generally in the election of directors, voting together as a single class.

ARTICLE XIV

LOANS TO OFFICERS OR EMPLOYEES

Section 48. Loans to Officers or Employees. Except as otherwise prohibited by applicable law, the corporation may lend money to, or guarantee any obligation of, or otherwise assist any officer or other employee of the corporation or of its subsidiaries, including any officer or employee who is a director of the corporation or its subsidiaries, whenever, in the judgment of the Board of Directors, such loan, guarantee or assistance may reasonably be expected to benefit the corporation. The loan, guarantee or other assistance may be with or without interest and may be unsecured, or secured in such manner as the Board of Directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in these Bylaws shall be deemed to deny, limit or restrict the powers of guaranty or warranty of the corporation at common law or under any statute.


PROOF
NUMBER
SHARES
TALIS
Biomedical
INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE
SEE REVERSE FOR CERTAIN DEFINITIONS
COMMON STOCK
CUSIP
THIS CERTIFIES THAT:
IS THE OWNER OF
FULLY PAID AND NON-ASSESSABLE SHARES OF COMMON STOCK OF $0.0001 PAR VALUE EACH OF
TALIS BIOMEDICAL CORPORATION
transferable on the books of the Corporation by the holder thereof in person or by duly authorized attorney upon surrender of this certificate duly endorsed or assigned. This certificate and the shares represented hereby are subject to the laws of the State of Delaware, and to the Certificate of Incorporation and Bylaws of the Corporation, as now or hereafter amended.
This certificate is not valid until countersigned by the Transfer Agent.
WITNESS the facsimile seal of the Corporation and the facsimile signatures of its duly authorized officers.
DATED:
COUNTERSIGNED:
BROADRIDGE CORPORATE ISSUER SOLUTIONS, INC.
TRANSFER AGENT
BY:
AUTHORIZED SIGNATURE
TALIS BIOMEDICAL CORPORATION
CORPORATE
SEAL
2013
DELAWARE
CHIEF FINANCIAL OFFICER
CHIEF EXECUTIVE OFFICER
© COLUMBIA PRINTING SERVICES, LLC

The following abbreviations, when used in the inscription on the face of this certificate, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - .....Custodian.....
(Cust) (Minor)
under Uniform Gifts to Minors Act .....
(State)

Additional abbreviations may also be used though not in the above list.

For Value Received,_____ hereby sell, assign and transfer unto

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

_____

(PLEASE PRINT OR TYPE NAME AND ADDRESS, INCLUDING ZIP CODE, OF ASSIGNEE)

_____

_____

_____ *Shares*

of the stock represented by the within Certificate, and do hereby irrevocably constitute and appoint

_____ *Attorney*

to transfer the said stock on the books of the within named Corporation with full power of substitution in the premises.

Dated _____

NOTICE: THE SIGNATURE TO THIS ASSIGNMENT MUST CORRESPOND WITH THE NAME AS WRITTEN UPON THE FACE OF THE CERTIFICATE IN EVERY PARTICULAR, WITHOUT ALTERATION OR ENLARGEMENT OR ANY CHANGE WHATSOEVER.

Signature(s) Guaranteed

By _____

The Signature(s) must be guaranteed by an eligible guarantor institution (Banks, Stockbrokers, Savings and Loan Associations and Credit Unions with membership in an approved Signature Guarantee Medallion Program), pursuant to SEC Rule 17Ad-15.

THE CORPORATION WILL FURNISH TO ANY STOCKHOLDER, UPON REQUEST AND WITHOUT CHARGE, A FULL STATEMENT OF THE DESIGNATIONS, RELATIVE RIGHTS, PREFERENCES AND LIMITATIONS OF THE SHARES OF EACH CLASS AND SERIES AUTHORIZED TO BE ISSUED, SO FAR AS THE SAME HAVE BEEN DETERMINED, AND OF THE AUTHORITY, IF ANY, OF THE BOARD TO DIVIDE THE SHARES INTO CLASSES OR SERIES AND TO DETERMINE AND CHANGE THE RELATIVE RIGHTS, PREFERENCES AND LIMITATIONS OF ANY CLASS OR SERIES. SUCH REQUEST MAY BE MADE TO THE SECRETARY OF THE CORPORATION OR TO THE TRANSFER AGENT NAMED ON THIS CERTIFICATE.

Exhibit 5.1

Cooley

Karen E. Deschaine
+1 858 550 6088
kdeschaine@cooley.com

February 8, 2021

Talis Biomedical Corporation
230 Constitution Drive
Menlo Park, California 94025

Ladies and Gentlemen:

You have requested our opinion, as counsel to Talis Biomedical Corporation, a Delaware corporation (the "Company"), in connection with the filing by the Company of a Registration Statement (File No. 333-252360) on Form S-1 (the "Registration Statement") with the Securities and Exchange Commission, including a related prospectus filed with the Registration Statement (the "Prospectus"), covering an underwritten public offering of up to 11,500,000 shares (the "Shares") of the Company's common stock, par value $0.0001 ("Common Stock"), which includes up to 1,500,000 Shares that may be sold pursuant to the exercise of an option to purchase additional shares.

In connection with this opinion, we have (i) examined and relied upon (a) the Registration Statement and the Prospectus, (b) the Company's Amended and Restated Certificate of Incorporation, as amended, and Bylaws, each as currently in effect, (c) the Company's Amended and Restated Certificate of Incorporation, filed as Exhibit 3.2 to the Registration Statement, and the Company's Amended and Restated Bylaws, filed as Exhibit 3.4 to the Registration Statement, each of which will be in effect following the closing of the offering contemplated by the Registration Statement and (d) originals or copies certified to our satisfaction of such records, documents, certificates, memoranda and other instruments as in our judgment are necessary or appropriate to enable us to render the opinion expressed below and (ii) assumed that the Shares will be sold at a price established by the Board of Directors of the Company or a duly constituted committee thereof. We have undertaken no independent verification with respect to such matters. We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to originals of all documents submitted to us as copies, the accuracy, completeness and authenticity of certificates of public officials and the due authorization, execution and delivery of all documents by all persons other than the Company where authorization, execution and delivery are prerequisites to the effectiveness thereof. As to certain factual matters, we have relied upon a certificate of an officer of the Company and have not independently verified such matters.

Our opinion is expressed only with respect to the General Corporation Law of the State of Delaware. We express no opinion to the extent that any other laws are applicable to the subject matter hereof and express no opinion and provide no assurance as to compliance with any federal or state securities law, rule or regulation.

On the basis of the foregoing, and in reliance thereon, we are of the opinion that the Shares, when sold and issued against payment therefor as described in the Registration Statement and the Prospectus, will be validly issued, fully paid and non-assessable.

We consent to the reference to our firm under the caption “Legal Matters” in the Prospectus included in the Registration Statement and to the filing of this opinion as an exhibit to the Registration Statement.

Very truly yours,

Cooley LLP

By: /s/ Karen E. Deschaine
Karen E. Deschaine

TALIS BIOMEDICAL CORPORATION
2021 EQUITY INCENTIVE PLAN

ADOPTED BY THE BOARD OF DIRECTORS: [_____], 2021
APPROVED BY THE STOCKHOLDERS: [_____], 2021
IPO DATE: [_____], 2021

TABLE OF CONTENTS

1. GENERAL.

(a) Successor to and Continuation of Prior Plan. The Plan is the successor to and continuation of the Prior Plan. As of the Effective Date, (i) no additional awards may be granted under the Prior Plan; (ii) the Prior Plan's Available Reserve plus any Returning Shares will become available for issuance pursuant to Awards granted under this Plan; and (iii) all outstanding awards granted under the Prior Plan will remain subject to the terms of the Prior Plan (except to the extent such outstanding awards result in Returning Shares that become available for issuance pursuant to Awards granted under this Plan). All Awards granted under this Plan will be subject to the terms of this Plan.

(b) Plan Purpose. The Company, by means of the Plan, seeks to secure and retain the services of Employees, Directors and Consultants, to provide incentives for such persons to exert maximum efforts for the success of the Company and any Affiliate and to provide a means by which such persons may be given an opportunity to benefit from increases in value of the Common Stock through the granting of Awards.

(c) Available Awards. The Plan provides for the grant of the following Awards: (i) Incentive Stock Options; (ii) Nonstatutory Stock Options; (iii) SARs; (iv) Restricted Stock Awards; (v) RSU Awards; (vi) Performance Awards; and (vii) Other Awards.

(d) Adoption Date; Effective Date. The Plan will come into existence on the Adoption Date, but no Award may be granted prior to the Effective Date.

2. SHARES SUBJECT TO THE PLAN.

(a) Share Reserve. Subject to adjustment in accordance with Section 2(c) and any adjustments as necessary to implement any Capitalization Adjustments, the aggregate number of shares of Common Stock that may be issued pursuant to Awards will not exceed 12,840,904 shares, which number is the sum of: (i) 3,200,000 new shares, plus (ii) the Prior Plan's Available Reserve, plus (iii) the number of Returning Shares, if any, as such shares become available from time to time.

In addition, subject to any adjustments as necessary to implement any Capitalization Adjustments, such aggregate number of shares of Common Stock will automatically increase on January 1 of each year for a period of ten years commencing on January 1, 2022 and ending on (and including) January 1, 2031, in an amount equal to 4.0% of the total number of shares of Common Stock outstanding on December 31 of the preceding year; provided, however that the Board may act prior to January 1st of a given year to provide that the increase for such year will be a lesser number of shares of Common Stock.

(b) Aggregate Incentive Stock Option Limit. Notwithstanding anything to the contrary in Section 2(a) and subject to any adjustments as necessary to implement any Capitalization Adjustments, the aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock Options is 39,000,000 shares.

(c) Share Reserve Operation.

(i) Limit Applies to Common Stock Issued Pursuant to Awards. For clarity, the Share Reserve is a limit on the number of shares of Common Stock that may be issued pursuant to Awards and does not limit the granting of Awards, except that the Company will keep available at all times the number of shares of Common Stock reasonably required to satisfy its obligations to issue shares pursuant to such Awards. Shares may be issued in connection with a merger or acquisition as permitted by, as applicable, Nasdaq Listing Rule 5635(c), NYSE Listed Company Manual Section 303A.08, NYSE American Company Guide Section 711 or other applicable rule, and such issuance will not reduce the number of shares available for issuance under the Plan.

(ii) Actions that Do Not Constitute Issuance of Common Stock and Do Not Reduce Share Reserve. The following actions do not result in an issuance of shares under the Plan and accordingly do not reduce the number of shares subject to the Share Reserve and available for issuance under the Plan: (1) the expiration or termination of any portion of an Award without the shares covered by such portion of the Award having been issued; (2) the settlement of any portion of an Award in cash (*i.e.*, the Participant receives cash rather than Common Stock); (3) the withholding of shares that would otherwise be issued by the Company to satisfy the exercise, strike or purchase price of an Award; or (4) the withholding of shares that would otherwise be issued by the Company to satisfy a tax withholding obligation in connection with an Award.

(iii) Reversion of Previously Issued Shares of Common Stock to Share Reserve. The following shares of Common Stock previously issued pursuant to an Award and accordingly initially deducted from the Share Reserve will be added back to the Share Reserve and again become available for issuance under the Plan: (1) any shares that are forfeited back to or repurchased by the Company because of a failure to meet a contingency or condition required for the vesting of such shares; (2) any shares that are reacquired by the Company to satisfy the exercise, strike or purchase price of an Award; and (3) any shares that are reacquired by the Company to satisfy a tax withholding obligation in connection with an Award.

3. ELIGIBILITY AND LIMITATIONS.

(a) Eligible Award Recipients. Subject to the terms of the Plan, Employees, Directors and Consultants are eligible to receive Awards.

(b) Specific Award Limitations.

(i) Limitations on Incentive Stock Option Recipients. Incentive Stock Options may be granted only to Employees of the Company or a "parent corporation" or "subsidiary corporation" thereof (as such terms are defined in Sections 424(e) and (f) of the Code).

(ii) Incentive Stock Option $100,000 Limitation. To the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and any Affiliates) exceeds $100,000 (or such other limit established in the Code) or otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with such rules will be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option Agreement(s).

(iii) Limitations on Incentive Stock Options Granted to Ten Percent Stockholders. A Ten Percent Stockholder may not be granted an Incentive Stock Option unless (i) the exercise price of such Option is at least 110% of the Fair Market Value on the date of grant of such Option and (ii) the Option is not exercisable after the expiration of five years from the date of grant of such Option.

(iv) Limitations on Nonstatutory Stock Options and SARs. Nonstatutory Stock Options and SARs may not be granted to Employees, Directors and Consultants who are providing Continuous Service only to any "parent" of the Company (as such term is defined in Rule 405) unless the stock underlying such Awards is treated as "service recipient stock" under Section 409A because the Awards are granted pursuant to a corporate transaction (such as a spin off transaction) or unless such Awards otherwise comply with the distribution requirements of Section 409A.

(c) Aggregate Incentive Stock Option Limit. The aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock Options is the number of shares specified in Section 2(b).

(d) Non-Employee Director Compensation Limit. The aggregate value of all compensation granted or paid, as applicable, to any individual for service as a Non-Employee Director with respect to any period commencing on the date of the Company's Annual Meeting of Stockholders for a particular year and ending on the day immediately prior to the date of the Company's Annual Meeting of Stockholders for the next subsequent year (the "***Annual Period***"), including Awards granted and cash fees paid by the Company to such Non-Employee Director, will not exceed (i) $750,000 in total value or (ii) in the event such Non-Employee Director is first appointed or elected to the Board during such Annual Period, $1,000,000 in total value, in each case calculating the value of any equity awards based on the grant date fair value of such equity awards for financial reporting purposes. The limitations in this Section 3(d) shall apply commencing with the Annual Period that begins on the Company's first Annual Meeting of Stockholders following the Effective Date.

4. OPTIONS AND STOCK APPRECIATION RIGHTS.

Each Option and SAR will have such terms and conditions as determined by the Board. Each Option will be designated in writing as an Incentive Stock Option or Nonstatutory Stock Option at the time of grant; provided, however, that if an Option is not so designated, then such Option will be a Nonstatutory Stock Option, and the shares purchased upon exercise of each type of Option will be separately accounted for. Each SAR will be denominated in shares of Common Stock equivalents. The terms and conditions of separate Options and SARs need not be identical; provided, however, that each Option Agreement and SAR Agreement will conform (through incorporation of provisions hereof by reference in the Award Agreement or otherwise) to the substance of each of the following provisions:

(a) Term. Subject to Section 3(b) regarding Ten Percent Stockholders, no Option or SAR will be exercisable after the expiration of ten years from the date of grant of such Award or such shorter period specified in the Award Agreement.

(b) Exercise or Strike Price. Subject to Section 3(b) regarding Ten Percent Stockholders, the exercise or strike price of each Option or SAR will not be less than 100% of the Fair Market Value on the date of grant of such Award. Notwithstanding the foregoing, an Option or SAR may be granted with an exercise or strike price lower than 100% of the Fair Market Value on the date of grant of such Award if such Award is granted pursuant to an assumption of or substitution for another option or stock appreciation right pursuant to a Corporate Transaction and in a manner consistent with the provisions of Sections 409A and, if applicable, 424(a) of the Code.

(c) Exercise Procedure and Payment of Exercise Price for Options. In order to exercise an Option, the Participant must provide notice of exercise to the Plan Administrator in accordance with the procedures specified in the Option Agreement or otherwise provided by the Company. The Board has the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to use certain methods) and to grant Options that require the consent of the Company to utilize a particular method of payment. The exercise price of an Option may be paid, to the extent permitted by Applicable Law and as determined by the Board, by one or more of the following methods of payment to the extent set forth in the Option Agreement:

(i) by cash or check, bank draft or money order payable to the Company;

(ii) pursuant to a "cashless exercise" program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of the Common Stock subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the exercise price to the Company from the sales proceeds;

(iii) by delivery to the Company (either by actual delivery or attestation) of shares of Common Stock that are already owned by the Participant free and clear of any liens, claims, encumbrances or security interests, with a Fair Market Value on the date of exercise that does not exceed the exercise price, provided that (1) at the time of exercise the Common Stock is publicly traded, (2) any remaining balance of the exercise price not satisfied by such delivery is paid by the Participant in cash or other permitted form of payment, (3) such delivery would not violate any Applicable Law or agreement restricting the redemption of the Common Stock, (4) any certificated shares are endorsed or accompanied by an executed assignment separate from certificate, and (5) such shares have been held by the Participant for any minimum period necessary to avoid adverse accounting treatment as a result of such delivery;

(iv) if the Option is a Nonstatutory Stock Option, by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Common Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value on the date of exercise that does not exceed the exercise price, provided that (1) such shares used to pay the exercise price will not be exercisable thereafter and (2) any remaining balance of the exercise price not satisfied by such net exercise is paid by the Participant in cash or other permitted form of payment; or

(v) in any other form of consideration that may be acceptable to the Board and permissible under Applicable Law.

(d) Exercise Procedure and Payment of Appreciation Distribution for SARs. In order to exercise any SAR, the Participant must provide notice of exercise to the Plan Administrator in accordance with the SAR Agreement. The appreciation distribution payable to a Participant upon the exercise of a SAR will not be greater than an amount equal to the excess of (i) the aggregate Fair Market Value on the date of exercise of a number of shares of Common Stock equal to the number of Common Stock equivalents that are vested and being exercised under such SAR, over (ii) the strike price of such SAR. Such appreciation distribution may be paid to the Participant in the form of Common Stock or cash (or any combination of Common Stock and cash) or in any other form of payment, as determined by the Board and specified in the SAR Agreement.

(e) Transferability. Options and SARs may not be transferred to third party financial institutions for value. The Board may impose such additional limitations on the transferability of an Option or SAR as it determines. In the absence of any such determination by the Board, the following restrictions on the transferability of Options and SARs will apply, provided that except as explicitly provided herein, neither an Option nor a SAR may be transferred for consideration and *provided, further*, that if an Option is an Incentive Stock Option, such Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer:

(i) Restrictions on Transfer. An Option or SAR will not be transferable, except by will or by the laws of descent and distribution, and will be exercisable during the lifetime of the Participant only by the Participant; provided, however, that the Board may permit transfer of an Option or SAR in a manner that is not prohibited by applicable tax and securities laws upon the Participant's request, including to a trust if the Participant is considered to be the sole beneficial owner of such trust (as determined under Section 671 of the Code and applicable state law) while such Option or SAR is held in such trust, provided that the Participant and the trustee enter into a transfer and other agreements required by the Company.

(ii) Domestic Relations Orders. Notwithstanding the foregoing, subject to the execution of transfer documentation in a format acceptable to the Company and subject to the approval of the Board or a duly authorized Officer, an Option or SAR may be transferred pursuant to a domestic relations order.

(f) Vesting. The Board may impose such restrictions on or conditions to the vesting and/or exercisability of an Option or SAR as determined by the Board. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, vesting of Options and SARs will cease upon termination of the Participant's Continuous Service.

(g) Termination of Continuous Service for Cause. Except as explicitly otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service is terminated for Cause, the Participant's Options and SARs will terminate and be forfeited immediately upon such termination of Continuous Service, and the Participant will be prohibited from exercising any portion (including any vested portion) of such Awards on and after the date of such termination of Continuous Service and the Participant will have no further right, title or interest in such forfeited Award, the shares of Common Stock subject to the forfeited Award, or any consideration in respect of the forfeited Award.

(h) Post-Termination Exercise Period Following Termination of Continuous Service for Reasons Other than Cause. Subject to Section 4(i), if a Participant's Continuous Service terminates for any reason other than for Cause, the Participant may exercise his or her Option or SAR to the extent vested, but only within the following period of time or, if applicable, such other period of time provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate; provided, however, that in no event may such Award be exercised after the expiration of its maximum term (as set forth in Section 4(a)):

(i) three months following the date of such termination if such termination is a termination without Cause (other than any termination due to the Participant's Disability or death);

(ii) 12 months following the date of such termination if such termination is due to the Participant's Disability;

(iii) 18 months following the date of such termination if such termination is due to the Participant's death; or

(iv) 18 months following the date of the Participant's death if such death occurs following the date of such termination but during the period such Award is otherwise exercisable (as provided in (i) or (ii) above).

Following the date of such termination, to the extent the Participant does not exercise such Award within the applicable Post-Termination Exercise Period (or, if earlier, prior to the expiration of the maximum term of such Award), such unexercised portion of the Award will terminate, and the Participant will have no further right, title or interest in the terminated Award, the shares of Common Stock subject to the terminated Award, or any consideration in respect of the terminated Award.

(i) Restrictions on Exercise; Extension of Exercisability. A Participant may not exercise an Option or SAR at any time that the issuance of shares of Common Stock upon such exercise would violate Applicable Law. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service terminates for any reason other than for Cause and, at any time during the last thirty days of the applicable Post-Termination Exercise Period: (i) the exercise of the Participant's Option or SAR would be prohibited solely because the issuance of shares of Common Stock upon such exercise would violate Applicable Law, or (ii) the immediate sale of any shares of Common

Stock issued upon such exercise would violate the Company's Trading Policy, then the applicable Post-Termination Exercise Period will be extended to the last day of the calendar month that commences following the date the Award would otherwise expire, with an additional extension of the exercise period to the last day of the next calendar month to apply if any of the foregoing restrictions apply at any time during such extended exercise period, generally without limitation as to the maximum permitted number of extensions); provided, however, that in no event may such Award be exercised after the expiration of its maximum term (as set forth in Section 4(a)).

(j) Non-Exempt Employees. No Option or SAR, whether or not vested, granted to an Employee who is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, will be first exercisable for any shares of Common Stock until at least six months following the date of grant of such Award. Notwithstanding the foregoing, in accordance with the provisions of the Worker Economic Opportunity Act, any vested portion of such Award may be exercised earlier than six months following the date of grant of such Award in the event of (i) such Participant's death or Disability, (ii) a Corporate Transaction in which such Award is not assumed, continued or substituted, (iii) a Change in Control, or (iv) such Participant's retirement (as such term may be defined in the Award Agreement or another applicable agreement or, in the absence of any such definition, in accordance with the Company's then current employment policies and guidelines). This Section 4(j) is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an Option or SAR will be exempt from his or her regular rate of pay.

(k) Whole Shares. Options and SARs may be exercised only with respect to whole shares of Common Stock or their equivalents.

5. AWARDS OTHER THAN OPTIONS AND STOCK APPRECIATION RIGHTS.

(a) Restricted Stock Awards and RSU Awards. Each Restricted Stock Award and RSU Award will have such terms and conditions as determined by the Board; provided, however, that each Restricted Stock Award Agreement and RSU Award Agreement will conform (through incorporation of the provisions hereof by reference in the Award Agreement or otherwise) to the substance of each of the following provisions:

(i) Form of Award.

(1) RSAs: To the extent consistent with the Company's Bylaws, at the Board's election, shares of Common Stock subject to a Restricted Stock Award may be (i) held in book entry form subject to the Company's instructions until such shares become vested or any other restrictions lapse, or (ii) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. Unless otherwise determined by the Board, a Participant will have voting and other rights as a stockholder of the Company with respect to any shares subject to a Restricted Stock Award.

(2) RSUs: An RSU Award represents a Participant's right to be issued on a future date the number of shares of Common Stock that is equal to the number of restricted stock units subject to the RSU Award. As a holder of an RSU Award, a Participant is an unsecured creditor of the Company with respect to the Company's unfunded obligation, if any, to issue shares of Common Stock in settlement of such Award and nothing contained in the Plan or any RSU Agreement, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between a Participant and the Company or an Affiliate or any other person. A Participant will not have voting or any other rights as a stockholder of the Company with respect to any RSU Award (unless and until shares are actually issued in settlement of a vested RSU Award).

(ii) Consideration.

(1) RSA: A Restricted Stock Award may be granted in consideration for (A) cash or check, bank draft or money order payable to the Company, (B) past services to the Company or an Affiliate, or (C) any other form of consideration (including future services) as the Board may determine and permissible under Applicable Law.

(2) RSU: Unless otherwise determined by the Board at the time of grant, an RSU Award will be granted in consideration for the Participant's services to the Company or an Affiliate, such that the Participant will not be required to make any payment to the Company (other than such services) with respect to the grant or vesting of the RSU Award, or the issuance of any shares of Common Stock pursuant to the RSU Award. If, at the time of grant, the Board determines that any consideration must be paid by the Participant (in a form other than the Participant's services to the Company or an Affiliate) upon the issuance of any shares of Common Stock in settlement of the RSU Award, such consideration may be paid in any form of consideration as the Board may determine and permissible under Applicable Law.

(iii) Vesting. The Board may impose such restrictions on or conditions to the vesting of a Restricted Stock Award or RSU Award as determined by the Board. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, vesting of Restricted Stock Awards and RSU Awards will cease upon termination of the Participant's Continuous Service.

(iv) Termination of Continuous Service. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service terminates for any reason, (i) the Company may receive through a forfeiture condition or a repurchase right any or all of the shares of Common Stock held by the Participant under his or her Restricted Stock Award that have not vested as of the date of such termination as set forth in the Restricted Stock Award Agreement and (ii) any portion of his or her RSU Award that has not vested will be forfeited upon such termination and the Participant will have no further right, title or interest in the RSU Award, the shares of Common Stock issuable pursuant to the RSU Award, or any consideration in respect of the RSU Award.

(v) Dividends and Dividend Equivalents. Dividends or dividend equivalents may be paid or credited, as applicable, with respect to any shares of Common Stock subject to a Restricted Stock Award or RSU Award, as determined by the Board and specified in the Award Agreement).

(vi) Settlement of RSU Awards. An RSU Award may be settled by the issuance of shares of Common Stock or cash (or any combination thereof) or in any other form of payment, as determined by the Board and specified in the RSU Award Agreement. At the time of grant, the Board may determine to impose such restrictions or conditions that delay such delivery to a date following the vesting of the RSU Award.

(b) Performance Awards. With respect to any Performance Award, the length of any Performance Period, the Performance Goals to be achieved during the Performance Period, the other terms and conditions of such Award, and the measure of whether and to what degree such Performance Goals have been attained will be determined by the Board.

(c) Other Awards. Other forms of Awards valued in whole or in part by reference to, or otherwise based on, Common Stock, including the appreciation in value thereof (e.g., options or stock rights with an exercise price or strike price less than 100% of the Fair Market Value at the time of grant) may be granted either alone or in addition to Awards provided for under Section 4 and the preceding provisions of this Section 5. Subject to the provisions of the Plan, the Board will have sole and complete discretion to determine the persons to whom and the time or times at which such Other Awards will be granted, the number of shares of Common Stock (or the cash equivalent thereof) to be granted pursuant to such Other Awards and all other terms and conditions of such Other Awards.

6. ADJUSTMENTS UPON CHANGES IN COMMON STOCK; OTHER CORPORATE EVENTS.

(a) Capitalization Adjustments. In the event of a Capitalization Adjustment, the Board shall appropriately and proportionately adjust: (i) the class(es) and maximum number of shares of Common Stock subject to the Plan and the maximum number of shares by which the Share Reserve may annually increase pursuant to Section 2(a); (ii) the class(es) and maximum number of shares that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 2(a); and (iii) the class(es) and number of securities and exercise price, strike price or purchase price of Common Stock subject to outstanding Awards. The Board shall make such adjustments, and its determination shall be final, binding and conclusive. Notwithstanding the foregoing, no fractional shares or rights for fractional shares of Common Stock shall be created in order to implement any Capitalization Adjustment. The Board shall determine an appropriate equivalent benefit, if any, for any fractional shares or rights to fractional shares that might be created by the adjustments referred to in the preceding provisions of this Section.

(b) Dissolution or Liquidation. Except as otherwise provided in the Award Agreement, in the event of a dissolution or liquidation of the Company, all outstanding Awards (other than Awards consisting of vested and outstanding shares of Common Stock not subject to a forfeiture condition or the Company's right of repurchase) will terminate immediately prior to the completion of such dissolution or liquidation, and the shares of Common Stock subject to the Company's repurchase rights or subject to a forfeiture condition may be repurchased or reacquired by the Company notwithstanding the fact that the holder of such Award is providing Continuous Service, provided, however, that the Board may determine to cause some or all Awards to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Awards have not previously expired or terminated) before the dissolution or liquidation is completed but contingent on its completion.

(c) Corporate Transaction. The following provisions will apply to Awards in the event of a Corporate Transaction except as set forth in Section 11, and unless otherwise provided in the instrument evidencing the Award or any other written agreement between the Company or any Affiliate and the Participant or unless otherwise expressly provided by the Board at the time of grant of an Award.

(i) Awards May Be Assumed. In the event of a Corporate Transaction, any surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) may assume or continue any or all Awards outstanding under the Plan or may substitute similar awards for Awards outstanding under the Plan (including but not limited to, awards to acquire the same consideration paid to the stockholders of the Company pursuant to the Corporate Transaction), and any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to Awards may be assigned by the Company to the successor of the Company (or the successor's parent company, if any), in connection with such Corporate Transaction. A surviving corporation or acquiring corporation (or its parent) may choose to assume or continue only a portion of an Award or substitute a similar award for only a portion of an Award, or may choose to assume or continue the Awards held by some, but not all Participants. The terms of any assumption, continuation or substitution will be set by the Board.

(ii) Awards Held by Current Participants. In the event of a Corporate Transaction in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue such outstanding Awards or substitute similar awards for such outstanding Awards, then with respect to Awards that have not been assumed, continued or substituted and that are held by Participants whose Continuous Service has not terminated prior to the effective time of the Corporate Transaction (referred to as the "***Current Participants***"), the vesting of such Awards (and, with respect to Options and Stock Appreciation Rights, the time when such Awards may be exercised) will be accelerated in full to a date prior to the effective time of such Corporate Transaction (contingent upon the effectiveness of the Corporate Transaction) as the Board determines (or, if the Board does not determine such a date, to the date that is five days prior to the effective time of the Corporate Transaction), and such Awards will terminate if not exercised (if applicable) at or prior to the effective time of the Corporate Transaction, and any reacquisition or repurchase rights held by the Company with respect to such Awards will lapse (contingent upon the effectiveness of the Corporate Transaction). With respect to the vesting of Performance Awards that will accelerate upon the occurrence of a Corporate Transaction pursuant to this subsection (ii) and that have multiple vesting levels depending on the level of performance, unless otherwise provided in the Award Agreement, the vesting of such Performance Awards will accelerate at 100% of the target level upon the occurrence of the Corporate Transaction. With respect to the vesting of Awards that will accelerate upon the occurrence of a Corporate Transaction pursuant to this subsection (ii) and are settled in the form of a cash payment, such cash payment will be made no later than 30 days following the occurrence of the Corporate Transaction.

(iii) Awards Held by Persons other than Current Participants. In the event of a Corporate Transaction in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue such outstanding Awards or substitute similar awards for such outstanding Awards, then with respect to Awards that have not been assumed, continued or substituted and that are held by persons other than Current Participants, such Awards will terminate if not exercised (if applicable) prior to the occurrence of the Corporate Transaction; provided, however, that any reacquisition or repurchase rights held by the Company with respect to such Awards will not terminate and may continue to be exercised notwithstanding the Corporate Transaction.

(iv) Payment for Awards in Lieu of Exercise. Notwithstanding the foregoing, in the event an Award will terminate if not exercised prior to the effective time of a Corporate Transaction, the Board may provide, in its sole discretion, that the holder of such Award may not exercise such Award but will receive a payment, in such form as may be determined by the Board, equal in value, at the effective time, to the excess, if any, of (1) the value of the property the Participant would have received upon the exercise of the Award (including, at the discretion of the Board, any unvested portion of such Award), over (2) any exercise price payable by such holder in connection with such exercise.

(d) Appointment of Stockholder Representative. As a condition to the receipt of an Award under this Plan, a Participant will be deemed to have agreed that the Award will be subject to the terms of any agreement governing a Corporate Transaction involving the Company, including, without limitation, a provision for the appointment of a stockholder representative that is authorized to act on the Participant's behalf with respect to any escrow, indemnities and any contingent consideration.

(e) No Restriction on Right to Undertake Transactions. The grant of any Award under the Plan and the issuance of shares pursuant to any Award does not affect or restrict in any way the right or power of the Company or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of stock or of options, rights or options to purchase stock or of bonds, debentures, preferred or prior preference stocks whose rights are superior to or affect the Common Stock or the rights thereof or which are convertible into or exchangeable for Common Stock, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

7. ADMINISTRATION.

(a) Administration by Board. The Board will administer the Plan unless and until the Board delegates administration of the Plan to a Committee or Committees, as provided in subsection (c) below.

(b) Powers of Board. The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine from time to time (1) which of the persons eligible under the Plan will be granted Awards; (2) when and how each Award will be granted; (3) what type or combination of types of Award will be granted; (4) the provisions of each Award granted (which need not be identical), including the time or times when a person will be permitted to receive an issuance of Common Stock or other payment pursuant to an Award; (5) the number of shares of Common Stock or cash equivalent with respect to which an Award will be granted to each such person; (6) the Fair Market Value applicable to an Award; and (7) the terms of any Performance Award that is not valued in whole or in part by reference to, or otherwise based on, the Common Stock, including the amount of cash payment or other property that may be earned and the timing of payment.

(ii) To construe and interpret the Plan and Awards granted under it, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan or in any Award Agreement, in a manner and to the extent it deems necessary or expedient to make the Plan or Award fully effective.

(iii) To settle all controversies regarding the Plan and Awards granted under it.

(iv) To accelerate the time at which an Award may first be exercised or the time during which an Award or any part thereof will vest, notwithstanding the provisions in the Award Agreement stating the time at which it may first be exercised or the time during which it will vest.

(v) To prohibit the exercise of any Option, SAR or other exercisable Award during a period of up to 30 days prior to the consummation of any pending stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other change affecting the shares of Common Stock or the share price of the Common Stock including any Corporate Transaction, for reasons of administrative convenience.

(vi) To suspend or terminate the Plan at any time. Suspension or termination of the Plan will not Materially Impair rights and obligations under any Award granted while the Plan is in effect except with the written consent of the affected Participant.

(vii) To amend the Plan in any respect the Board deems necessary or advisable; provided, however, that stockholder approval will be required for any amendment to the extent required by Applicable Law. Except as provided above, rights under any Award granted before amendment of the Plan will not be Materially Impaired by any amendment of the Plan unless (1) the Company requests the consent of the affected Participant, and (2) such Participant consents in writing.

(viii) To submit any amendment to the Plan for stockholder approval.

(ix) To approve forms of Award Agreements for use under the Plan and to amend the terms of any one or more Awards, including, but not limited to, amendments to provide terms more favorable to the Participant than previously provided in the Award Agreement, subject to any specified limits in the Plan that are not subject to Board discretion; *provided however*, that, a Participant's rights under any Award will not be Materially Impaired by any such amendment unless (1) the Company requests the consent of the affected Participant, and (2) such Participant consents in writing.

(x) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company and that are not in conflict with the provisions of the Plan or Awards.

(xi) To adopt such procedures and sub-plans as are necessary or appropriate to permit and facilitate participation in the Plan by, or take advantage of specific tax treatment for Awards granted to, Employees, Directors or Consultants who are foreign nationals or employed outside the United States (provided that Board approval will not be necessary for immaterial modifications to the Plan or any Award Agreement to ensure or facilitate compliance with the laws of the relevant foreign jurisdiction).

(xii) To effect, at any time and from time to time, subject to the consent of any Participant whose Award is Materially Impaired by such action, (1) the reduction of the exercise price (or strike price) of any outstanding Option or SAR; (2) the cancellation of any outstanding Option or SAR and the grant in substitution therefor of (A) a new Option, SAR, Restricted Stock Award, RSU Award or Other Award, under the Plan or another equity plan of the Company, covering the same or a different number of shares of Common Stock, (B) cash and/or (C) other valuable consideration (as determined by the Board); or (3) any other action that is treated as a repricing under generally accepted accounting principles.

(c) Delegation to Committee.

(i) General. The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration of the Plan is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to another Committee or a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. Each Committee may retain the authority to concurrently administer the Plan with Committee or subcommittee to which it has delegated its authority hereunder and may, at any time, revest in such Committee some or all of the powers previously delegated. The Board may retain the authority to concurrently administer the Plan with any Committee and may, at any time, revest in the Board some or all of the powers previously delegated.

(ii) Rule 16b-3 Compliance. To the extent an Award is intended to qualify for the exemption from Section 16(b) of the Exchange Act that is available under Rule 16b-3 of the Exchange Act, the Award will be granted by the Board or a Committee that consists solely of two or more Non-Employee Directors, as determined under Rule 16b-3(b)(3) of the Exchange Act and thereafter any action establishing or modifying the terms of the Award will be approved by the Board or a Committee meeting such requirements to the extent necessary for such exemption to remain available.

(d) Effect of Board's Decision. All determinations, interpretations and constructions made by the Board or any Committee in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

(e) Delegation to an Officer. The Board or any Committee may delegate to one or more Officers the authority to do one or both of the following (i) designate Employees who are not Officers to be recipients of Options and SARs (and, to the extent permitted by Applicable Law, other types of Awards) and, to the extent permitted by Applicable Law, the terms thereof, and (ii) determine the number of shares of Common Stock to be subject to such Awards granted to such Employees; provided, however, that the resolutions or charter adopted by the Board or any Committee evidencing such delegation will specify the total number of shares of Common Stock that may be subject to the Awards granted by such Officer and that such Officer may not grant an Award to himself or herself. Any such Awards will be granted on the applicable form of Award Agreement most recently approved for use by the Board or the Committee, unless otherwise provided in the resolutions approving the delegation authority. Notwithstanding anything to the contrary herein, neither the Board nor any Committee may delegate to an Officer who is acting solely in the capacity of an Officer (and not also as a Director) the authority to determine the Fair Market Value.

8. TAX WITHHOLDING

(a) Withholding Authorization. As a condition to acceptance of any Award under the Plan, a Participant authorizes withholding from payroll and any other amounts payable to such Participant, and otherwise agrees to make adequate provision for (including), any sums required to satisfy any U.S. federal, state, local and/or foreign tax or social insurance contribution withholding obligations of the Company or an Affiliate, if any, which arise in connection with the exercise, vesting or settlement of such Award, as applicable. Accordingly, a Participant may not be able to exercise an Award even though the Award is vested, and the Company shall have no obligation to issue shares of Common Stock subject to an Award, unless and until such obligations are satisfied.

(b) Satisfaction of Withholding Obligation. To the extent permitted by the terms of an Award Agreement, the Company may, in its sole discretion, satisfy any U.S. federal, state, local and/or foreign tax or social insurance withholding obligation relating to an Award by any of the following means or by a combination of such means: (i) causing the Participant to tender a cash payment; (ii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to the Participant in connection with the Award; (iii) withholding cash from an Award settled in cash; (iv) withholding payment from any amounts otherwise payable to the Participant; (v) by allowing a Participant to effectuate a “cashless exercise” pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board; or (vi) by such other method as may be set forth in the Award Agreement.

(c) No Obligation to Notify or Minimize Taxes; No Liability to Claims. Except as required by Applicable Law the Company has no duty or obligation to any Participant to advise such holder as to the time or manner of exercising such Award. Furthermore, the Company has no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of an Award to the holder of such Award and will not be liable to any holder of an Award for any adverse tax consequences to such holder in connection with an Award. As a condition to accepting an Award under the Plan, each Participant (i) agrees to not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from such Award or other Company compensation and (ii) acknowledges that such Participant was advised to consult with his or her own personal tax, financial and other legal advisors regarding the tax consequences of

the Award and has either done so or knowingly and voluntarily declined to do so. Additionally, each Participant acknowledges any Option or SAR granted under the Plan is exempt from Section 409A only if the exercise or strike price is at least equal to the "fair market value" of the Common Stock on the date of grant as determined by the Internal Revenue Service and there is no other impermissible deferral of compensation associated with the Award. Additionally, as a condition to accepting an Option or SAR granted under the Plan, each Participant agrees not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates in the event that the Internal Revenue Service asserts that such exercise price or strike price is less than the "fair market value" of the Common Stock on the date of grant as subsequently determined by the Internal Revenue Service.

(d) Withholding Indemnification. As a condition to accepting an Award under the Plan, in the event that the amount of the Company's and/or its Affiliate's withholding obligation in connection with such Award was greater than the amount actually withheld by the Company and/or its Affiliates, each Participant agrees to indemnify and hold the Company and/or its Affiliates harmless from any failure by the Company and/or its Affiliates to withhold the proper amount.

9. MISCELLANEOUS.

(a) Source of Shares. The stock issuable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market or otherwise.

(b) Use of Proceeds from Sales of Common Stock. Proceeds from the sale of shares of Common Stock pursuant to Awards will constitute general funds of the Company.

(c) Corporate Action Constituting Grant of Awards. Corporate action constituting a grant by the Company of an Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action approving the grant contain terms (e.g., exercise price, vesting schedule or number of shares) that are inconsistent with those in the Award Agreement or related grant documents as a result of a clerical error in the Award Agreement or related grant documents, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Award Agreement or related grant documents.

(d) Stockholder Rights. No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to such Award unless and until (i) such Participant has satisfied all requirements for exercise of the Award pursuant to its terms, if applicable, and (ii) the issuance of the Common Stock subject to such Award is reflected in the records of the Company.

(e) No Employment or Other Service Rights. Nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award granted pursuant thereto will confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or affect the right of the Company or an Affiliate to terminate at will and without regard to any future vesting opportunity that a Participant may have with respect to any Award (i) the employment of an Employee with or without notice and with or without cause, (ii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the Bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state or foreign jurisdiction in which the Company or the Affiliate is incorporated, as the case may be. Further, nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award will constitute any promise or commitment by the Company or an Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or service or confer any right or benefit under the Award or the Plan unless such right or benefit has specifically accrued under the terms of the Award Agreement and/or Plan.

(f) Change in Time Commitment. In the event a Participant's regular level of time commitment in the performance of his or her services for the Company and any Affiliates is reduced (for example, and without limitation, if the Participant is an Employee of the Company and the Employee has a change in status from a full-time Employee to a part-time Employee or takes an extended leave of absence) after the date of grant of any Award to the Participant, the Board may determine, to the extent permitted by Applicable Law, to (i) make a corresponding reduction in the number of shares or cash amount subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment, and (ii) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced or extended.

(g) Execution of Additional Documents. As a condition to accepting an Award under the Plan, the Participant agrees to execute any additional documents or instruments necessary or desirable, as determined in the Plan Administrator's sole discretion, to carry out the purposes or intent of the Award, or facilitate compliance with securities and/or other regulatory requirements, in each case at the Plan Administrator's request.

(h) Electronic Delivery and Participation. Any reference herein or in an Award Agreement to a "written" agreement or document will include any agreement or document delivered electronically, filed publicly at www.sec.gov (or any successor website thereto) or posted on the Company's intranet (or other shared electronic medium controlled by the Company to which the Participant has access). By accepting any Award the Participant consents to receive documents by electronic delivery and to participate in the Plan through any on-line electronic system established and maintained by the Plan Administrator or another third party selected by the Plan Administrator. The form of delivery of any Common Stock (e.g., a stock certificate or electronic entry evidencing such shares) shall be determined by the Company.

(i) Clawback/Recovery. All Awards granted under the Plan will be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other Applicable Law and any clawback policy that the Company

otherwise adopts, to the extent applicable and permissible under Applicable Law. In addition, the Board may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired shares of Common Stock or other cash or property upon the occurrence of Cause. No recovery of compensation under such a clawback policy will be an event giving rise to a Participant's right to voluntary terminate employment upon a "resignation for good reason," or for a "constructive termination" or any similar term under any plan of or agreement with the Company.

(j) Securities Law Compliance. A Participant will not be issued any shares in respect of an Award unless either (i) the shares are registered under the Securities Act; or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. Each Award also must comply with other Applicable Law governing the Award, and a Participant will not receive such shares if the Company determines that such receipt would not be in material compliance with Applicable Law.

(k) Transfer or Assignment of Awards; Issued Shares. Except as expressly provided in the Plan or the form of Award Agreement, Awards granted under the Plan may not be transferred or assigned by the Participant. After the vested shares subject to an Award have been issued, or in the case of Restricted Stock and similar awards, after the issued shares have vested, the holder of such shares is free to assign, hypothecate, donate, encumber or otherwise dispose of any interest in such shares provided that any such actions are in compliance with the provisions herein, the terms of the Trading Policy and Applicable Law.

(l) Effect on Other Employee Benefit Plans. The value of any Award granted under the Plan, as determined upon grant, vesting or settlement, shall not be included as compensation, earnings, salaries, or other similar terms used when calculating any Participant's benefits under any employee benefit plan sponsored by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's or any Affiliate's employee benefit plans.

(m) Deferrals. To the extent permitted by Applicable Law, the Board, in its sole discretion, may determine that the delivery of Common Stock or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Award may be deferred and may also establish programs and procedures for deferral elections to be made by Participants. Deferrals will be made in accordance with the requirements of Section 409A.

(n) Section 409A. Unless otherwise expressly provided for in an Award Agreement, the Plan and Award Agreements will be interpreted to the greatest extent possible in a manner that makes the Plan and the Awards granted hereunder exempt from Section 409A, and, to the extent not so exempt, in compliance with the requirements of Section 409A. If the Board determines that any Award granted hereunder is not exempt from and is therefore subject to Section 409A, the Award Agreement evidencing such Award will incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code, and to the extent an Award Agreement is silent on terms necessary for compliance, such terms are hereby incorporated by reference into the Award Agreement. Notwithstanding anything to the contrary in this Plan (and unless the Award Agreement specifically provides otherwise), if the shares of Common Stock are

publicly traded, and if a Participant holding an Award that constitutes "deferred compensation" under Section 409A is a "specified employee" for purposes of Section 409A, no distribution or payment of any amount that is due because of a "separation from service" (as defined in Section 409A without regard to alternative definitions thereunder) will be issued or paid before the date that is six months and one day following the date of such Participant's "separation from service" or, if earlier, the date of the Participant's death, unless such distribution or payment can be made in a manner that complies with Section 409A, and any amounts so deferred will be paid in a lump sum on the day after such six month period elapses, with the balance paid thereafter on the original schedule.

(o) CHOICE OF LAW. This Plan and any controversy arising out of or relating to this Plan shall be governed by, and construed in accordance with, the internal laws of the State of Delaware, without regard to conflict of law principles that would result in any application of any law other than the law of the State of Delaware.

10. COVENANTS OF THE COMPANY.

(a) Compliance with Law. The Company will seek to obtain from each regulatory commission or agency, as may be deemed to be necessary, having jurisdiction over the Plan such authority as may be required to grant Awards and to issue and sell shares of Common Stock upon exercise or vesting of the Awards; provided, however, that this undertaking will not require the Company to register under the Securities Act the Plan, any Award or any Common Stock issued or issuable pursuant to any such Award. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary or advisable for the lawful issuance and sale of Common Stock under the Plan, the Company will be relieved from any liability for failure to issue and sell Common Stock upon exercise or vesting of such Awards unless and until such authority is obtained. A Participant is not eligible for the grant of an Award or the subsequent issuance of Common Stock pursuant to the Award if such grant or issuance would be in violation of any Applicable Law.

11. ADDITIONAL RULES FOR AWARDS SUBJECT TO SECTION 409A.

(a) Application. Unless the provisions of this Section of the Plan are expressly superseded by the provisions in the form of Award Agreement, the provisions of this Section shall apply and shall supersede anything to the contrary set forth in the Award Agreement for a Non-Exempt Award.

(b) Non-Exempt Awards Subject to Non-Exempt Severance Arrangements. To the extent a Non-Exempt Award is subject to Section 409A due to application of a Non-Exempt Severance Arrangement, the following provisions of this subsection (b) apply.

(i) If the Non-Exempt Award vests in the ordinary course during the Participant's Continuous Service in accordance with the vesting schedule set forth in the Award Agreement, and does not accelerate vesting under the terms of a Non-Exempt Severance Arrangement, in no event will the shares be issued in respect of such Non-Exempt Award any later than the later of: (i) December 31st of the calendar year that includes the applicable vesting date, or (ii) the 60th day that follows the applicable vesting date.

(ii) If vesting of the Non-Exempt Award accelerates under the terms of a Non-Exempt Severance Arrangement in connection with the Participant's Separation from Service, and such vesting acceleration provisions were in effect as of the date of grant of the Non-Exempt Award and, therefore, are part of the terms of such Non-Exempt Award as of the date of grant, then the shares will be earlier issued in settlement of such Non-Exempt Award upon the Participant's Separation from Service in accordance with the terms of the Non-Exempt Severance Arrangement, but in no event later than the 60th day that follows the date of the Participant's Separation from Service. However, if at the time the shares would otherwise be issued the Participant is subject to the distribution limitations contained in Section 409A applicable to "specified employees," as defined in Section 409A(a)(2)(B)(i) of the Code, such shares shall not be issued before the date that is six months following the date of such Participant's Separation from Service, or, if earlier, the date of the Participant's death that occurs within such six month period.

(iii) If vesting of a Non-Exempt Award accelerates under the terms of a Non-Exempt Severance Arrangement in connection with a Participant's Separation from Service, and such vesting acceleration provisions were not in effect as of the date of grant of the Non-Exempt Award and, therefore, are not a part of the terms of such Non-Exempt Award on the date of grant, then such acceleration of vesting of the Non-Exempt Award shall not accelerate the issuance date of the shares, but the shares shall instead be issued on the same schedule as set forth in the Grant Notice as if they had vested in the ordinary course during the Participant's Continuous Service, notwithstanding the vesting acceleration of the Non-Exempt Award. Such issuance schedule is intended to satisfy the requirements of payment on a specified date or pursuant to a fixed schedule, as provided under Treasury Regulations Section 1.409A-3(a)(4).

(c) Treatment of Non-Exempt Awards Upon a Corporate Transaction for Employees and Consultants. The provisions of this subsection (c) shall apply and shall supersede anything to the contrary set forth in the Plan with respect to the permitted treatment of any Non-Exempt Award in connection with a Corporate Transaction if the Participant was either an Employee or Consultant upon the applicable date of grant of the Non-Exempt Award.

(i) Vested Non-Exempt Awards. The following provisions shall apply to any Vested Non-Exempt Award in connection with a Corporate Transaction:

(1) If the Corporate Transaction is also a Section 409A Change in Control then the Acquiring Entity may not assume, continue or substitute the Vested Non-Exempt Award. Upon the Section 409A Change in Control the settlement of the Vested Non-Exempt Award will automatically be accelerated and the shares will be immediately issued in respect of the Vested Non-Exempt Award. Alternatively, the Company may instead provide that the Participant will receive a cash settlement equal to the Fair Market Value of the shares that would otherwise be issued to the Participant upon the Section 409A Change in Control.

(2) If the Corporate Transaction is not also a Section 409A Change in Control, then the Acquiring Entity must either assume, continue or substitute each Vested Non-Exempt Award. The shares to be issued in respect of the Vested Non-Exempt Award shall be issued to the Participant by the Acquiring Entity on the same schedule that the shares would have been issued to the Participant if the Corporate Transaction had not occurred. In the Acquiring Entity's discretion, in lieu of an issuance of shares, the Acquiring Entity may instead substitute a cash payment on each applicable issuance date, equal to the Fair Market Value of the shares that would otherwise be issued to the Participant on such issuance dates, with the determination of the Fair Market Value of the shares made on the date of the Corporate Transaction.

(ii) Unvested Non-Exempt Awards. The following provisions shall apply to any Unvested Non-Exempt Award unless otherwise determined by the Board pursuant to subsection (e) of this Section.

(1) In the event of a Corporate Transaction, the Acquiring Entity shall assume, continue or substitute any Unvested Non-Exempt Award. Unless otherwise determined by the Board, any Unvested Non-Exempt Award will remain subject to the same vesting and forfeiture restrictions that were applicable to the Award prior to the Corporate Transaction. The shares to be issued in respect of any Unvested Non-Exempt Award shall be issued to the Participant by the Acquiring Entity on the same schedule that the shares would have been issued to the Participant if the Corporate Transaction had not occurred. In the Acquiring Entity's discretion, in lieu of an issuance of shares, the Acquiring Entity may instead substitute a cash payment on each applicable issuance date, equal to the Fair Market Value of the shares that would otherwise be issued to the Participant on such issuance dates, with the determination of Fair Market Value of the shares made on the date of the Corporate Transaction.

(2) If the Acquiring Entity will not assume, substitute or continue any Unvested Non-Exempt Award in connection with a Corporate Transaction, then such Award shall automatically terminate and be forfeited upon the Corporate Transaction with no consideration payable to any Participant in respect of such forfeited Unvested Non-Exempt Award. Notwithstanding the foregoing, to the extent permitted and in compliance with the requirements of Section 409A, the Board may in its discretion determine to elect to accelerate the vesting and settlement of the Unvested Non-Exempt Award upon the Corporate Transaction, or instead substitute a cash payment equal to the Fair Market Value of such shares that would otherwise be issued to the Participant, as further provided in subsection (e)(ii) below. In the absence of such discretionary election by the Board, any Unvested Non-Exempt Award shall be forfeited without payment of any consideration to the affected Participants if the Acquiring Entity will not assume, substitute or continue the Unvested Non-Exempt Awards in connection with the Corporate Transaction.

(3) The foregoing treatment shall apply with respect to all Unvested Non-Exempt Awards upon any Corporate Transaction, and regardless of whether or not such Corporate Transaction is also a Section 409A Change in Control.

(d) Treatment of Non-Exempt Awards Upon a Corporate Transaction for Non-Employee Directors. The following provisions of this subsection (d) shall apply and shall supersede anything to the contrary that may be set forth in the Plan with respect to the permitted treatment of a Non-Exempt Director Award in connection with a Corporate Transaction.

(i) If the Corporate Transaction is also a Section 409A Change in Control then the Acquiring Entity may not assume, continue or substitute the Non-Exempt Director Award. Upon the Section 409A Change in Control the vesting and settlement of any Non-Exempt Director Award will automatically be accelerated and the shares will be immediately issued to the Participant in respect of the Non-Exempt Director Award. Alternatively, the Company may provide that the Participant will instead receive a cash settlement equal to the Fair Market Value of the shares that would otherwise be issued to the Participant upon the Section 409A Change in Control pursuant to the preceding provision.

(ii) If the Corporate Transaction is not also a Section 409A Change in Control, then the Acquiring Entity must either assume, continue or substitute the Non-Exempt Director Award. Unless otherwise determined by the Board, the Non-Exempt Director Award will remain subject to the same vesting and forfeiture restrictions that were applicable to the Award prior to the Corporate Transaction. The shares to be issued in respect of the Non-Exempt Director Award shall be issued to the Participant by the Acquiring Entity on the same schedule that the shares would have been issued to the Participant if the Corporate Transaction had not occurred. In the Acquiring Entity's discretion, in lieu of an issuance of shares, the Acquiring Entity may instead substitute a cash payment on each applicable issuance date, equal to the Fair Market Value of the shares that would otherwise be issued to the Participant on such issuance dates, with the determination of Fair Market Value made on the date of the Corporate Transaction.

(e) If the RSU Award is a Non-Exempt Award, then the provisions in this Section 11(e) shall apply and supersede anything to the contrary that may be set forth in the Plan or the Award Agreement with respect to the permitted treatment of such Non-Exempt Award:

(i) Any exercise by the Board of discretion to accelerate the vesting of a Non-Exempt Award shall not result in any acceleration of the scheduled issuance dates for the shares in respect of the Non-Exempt Award unless earlier issuance of the shares upon the applicable vesting dates would be in compliance with the requirements of Section 409A.

(ii) The Company explicitly reserves the right to earlier settle any Non-Exempt Award to the extent permitted and in compliance with the requirements of Section 409A, including pursuant to any of the exemptions available in Treasury Regulations Section 1.409A-3(j)(4)(ix).

(iii) To the extent the terms of any Non-Exempt Award provide that it will be settled upon a Change in Control or Corporate Transaction, to the extent it is required for compliance with the requirements of Section 409A, the Change in Control or Corporate Transaction event triggering settlement must also constitute a Section 409A Change in Control. To the extent the terms of a Non-Exempt Award provides that it will be settled upon a termination of employment or termination of Continuous Service, to the extent it is required for compliance with the requirements of Section 409A, the termination event triggering settlement must also constitute a Separation From Service. However, if at the time the shares would otherwise be issued to a Participant in connection with a "separation from service" such Participant is subject to the distribution limitations contained in Section 409A applicable to "specified employees," as defined in Section 409A(a)(2)(B)(i) of the Code, such shares shall not be issued before the date that is six months following the date of the Participant's Separation From Service, or, if earlier, the date of the Participant's death that occurs within such six month period.

(iv) The provisions in this subsection (e) for delivery of the shares in respect of the settlement of an RSU Award that is a Non-Exempt Award are intended to comply with the requirements of Section 409A so that the delivery of the shares to the Participant in respect of such Non-Exempt Award will not trigger the additional tax imposed under Section 409A, and any ambiguities herein will be so interpreted.

12. SEVERABILITY.

If all or any part of the Plan or any Award Agreement is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of the Plan or such Award Agreement not declared to be unlawful or invalid. Any Section of the Plan or any Award Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

13. TERMINATION OF THE PLAN.

The Board may suspend or terminate the Plan at any time.

No Incentive Stock Options may be granted after the tenth anniversary of the earlier of: (i) the Adoption Date, or (ii) the date the Plan is approved by the Company's stockholders.

No Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

14. DEFINITIONS.

As used in the Plan, the following definitions apply to the capitalized terms indicated below:

(a) "***Acquiring Entity***" means the surviving or acquiring corporation (or its parent company) in connection with a Corporate Transaction.

(b) "***Adoption Date***" means the date the Plan is first approved by the Board or Compensation Committee.

(c) "***Affiliate***" means, at the time of determination, any "parent" or "subsidiary" of the Company as such terms are defined in Rule 405 promulgated under the Securities Act. The Board may determine the time or times at which "parent" or "subsidiary" status is determined within the foregoing definition.

(d) "***Applicable Law***" means shall mean any applicable securities, federal, state, foreign, material local or municipal or other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, decree, rule, listing rule, regulation, judicial decision, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Body (including under the authority of any applicable self-regulating organization such as the Nasdaq Stock Market, New York Stock Exchange, or the Financial Industry Regulatory Authority).

(e) "***Award***" means any right to receive Common Stock, cash or other property granted under the Plan (including an Incentive Stock Option, a Nonstatutory Stock Option, a Restricted Stock Award, an RSU Award, a SAR, a Performance Award or any Other Award).

(f) "***Award Agreement***" means a written agreement between the Company and a Participant evidencing the terms and conditions of an Award. The Award Agreement generally consists of the Grant Notice and the agreement containing the written summary of the general terms and conditions applicable to the Award and which is provided to a Participant along with the Grant Notice.

(g) "***Board***" means the Board of Directors of the Company (or its designee). Any decision or determination made by the Board shall be a decision or determination that is made in the sole discretion of the Board (or its designee), and such decision or determination shall be final and binding on all Participants.

(h) "***Capitalization Adjustment***" means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Award after the Effective Date without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, reverse stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or any similar equity restructuring transaction, as that term is used in Statement of Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

(i) "***Cause***" has the meaning ascribed to such term in any written agreement between the Participant and the Company defining such term and, in the absence of such agreement, such term means, with respect to a Participant, the occurrence of any of the following events: (i) such Participant's commission of any felony or any crime involving fraud, dishonesty or moral turpitude under the laws of the United States or any state thereof; (ii) such Participant's attempted commission of, or participation in, a fraud or act of dishonesty against the Company; (iii) such Participant's material violation of any contract or agreement between the Participant and the Company or of any statutory duty owed to the Company; (iv) such Participant's unauthorized use or disclosure of the Company's confidential information or trade secrets; (v) such Participant's gross misconduct; (vi) such Participant's failure or refusal to comply with a material directive from the Board, the Participant's supervisor or, if applicable, the board of directors of any Affiliate; or (vii) such Participant's breach of a fiduciary duty to the Company. The determination that a termination of the Participant's Continuous Service is either for Cause or without Cause will be made by the Board with respect to Participants who are executive officers of the Company and by the Company's Chief Executive Officer with respect to Participants who are not executive officers of the Company. Any determination by the Company that the Continuous Service of a Participant was terminated with or without Cause for the purposes of outstanding Awards held by such Participant will have no effect upon any determination of the rights or obligations of the Company or such Participant for any other purpose.

(j) "***Change in Control***" or "***Change of Control***" means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events; provided, however, to the extent necessary to avoid adverse personal income tax consequences to the Participant in connection with an Award, also constitutes a Section 409A Change in Control:

(i) any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control shall not be deemed to occur (A) on account of the acquisition of securities of the Company directly from the Company, (B) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other Exchange Act Person that acquires the Company's securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities, or (C) solely because the level of Ownership held by any Exchange Act Person (the "***Subject Person***") exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the Subject Person over the designated percentage threshold, then a Change in Control shall be deemed to occur;

(ii) there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not Own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving Entity in such merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving Entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such transaction;

(iii) there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries to an Entity, more than 50% of the combined voting power of the voting securities of which are Owned by stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, license or other disposition; or

(iv) individuals who, on the date the Plan is adopted by the Board, are members of the Board (the "***Incumbent Board***") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member shall, for purposes of this Plan, be considered as a member of the Incumbent Board.

Notwithstanding the foregoing or any other provision of this Plan, (A) the term Change in Control shall not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company, and (B) the definition of Change in Control (or any analogous term) in an individual written agreement between the Company or any Affiliate and the Participant shall supersede the foregoing definition with respect to Awards subject to such agreement; provided, however, that if no definition of Change in Control or any analogous term is set forth in such an individual written agreement, the foregoing definition shall apply.

(k) "***Code***" means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(l) "***Committee***" means the Compensation Committee and any other committee of Directors to whom authority has been delegated by the Board or Compensation Committee in accordance with the Plan.

(m) "***Common Stock***" means the common stock of the Company.

(n) "***Company***" means Talis Biomedical Corporation, a Delaware corporation.

(o) "***Compensation Committee***" means the Compensation Committee of the Board.

(p) "***Consultant***" means any person, including an advisor, who is (i) engaged by the Company or an Affiliate to render consulting or advisory services and is compensated for such services, or (ii) serving as a member of the board of directors of an Affiliate and is compensated for such services. However, service solely as a Director, or payment of a fee for such service, will not cause a Director to be considered a "Consultant" for purposes of the Plan. Notwithstanding the foregoing, a person is treated as a Consultant under this Plan only if a Form S-8 Registration Statement under the Securities Act is available to register either the offer or the sale of the Company's securities to such person.

(q) "***Continuous Service***" means that the Participant's service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Director or Consultant or a change in the Entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's service with the Company or an Affiliate, will not terminate a Participant's Continuous Service; provided, however, that if the Entity for which a Participant is rendering services ceases to qualify as an Affiliate, as determined by the Board, such Participant's Continuous Service will be considered to have terminated on the date such Entity ceases to qualify as an Affiliate. For example, a change in status from an Employee of the Company to a Consultant of an Affiliate or to a Director will not constitute an interruption of Continuous Service. To the extent permitted by law, the Board or the chief executive officer of the Company, in that party's sole discretion, may determine whether Continuous Service will be considered interrupted in the case of (i) any leave of absence approved by the Board or chief executive officer, including sick leave, military leave or any other personal leave, or (ii) transfers between the Company, an Affiliate, or their successors. Notwithstanding the foregoing, a leave of absence will be treated as Continuous Service for purposes of vesting in an Award only to such extent as may be provided in the Company's leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to the Participant, or as otherwise required by law. In addition, to the extent required for exemption from or compliance with Section 409A, the determination of whether there has been a termination of Continuous Service will be made, and such term will be construed, in a manner that is consistent with the definition of "separation from service" as defined under Treasury Regulation Section 1.409A-1(h) (without regard to any alternative definition thereunder).

(r) "***Corporate Transaction***" means the consummation, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) a sale or other disposition of all or substantially all, as determined by the Board, of the consolidated assets of the Company and its Subsidiaries;

(ii) a sale or other disposition of at least 50% of the outstanding securities of the Company;

(iii) a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or

(iv) a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of Common Stock outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

(s) "***Director***" means a member of the Board.

(t) "***determine*** **or** "***determined***" means as determined by the Board or the Committee (or its designee) in its sole discretion.

(u) "***Disability***" means, with respect to a Participant, such Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months, as provided in Section 22(e)(3) of the Code, and will be determined by the Board on the basis of such medical evidence as the Board deems warranted under the circumstances.

(v) "***Effective Date***" means immediately prior to the IPO Date, provided this Plan is approved by the Company's stockholders prior to the IPO Date.

(w) "***Employee***" means any person employed by the Company or an Affiliate. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an "Employee" for purposes of the Plan.

(x) "***Employer***" means the Company or the Affiliate of the Company that employs the Participant.

(y) "***Entity***" means a corporation, partnership, limited liability company or other entity.

(z) "***Exchange Act***" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(aa) "***Exchange Act Person***" means any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act), except that "Exchange Act Person" will not include (i) the Company or any Subsidiary of the Company, (ii) any employee benefit plan of the Company or any Subsidiary of the Company or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary of the Company, (iii) an underwriter temporarily holding securities pursuant to a registered public offering of such securities, (iv) an Entity Owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their Ownership of stock of the Company; or (v) any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act) that, as of the Effective Date, is the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities.

(bb) "***Fair Market Value***" means, as of any date, unless otherwise determined by the Board, the value of the Common Stock (as determined on a per share or aggregate basis, as applicable) determined as follows:

(i) If the Common Stock is listed on any established stock exchange or traded on any established market, the Fair Market Value will be the closing sales price for such stock as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Common Stock) on the date of determination, as reported in a source the Board deems reliable.

(ii) If there is no closing sales price for the Common Stock on the date of determination, then the Fair Market Value will be the closing selling price on the last preceding date for which such quotation exists.

(iii) In the absence of such markets for the Common Stock, or if otherwise determined by the Board, the Fair Market Value will be determined by the Board in good faith and in a manner that complies with Sections 409A and 422 of the Code.

(cc) "***Governmental Body***" means any: (a) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; (c) governmental or regulatory body, or quasi-governmental body of any nature (including any governmental division, department, administrative agency or bureau, commission, authority, instrumentality, official, ministry, fund, foundation, center, organization, unit, body or Entity and any court or other tribunal, and for the avoidance of doubt, any Tax authority) or other body exercising similar powers or authority; or (d) self-regulatory organization (including the Nasdaq Stock Market, New York Stock Exchange, and the Financial Industry Regulatory Authority).

(dd) "***Grant Notice***" means the notice provided to a Participant that he or she has been granted an Award under the Plan and which includes the name of the Participant, the type of Award, the date of grant of the Award, number of shares of Common Stock subject to the Award or potential cash payment right, (if any), the vesting schedule for the Award (if any) and other key terms applicable to the Award.

(ee) "***Incentive Stock Option***" means an option granted pursuant to Section 4 of the Plan that is intended to be, and qualifies as, an "incentive stock option" within the meaning of Section 422 of the Code.

(ff) "***IPO Date***" means the date of the underwriting agreement between the Company and the underwriter(s) managing the initial public offering of the Common Stock, pursuant to which the Common Stock is priced for the initial public offering.

(gg) "***Materially Impair***" means any amendment to the terms of the Award that materially adversely affects the Participant's rights under the Award. A Participant's rights under an Award will not be deemed to have been Materially Impaired by any such amendment if the Board, in its sole discretion, determines that the amendment, taken as a whole, does not materially impair the Participant's rights. For example, the following types of amendments to the terms of an Award do not Materially Impair the Participant's rights under the Award: (i) imposition of reasonable restrictions on the minimum number of shares subject to an Option that may be exercised; (ii) to maintain the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code; (iii) to change the terms of an Incentive Stock Option in a manner that disqualifies, impairs or otherwise affects the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code; (iv) to clarify the manner of exemption from, or to bring the Award into compliance with or qualify it for an exemption from, Section 409A; or (v) to comply with other Applicable Laws.

(hh) "***Non-Employee Director***" means a Director who either (i) is not a current employee or officer of the Company or an Affiliate, does not receive compensation, either directly or indirectly, from the Company or an Affiliate for services rendered as a consultant or in any capacity other than as a Director (except for an amount as to which disclosure would not be required under Item 404(a) of Regulation S-K promulgated pursuant to the Securities Act ("***Regulation S-K***")), does not possess an interest in any other transaction for which disclosure would be required under Item 404(a) of Regulation S-K, and is not engaged in a business relationship for which disclosure would be required pursuant to Item 404(b) of Regulation S-K; or (ii) is otherwise considered a "non-employee director" for purposes of Rule 16b-3.

(ii) "***Non-Exempt Award***" means any Award that is subject to, and not exempt from, Section 409A, including as the result of (i) a deferral of the issuance of the shares subject to the Award which is elected by the Participant or imposed by the Company, (ii) the terms of any Non-Exempt Severance Agreement.

(jj) "***Non-Exempt Director Award***" means a Non-Exempt Award granted to a Participant who was a Director but not an Employee on the applicable grant date.

(kk) "***Non-Exempt Severance Arrangement***" means a severance arrangement or other agreement between the Participant and the Company that provides for acceleration of vesting of an Award and issuance of the shares in respect of such Award upon the Participant's termination of employment or separation from service (as such term is defined in Section 409A(a)(2)(A)(i) of the Code (and without regard to any alternative definition thereunder) ("***Separation from Service***") and such severance benefit does not satisfy the requirements for an exemption from application of Section 409A provided under Treasury Regulations Section 1.409A-1(b)(4), 1.409A-1(b)(9) or otherwise.

(ll) "***Nonstatutory Stock Option***" means any option granted pursuant to Section 4 of the Plan that does not qualify as an Incentive Stock Option.

(mm) "***Officer***" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act.

(nn) "***Option***" means an Incentive Stock Option or a Nonstatutory Stock Option to purchase shares of Common Stock granted pursuant to the Plan.

(oo) "***Option Agreement***" means a written agreement between the Company and the Optionholder evidencing the terms and conditions of the Option grant. The Option Agreement includes the Grant Notice for the Option and the agreement containing the written summary of the general terms and conditions applicable to the Option and which is provided to a Participant along with the Grant Notice. Each Option Agreement will be subject to the terms and conditions of the Plan.

(pp) "***Optionholder***" means a person to whom an Option is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Option.

(qq) "***Other Award***" means an award based in whole or in part by reference to the Common Stock which is granted pursuant to the terms and conditions of Section 5(c).

(rr) "***Other Award Agreement***" means a written agreement between the Company and a holder of an Other Award evidencing the terms and conditions of an Other Award grant. Each Other Award Agreement will be subject to the terms and conditions of the Plan.

(ss) "***Own,***" "***Owned,***" "***Owner,***" "***Ownership***" means that a person or Entity will be deemed to "Own," to have "Owned," to be the "Owner" of, or to have acquired "Ownership" of securities if such person or Entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

(tt) "***Participant***" means an Employee, Director or Consultant to whom an Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Award.

(uu) "***Performance Award***" means an Award that may vest or may be exercised or a cash award that may vest or become earned and paid contingent upon the attainment during a Performance Period of certain Performance Goals and which is granted under the terms and conditions of Section 5(b) pursuant to such terms as are approved by the Board. In addition, to the extent permitted by Applicable Law and set forth in the applicable Award Agreement, the Board may determine that cash or other property may be used in payment of Performance Awards. Performance Awards that are settled in cash or other property are not required to be valued in whole or in part by reference to, or otherwise based on, the Common Stock.

(vv) "***Performance Criteria***" means the one or more criteria that the Board will select for purposes of establishing the Performance Goals for a Performance Period. The Performance Criteria that will be used to establish such Performance Goals may be based on any measure of performance selected by the Board.

(ww) "***Performance Goals***" means, for a Performance Period, the one or more goals established by the Board for the Performance Period based upon the Performance Criteria. Performance Goals may be based on a Company-wide basis, with respect to one or more business units, divisions, Affiliates, or business segments, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. Unless specified otherwise by the Board (i) in the Award Agreement at the time the Award is granted or (ii) in such other document setting forth the Performance Goals at the time the Performance Goals are established, the Board will appropriately make adjustments in the method of calculating the attainment of Performance Goals for a Performance Period as follows: (1) to exclude restructuring and/or other nonrecurring charges; (2) to exclude exchange rate effects; (3) to exclude the effects of changes to generally accepted accounting principles; (4) to exclude the effects of any statutory adjustments to corporate tax rates; (5) to exclude the effects of items that are "unusual" in nature or occur "infrequently" as determined under generally accepted accounting principles; (6) to exclude the dilutive effects of acquisitions or joint ventures; (7) to assume that

any business divested by the Company achieved performance objectives at targeted levels during the balance of a Performance Period following such divestiture; (8) to exclude the effect of any change in the outstanding shares of Common Stock by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to common stockholders other than regular cash dividends; (9) to exclude the effects of stock based compensation and the award of bonuses under the Company's bonus plans; (10) to exclude costs incurred in connection with potential acquisitions or divestitures that are required to be expensed under generally accepted accounting principles; and (11) to exclude the goodwill and intangible asset impairment charges that are required to be recorded under generally accepted accounting principles. In addition, the Board retains the discretion to reduce or eliminate the compensation or economic benefit due upon attainment of Performance Goals and to define the manner of calculating the Performance Criteria it selects to use for such Performance Period. Partial achievement of the specified criteria may result in the payment or vesting corresponding to the degree of achievement as specified in the Award Agreement or the written terms of a Performance Cash Award.

(xx) "***Performance Period***" means the period of time selected by the Board over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to vesting or exercise of an Award. Performance Periods may be of varying and overlapping duration, at the sole discretion of the Board.

(yy) "***Plan***" means this Talis Biomedical Corporation 2021 Equity Incentive Plan, as amended from time to time.

(zz) "***Plan Administrator***" means the person, persons, and/or third-party administrator designated by the Company to administer the day to day operations of the Plan and the Company's other equity incentive programs.

(aaa) "***Post-Termination Exercise Period***" means the period following termination of a Participant's Continuous Service within which an Option or SAR is exercisable, as specified in Section 4(h).

(bbb) "***Prior Plan's Available Reserve***" means the number of shares available for the grant of new awards under the Prior Plan as of the Effective Date.

(ccc) "***Prior Plan***" means the Talis Biomedical Corporation 2013 Equity Incentive Plan, as it has been amended from time to time as applicable.

(ddd) "***Prospectus***" means the document containing the Plan information specified in Section 10(a) of the Securities Act.

(eee) "***Restricted Stock Award***" or "***RSA***" means an Award of shares of Common Stock which is granted pursuant to the terms and conditions of Section 5(a).

(fff) "***Restricted Stock Award Agreement***" means a written agreement between the Company and a holder of a Restricted Stock Award evidencing the terms and conditions of a Restricted Stock Award grant. The Restricted Stock Award Agreement includes the Grant Notice for the Restricted Stock Award and the agreement containing the written summary of the general terms and conditions applicable to the Restricted Stock Award and which is provided to a Participant along with the Grant Notice. Each Restricted Stock Award Agreement will be subject to the terms and conditions of the Plan.

(ggg) "***Returning Shares***" means shares subject to outstanding stock awards granted under the Prior Plan and that following the Effective Date: (A) are not issued because such stock award or any portion thereof expires or otherwise terminates without all of the shares covered by such stock award having been issued; (B) are not issued because such stock award or any portion thereof is settled in cash; (C) are forfeited back to or repurchased by the Company because of the failure to meet a contingency or condition required for the vesting of such shares; (D) are withheld or reacquired to satisfy the exercise, strike or purchase price; or (E) are withheld or reacquired to satisfy a tax withholding obligation.

(hhh) "***RSU Award***" or "***RSU***" means an Award of restricted stock units representing the right to receive an issuance of shares of Common Stock which is granted pursuant to the terms and conditions of Section 5(a).

(iii) "***RSU Award Agreement***" means a written agreement between the Company and a holder of an RSU Award evidencing the terms and conditions of an RSU Award. The RSU Award Agreement includes the Grant Notice for the RSU Award and the agreement containing the written summary of the general terms and conditions applicable to the RSU Award and which is provided to a Participant along with the Grant Notice. Each RSU Award Agreement will be subject to the terms and conditions of the Plan.

(jjj) "***Rule 16b-3***" means Rule 16b-3 promulgated under the Exchange Act or any successor to Rule 16b-3, as in effect from time to time.

(kkk) "***Rule 405***" means Rule 405 promulgated under the Securities Act.

(lll) "***Section 409A***" means Section 409A of the Code and the regulations and other guidance thereunder.

(mmm) "***Section 409A Change in Control***" means a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the Company's assets, as provided in Section 409A(a)(2)(A)(v) of the Code and Treasury Regulations Section 1.409A-3(i)(5) (without regard to any alternative definition thereunder).

(nnn) "***Securities Act***" means the Securities Act of 1933, as amended.

(ooo) "***Share Reserve***" means the number of shares available for issuance under the Plan as set forth in Section 2(a).

(ppp) "***Stock Appreciation Right***" or "***SAR***" means a right to receive the appreciation on Common Stock that is granted pursuant to the terms and conditions of Section 4.

(qqq) "***SAR Agreement***" means a written agreement between the Company and a holder of a SAR evidencing the terms and conditions of a SAR grant. The SAR Agreement includes the Grant Notice for the SAR and the agreement containing the written summary of the general terms and conditions applicable to the SAR and which is provided to a Participant along with the Grant Notice. Each SAR Agreement will be subject to the terms and conditions of the Plan.

(rrr) "***Subsidiary***" means, with respect to the Company, (i) any corporation of which more than 50% of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation will have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, Owned by the Company, and (ii) any partnership, limited liability company or other entity in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than 50%.

(sss) "***Ten Percent Stockholder***" means a person who Owns (or is deemed to Own pursuant to Section 424(d) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any Affiliate.

(ttt) "***Trading Policy***" means the Company's policy permitting certain individuals to sell Company shares only during certain "window" periods and/or otherwise restricts the ability of certain individuals to transfer or encumber Company shares, as in effect from time to time.

(uuu) "***Unvested Non-Exempt Award***" means the portion of any Non-Exempt Award that had not vested in accordance with its terms upon or prior to the date of any Corporate Transaction.

(vvv) "***Vested Non-Exempt Award***" means the portion of any Non-Exempt Award that had vested in accordance with its terms upon or prior to the date of a Corporate Transaction.

TALIS BIOMEDICAL CORPORATION
STOCK OPTION GRANT NOTICE
(2021 EQUITY INCENTIVE PLAN)

Talis Biomedical Corporation (the "***Company***"), pursuant to its 2021 Equity Incentive Plan (the "***Plan***"), has granted to you ("***Optionholder***") an option to purchase the number of shares of the Common Stock set forth below (the "***Option***"). Your Option is subject to all of the terms and conditions as set forth herein and in the Plan, and the Stock Option Agreement and the Notice of Exercise, all of which are attached hereto and incorporated herein in their entirety. Capitalized terms not explicitly defined herein but defined in the Plan or the Stock Option Agreement shall have the meanings set forth in the Plan or the Stock Option Agreement, as applicable.

Optionholder:	_____
Date of Grant:	_____
Vesting Commencement Date:	_____
Number of Shares of Common Stock Subject to Option:	_____
Exercise Price (Per Share):	_____
Total Exercise Price:	_____
Expiration Date:	_____

Type of Grant: [Incentive Stock Option][1] OR [Nonstatutory Stock Option]

Exercise and Vesting Schedule: Subject to the Optionholder's Continuous Service through each applicable vesting date, the Option will vest as follows:

[1/4th of the shares vest and become exercisable on the one year anniversary of the Vesting Commencement Date, and the balance of the shares vest and become exercisable in a series of thirty-six (36) successive equal monthly installments thereafter][, subject to the potential vesting acceleration described in Section 2 of the Stock Option Agreement].

Optionholder Acknowledgements: By your signature below or by electronic acceptance or authentication in a form authorized by the Company, you understand and agree that:

- The Option is governed by this Stock Option Grant Notice, and the provisions of the Plan and the Stock Option Agreement and the Notice of Exercise, all of which are made a part of this document. Unless otherwise provided in the Plan, this Grant Notice and the Stock Option Agreement (together, the "***Option Agreement***") may not be modified, amended or revised except in a writing signed by you and a duly authorized officer of the Company.
- [If the Option is an Incentive Stock Option, it (plus other outstanding Incentive Stock Options granted to you) cannot be first *exercisable* for more than $100,000 in value (measured by exercise price) in any calendar year. Any excess over $100,000 is a Nonstatutory Stock Option.]
- You consent to receive this Grant Notice, the Stock Option Agreement, the Plan, the Prospectus and any other Plan-related documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

1 If this is an Incentive Stock Option, it (plus other outstanding Incentive Stock Options) cannot be first exercisable for more than $100,000 in value (measured by exercise price) in any calendar year. Any excess over $100,000 is a Nonstatutory Stock Option.

- You have read and are familiar with the provisions of the Plan, the Stock Option Agreement, the Notice of Exercise and the Prospectus. In the event of any conflict between the provisions in this Grant Notice, the Option Agreement, the Notice of Exercise, or the Prospectus and the terms of the Plan, the terms of the Plan shall control.
- The Option Agreement sets forth the entire understanding between you and the Company regarding the acquisition of Common Stock and supersedes all prior oral and written agreements, promises and/or representations on that subject with the exception of other equity awards previously granted to you and any written employment agreement, offer letter, severance agreement, written severance plan or policy, or other written agreement between the Company and you in each case that specifies the terms that should govern this Option.
- Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law) or other transmission method and any counterpart so delivered will be deemed to have been duly and validly delivered and be valid and effective for all purposes.

TALIS BIOMEDICAL CORPORATION

By: _____
Signature

Title: _____
Date: _____

OPTIONHOLDER:

_____
Signature

Date: _____

ATTACHMENTS: Stock Option Agreement, 2021 Equity Incentive Plan, Notice of Exercise

ATTACHMENT I

STOCK OPTION AGREEMENT

36.

TALIS BIOMEDICAL CORPORATION
2021 EQUITY INCENTIVE PLAN

STOCK OPTION AGREEMENT

As reflected by your Stock Option Grant Notice ("***Grant Notice***"), Talis Biomedical Corporation (the "***Company***") has granted you an option under its 2021 Equity Incentive Plan (the "***Plan***") to purchase a number of shares of Common Stock at the exercise price indicated in your Grant Notice (the "***Option***"). Capitalized terms not explicitly defined in this Agreement but defined in the Grant Notice or the Plan shall have the meanings set forth in the Grant Notice or Plan, as applicable. The terms of your Option as specified in the Grant Notice and this Stock Option Agreement constitute your Option Agreement.

The general terms and conditions applicable to your Option are as follows:

1. GOVERNING PLAN DOCUMENT. Your Option is subject to all the provisions of the Plan, including but not limited to the provisions in:

a. Section 6 regarding the impact of a Capitalization Adjustment, dissolution, liquidation, or Corporate Transaction on your Option;

b. Section 9(e) regarding the Company's retained rights to terminate your Continuous Service notwithstanding the grant of the Option; and

c. Section 8(c) regarding the tax consequences of your Option.

Your Option is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the Option Agreement and the provisions of the Plan, the provisions of the Plan shall control.

2. VESTING. Your Option will vest as provided in your Grant Notice, subject to the provisions contained herein and the terms of the Plan. Vesting will cease upon the termination of your Continuous Service. [***Optional Double-Trigger Provision:*** Notwithstanding the foregoing, if a Change in Control occurs and during the period beginning immediately prior to and ending twelve (12) months after the effective time of such Change in Control your Continuous Service terminates due to a termination by the Company (not including death or Disability) without Cause or due to your voluntary resignation for Good Reason, then, as of the date of termination of your Continuous Service, the vesting and exercisability of your Option will be accelerated in full.

a. "***Good Reason***" means the occurrence of any of the following events, conditions or actions taken by the Company (or successor to the Company, if applicable) without Cause and without your written consent: (i) a material reduction of your annual base salary; *provided*, *however*, that Good Reason shall not be deemed to have occurred in the event of a reduction in your annual base salary that is pursuant to a salary reduction program affecting substantially all of the similarly situated employees of the Company and that does not adversely

affect you to a greater extent than other similarly situated employees; (ii) a material diminution in your authority, duties or responsibilities; (iii) a relocation of your principal place of employment with the Company (or successor to the Company, if applicable) to a place that increases your one-way commute by more than fifty (50) miles as compared to your then-current principal place of employment immediately prior to such relocation (excluding regular travel in the ordinary course of business); provided that (a) if your principal place of employment is your personal residence, this clause (iii) shall not apply and (b) if you work remotely during any period in which your regular principal office location is a Company office that is closed, then neither your relocation to remote work or back to the office from remote work will be considered a relocation of your principal office location for purposes of this definition; or (iv) a material breach by the Company of any provision of this Option Agreement or your employment agreement with the Company; *provided*, *however*, that in each case above, in order for your resignation to be deemed to have been for Good Reason, you must first give the Board written notice of the action or omission giving rise to "Good Reason" within thirty (30) days after the first occurrence thereof; the Company must fail to reasonably cure such action or omission within thirty (30) days after receipt of such notice (the "***Cure Period***"), and your resignation from all positions you hold with the Company must be effective not later than thirty (30) days after the expiration of such Cure Period.

b. If any payment or benefit you would receive from the Company or otherwise in connection with a Change in Control or other similar transaction (a "***280G Payment***") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "***Excise Tax***"), then any such 280G Payment (a "***Payment***") shall be equal to the Reduced Amount. The "***Reduced Amount***" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment (after reduction) being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount (i.e., the amount determined by clause (x) or by clause (y)), after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in your receipt, on an after-tax basis, of the greater economic benefit notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in a Payment is required pursuant to the preceding sentence and the Reduced Amount is determined pursuant to clause (x) of the preceding sentence, the reduction shall occur in the manner (the "***Reduction Method***") that results in the greatest economic benefit for you. If more than one method of reduction will result in the same economic benefit, the items so reduced will be reduced pro rata (the "***Pro Rata Reduction Method***").

Notwithstanding the foregoing, if the Reduction Method or the Pro Rata Reduction Method would result in any portion of the Payment being subject to taxes pursuant to Section 409A of the Code that would not otherwise be subject to taxes pursuant to Section 409A of the Code, then the Reduction Method and/or the Pro Rata Reduction Method, as the case may be, shall be modified so as to avoid the imposition of taxes pursuant to Section 409A of the Code as follows: (A) as a first priority, the modification shall preserve to the greatest extent possible, the greatest economic benefit for you as determined on an after-tax basis; (B) as a second priority, Payments that are contingent on future events (e.g., being terminated without cause), shall be reduced (or eliminated) before Payments that are not contingent on future events; and (C) as a third priority, Payments that are "deferred compensation" within the meaning of Section 409A of the Code shall be reduced (or eliminated) before Payments that are not deferred compensation within the meaning of Section 409A of the Code.

Unless you and the Company agree on an alternative accounting firm, the accounting firm engaged by the Company for general tax compliance purposes as of the day prior to the effective date of the change of control transaction triggering the Payment shall perform the foregoing calculations. If the accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting the change of control transaction, the Company shall appoint a nationally recognized accounting firm to make the determinations required hereunder. The Company shall bear all expenses with respect to the determinations by such accounting firm required to be made hereunder. The Company shall use commercially reasonable efforts to cause the accounting firm engaged to make the determinations hereunder to provide its calculations, together with detailed supporting documentation, to you and the Company within fifteen (15) calendar days after the date on which your right to a 280G Payment becomes reasonably likely to occur (if requested at that time by you or the Company) or such other time as requested by you or the Company.

If you receive a Payment for which the Reduced Amount was determined pursuant to clause (x) of the first paragraph of this Section 2(b) and the Internal Revenue Service determines thereafter that some portion of the Payment is subject to the Excise Tax, you shall promptly return to the Company a sufficient amount of the Payment (after reduction pursuant to clause (x) of the first paragraph of this Section 2(b) so that no portion of the remaining Payment is subject to the Excise Tax. For the avoidance of doubt, if the Reduced Amount was determined pursuant to clause (y) in the first paragraph of this Section 2(b), you shall have no obligation to return any portion of the Payment pursuant to the preceding sentence.]

3. EXERCISE.

a. You may generally exercise the vested portion of your Option for whole shares of Common Stock at any time during its term by delivery of payment of the exercise price and applicable withholding taxes and other required documentation to the Plan Administrator in accordance with the exercise procedures established by the Plan Administrator, which may include an electronic submission. Please review Sections 4(i), 4(j) and 7(b)(v) of the Plan, which may restrict or prohibit your ability to exercise your Option during certain periods.

b. To the extent permitted by Applicable Law, you may pay your Option exercise price as follows:

1) cash, check, bank draft or money order;

2) pursuant to a "cashless exercise" program as further described in Section 4(c)(ii) of the Plan if at the time of exercise the Common Stock is publicly traded;

3) subject to Company and/or Committee consent at the time of exercise, by delivery of previously owned shares of Common Stock as further described in Section 4(c)(iii) of the Plan; or

4) subject to Company and/or Committee consent at the time of exercise, if the Option is a Nonstatutory Stock Option, by a "net exercise" arrangement as further described in Section 4(c)(iv) of the Plan.

c. By accepting your Option, you agree that you will not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale with respect to any shares of Common Stock or other securities of the Company held by you, for a period of 180 days following the effective date of a registration statement of the Company filed under the Securities Act or such longer period as the underwriters or the Company will request to facilitate compliance with FINRA Rule 2241 or any successor or similar rules or regulation (the "***Lock-Up Period***"); *provided*, *however*, that nothing contained in this Section 3(c) will prevent the exercise of a repurchase option, if any, in favor of the Company during the Lock-Up Period. You further agree to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriters that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to your shares of Common Stock until the end of such period. You also agree that any transferee of any shares of Common Stock (or other securities) of the Company held by you will be bound by this Section 3(c). The underwriters of the Company's stock are intended third party beneficiaries of this Section 3(c) and will have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

4. TERM. You may not exercise your Option before the commencement of its term or after its term expires. The term of your Option commences on the Date of Grant and expires upon the earliest of the following:

a. immediately upon the termination of your Continuous Service for Cause;

b. three months after the termination of your Continuous Service for any reason other than Cause, Disability or death;

c. 12 months after the termination of your Continuous Service due to your Disability;

d. 18 months after your death if you die during your Continuous Service;

e. immediately upon a Corporate Transaction if the Board has determined that the Option will terminate in connection with a Corporate Transaction,

f. the Expiration Date indicated in your Grant Notice; or

g. the day before the 10th anniversary of the Date of Grant.

Notwithstanding the foregoing, if you die during the period provided in Section 4(b) or 4(c) above, the term of your Option shall not expire until the earlier of (i) 18 months after your death, (ii) upon any termination of the Option in connection with a Corporate Transaction, (iii) the Expiration Date indicated in your Grant Notice, or (iv) the day before the tenth anniversary of the Date of Grant. Additionally, the Post-Termination Exercise Period of your Option may be extended as provided in Section 4(i) of the Plan.

To obtain the federal income tax advantages associated with an Incentive Stock Option, the Code requires that at all times beginning on the date of grant of your Option and ending on the day three months before the date of your Option's exercise, you must be an employee of the Company or an Affiliate, except in the event of your death or Disability. If the Company provides for the extended exercisability of your Option under certain circumstances for your benefit, your Option will not necessarily be treated as an Incentive Stock Option if you exercise your Option more than three months after the date your employment terminates.

5. WITHHOLDING OBLIGATIONS. As further provided in Section 8 of the Plan: (a) you may not exercise your Option unless the applicable tax withholding obligations are satisfied, and (b) at the time you exercise your Option, in whole or in part, or at any time thereafter as requested by the Company, you hereby authorize withholding from payroll and any other amounts payable to you, and otherwise agree to make adequate provision for (including by means of a "cashless exercise" pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board to the extent permitted by the Company), any sums required to satisfy the federal, state, local and foreign tax withholding obligations, if any, which arise in connection with the exercise of your Option in accordance with the withholding procedures established by the Company. Accordingly, you may not be able to exercise your Option even though the Option is vested, and the Company shall have no obligation to issue shares of Common Stock subject to your Option, unless and until such obligations are satisfied. In the event that the amount of the Company's withholding obligation in connection with your Option was greater than the amount actually withheld by the Company, you agree to indemnify and hold the Company harmless from any failure by the Company to withhold the proper amount.

6. INCENTIVE STOCK OPTION DISPOSITION REQUIREMENT. If your Option is an Incentive Stock Option, you must notify the Company in writing within 15 days after the date of any disposition of any of the shares of the Common Stock issued upon exercise of your Option that occurs within two years after the date of your Option grant or within one year after such shares of Common Stock are transferred upon exercise of your Option.

7. TRANSFERABILITY. Except as otherwise provided in Section 4(e) of the Plan, your Option is not transferable, except by will or by the applicable laws of descent and distribution, and is exercisable during your life only by you.

8. CORPORATE TRANSACTION. Your Option is subject to the terms of any agreement governing a Corporate Transaction involving the Company, including, without limitation, a provision for the appointment of a stockholder representative that is authorized to act on your behalf with respect to any escrow, indemnities and any contingent consideration.

9. NO LIABILITY FOR TAXES. As a condition to accepting the Option, you hereby (a) agree to not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from the Option or other Company compensation and (b) acknowledge that you were advised to consult with your own personal tax, financial and other legal advisors regarding the tax consequences of the Option and have either done so or knowingly

and voluntarily declined to do so. Additionally, you acknowledge that the Option is exempt from Section 409A only if the exercise price is at least equal to the "fair market value" of the Common Stock on the date of grant as determined by the Internal Revenue Service and there is no other impermissible deferral of compensation associated with the Option. Additionally, as a condition to accepting the Option, you agree not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates in the event that the Internal Revenue Service asserts that such exercise is less than the "fair market value" of the Common Stock on the date of grant as subsequently determined by the Internal Revenue Service.

10. SEVERABILITY. If any part of this Option Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Option Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Option Agreement (or part of such a Section) so declared to be unlawful or invalid will, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid

11. OTHER DOCUMENTS. You hereby acknowledge receipt of or the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act, which includes the Prospectus. In addition, you acknowledge receipt of the Company's Trading Policy.

12. QUESTIONS. If you have questions regarding these or any other terms and conditions applicable to your Option, including a summary of the applicable federal income tax consequences please see the Prospectus.

*** * * ***

ATTACHMENT II

2021 EQUITY INCENTIVE PLAN

43.

ATTACHMENT III

NOTICE OF EXERCISE

44.

TALIS BIOMEDICAL CORPORATION

(2021 EQUITY INCENTIVE PLAN)

NOTICE OF EXERCISE

Talis Biomedical Corporation
230 Constitution Drive
Menlo Park, California 94025

Date of Exercise: _____

This constitutes notice to Talis Biomedical Corporation (the "***Company***") that I elect to purchase the below number of shares of Common Stock of the Company (the "***Shares***") by exercising my Option for the price set forth below. Capitalized terms not explicitly defined in this Notice of Exercise but defined in the Grant Notice, Option Agreement or 2021 Equity Incentive Plan (the "***Plan***") shall have the meanings set forth in the Grant Notice, Option Agreement or Plan, as applicable. Use of certain payment methods is subject to Company and/or Committee consent and certain additional requirements set forth in the Option Agreement and the Plan.

Type of option (check one):	Incentive ☐	Nonstatutory ☐
Date of Grant:	_____	
Number of Shares as to which Option is exercised:	_____	
Certificates to be issued in name of:	_____	
Total exercise price:	$ _____	
Cash, check, bank draft or money order delivered herewith:	$ _____	
Value of _____ Shares delivered herewith:	$ _____	
Regulation T Program (cashless exercise)	$ _____	
Value of _____ Shares pursuant to net exercise:	$ _____	

By this exercise, I agree (i) to provide such additional documents as you may require pursuant to the terms of the Plan, (ii) to satisfy the tax withholding obligations, if any, relating to the exercise of this Option as set forth in the Option Agreement, and (iii) if this exercise relates to an incentive stock option, to notify you in writing within 15 days after the date of any disposition of any of the Shares issued upon exercise of this Option that occurs within two years after the Date of Grant or within one year after such Shares are issued upon exercise of this Option.

I further agree that I will not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale with respect to any shares of Common Stock or other securities of the Company that I hold, for a period of 180 days following the effective date of a registration statement of the Company filed under the Securities Act or such longer period as the underwriters or the Company will request to facilitate compliance with FINRA Rule 2241 or any successor or similar rules or regulation (the "***Lock-Up Period***"); *provided*, *however*, that nothing contained in this paragraph will prevent the exercise of a repurchase option, if any, in favor of the Company during the Lock-Up Period. I further agree to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriters that are consistent with the foregoing or that are necessary to give further effect thereto. I further agree that in order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to shares of Common Stock that I hold until the end of such period. I also agree that any transferee of any shares of Common Stock (or other securities) of the Company that I hold will be bound by this paragraph. The underwriters of the Company's stock are intended third party beneficiaries of this paragraph and will have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

Very truly yours,

_____

TALIS BIOMEDICAL CORPORATION

2021 EMPLOYEE STOCK PURCHASE PLAN

ADOPTED BY THE BOARD OF DIRECTORS: [_____], 2021
APPROVED BY THE STOCKHOLDERS: [_____], 2021
IPO DATE: [_____], 2021

1. GENERAL; PURPOSE.

(a) The Plan provides a means by which Eligible Employees of the Company and certain designated Related Corporations may be given an opportunity to purchase shares of Common Stock. The Plan permits the Company to grant a series of Purchase Rights to Eligible Employees under an Employee Stock Purchase Plan. In addition, the Plan permits the Company to grant a series of Purchase Rights to Eligible Employees that do not meet the requirements of an Employee Stock Purchase Plan.

(b) The Plan includes two components: a 423 Component and a Non-423 Component. The Company intends (but makes no undertaking or representation to maintain) the 423 Component to qualify as an Employee Stock Purchase Plan. The provisions of the 423 Component, accordingly, will be construed in a manner that is consistent with the requirements of Section 423 of the Code. Except as otherwise provided in the Plan or determined by the Board, the Non-423 Component will operate and be administered in the same manner as the 423 Component.

(c) The Company, by means of the Plan, seeks to retain the services of such Employees, to secure and retain the services of new Employees and to provide incentives for such persons to exert maximum efforts for the success of the Company and its Related Corporations.

2. ADMINISTRATION.

(a) The Board or the Committee will administer the Plan. References herein to the Board shall be deemed to refer to the Committee except where context dictates otherwise.

(b) The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine how and when Purchase Rights will be granted and the provisions of each Offering (which need not be identical).

(ii) To designate from time to time (A) which Related Corporations of the Company will be eligible to participate in the Plan, (B) whether such Related Corporations will participate in the 423 Component or the Non-423 Component, and (C) to the extent that the Company makes separate Offerings under the 423 Component, in which Offering the Related Corporations in the 423 Component will participate.

(iii) To construe and interpret the Plan and Purchase Rights, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan, in a manner and to the extent it deems necessary or expedient to make the Plan fully effective.

(iv) To settle all controversies regarding the Plan and Purchase Rights granted under the Plan.

(v) To suspend or terminate the Plan at any time as provided in Section 12.

(vi) To amend the Plan at any time as provided in Section 12.

(vii) Generally, to exercise such powers and to perform such acts as it deems necessary or expedient to promote the best interests of the Company and its Related Corporations and to carry out the intent that the Plan be treated as an Employee Stock Purchase Plan with respect to the 423 Component.

(viii) To adopt such rules, procedures and sub-plans as are necessary or appropriate to permit or facilitate participation in the Plan by Employees who are foreign nationals or employed or located outside the United States. Without limiting the generality of, and consistent with, the foregoing, the Board specifically is authorized to adopt rules, procedures, and sub-plans regarding, without limitation, eligibility to participate in the Plan, the definition of eligible "earnings," handling and making of Contributions, establishment of bank or trust accounts to hold Contributions, payment of interest, conversion of local currency, obligations to pay payroll tax, determination of beneficiary designation requirements, withholding procedures and handling of share issuances, any of which may vary according to applicable requirements, and which, if applicable to a Related Corporation designated for participation in the Non-423 Component, do not have to comply with the requirements of Section 423 of the Code.

(c) The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee any of the administrative powers the Committee is authorized to exercise (and references in this Plan and any Offering Document to the Board will thereafter be to the Committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revest in the Board some or all of the powers previously delegated. Whether or not the Board has delegated administration of the Plan to a Committee, the Board will have the final power to determine all questions of policy and expediency that may arise in the administration of the Plan.

(d) All determinations, interpretations and constructions made by the Board in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

3. SHARES OF COMMON STOCK SUBJECT TO THE PLAN.

(a) Subject to the provisions of Section 11(a) relating to Capitalization Adjustments, the maximum number of shares of Common Stock that may be issued under the Plan will not exceed 550,000 shares of Common Stock, plus the number of shares of Common Stock that are automatically added on January 1st of each year for a period of up to ten years, commencing on the first January 1 following the year in which the IPO Date occurs and ending on (and including) January 1, 2031, in an amount equal to the lesser of (i) 1% of the total number of shares of Common Stock outstanding on December 31st of the preceding calendar year, and (ii) 1,550,000 shares of Common Stock. Notwithstanding the foregoing, the Board may act prior to the first day of any calendar year to provide that there will be no January 1st increase in the share reserve for such calendar year or that the increase in the share reserve for such calendar year will be a lesser number of shares of Common Stock than would otherwise occur pursuant to the preceding sentence. For the avoidance of doubt, up to the maximum number of shares of Common Stock reserved under this Section 3(a) may be used to satisfy purchases of Common Stock under the 423 Component and any remaining portion of such maximum number of shares may be used to satisfy purchases of Common Stock under the Non-423 Component.

(b) If any Purchase Right granted under the Plan terminates without having been exercised in full, the shares of Common Stock not purchased under such Purchase Right will again become available for issuance under the Plan.

(c) The stock purchasable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market.

4. GRANT OF PURCHASE RIGHTS; OFFERING.

(a) The Board may from time to time grant or provide for the grant of Purchase Rights to Eligible Employees under an Offering (consisting of one or more Purchase Periods) on an Offering Date or Offering Dates selected by the Board. Each Offering will be in such form and will contain such terms and conditions as the Board will deem appropriate, and, with respect to the 423 Component, will comply with the requirement of Section 423(b)(5) of the Code that all Employees granted Purchase Rights will have the same rights and privileges. The terms and conditions of an Offering shall be incorporated by reference into the Plan and treated as part of the Plan. The provisions of separate Offerings need not be identical, but each Offering will include (through incorporation of the provisions of this Plan by reference in the document comprising the Offering or otherwise) the period during which the Offering will be effective, which period will not exceed 27 months beginning with the Offering Date, and the substance of the provisions contained in Sections 5 through 8, inclusive.

(b) If a Participant has more than one Purchase Right outstanding under the Plan, unless he or she otherwise indicates in forms delivered to the Company: (i) each form will apply to all of his or her Purchase Rights under the Plan, and (ii) a Purchase Right with a lower exercise price (or an earlier-granted Purchase Right, if different Purchase Rights have identical exercise prices) will be exercised to the fullest possible extent before a Purchase Right with a higher exercise price (or a later-granted Purchase Right if different Purchase Rights have identical exercise prices) will be exercised.

(c) The Board will have the discretion to structure an Offering so that if the Fair Market Value of a share of Common Stock on the first Trading Day of a new Purchase Period within that Offering is less than or equal to the Fair Market Value of a share of Common Stock on the Offering Date for that Offering, then (i) that Offering will terminate immediately as of that first Trading Day, and (ii) the Participants in such terminated Offering will be automatically enrolled in a new Offering beginning on the first Trading Day of such new Purchase Period.

5. ELIGIBILITY.

(a) Purchase Rights may be granted only to Employees of the Company or, as the Board may designate in accordance with Section 2(b), to Employees of a Related Corporation. Except as provided in Section 5(b) or as required by Applicable Law, an Employee will not be eligible to be granted Purchase Rights unless, on the Offering Date, the Employee has been in the employ of the Company or the Related Corporation, as the case may be, for such continuous period preceding such Offering Date as the Board may require, but in no event will the required period of continuous employment be equal to or greater than two years. In addition, the Board may (unless prohibited by law) provide that no Employee will be eligible to be granted Purchase Rights under the Plan unless, on the Offering Date, such Employee's customary employment with the Company or the Related Corporation is more than 20 hours per week and more than five months per calendar year or such other criteria as the Board may determine consistent with Section 423 of the Code with respect to the 423 Component. The Board may also exclude from participation in the Plan or any Offering Employees who are "highly compensated employees" (within the meaning of Section 423(b)(4)(D) of the Code) of the Company or a Related Corporation or a subset of such highly compensated employees.

(b) The Board may provide that each person who, during the course of an Offering, first becomes an Eligible Employee will, on a date or dates specified in the Offering which coincides with the day on which such person becomes an Eligible Employee or which occurs thereafter, receive a Purchase Right under that Offering, which Purchase Right will thereafter be deemed to be a part of that Offering. Such Purchase Right will have the same characteristics as any Purchase Rights originally granted under that Offering, as described herein, except that:

(i) the date on which such Purchase Right is granted will be the "Offering Date" of such Purchase Right for all purposes, including determination of the exercise price of such Purchase Right;

(ii) the period of the Offering with respect to such Purchase Right will begin on its Offering Date and end coincident with the end of such Offering; and

(iii) the Board may provide that if such person first becomes an Eligible Employee within a specified period of time before the end of the Offering, he or she will not receive any Purchase Right under that Offering.

(c) No Employee will be eligible for the grant of any Purchase Rights if, immediately after any such Purchase Rights are granted, such Employee owns stock possessing five percent or more of the total combined voting power or value of all classes of stock of the Company or of any Related Corporation. For purposes of this Section 5(c), the rules of Section 424(d) of the Code will apply in determining the stock ownership of any Employee, and stock which such Employee may purchase under all outstanding Purchase Rights and options will be treated as stock owned by such Employee.

(d) As specified by Section 423(b)(8) of the Code, an Eligible Employee may be granted Purchase Rights only if such Purchase Rights, together with any other rights granted under all Employee Stock Purchase Plans of the Company and any Related Corporations, do not permit such Eligible Employee's rights to purchase stock of the Company or any Related Corporation to accrue at a rate which, when aggregated, exceeds US $25,000 of Fair Market Value of such stock (determined at the time such rights are granted, and which, with respect to the Plan, will be determined as of their respective Offering Dates) for each calendar year in which such rights are outstanding at any time.

(e) Officers of the Company and any designated Related Corporation, if they are otherwise Eligible Employees, will be eligible to participate in Offerings under the Plan. Notwithstanding the foregoing, the Board may (unless prohibited by law) provide in an Offering that Employees who are highly compensated Employees within the meaning of Section 423(b)(4)(D) of the Code will not be eligible to participate.

(f) Notwithstanding anything in this Section 5 to the contrary, in the case of an Offering under the Non-423 Component, an Eligible Employee (or group of Eligible Employees) may be excluded from participation in the Plan or an Offering if the Board has determined, in its sole discretion, that participation of such Eligible Employee(s) is not advisable or practical for any reason.

6. PURCHASE RIGHTS; PURCHASE PRICE.

(a) On each Offering Date, each Eligible Employee, pursuant to an Offering made under the Plan, will be granted a Purchase Right to purchase up to that number of shares of Common Stock purchasable either with a percentage or with a maximum dollar amount, as designated by the Board, but in either case not exceeding 15% of such Employee's earnings (as defined by the Board in each Offering) during the period that begins on the Offering Date (or such later date as the Board determines for a particular Offering) and ends on the date stated in the Offering, which date will be no later than the end of the Offering.

(b) The Board will establish one or more Purchase Dates during an Offering on which Purchase Rights granted for that Offering will be exercised and shares of Common Stock will be purchased in accordance with such Offering.

(c) In connection with each Offering made under the Plan, the Board may specify (i) a maximum number of shares of Common Stock that may be purchased by any Participant on any Purchase Date during such Offering, (ii) a maximum aggregate number of shares of Common Stock that may be purchased by all Participants pursuant to such Offering and/or (iii) a maximum aggregate number of shares of Common Stock that may be purchased by all Participants on any Purchase Date under the Offering. If the aggregate purchase of shares of Common Stock issuable upon exercise of Purchase Rights granted under the Offering would exceed any such maximum aggregate number, then, in the absence of any Board action otherwise, a pro rata (based on each Participant's accumulated Contributions) allocation of the shares of Common Stock (rounded down to the nearest whole share) available will be made in as nearly a uniform manner as will be practicable and equitable.

(d) The purchase price of shares of Common Stock acquired pursuant to Purchase Rights will be not less than the lesser of:

(i) an amount equal to 85% of the Fair Market Value of the shares of Common Stock on the Offering Date; or

(ii) an amount equal to 85% of the Fair Market Value of the shares of Common Stock on the applicable Purchase Date.

7. PARTICIPATION; WITHDRAWAL; TERMINATION.

(a) An Eligible Employee may elect to participate in an Offering and authorize payroll deductions as the means of making Contributions by completing and delivering to the Company, within the time specified in the Offering, an enrollment form provided by the Company. The enrollment form will specify the amount of Contributions not to exceed the maximum amount specified by the Board. Each Participant's Contributions will be credited to a bookkeeping account for such Participant under the Plan and will be deposited with the general funds of the Company except where Applicable Law requires that Contributions be deposited with a third party. If permitted in the Offering, a Participant may begin such Contributions with the first payroll occurring on or after the Offering Date (or, in the case of a payroll date that occurs after the end of the prior Offering but before the Offering Date of the next new Offering, Contributions from such payroll will be included in the new Offering). If permitted in the Offering, a Participant may thereafter reduce (including to zero) or increase his or her Contributions. If required under Applicable Law or if specifically provided in the Offering, in addition to or instead of making Contributions by payroll deductions, a Participant may make Contributions through the payment by cash, check or wire transfer prior to a Purchase Date.

(b) During an Offering, a Participant may cease making Contributions and withdraw from the Offering by delivering to the Company a withdrawal form provided by the Company. The Company may impose a deadline before a Purchase Date for withdrawing. Upon such withdrawal, such Participant's Purchase Right in that Offering will immediately terminate and the Company will distribute as soon as practicable to such Participant all of his or her accumulated but unused Contributions and such Participant's Purchase Right in that Offering shall thereupon terminate. A Participant's withdrawal from that Offering will have no effect upon his or her eligibility to participate in any other Offerings under the Plan, but such Participant will be required to deliver a new enrollment form to participate in subsequent Offerings.

(c) Unless otherwise required by Applicable Law, Purchase Rights granted pursuant to any Offering under the Plan will terminate immediately if the Participant either (i) is no longer an Employee for any reason or for no reason (subject to any post-employment participation period required by law) or (ii) is otherwise no longer eligible to participate. The Company will distribute as soon as practicable to such individual all of his or her accumulated but unused Contributions.

(d) Unless otherwise determined by the Board, a Participant whose employment transfers or whose employment terminates with an immediate rehire (with no break in service) by or between the Company and a Related Corporation that has been designated for participation in the Plan will not be treated as having terminated employment for purposes of participating in the Plan or an Offering; however, if a Participant transfers from an Offering under the 423 Component to an Offering under the Non-423 Component, the exercise of the Participant's Purchase Right will be qualified under the 423 Component only to the extent such exercise complies with Section 423 of the Code. If a Participant transfers from an Offering under the Non-423 Component to an Offering under the 423 Component, the exercise of the Purchase Right will remain non-qualified under the Non-423 Component. The Board may establish different and additional rules governing transfers between separate Offerings within the 423 Component and between Offerings under the 423 Component and Offerings under the Non-423 Component.

(e) During a Participant's lifetime, Purchase Rights will be exercisable only by such Participant. Purchase Rights are not transferable by a Participant, except by will, by the laws of descent and distribution, or, if permitted by the Company, by a beneficiary designation as described in Section 10.

(f) Unless otherwise specified in the Offering or as required by Applicable Law, the Company will have no obligation to pay interest on Contributions.

8. EXERCISE OF PURCHASE RIGHTS.

(a) On each Purchase Date, each Participant's accumulated Contributions will be applied to the purchase of shares of Common Stock, up to the maximum number of shares of Common Stock permitted by the Plan and the applicable Offering, at the purchase price specified in the Offering. No fractional shares will be issued unless specifically provided for in the Offering.

(b) Unless otherwise provided in the Offering, if any amount of accumulated Contributions remains in a Participant's account after the purchase of shares of Common Stock on the final Purchase Date of an Offering, then such remaining amount will not roll over to the next Offering and will instead be distributed in full to such Participant after the final Purchase Date of such Offering without interest (unless otherwise required by Applicable Law).

(c) No Purchase Rights may be exercised to any extent unless the shares of Common Stock to be issued upon such exercise under the Plan are covered by an effective registration statement pursuant to the Securities Act and the Plan is in material compliance with all applicable U.S. federal and state, foreign and other securities, exchange control and other laws applicable to the Plan. If on a Purchase Date the shares of Common Stock are not so registered or the Plan is not in such compliance, no Purchase Rights will be exercised on such Purchase Date, and the Purchase Date will be delayed until the shares of Common Stock are subject to such an effective registration statement and the Plan is in material compliance, except that the Purchase Date will in no event be more than 27 months from the Offering Date. If, on the Purchase Date, as delayed to the maximum extent permissible, the shares of Common Stock are not registered and the Plan is not in material compliance with all Applicable Laws, as determined by the Company in its sole discretion, no Purchase Rights will be exercised and all accumulated but unused Contributions will be distributed to the Participants without interest (unless the payment of interest is otherwise required by Applicable Law).

9. COVENANTS OF THE COMPANY.

The Company will seek to obtain from each U.S. federal or state, foreign or other regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Purchase Rights and issue and sell shares of Common Stock thereunder unless the Company determines, in its sole discretion, that doing so would cause the Company to incur costs that are unreasonable. If, after commercially reasonable efforts, the Company is unable to obtain the authority that counsel for the Company deems necessary for the grant of Purchase Rights or the lawful issuance and sale of Common Stock under the Plan, and at a commercially reasonable cost, the Company will be relieved from any liability for failure to grant Purchase Rights and/or to issue and sell Common Stock upon exercise of such Purchase Rights.

10. DESIGNATION OF BENEFICIARY.

(a) The Company may, but is not obligated to, permit a Participant to submit a form designating a beneficiary who will receive any shares of Common Stock and/or Contributions from the Participant's account under the Plan if the Participant dies before such shares and/or Contributions are delivered to the Participant. The Company may, but is not obligated to, permit the Participant to change such designation of beneficiary. Any such designation and/or change must be on a form approved by the Company.

(b) If a Participant dies, and in the absence of a valid beneficiary designation, the Company will deliver any shares of Common Stock and/or Contributions to the executor or administrator of the estate of the Participant. If no executor or administrator has been appointed (to the knowledge of the Company), the Company, in its sole discretion, may deliver such shares of Common Stock and/or Contributions, without interest (unless the payment of interest is otherwise required by Applicable Law), to the Participant's spouse, dependents or relatives, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

11. ADJUSTMENTS UPON CHANGES IN COMMON STOCK; CORPORATE TRANSACTIONS.

(a) In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the Plan pursuant to Section 3(a), (ii) the class(es) and maximum number of securities by which the share reserve is to increase automatically each year pursuant to Section 3(a), (iii) the class(es) and number of securities subject to, and the purchase price applicable to outstanding Offerings and Purchase Rights, and (iv) the class(es) and number of securities that are the subject of the purchase limits under each ongoing Offering. The Board will make these adjustments, and its determination will be final, binding and conclusive.

(b) In the event of a Corporate Transaction, then: (i) any surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) may assume or continue outstanding Purchase Rights or may substitute similar rights (including a right to acquire the same consideration paid to the stockholders in the Corporate Transaction) for outstanding Purchase Rights, or (ii) if any surviving or acquiring corporation (or its parent company) does not assume or continue such Purchase Rights or does not substitute similar rights for such Purchase Rights, then the Participants' accumulated Contributions will be used to purchase shares of Common Stock (rounded down to the nearest whole share) within ten business days prior to the Corporate Transaction under the outstanding Purchase Rights, and the Purchase Rights will terminate immediately after such purchase.

12. AMENDMENT, TERMINATION OR SUSPENSION OF THE PLAN.

(a) The Board may amend the Plan at any time in any respect the Board deems necessary or advisable. However, except as provided in Section 11(a) relating to Capitalization Adjustments, stockholder approval will be required for any amendment of the Plan for which stockholder approval is required by Applicable Law.

(b) The Board may suspend or terminate the Plan at any time. No Purchase Rights may be granted under the Plan while the Plan is suspended or after it is terminated.

Any benefits, privileges, entitlements and obligations under any outstanding Purchase Rights granted before an amendment, suspension or termination of the Plan will not be materially impaired by any such amendment, suspension or termination except (i) with the consent of the person to whom such Purchase Rights were granted, (ii) as necessary to comply with any laws, listing requirements, or governmental regulations (including, without limitation, the provisions of Section 423 of the Code and the regulations and other interpretive guidance issued thereunder relating to Employee Stock Purchase Plans) including without limitation any such regulations or other guidance that may be issued or amended after the date the Plan is adopted by the Board, or (iii) as necessary to obtain or maintain favorable tax, listing, or regulatory treatment. To be clear, the Board may amend outstanding Purchase Rights without a Participant's consent if such amendment is necessary to ensure that the Purchase Right and/or the Plan complies with the requirements of Section 423 of the Code with respect to the 423 Component or with respect to other Applicable Laws. Notwithstanding anything in the Plan or any Offering Document to the contrary, the Board will be entitled to: (i) establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars; (ii) permit Contributions in excess of the amount designated by a Participant in order to adjust for mistakes in the Company's processing of properly completed Contribution elections; (iii) establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each Participant properly correspond with amounts withheld from the Participant's Contributions; (iv) amend any outstanding Purchase Rights or clarify any ambiguities regarding the terms of any Offering to enable the Purchase Rights to qualify under and/or comply with Section 423 of the Code with respect to the 423 Component; and (v) establish other limitations or procedures as the Board determines in its sole discretion advisable that are consistent with the Plan. The actions of the Board pursuant to this paragraph will not be considered to alter or impair any Purchase Rights granted under an Offering as they are part of the initial terms of each Offering and the Purchase Rights granted under each Offering.

13. TAX QUALIFICATION; TAX WITHHOLDING.

(a) Although the Company may endeavor to (i) qualify a Purchase Right for special tax treatment under the laws of the United States or jurisdictions outside of the United States or (ii) avoid adverse tax treatment, the Company makes no representation to that effect and expressly disavows any covenant to maintain special or to avoid unfavorable tax treatment, notwithstanding anything to the contrary in this Plan. The Company will be unconstrained in its corporate activities without regard to the potential negative tax impact on Participants.

(b) Each Participant will make arrangements, satisfactory to the Company and any applicable Related Corporation, to enable the Company or the Related Corporation to fulfill any withholding obligation for Tax-Related Items. Without limitation to the foregoing, in the Company's sole discretion and subject to Applicable Law, such withholding obligation may be satsified in whole or in part by (i) withholding from the Participant's salary or any other cash payment due to the Participant from the Company or a Related Corporation; (ii) withholding from the proceeds of the sale of shares of Common Stock acquired under the Plan, either through a voluntary sale or a mandatory sale arranged by the Company; or (iii) any other method deemed acceptable by the Board.

14. EFFECTIVE DATE OF PLAN.

The Plan will become effective immediately prior to and contingent upon the IPO Date. No Purchase Rights will be exercised unless and until the Plan has been approved by the stockholders of the Company, which approval must be within 12 months before or after the date the Plan is adopted (or if required under Section 12(a) above, materially amended) by the Board.

15. MISCELLANEOUS PROVISIONS.

(a) Proceeds from the sale of shares of Common Stock pursuant to Purchase Rights will constitute general funds of the Company.

(b) A Participant will not be deemed to be the holder of, or to have any of the rights of a holder with respect to, shares of Common Stock subject to Purchase Rights unless and until the Participant's shares of Common Stock acquired upon exercise of Purchase Rights are recorded in the books of the Company (or its transfer agent).

(c) The Plan and Offering do not constitute an employment contract. Nothing in the Plan or in the Offering will in any way alter the at will nature of a Participant's employment, if applicable, or be deemed to create in any way whatsoever any obligation on the part of any Participant to continue in the employ of the Company or a Related Corporation, or on the part of the Company or a Related Corporation to continue the employment of a Participant.

(d) The provisions of the Plan will be governed by the laws of the State of Delaware without resort to that state's conflicts of laws rules.

(e) If any particular provision of the Plan is found to be invalid or otherwise unenforceable, such provision will not affect the other provisions of the Plan, but the Plan will be construed in all respects as if such invalid provision were omitted.

(f) If any provision of the Plan does not comply with Applicable Law, such provision shall be construed in such a manner as to comply with Applicable Law.

16. DEFINITIONS.

As used in the Plan, the following definitions will apply to the capitalized terms indicated below:

(a) "***423 Component***" means the part of the Plan, which excludes the Non-423 Component, pursuant to which Purchase Rights that satisfy the requirements for an Employee Stock Purchase Plan may be granted to Eligible Employees.

(b) "***Applicable Law***" means shall mean any applicable securities, federal, state, foreign, material local or municipal or other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, decree, rule, listing rule, regulation, judicial decision, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Body (or under the authority of the Nasdaq Stock Market or the Financial Industry Regulatory Authority).

(c) "***Board***" means the Board of Directors of the Company.

(d) "***Capitalization Adjustment***" means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Purchase Right after the date the Plan is adopted by the Board without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or other similar equity restructuring transaction, as that term is used in Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

(e) "***Code***" means the U.S. Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(f) "***Committee***" means a committee of one or more members of the Board to whom authority has been delegated by the Board in accordance with Section 2(c).

(g) "***Common Stock***" means the Common Stock of the Company.

(h) "***Company***" means Talis Biomedical Corporation, a Delaware corporation.

(i) ***"Contributions***" means the payroll deductions and other additional payments specifically provided for in the Offering that a Participant contributes to fund the exercise of a Purchase Right. A Participant may make additional payments into his or her account if specifically provided for in the Offering, and then only if the Participant has not already had the maximum permitted amount withheld during the Offering through payroll deductions.

(j) "***Corporate Transaction***" means the consummation, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) a sale or other disposition of all or substantially all, as determined by the Board in its sole discretion, of the consolidated assets of the Company and its subsidiaries;

(ii) a sale or other disposition of more than 50% of the outstanding securities of the Company;

(iii) a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or

(iv) a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of Common Stock outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

(k) "***Director***" means a member of the Board.

(l) "***Eligible Employee***" means an Employee who meets the requirements set forth in the document(s) governing the Offering for eligibility to participate in the Offering, provided that such Employee also meets the requirements for eligibility to participate set forth in the Plan.

(m) "***Employee***" means any person, including an Officer or Director, who is "employed" for purposes of Section 423(b)(4) of the Code by the Company or a Related Corporation. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an "Employee" for purposes of the Plan.

(n) "***Employee Stock Purchase Plan***" means a plan that grants Purchase Rights intended to be options issued under an "employee stock purchase plan," as that term is defined in Section 423(b) of the Code.

(o) "***Exchange Act***" means the U.S. Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder.

(p) "***Fair Market Value***" means, as of any date, the value of the Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or traded on any established market, the Fair Market Value of a share of Common Stock will be the closing sales price for such stock as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Common Stock) on the date of determination, as reported in such source as the Board deems reliable. Unless otherwise provided by the Board, if there is no closing sales price for the Common Stock on the date of determination, then the Fair Market Value will be the closing sales price on the last preceding date for which such quotation exists.

(ii) In the absence of such markets for the Common Stock, the Fair Market Value will be determined by the Board in good faith in compliance with Applicable Laws and regulations and in a manner that complies with Sections 409A of the Code

(iii) Notwithstanding the foregoing, for any Offering that commences on the IPO Date, the Fair Market Value of the shares of Common Stock on the Offering Date will be the price per share at which shares are first sold to the public in the Company's initial public offering as specified in the final prospectus for that initial public offering.

(q) "***Governmental Body***" means any: (a) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; (c) governmental or regulatory body, or quasi-governmental body of any nature (including any governmental division, department, administrative agency or bureau, commission, authority, instrumentality, official, ministry, fund, foundation, center, organization, unit, body or entity and any court or other tribunal, and for the avoidance of doubt, any tax authority) or other body exercising similar powers or authority; or (d) self-regulatory organization (including the Nasdaq Stock Market and the Financial Industry Regulatory Authority).

(r) "***IPO Date***" means the date of the underwriting agreement between the Company and the underwriters managing the initial public offering of the Common Stock, pursuant to which the Common Stock is priced for the initial public offering.

(s) "***Non-423 Component***" means the part of the Plan, which excludes the 423 Component, pursuant to which Purchase Rights that are not intended to satisfy the requirements for an Employee Stock Purchase Plan may be granted to Eligible Employees.

(t) "***Offering***" means the grant to Eligible Employees of Purchase Rights, with the exercise of those Purchase Rights automatically occurring at the end of one or more Purchase Periods. The terms and conditions of an Offering will generally be set forth in the "***Offering Document***" approved by the Board for that Offering.

(u) "***Offering Date***" means a date selected by the Board for an Offering to commence.

(v) "***Officer***" means a person who is an officer of the Company or a Related Corporation within the meaning of Section 16 of the Exchange Act.

(w) "***Participant***" means an Eligible Employee who holds an outstanding Purchase Right.

(x) "***Plan***" means this Talis Biomedical Corporation 2021 Employee Stock Purchase Plan, as amended from time to time, including both the 423 Component and the Non-423 Component.

(y) "***Purchase Date***" means one or more dates during an Offering selected by the Board on which Purchase Rights will be exercised and on which purchases of shares of Common Stock will be carried out in accordance with such Offering.

(z) "***Purchase Period***" means a period of time specified within an Offering, generally beginning on the Offering Date or on the first Trading Day following a Purchase Date, and ending on a Purchase Date. An Offering may consist of one or more Purchase Periods.

(aa) "***Purchase Right***" means an option to purchase shares of Common Stock granted pursuant to the Plan.

(bb) "***Related Corporation***" means any "parent corporation" or "subsidiary corporation" of the Company whether now or subsequently established, as those terms are defined in Sections 424(e) and (f), respectively, of the Code.

(cc) "***Securities Act***" means the U.S. Securities Act of 1933, as amended.

(dd) "***Tax-Related Items***" means any income tax, social insurance, payroll tax, fringe benefit tax, payment on account or other tax-related items arising out of or in relation to a Participant's participation in the Plan, including, but not limited to, the exercise of a Purchase Right and the receipt of shares of Common Stock or the sale or other disposition of shares of Common Stock acquired under the Plan.

(ee) "***Trading Day***" means any day on which the exchange(s) or market(s) on which shares of Common Stock are listed, including but not limited to the NYSE, Nasdaq Global Select Market, the Nasdaq Global Market, the Nasdaq Capital Market or any successors thereto, is open for trading.

TALIS BIOMEDICAL CORPORATION

NON-EMPLOYEE DIRECTOR COMPENSATION POLICY

Each member of the Board of Directors (the "***Board***") who is not also serving as an employee of or consultant to Talis Biomedical Corporation (the "***Company***") or any of its subsidiaries (each such member, an "***Eligible Director***") will receive the compensation described in this Non-Employee Director Compensation Policy for his or her Board service upon and following the date of the underwriting agreement between the Company and the underwriters managing the initial public offering of the Company's common stock (the "***Common Stock***"), pursuant to which the Common Stock is priced in such initial public offering (the "***Effective Date***"). An Eligible Director may decline all or any portion of his or her compensation by giving notice to the Company prior to the date cash may be paid or equity awards are to be granted, as the case may be. This policy is effective as of the Effective Date and may be amended at any time in the sole discretion of the Board or the Compensation Committee of the Board.

Annual Cash Compensation

The annual cash compensation amount set forth below is payable to Eligible Directors in equal quarterly installments, payable in arrears on the last day of each fiscal quarter in which the service occurred. If an Eligible Director joins the Board or a committee of the Board at a time other than effective as of the first day of a fiscal quarter, each annual retainer set forth below will be pro-rated based on days served in the applicable fiscal year, with the pro-rated amount paid for the first fiscal quarter in which the Eligible Director provides the service and regular full quarterly payments thereafter. All annual cash fees are vested upon payment.

1. Annual Board Service Retainer:
    a. All Eligible Directors: $40,000
    b. Independent Chair of the Board Service Retainer (in addition to Eligible Director Service Retainer): $40,000
    c. Lead Independent Director Service Retainer (in addition to Eligible Director Service Retainer): $22,500

2. Annual Committee Chair Service Retainer:
    a. Chair of the Audit Committee: $20,000
    b. Chair of the Compensation Committee: $14,000
    c. Chair of the Nominating and Corporate Governance Committee: $10,000

3. Annual Committee Member Service Retainer (not applicable to Committee Chairs):
    a. Member of the Audit Committee: $10,000
    b. Member of the Compensation Committee: $7,000
    c. Member of the Nominating and Corporate Governance Committee: $5,000

Equity Compensation

The equity compensation set forth below will be granted under the Company's 2021 Equity Incentive Plan (the "***Plan***"), subject to the approval of the Plan by the Company's stockholders. All stock options granted under this policy will be nonstatutory stock options, with an exercise price per share equal to 100% of the Fair Market Value (as defined in the Plan) of the underlying Common Stock on the date of grant, and a term of ten years from the date of grant (subject to earlier termination in connection with a termination of service as provided in the Plan, provided that upon a termination of service other than by death or for cause, the post-termination exercise period will be 12 months from the date of termination).

1. Initial Grant: For each Eligible Director who is first elected or appointed to the Board following the Effective Date, on the date of such Eligible Director's initial election or appointment to the Board (or, if such date is not a market trading day, the first market trading day thereafter), the Eligible Director will be automatically, and without further action by the Board or the Compensation Committee of the Board, granted a stock option to purchase shares of Common Stock with an aggregate Black-Scholes option value of $340,000 (the "***Initial Grant***"). The shares subject to each Initial Grant will vest in equal monthly installments over a three year period such that the option is fully vested on the third anniversary of the date of grant, subject to the Eligible Director's Continuous Service (as defined in the Plan) through each such vesting date and will vest in full upon a Change in Control (as defined in the Plan).

2. Annual Grant: On the date of each annual stockholder meeting of the Company held after the Effective Date, each Eligible Director who continues to serve as a non-employee member of the Board following such stockholder meeting (excluding any Eligible Director who is first appointed or elected to the Board at such meeting) will be automatically, and without further action by the Board or the Compensation Committee of the Board, granted a stock option to purchase shares of Common Stock with an aggregate Black-Scholes option value of $170,000 (the "***Annual Grant***"). The shares subject to the Annual Grant will vest in equal monthly installments over the 12 months following the date of grant, provided that the Annual Grant will in any case be fully vested on the date of the Company's next annual stockholder meeting, subject to the Eligible Director's Continuous Service (as defined in the Plan) through such vesting date and will vest in full upon a Change in Control (as defined in the Plan). With respect to an Eligible Director who, following the Effective Date, was first elected or appointed to the Board on a date other than the date of the Company's annual stockholder meeting, upon the Company's first annual stockholder meeting following such Eligible Director's first joining the Board, such Eligible Director's first Annual Grant will be pro-rated to reflect the time between such Eligible Director's election or appointment date and the date of such first annual stockholder meeting.

Non-Employee Director Compensation Limit

Notwithstanding the foregoing, the aggregate value of all compensation granted or paid, as applicable, to any individual for service as a Non-Employee Director (as defined in the Plan) shall in no event exceed the limits set forth in Section 3(d) of the Plan.

Exhibit 10.6

TALIS BIOMEDICAL CORPORATION
SEVERANCE AND CHANGE IN CONTROL PLAN

Section 1. INTRODUCTION.

The Talis Biomedical Corporation Severance and Change in Control Plan (the "***Plan***") is hereby established by the Board of Directors of Talis Biomedical Corporation (the "***Company***") effective upon the IPO Date (as defined below). The purpose of the Plan is to provide for the payment of severance and/or Change in Control (as defined below) benefits to eligible employees of the Company. This Plan document also is the Summary Plan Description for the Plan.

For purposes of the Plan, the following terms are defined as follows:

(a) "***Affiliate***" means any corporation (other than the Company) in an "unbroken chain of corporations" beginning with the Company, if each of the corporations other than the last corporation in the unbroken chain owns stock possessing 50% or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

(b) "***Base Salary***" means base pay (excluding incentive pay, premium pay, commissions, overtime, bonuses and other forms of variable compensation) as in effect prior to any reduction that would give rise to an employee's right to a resignation for Good Reason (if applicable).

(c) "***Cause***" means, with respect to a particular employee, the meaning ascribed to such term in any written employment agreement, offer letter or similar agreement between such employee and the Company defining such term, and, in the absence of such agreement, means with respect to such employee, the term "Cause" as defined in the Equity Plan. The determination whether a termination is for Cause shall be made by the Plan Administrator in its sole and exclusive judgment and discretion.

(d) "***Change in Control***" has the meaning ascribed to such term in the Equity Plan.

(e) "***Change in Control Period***" means the period commencing three months prior to the Closing of a Change in Control and ending 12 months following the Closing of a Change in Control.

(f) "***Closing***" means the initial closing of the Change in Control as defined in the definitive agreement executed in connection with the Change in Control. In the case of a series of transactions constituting a Change in Control, "Closing" means the first closing that satisfies the threshold of the definition for a Change in Control.

(g) "***Code***" means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(h) "***Committee***" means the Board of Directors or the Compensation Committee of the Board of Directors of the Company.

(i) "***Company***" means Talis Biomedical Corporation or, following a Change in Control, the surviving entity resulting from such event.

(j) "***Confidentiality Agreement***" means the Company's standard form of Proprietary Information and Invention Assignment Agreement or any similar or successor document.

(k) "***Covered Termination***" means, with respect to an employee, a termination of employment that is due to (1) a termination by the Company without Cause (and other than as a result of the employee's death or Disability) or (2) the employee's resignation for Good Reason, and in either case of (1) or (2), results in such employee's Separation from Service.

(l) "***Disability***" means any physical or mental condition which renders an employee incapable of performing the work for which he or she was employed by the Company or similar work offered by the Company. The Disability of an employee shall be established if (i) the employee satisfies the requirements for benefits under the Company's long-term disability plan or (ii) if no long-term disability plan, the employee satisfies the requirements for Social Security disability benefits.

(m) "***Eligible Employee***" means an employee of the Company that meets the requirements to be eligible to receive Plan benefits as set forth in Section 2.

(n) "***Equity Plan***" means the Talis Biomedical Corporation 2021 Equity Incentive Plan, as amended from time to time, or any successor plan thereto.

(o) "***Good Reason***" for an employee's resignation means the occurrence of any of the following are undertaken by the Company without the employee's written consent:

(1) a material reduction in a such employee's base salary (unless pursuant to a salary reduction program affecting substantially all of the similarly situated employees of the Company and that does not adversely affect the employee to a greater extent than other similarly situated employees);

(2) a material diminution of the employee's authority, duties or responsibilities;

(3) a relocation of such employee's principal place of employment with the Company (or successor to the Company, if applicable) to a place that increases such employee's one-way commute by more than 50 miles as compared to such employee's then-current principal place of employment immediately prior to such relocation (excluding regular travel in the ordinary course of business); provided that (i) if such employee's principal place of employment is his or her personal residence, this clause (3) shall not apply and (ii) if the employee works remotely during any period in which such employee's regular principal office location is a Company office that is closed, then neither the employee's relocation to remote work or back to the office from remote work will be considered a relocation of such employee's principal office location for purposes of this definition; or

(4) a material breach by the Company of any provision of this Plan or any other material agreement between such employee and the Company concerning the terms and conditions of such employee's employment with the Company.

Notwithstanding the foregoing, in order for the employee's resignation to be deemed to have been for Good Reason, the employee must (a) provide written notice to the Company of such employee's intent to resign for Good Reason within 30 days after the first occurrence of the event giving rise to Good Reason, which notice shall describe the event(s) the employee believes give rise to Good Reason; (b) allow the Company at least 30 days from receipt of the written notice to cure the event (such period, the "***Cure Period***"), and (c) if the event is not reasonably cured within the Cure Period, the employee's resignation from all positions held with the Company is effective not later than 30 days after the expiration of the Cure Period.

(p) "***IPO Date***" means the date of the underwriting agreement between the Company and the underwriter(s) managing the initial public offering of the Company's Common Stock, pursuant to which the Common Stock is priced for the initial public offering.

(q) "***Participation Agreement***" means an agreement between an employee and the Company in substantially the form of **APPENDIX A** attached hereto, and which may include such other terms as the Committee deems necessary or advisable in the administration of the Plan.

(r) "***Plan Administrator***" means the Committee prior to the Closing and the Representative upon and following the Closing, as applicable.

(s) "***Representative***" means one or more members of the Committee or other persons or entities designated by the Committee prior to or in connection with a Change in Control that will have authority to administer and interpret the Plan upon and following the Closing as provided in Section 9(a).

(t) "***Section 409A***" means Section 409A of the Code and the treasury regulations and other guidance thereunder and any state law of similar effect.

(u) "***Separation from Service***" means a "separation from service" within the meaning of Treasury Regulations Section 1.409A-1(h), without regard to any alternative definition thereunder.

Section 2. ELIGIBILITY FOR BENEFITS.

(a) Eligible Employee. An employee of the Company is eligible to participate in the Plan if (i) the Plan Administrator has designated such employee as eligible to participate in the Plan by providing such employee a Participation Agreement; (ii) such employee has signed and returned such Participation Agreement to the Company within the time period required therein; and (iii) such employee meets the other Plan eligibility requirements set forth in this Section 2. The determination of whether an employee is an Eligible Employee shall be made by the Plan Administrator, in its sole discretion, and such determination shall be binding and conclusive on all persons.

(b) Release Requirement. Except as otherwise provided in an individual Participation Agreement, in order to be eligible to receive benefits under the Plan, the employee also must execute a general waiver and release, in such a form as provided by the Company (the "***Release***"), within the applicable time period set forth therein, and such Release must become effective in accordance with its terms, which must occur in no event more than 60 days following the date of the applicable Covered Termination.

(c) Plan Benefits Provided In Lieu of Any Previous Benefits. Except as otherwise provided in an individual Participation Agreement, this Plan shall supersede any change in control or severance benefit plan, policy or practice previously maintained by the Company with respect to an Eligible Employee and any change in control or severance benefits in any individually negotiated employment contract or other agreement between the Company and an Eligible Employee. Notwithstanding the foregoing, the Eligible Employee's outstanding equity awards shall remain subject to the terms of the Equity Plan or other applicable equity plan under which such awards were granted (including the award documentation governing such awards) that may apply upon a Change in Control and/or termination of such employee's service and no provision of this Plan shall be construed as to limit the actions that may be taken, or to violate the terms, thereunder.

(d) Exceptions to Severance Benefit Entitlement. An employee who otherwise is an Eligible Employee will not receive benefits under the Plan in the following circumstances, as determined by the Plan Administrator in its sole discretion:

(1) The employee is terminated by the Company for any reason (including due to the employee's death or Disability) or voluntarily terminates employment with the Company in any manner, and in either case, such termination does not constitute a Covered Termination. Voluntary terminations include, but are not limited to, resignation, retirement or failure to return from a leave of absence on the scheduled date.

(2) The employee voluntarily terminates employment with the Company in order to accept employment with another entity that is wholly or partly owned (directly or indirectly) by the Company or an Affiliate.

(3) The employee is offered an identical or substantially equivalent or comparable position with the Company or an Affiliate. For purposes of the foregoing, a "substantially equivalent or comparable position" is one that provides the employee substantially the same level of responsibility and compensation and would not give rise to the employee's right to a resignation for Good Reason.

(4) The employee is offered immediate reemployment by a successor to the Company or an Affiliate or by a purchaser of the Company's assets, as the case may be, following a Change in Control and the terms of such reemployment would not give rise to the employee's right to a resignation for Good Reason. For purposes of the foregoing, "immediate reemployment" means that the employee's employment with the successor to the Company or an Affiliate or the purchaser of its assets, as the case may be, results in uninterrupted employment such that the employee does not incur a lapse in pay or benefits as a result of the change in ownership of the Company or the sale of its assets. For the avoidance of doubt, an employee who becomes immediately reemployed as described in this Section 2(d)(4) by a successor to the Company or an Affiliate or by a purchaser of the Company's assets, as the case may be, following a Change in Control shall continue to be an Eligible Employee following the date of such reemployment.

(5) The employee is rehired by the Company or an Affiliate and recommences employment prior to the date severance benefits under the Plan are scheduled to commence.

(e) Termination of Severance Benefits. An Eligible Employee's right to receive severance benefits under this Plan shall terminate immediately if, at any time prior to or during the period for which the Eligible Employee is receiving severance benefits under the Plan, the Eligible Employee

(1) willfully breaches any material statutory, common law, or contractual obligation to the Company or an Affiliate (including, without limitation, the contractual obligations set forth in the Confidentiality Agreement and any other confidentiality, non-disclosure and developments agreement, non-competition, non-solicitation, or similar type agreement between the Eligible Employee and the Company, as applicable);

(2) fails to enter into the terms of the Confidentiality Agreement; or

(3) without the prior written approval of the Plan Administrator, engages in a Prohibited Action (as defined below). In addition, if benefits under the Plan have already been paid to the Eligible Employee and the Eligible Employee subsequently engages in a Prohibited Action during the Prohibited Period (or it is determined that the Eligible Employee engaged in a Prohibited Action prior to receipt of such benefits), any benefits previously paid to the Eligible Employee shall be subject to recoupment by the Company on such terms and conditions as shall be determined by the Plan Administrator, in its sole discretion. The "***Prohibited Period***" shall commence on the date of the Eligible Employee's Covered Termination and continue for the number of months corresponding to the Severance Period set forth in such Eligible Employee's Participation Agreement. A "***Prohibited Action***" shall occur if the Eligible Employee: (i) breaches a material provision of the Confidentiality Agreement and/or any obligations of confidentiality, non-solicitation, non-disparagement, no conflicts or non-competition set forth in the Eligible Employee's employment agreement, offer letter, any other written agreement between the Eligible Employee and the Company, or under applicable law; (ii) encourages or solicits any of the Company's then current employees to leave the Company's employ for any reason or interferes in any other manner with employment relationships at the time existing between the Company and its then current employees; or (iii) induces any of the Company's then current clients, customers, suppliers, vendors, distributors, licensors, licensees, or other third parties to terminate their existing business relationship with the Company or interferes in any other manner with any existing business relationship between the Company and any then current client, customer, supplier, vendor, distributor, licensor, licensee, or other third parties.

Section 3. AMOUNT OF BENEFITS.

(a) Benefits in Participation Agreement. Benefits under the Plan shall be provided to an Eligible Employee as set forth in the Participation Agreement.

(b) Additional Benefits. Notwithstanding the foregoing, the Committee may, in its sole discretion, provide benefits to individuals who are not Eligible Employees ("***Non-Eligible Employees***") chosen by the Plan Administrator, in its sole discretion, and the provision of any such benefits to a Non-Eligible Employee shall in no way obligate the Company to provide such benefits to any other individual, even if similarly situated. If benefits under the Plan are provided to a Non-Eligible Employee, references in the Plan to "Eligible Employee" (and similar references) shall be deemed to refer to such Non-Eligible Employee.

(c) Certain Reductions. In addition to Section 2(e) above, the Company, in its sole discretion, shall have the authority to reduce an Eligible Employee's severance benefits, in whole or in part, by any other severance benefits, pay and benefits provided during a period following written notice of a business closing or mass layoff, pay and benefits in lieu of such notice, or other similar benefits payable to the Eligible Employee by the Company or an Affiliate that become payable in connection with the Eligible Employee's termination of employment pursuant to (i) any applicable legal requirement, including, without limitation, the Worker Adjustment and Retraining Notification Act or any other similar state law or (ii) any Company policy or practice providing for the Eligible Employee to remain on the payroll for a limited period of time after being given notice of the termination of the Eligible Employee's employment, and the Plan Administrator shall so construe and implement the terms of the Plan. Any such reductions that the Company determines to make pursuant to this Section 3(c) shall be made such that any severance benefit under the Plan shall be reduced solely by any similar type of benefit under such legal requirement, agreement, policy or practice (*i.e.*, any cash severance benefits under the Plan shall be reduced solely by any cash payments or severance benefits under such legal requirement, agreement, policy or practice). The Company's decision to apply such reductions to the severance benefits of one Eligible Employee and the amount of such reductions shall in no way obligate the Company to apply the same reductions in the same amounts to the severance benefits of any other Eligible Employee. In the Company's sole discretion, such reductions may be applied on a retroactive basis, with severance benefits previously paid being re-characterized as payments pursuant to the Company's statutory obligation.

(d) Parachute Payments. Except as otherwise provided in an individual Participation Agreement, if any payment or benefit an Eligible Employee will or may receive from the Company or otherwise (a "***Payment***") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "***Excise Tax***"), then any such Payment shall be equal to the Reduced Amount. The "***Reduced Amount***" shall be either (x) the largest portion of the Payment that would result in no portion of the Payment (after reduction) being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount (i.e., the amount determined by clause (x) or by clause (y)), after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in the Eligible Employee's receipt, on an after-tax basis, of the greater economic benefit notwithstanding that all or some portion of the Payment may be

subject to the Excise Tax. If a reduction in a Payment is required pursuant to the preceding sentence and the Reduced Amount is determined pursuant to clause (x) of the preceding sentence, the reduction shall occur in the manner (the "***Reduction Method***") that results in the greatest economic benefit for the Eligible Employee. If more than one method of reduction will result in the same economic benefit, the items so reduced will be reduced pro rata (the "***Pro Rata Reduction Method***").

Notwithstanding any provisions in this Section above to the contrary, if the Reduction Method or the Pro Rata Reduction Method would result in any portion of the Payment being subject to taxes pursuant to Section 409A that would not otherwise be subject to taxes pursuant to Section 409A, then the Reduction Method and/or the Pro Rata Reduction Method, as the case may be, shall be modified so as to avoid the imposition of taxes pursuant to Section 409A as follows: (A) as a first priority, the modification shall preserve to the greatest extent possible, the greatest economic benefit for the Eligible Employee as determined on an after-tax basis; (B) as a second priority, Payments that are contingent on future events (*e.g.*, being terminated without Cause), shall be reduced (or eliminated) before Payments that are not contingent on future events; and (C) as a third priority, Payments that are "deferred compensation" within the meaning of Section 409A shall be reduced (or eliminated) before Payments that are not deferred compensation within the meaning of Section 409A.

The Company shall appoint a nationally recognized accounting or law firm to make the determinations required by this Section. The Company shall bear all expenses with respect to the determinations by such accounting or law firm required to be made hereunder. If the Eligible Employee receives a Payment for which the Reduced Amount was determined pursuant to clause (x) above and the Internal Revenue Service determines thereafter that some portion of the Payment is subject to the Excise Tax, Eligible Employee agrees to promptly return to the Company a sufficient amount of the Payment (after reduction pursuant to clause (x) above) so that no portion of the remaining Payment is subject to the Excise Tax. For the avoidance of doubt, if the Reduced Amount was determined pursuant to clause (y) above, the Eligible Employee shall have no obligation to return any portion of the Payment pursuant to the preceding sentence.

Section 4. RETURN OF COMPANY PROPERTY.

An Eligible Employee will not be entitled to any severance benefit under the Plan unless and until the Eligible Employee returns all Company Property. For this purpose, "***Company Property***" means all paper and electronic Company documents (and all copies thereof) and other Company property which the Eligible Employee had in his or her possession or control at any time, including, but not limited to, Company files, notes, drawings, records, plans, forecasts, reports, studies, analyses, proposals, agreements, financial information, research and development information, sales and marketing information, operational and personnel information, specifications, code, software, databases, computer-recorded information, tangible property and equipment (including, but not limited to, computers, facsimile machines, mobile telephones, servers), credit cards, entry cards, identification badges and keys; and any materials of any kind which contain or embody any proprietary or confidential information of the Company (and all reproductions thereof in whole or in part). As a condition to receiving benefits under the Plan, an Eligible Employee must not make or retain copies, reproductions or summaries of any such Company documents, materials or property. However, an Eligible Employee is not required to return his or her personal copies of documents evidencing the Eligible Employee's hire, termination, compensation, benefits and stock options and any other documentation received as a stockholder of the Company.

Section 5. TIME OF PAYMENT AND FORM OF BENEFITS.

The Company reserves the right in the Participation Agreement to specify whether payments under the Plan will be paid in a single sum, in installments, or in any other form and to determine the timing of such payments. All such payments under the Plan will be subject to applicable withholding for federal, state, foreign, provincial and local taxes. All benefits provided under the Plan are intended to satisfy the requirements for an exemption from application of Section 409A to the maximum extent that an exemption is available and any ambiguities herein shall be interpreted accordingly; *provided*, *however*, that to the extent such an exemption is not available, the benefits provided under the Plan are intended to comply with the requirements of Section 409A to the extent necessary to avoid adverse personal tax consequences and any ambiguities herein shall be interpreted accordingly.

It is intended that (i) each installment of any benefits payable under the Plan to an Eligible Employee be regarded as a separate "payment" for purposes of Treasury Regulations Section 1.409A-2(b)(2)(i), (ii) all payments of any such benefits under the Plan satisfy, to the greatest extent possible, the exemptions from the application of Section 409A provided under Treasury Regulations Sections 1.409A-1(b)(4), 1.409A-1(b)(5) and 1.409A-1(b)(9)(iii), and (iii) any such benefits consisting of COBRA premiums also satisfy, to the greatest extent possible, the exemption from the application of Section 409A provided under Treasury Regulations Section 1.409A-1(b)(9)(v). However, if the Company determines that any severance benefits payable under the Plan constitute "deferred compensation" under Section 409A and the Eligible Employee is a "specified employee" of the Company, as such term is defined in Section 409A(a)(2)(B)(i), then, solely to the extent necessary to avoid the imposition of the adverse personal tax consequences under Section 409A, (A) the timing of such severance benefit payments shall be delayed until the earlier of (1) the date that is six months and one day after the Eligible Employee's Separation from Service and (2) the date of the Eligible Employee's death (such applicable date, the "***Delayed Initial Payment Date***"), and (B) the Company shall (1) pay the Eligible Employee a lump sum amount equal to the sum of the severance benefit payments that the Eligible Employee would otherwise have received through the Delayed Initial Payment Date if the commencement of the payment of the severance benefits had not been delayed pursuant to this paragraph and (2) commence paying the balance, if any, of the severance benefits in accordance with the applicable payment schedule.

In no event shall payment of any severance benefits under the Plan be made prior to an Eligible Employee's Separation from Service or prior to the effective date of the Release. If the Company determines that any severance payments or benefits provided under the Plan constitute "deferred compensation" under Section 409A, and the Eligible Employee's Separation from Service occurs at a time during the calendar year when the Release could become effective in the calendar year following the calendar year in which the Eligible Employee's Separation from Service occurs, then regardless of when the Release is returned to the Company and becomes effective, the Release will not be deemed effective, solely for purposes of the timing of payment of severance benefits under this Plan, any earlier than the latest permitted effective date (the

"***Release Deadline***"). If the Company determines that any severance payments or benefits provided under the Plan constitute "deferred compensation" under Section 409A, then except to the extent that severance payments may be delayed until the Delayed Initial Payment Date pursuant to the preceding paragraph, on the first regular payroll date following the effective date of an Eligible Employee's Release, the Company shall (1) pay the Eligible Employee a lump sum amount equal to the sum of the severance benefit payments that the Eligible Employee would otherwise have received through such payroll date but for the delay in payment related to the effectiveness of the Release and (2) commence paying the balance, if any, of the severance benefits in accordance with the applicable payment schedule.

Section 6. TRANSFER AND ASSIGNMENT.

The rights and obligations of an Eligible Employee under this Plan may not be transferred or assigned without the prior written consent of the Company. This Plan shall be binding upon any entity or person who is a successor by merger, acquisition, consolidation or otherwise to the business formerly carried on by the Company without regard to whether or not such entity or person actively assumes the obligations hereunder and without regard to whether or not a Change in Control occurs.

Section 7. MITIGATION.

Except as otherwise specifically provided in the Plan, an Eligible Employee will not be required to mitigate damages or the amount of any payment provided under the Plan by seeking other employment or otherwise, nor will the amount of any payment provided for under the Plan be reduced by any compensation earned by an Eligible Employee as a result of employment by another employer or any retirement benefits received by such Eligible Employee after the date of the Eligible Employee's termination of employment with the Company.

Section 8. CLAWBACK; RECOVERY.

All payments and severance benefits provided under the Plan will be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other applicable law. In addition, the Plan Administrator may impose such other clawback, recovery or recoupment provisions as the Plan Administrator determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired shares of common stock of the Company or other cash or property upon the occurrence of a termination of employment for Cause. No recovery of compensation under such a clawback policy will be an event giving rise to a right to resign for Good Reason, constructive termination, or any similar term under any plan of or agreement with the Company.

Section 9. RIGHT TO INTERPRET AND ADMINISTER PLAN; AMENDMENT AND TERMINATION.

(a) Interpretation and Administration. Prior to the Closing, the Committee shall be the Plan Administrator and shall have the exclusive discretion and authority to establish rules, forms, and procedures for the administration of the Plan and to construe and interpret the Plan and to decide any and all questions of fact, interpretation, definition, computation or administration arising in connection with the operation of the Plan, including, but not limited to, the eligibility to participate in the Plan and amount of benefits paid under the Plan. The rules, interpretations, computations and other actions of the Committee shall be binding and conclusive on all persons. Upon and after the Closing, the Plan will be interpreted and administered in good faith by the Representative who shall be the Plan Administrator during such period. All actions taken by the Representative in interpreting the terms of the Plan and administering the Plan upon and after the Closing will be final and binding on all Eligible Employees. Any references in this Plan to the "Committee" or "Plan Administrator" with respect to periods following the Closing shall mean the Representative.

(b) Amendment. The Plan Administrator reserves the right to amend this Plan at any time; *provided, however,* that any amendment of the Plan will not be effective as to a particular employee who is or may be adversely impacted by such amendment or termination and has an effective Participation Agreement without the written consent of such employee.

(c) Termination. Unless otherwise extended by the Committee, the Plan will automatically terminate upon the earlier of (i) the third anniversary of the IPO Date and (ii) the satisfaction of all the Company's obligations under the Plan.

Section 10. NO IMPLIED EMPLOYMENT CONTRACT.

The Plan shall not be deemed (i) to give any employee or other person any right to be retained in the employ of the Company or (ii) to interfere with the right of the Company to discharge any employee or other person at any time, with or without cause, which right is hereby reserved. This Plan does not modify the at-will employment status of any Eligible Employee.

Section 11. LEGAL CONSTRUCTION.

This Plan is intended to be governed by and shall be construed in accordance with the Employee Retirement Income Security Act of 1974 ("***ERISA***") and, to the extent not preempted by ERISA, the laws of the State of California.

Section 12. CLAIMS, INQUIRIES AND APPEALS.

(a) Applications for Benefits and Inquiries. Any application for benefits, inquiries about the Plan or inquiries about present or future rights under the Plan must be submitted to the Plan Administrator in writing by an applicant (or his or her authorized representative). The Plan Administrator is:

Talis Biomedical Corporation
Compensation Committee of the Board of Directors or Representative
Attention to: Corporate Secretary
230 Constitution Drive
Menlo Park, California 94025

(b) Denial of Claims. In the event that any application for benefits is denied in whole or in part, the Plan Administrator must provide the applicant with written or electronic notice of the denial of the application, and of the applicant's right to review the denial. Any electronic notice will comply with the regulations of the U.S. Department of Labor. The notice of denial will be set forth in a manner designed to be understood by the applicant and will include the following:

(1) the specific reason or reasons for the denial;

(2) references to the specific Plan provisions upon which the denial is based;

(3) a description of any additional information or material that the Plan Administrator needs to complete the review and an explanation of why such information or material is necessary; and

(4) an explanation of the Plan's review procedures and the time limits applicable to such procedures, including a statement of the applicant's right to bring a civil action under Section 502(a) of ERISA following a denial on review of the claim, as described in Section 12(d) below.

This notice of denial will be given to the applicant within 90 days after the Plan Administrator receives the application, unless special circumstances require an extension of time, in which case, the Plan Administrator has up to an additional 90 days for processing the application. If an extension of time for processing is required, written notice of the extension will be furnished to the applicant before the end of the initial 90 day period.

This notice of extension will describe the special circumstances necessitating the additional time and the date by which the Plan Administrator is to render its decision on the application.

(c) Request for a Review. Any person (or that person's authorized representative) for whom an application for benefits is denied, in whole or in part, may appeal the denial by submitting a request for a review to the Plan Administrator within 60 days after the application is denied. A request for a review shall be in writing and shall be addressed to:

Talis Biomedical Corporation
Compensation Committee of the Board of Directors or Representative
Attention to: Corporate Secretary
230 Constitution Drive
Menlo Park, California 94025

A request for review must set forth all of the grounds on which it is based, all facts in support of the request and any other matters that the applicant feels are pertinent. The applicant (or his or her representative) shall have the opportunity to submit (or the Plan Administrator may require the applicant to submit) written comments, documents, records, and other information relating to his or her claim. The applicant (or his or her representative) shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to his or her claim. The review shall take into account all comments, documents, records and other information submitted by the applicant (or his or her representative) relating to the claim, without regard to whether such information was submitted or considered in the initial benefit determination.

(d) Decision on Review. The Plan Administrator will act on each request for review within 60 days after receipt of the request, unless special circumstances require an extension of time (not to exceed an additional 60 days), for processing the request for a review. If an extension for review is required, written notice of the extension will be furnished to the applicant within the initial 60 day period. This notice of extension will describe the special circumstances necessitating the additional time and the date by which the Plan Administrator is to render its decision on the review. The Plan Administrator will give prompt, written or electronic notice of its decision to the applicant. Any electronic notice will comply with the regulations of the U.S. Department of Labor. In the event that the Plan Administrator confirms the denial of the application for benefits in whole or in part, the notice will set forth, in a manner calculated to be understood by the applicant, the following:

(1) the specific reason or reasons for the denial;

(2) references to the specific Plan provisions upon which the denial is based;

(3) a statement that the applicant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to his or her claim; and

(4) a statement of the applicant's right to bring a civil action under Section 502(a) of ERISA.

(e) Rules and Procedures. The Plan Administrator will establish rules and procedures, consistent with the Plan and with ERISA, as necessary and appropriate in carrying out its responsibilities in reviewing benefit claims. The Plan Administrator may require an applicant who wishes to submit additional information in connection with an appeal from the denial of benefits to do so at the applicant's own expense.

(f) Exhaustion of Remedies. No legal action for benefits under the Plan may be brought until the applicant (i) has submitted a written application for benefits in accordance with the procedures described by Section 12(a) above, (ii) has been notified by the Plan Administrator that the application is denied, (iii) has filed a written request for a review of the application in accordance with the appeal procedure described in Section 12(c) above, and (iv) has been notified that the Plan Administrator has denied the appeal. Notwithstanding the foregoing, if the Plan Administrator does not respond to an Eligible Employee's claim or appeal within the relevant time limits specified in this Section 12, the Eligible Employee may bring legal action for benefits under the Plan pursuant to Section 502(a) of ERISA.

Section 13. BASIS OF PAYMENTS TO AND FROM PLAN.

The Plan shall be unfunded, and all cash payments under the Plan shall be paid only from the general assets of the Company.

Section 14. OTHER PLAN INFORMATION.

(a) Employer and Plan Identification Numbers. The Employer Identification Number assigned to the Company (which is the "Plan Sponsor" as that term is used in ERISA) by the Internal Revenue Service is 46-3122255. The Plan Number assigned to the Plan by the Plan Sponsor pursuant to the instructions of the Internal Revenue Service is 510.

(b) Ending Date for Plan's Fiscal Year. The date of the end of the fiscal year for the purpose of maintaining the Plan's records is December 31.

(c) Agent for the Service of Legal Process. The agent for the service of legal process with respect to the Plan is:

Talis Biomedical Corporation
Attention to: Corporate Secretary
230 Constitution Drive
Menlo Park, California 94025

In addition, service of legal process may be made upon the Plan Administrator.

(d) Plan Sponsor. The "Plan Sponsor" is:

Talis Biomedical Corporation
230 Constitution Drive
Menlo Park, California 94025
(650) 433-3000

(e) Plan Administrator. The Plan Administrator is the Committee prior to the Closing and the Representative upon and following the Closing. The Plan Administrator's contact information is:

Talis Biomedical Corporation
Compensation Committee of the Board of Directors or Representative
230 Constitution Drive
Menlo Park, California 94025

The Plan Administrator is the named fiduciary charged with the responsibility for administering the Plan.

Section 15. STATEMENT OF ERISA RIGHTS.

Participants in this Plan (which is a welfare benefit plan sponsored by Talis Biomedical Corporation) are entitled to certain rights and protections under ERISA. If you are an Eligible Employee, you are considered a participant in the Plan and, under ERISA, you are entitled to:

(a) Receive Information About Your Plan and Benefits

(1) Examine, without charge, at the Plan Administrator's office and at other specified locations, such as worksites, all documents governing the Plan and a copy of the latest annual report (Form 5500 Series), if applicable, filed by the Plan with the U.S. Department of Labor and available at the Public Disclosure Room of the Employee Benefits Security Administration;

(2) Obtain, upon written request to the Plan Administrator, copies of documents governing the operation of the Plan and copies of the latest annual report (Form 5500 Series), if applicable, and an updated (as necessary) Summary Plan Description. The Administrator may make a reasonable charge for the copies; and

(3) Receive a summary of the Plan's annual financial report, if applicable. The Plan Administrator is required by law to furnish each Eligible Employee with a copy of this summary annual report.

(b) Prudent Actions by Plan Fiduciaries. In addition to creating rights for Plan Eligible Employees, ERISA imposes duties upon the people who are responsible for the operation of the employee benefit plan. The people who operate the Plan, called "fiduciaries" of the Plan, have a duty to do so prudently and in the interest of you and other Eligible Employees and beneficiaries. No one, including your employer, your union or any other person, may fire you or otherwise discriminate against you in any way to prevent you from obtaining a Plan benefit or exercising your rights under ERISA.

(c) Enforce Your Rights. If your claim for a Plan benefit is denied or ignored, in whole or in part, you have a right to know why this was done, to obtain copies of documents relating to the decision without charge, and to appeal any denial, all within certain time schedules.

Under ERISA, there are steps you can take to enforce the above rights. For instance, if you request a copy of Plan documents or the latest annual report from the Plan, if applicable, and do not receive them within 30 days, you may file suit in a Federal court. In such a case, the court may require the Plan Administrator to provide the materials and pay you up to $110 a day until you receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator.

If you have a claim for benefits which is denied or ignored, in whole or in part, you may file suit in a state or Federal court.

If you are discriminated against for asserting your rights, you may seek assistance from the U.S. Department of Labor, or you may file suit in a Federal court. The court will decide who should pay court costs and legal fees. If you are successful, the court may order the person you have sued to pay these costs and fees. If you lose, the court may order you to pay these costs and fees, for example, if it finds your claim is frivolous.

(d) Assistance with Your Questions. If you have any questions about the Plan, you should contact the Plan Administrator. If you have any questions about this statement or about your rights under ERISA, or if you need assistance in obtaining documents from the Plan Administrator, you should contact the nearest office of the Employee Benefits Security Administration, U.S. Department of Labor, listed in your telephone directory or the Division of

Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue N.W., Washington, D.C. 20210. You may also obtain certain publications about your rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

APPENDIX A

PARTICIPATION AGREEMENT

Name: _____

Section 1. ELIGIBILITY.

You have been designated as eligible to participate in the Talis Biomedical Corporation Severance and Change in Control Plan (the "***Plan***"), a copy of which is attached to this Participation Agreement (the "***Participation Agreement***"). Capitalized terms not explicitly defined in this Participation Agreement but defined in the Plan shall have the same definitions as in the Plan. You will receive the benefits set forth below if you meet all the eligibility requirements set forth in the Plan, including, without limitation, executing the required Release within the applicable time period set forth therein and allowing such Release to become effective in accordance with its terms. Notwithstanding the schedule for provision of benefits as set forth below, the schedule and timing of payment of any benefits under this Participant Agreement is subject to any delay in payment that may be required under Section 5 of the Plan.

Section 2. CHANGE IN CONTROL SEVERANCE BENEFITS.

If you are terminated in a Covered Termination that occurs during the Change in Control Period, you will receive the severance benefits set forth in this Section 2. All severance benefits described herein are subject to standard deductions and withholdings.

(a) Base Salary. You shall receive a cash payment in an amount equal to [_____][1] months (the "***Severance Period***") of payment of your Base Salary. The Base Salary payment will be paid to you in a lump sum cash payment no later than the second regular payroll date following the later of (i) the effective date of the Release or (ii) the Closing, but in any event not later than March 15 of the year following the year in which your Separation from Service occurs.

(b) Bonus Payment. You will be entitled to [__][2] of the annual target cash bonus established for you, if any, pursuant to the annual performance bonus or annual variable compensation plan established by the Board of Directors or Committee (or any authorized committee or designee thereof) for the year in which your Covered Termination occurs. If at the time of the Covered Termination you are eligible for the annual target cash bonus for the year in which the Covered Termination occurs, but the target percentage (or target dollar amount, if specified as such in the applicable bonus plan) for such bonus has not yet been established for such year, the target percentage shall be the target percentage established for you for the preceding year (but adjusted, if necessary for your position for the year in which the Covered Termination occurs). For the avoidance of doubt, the amount of the annual target bonus to which you are entitled under this Section 2(b) will be calculated (1) assuming all articulated performance goals for such bonus (including, but not limited to, corporate and individual performance, if applicable), for the year of

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1 Insert 18 months for Tier I, 12 months for Tier II, and 9 months for Tier III.

2 Insert 150% for Tier I, 100% for Tier II, and 75% for Tier III.

the Covered Termination was achieved at target levels; (2) as if you had provided services for the entire year for which the bonus relates; and (3) ignoring any reduction in your Base Salary that would give rise to your right to resignation for Good Reason (such bonus to which you are entitled under this Section 2(b), the "***Annual Target Bonus Severance Payment***"). The Annual Target Bonus Severance Payment shall be paid in a lump sum cash payment no later than the second regular payroll date following the later of (i) the effective date of the Release or (ii) the Closing, but in any event not later than March 15 of the year following the year in which your Separation from Service occurs.

(c) Payment of Continued Group Health Plan Benefits. If you timely elect continued group health plan continuation coverage under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("***COBRA***") following your Covered Termination date, the Company shall pay directly to the carrier the full amount of your COBRA premiums on behalf of you for your continued coverage under the Company's group health plans, including coverage for your eligible dependents, until the earliest of (i) the end of the Severance Period following the date of your Covered Termination, (ii) the expiration of your eligibility for the continuation coverage under COBRA, or (iii) the date when you become eligible for substantially equivalent health insurance coverage in connection with new employment (such period from your termination date through the earliest of (i) through (iii), the "***COBRA Payment Period***"). Upon the conclusion of such period of insurance premium payments made by the Company, you will be responsible for the entire payment of premiums (or payment for the cost of coverage) required under COBRA for the duration of your eligible COBRA coverage period, if any. For purposes of this Section, (1) references to COBRA shall be deemed to refer also to analogous provisions of state law and (2) any applicable insurance premiums that are paid by the Company shall not include any amounts payable by you under an Internal Revenue Code Section 125 health care reimbursement plan, which amounts, if any, are your sole responsibility. You agree to promptly notify the Company as soon as you become eligible for health insurance coverage in connection with new employment or self-employment.

Notwithstanding the foregoing, if at any time the Company determines, in its sole discretion, that it cannot provide the COBRA premium benefits without potentially incurring financial costs or penalties under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), then in lieu of paying COBRA premiums directly to the carrier on your behalf, the Company will instead pay you on the last day of each remaining month of the COBRA Payment Period a fully taxable cash payment equal to the value of your monthly COBRA premium for the first month of COBRA coverage, subject to applicable tax withholding (such amount, the "***Special Severance Payment***"), such Special Severance Payment to be made without regard to your election of COBRA coverage or payment of COBRA premiums and without regard to your continued eligibility for COBRA coverage during the COBRA Payment Period. Such Special Severance Payment shall end upon expiration of the COBRA Payment Period.

(d) Equity Acceleration. The vesting and exercisability of each outstanding unvested stock option and other stock award, as applicable, that you hold covering Company common stock as of the date of your Covered Termination (each, an "***Equity Award***") that is subject to time-vesting shall be accelerated in full and any reacquisition or repurchase rights held by the Company in respect of Company common stock issued pursuant to any time-vesting Equity Award granted to you shall lapse in full. To the extent your Covered Termination occurs prior to

the Change in Control, the acceleration set forth in this Section 2(d) shall be contingent and effective upon the Change in Control and your Equity Awards will remain outstanding following your Covered Termination to give effect to such acceleration as necessary. For the avoidance of doubt, any Equity Awards subject to performance-vesting shall vest and become exercisable according to their individual award agreements.

Section 3. NON-CHANGE IN CONTROL SEVERANCE BENEFITS. If you are terminated in a Covered Termination that occurs at a time that is not during the Change in Control Period, you will receive:

(a) the base salary cash payment described in Section 2(a) above, but the Severance Period for purposes of calculating such benefits shall be [_____][3] months; and

(b) the COBRA benefits described in Section 2(c) above, but the Severance Period for purposes of calculating such benefits shall be [_____][4] months.

You shall not be eligible to receive any other benefits under the Plan except as described in Section 2(a) and Section 2(c) above.

For the avoidance of doubt, in no event shall you be entitled to benefits under both Section 2 and this Section 3. If you are eligible for severance benefits under both Section 2 and this Section 3, you shall receive the benefits set forth in Section 2 and such benefits shall be reduced by any benefits previously provided to you under Section 3.

Section 4. CHANGE IN CONTROL ACCELERATION UPON ACQUIROR'S FAILURE TO ASSUME, CONTINUE OR SUBSTITUTE. If (i) in connection with a Change in Control, any outstanding unvested Equity Award that you hold will not be assumed or continued by the successor or acquiror entity (or its parent company) in such Change in Control or substituted for a similar award of the successor or acquiror entity (or its parent company) (a "***Terminating Award***") and (ii) your continued employment with the Company has not terminated as of immediately prior to the effective time of such Change in Control, then you will become vested, with respect to any then unvested portion of such Terminating Award, effective immediately prior to, but subject to the consummation of such Change in Control. With respect to any such outstanding Terminating Award that is subject to performance-vesting, unless otherwise provided in the individual grant notice and award agreement evidencing such award, such performance-vesting award will accelerate vesting at 100% of the target level. For the avoidance of doubt, the benefits under this Section 4 are contingent on a Change in Control and do not require your Covered Termination or other termination of service. In addition, you may be eligible for benefits under this Section 4 in addition to benefits under Section 2 or Section 3 and in such case, you shall receive benefits under both sections, without duplication.

3 Insert 12 months for Tier I, 6 months for Tier II and 4 months for Tier III.

4 Insert 12 months for Tier I, 6 months for Tier II and 4 months for Tier III.

Section 5. ACKNOWLEDGEMENTS; INTERACTION WITH PRIOR BENEFITS.

As a condition to participation in the Plan, you hereby acknowledge each of the following:

(a) The benefits that may be provided to you under this Participation Agreement are subject to certain reductions and termination under Section 2 and Section 3 of the Plan.

(b) Your eligibility for and receipt of any severance benefits to which you may become entitled as described in Section 2 or Section 3 above is expressly contingent upon your execution of and compliance with the terms and conditions of the Plan, the Release and the Confidentiality Agreement. Severance benefits under this Participation Agreement shall immediately cease in the event of your violation of the provisions of Confidentiality Agreement or any other written agreement with the Company.

(c) As further described in Section 2(c) of the Plan, this Participation Agreement and the Plan supersede and replace any change in control or severance benefits previously provided to you, including but not limited to any benefits under [your offer letter agreement with the Company, dated April 3, 2020][5][your employment or other written agreement or plan][6], and by executing below you expressly agree to such treatment.

To accept the terms of this Participation Agreement and participate in the Plan, please sign and date this Participation Agreement in the space provided below and return it to _____ no later than _____, ____.

Talis Biomedical Corporation

By: _____

_____

_____

Eligible Employee

_____

[Insert Name]

Date: _____

5 Insert for CFO only.

6 Insert for all except CFO.

Exhibit 10.15

LEASE

LANDLORD:

FULTON OGDEN VENTURE, LLC,
A Delaware limited liability company

TENANT:

TALIS BIOMEDICAL CORPORATION,
a Delaware corporation

Regarding the Premises Located at:

Suite 700
West End on Fulton
1375 West Fulton Market
Chicago, Illinois

TABLE OF CONTENTS

LEASE

THIS LEASE ("**Lease**") is dated and effective as of January 20, 2021 ("**Effective Date**"), and is made by and between FULTON OGDEN VENTURE, LLC, a Delaware limited liability company ("**Landlord**"), and TALIS BIOMEDICAL CORPORATION, a Delaware corporation ("**Tenant**").

LANDLORD AND TENANT HEREBY AGREE AS FOLLOWS:

1. BASIC LEASE TERMS.

1.1 Landlord's Address for Notice:	Fulton Ogden Venture, LLC c/o Trammell Crow Chicago Development, Inc. 700 Commerce Drive, Suite 455 Oak Brook, Illinois 60523 Attn: Grady Hamilton and John Carlson Telephone: (630) 368-0253 Email: Ghamilton@trammellcrow.com; Jcarlson@trammellcrow.com
With a copy to:	Dorsey & Whitney LLP 50 South Sixth Street, Suite 1500 Minneapolis, Minnesota 55402 Attn: Marcus Mollison Phone: 612-492-6545 Email: mollison.marcus@dorsey.com
Rent Payment Address:	Fulton Ogden Venture, LLC c/o Trammell Crow Chicago Development, Inc. 700 Commerce Drive, Suite 455 Oak Brook, IL 60523 Attn: Property Management
1.2 Tenant's Address for Notice:	Talis Biomedical Corporation 1375 West Fulton Market, Suite 700 Chicago, IL 60607 Attn: CEO Email: bcoe@talisbio.com
With a copy to:	Talis Biomedical Corporation 230 Constitution Drive Menlo Park, CA 94025 Attn: Legal Department Email: contracts@talisbio.com And Talis Biomedical Corporation 1253 S. Clark Street, 12th Floor Chicago, IL 60603 Attn: CEO Email: bcoe@talisbio.com
1.3 Tenant's Guarantor:	Not applicable

1.4 Premises: A portion of the 7th floor of the Building, known as Suite No. 700, as shown on the floor plans attached hereto as **Exhibit A**, containing approximately 26,307 rentable square feet of space, which includes a portion indicated on Exhibit A as a laboratory (the "**Lab**"), plus approximately 125 rentable square feet of space for chemical and product storage (separately, the "**Storage Space**"), all measured (or to be measured) in the manner prescribed in Section 1.5 below, totaling approximately 26,432 of rentable square feet. The approximately 26,307 rentable square feet of space referred to above, including the Lab, and the Storage Space collectively shall be referred to herein, as the "**Premises**".

1.5 Building: That certain building located at 1375 West Fulton Market Chicago, Illinois, containing approximately 301,259 RSF of laboratory/research/office area and retail area.

The Premises and the Building shall be measured by Landlord's architect based upon measurements in accordance with the Standard Method for Measuring Floor Area in Office Buildings, ANSI/BOMA Z65.1-2017, using agreed upon load factors for a full floor or multi-tenant floor, as applicable, modified, as is customary for laboratory buildings, to include mechanical shafts, loading areas and elevators dedicated to tenant use in the rentable areas, as appropriate, and such measurement shall be deemed conclusive unless disputed by Tenant within fifteen (15) business days after Tenant's receipt of a copy of the report of such measurement by Landlord's architect. Tenant's architect shall have the right to verify such measurement within thirty (30) days after Tenant's receipt of a copy of the report of such measurement by Landlord's architect. If based on such measurement, the rentable square footage of the Premises and/or the Building (including the Non-Retail Area and/or the Retail Area) differs from the rentable square footages set forth herein by more than one percent (1%), then Landlord and Tenant will enter into an amendment to this Lease adjusting such rentable square footage and all terms of this Lease which are affected by such rentable square footage, including specifically Tenant's Proportionate Share hereunder.

1.6 Garage: That certain existing 110 – car structured parking garage associated with the Project, including 5 designated visitor parking stalls.

1.7 Land: That certain real property on which the Building and Garage are located.

1.8 Project: The project ("**Project**") is comprised of both the Building, along with all improvements and common areas and the parking garage ("**Garage**").

1.9 Lease Term: One Hundred Thirty-Two (132) *full* calendar months (in addition to any partial month occurring at the start of the Lease Term) ("**Lease Term**"), commencing with the Commencement Date and expiring One Hundred Thirty-Two (132) *full* calendar months thereafter ("**Lease Expiration Date**") subject to Section 2(B). The Lease Term, plus any properly exercised Extension Term(s) (as provided in Section 1.15 below), are collectively herein referred to as the "**Term**".

1.10 Commencement Date: Subject to the terms and conditions of Section 2(B) below, the "**Commencement Date**" of this Lease shall be the earlier to occur of (i) the date that Landlord delivers the Premises to Tenant with the Landlord Work completed as provided in Section 2 and elsewhere in this Lease or (ii) subject to Section 2 herein, five (5) months after the Effective Date of this Lease; provided, however, if the Premises are not delivered to Tenant with the Landlord Work completed prior to the expiration of such five (5) month period, then the Commencement Date of the Lease shall be tolled until the date Landlord delivers the Premises to Tenant with the Landlord Work completed as provided in Section 2 and elsewhere in this Lease. Further, in accordance with and subject to the terms and conditions contained in Section 2(C) below, Tenant shall have certain rights: (a) to enter (along with its agents, employees, contractors and other representatives) the Premises (or portions thereof) immediately upon substantial completion of Landlord's construction of the Premises (or the Lab) for the purpose of installation of Tenant's fixtures, furnishings and equipment by Tenant and Tenant's employees, contractors, representatives, and agents ("**Pre-Term Access**"); and (b) if, and only if, substantial completion of Landlord's construction of the Premises has occurred, to occupy the Premises for the Permitted Use as though the Term had commenced ("**Beneficial Occupancy**"), provided in either case that Tenant does not interfere with any ongoing Landlord construction activities to achieve final completion of the work on the Premises.

1.11 Expiration Date: The last day of the One Hundred Thirty Second (132nd) full calendar month following the Commencement Date.

1.12 Rent Commencement Dates: The Rent Commencement Date will be the first day following the Abatement Period (defined in Section 1.14 below), provided, however, that if a COVID Condition (as defined in Section 20(R) below) comes into existence prior to the Commencement Date, the Rent Commencement Date and the Lease Expiration Date shall be extended by the same number of days in which the COVID Condition is in existence prior to the Commencement Date.

1.13 Base Rent: During the Term, Tenant shall pay the following amounts as Base Rent:

Months	Annual Base Rent/RSF	Annual Base Rent	Monthly Installment
1-12	$ 58.00 (Abated)	$ 1,533,056.00 (Abated)	$ 127,754.67 (Abated)
13-24	$ 59.45	$ 1,571,382.40	$ 130,948.53
25-36	$ 60.94	$ 1,610,766.08	$ 134,230.51
37-48	$ 62.46	$ 1,650,942.72	$ 137,578.56
49-60	$ 64.02	$ 1,692,176.64	$ 141,014.72
61-72	$ 65.62	$ 1,734,467.84	$ 144,538.99
73-84	$ 67.26	$ 1,777,816.32	$ 148,151.36
85-96	$ 68.94	$ 1,822,222.08	$ 151,851.84
97-108	$ 70.66	$ 1,867,685.12	$ 155,640.43
109-120	$ 72.43	$ 1,914,469.76	$ 159,539.15
121-132	$ 74.24	$ 1,962,311.68	$ 163,525.97

1.14 Rent Abatement Period: Landlord agrees to abate Tenant's payments of Base Rent, together with Tenant's payment of Tenant's Proportionate Share of Operating Expenses, Taxes, Insurance, Common Area Charges, and rent for the Parking Spaces (collectively the "**Abated Rent**") for a period of twelve (12) full calendar months, commencing on the Commencement Date (the "**Abatement Period**"). Such Abated Rent, however, shall not apply to any other rents, charges, expenses or costs, such as any Tenant's separately metered utilities, and any other operating costs to be paid directly by Tenant not included in Operating Expenses. Landlord and Tenant agree that the abatement of Base Rent contained in this Section is conditional and is made by Landlord in reliance upon Tenant not being in Default beyond any applicable cure or grace period. Notwithstanding anything set forth herein to the contrary, if, prior to the end of the Term, Tenant defaults with respect to any of its obligations under the Lease and such default continues beyond the expiration of any applicable notice and cure periods, and Landlord terminates this Lease as a result of such Default, Tenant shall be obligated to immediately pay to Landlord the Abated Rent, without limitation of Landlord's other remedies under the Lease.

1.15 Extension Options: Provided Tenant is not then currently in Default beyond the applicable notice and cure periods at the time of exercise, Tenant shall have options to extend the Term of the Lease (collectively the "**Extension Options**") for two (2) successive five (5) year periods (the "**Extension Term(s)**"), subject to the terms and conditions contained herein. The Extension Options shall apply to the entire Premises then under lease by Tenant and shall be governed by all of the terms and conditions of the Lease then in effect, except for Base Rent and market concessions (such as free rent and conditionally abated rent) for each Extension Term, which shall be equal to 100% of the then "Fair Market Value" rate for lease renewal transaction, as further set forth in attached Exhibit I, with preference given to more recent leases in the event of discrepancies among such comparable rates. The Extension Options are personal to Tenant and Permitted Transferees and shall not be assignable or transferable without Landlord's prior written consent, which consent may be withheld at Landlord's sole and absolute discretion. In addition to the conditions contained above in this paragraph, each Extension Option shall be exercisable by Tenant, if at all, only by timely delivery to Landlord of written notice of election between twelve (12) months and eighteen (18) months prior to the expiration of the then-current Term.

1.16 Tenant's Proportionate Share: 8.77%, the percentage resulting from dividing the rentable square footage of the Premises by the rentable square footage of the Building, as reasonably determined by Landlord from time-to-time.

1.17 Lease Security: See Section 3 below.

1.18 Brokers: Landlord's Broker: CBRE, Inc., with Kelsey Scheive being Landlord's designated agent.

Tenant's Broker: CBRE, Inc., with Chad Freese and David Saad being Tenant's designated agents.

1.19 Parking: The Garage contains one hundred five (105) tenant Parking Spaces and five (5) visitor Parking Spaces for guests or visitors to the Building (but not employees or contractors of Tenant); subject to Landlord's right to designate additional Parking Spaces as visitor spaces, so long as such right is not exercised in a manner that diminishes Tenant's rights under this Section 1.19 or Section 7 below. Subject to the terms and conditions of Section 7 below, Tenant shall lease from Landlord fifteen (15) unreserved parking spaces in the Garage ("**Parking Spaces**") for exclusive use of Tenant's employees, agents, officers, directors and invitees during the Term, subject to (a) such Rules and Regulations (as defined herein) as Landlord may promulgate from time to time (it being understood that the current Rules and Regulations are attached hereto as **Exhibit B**) and (b) nonexclusive rights of ingress and egress of other tenants and their employees, agents and invitees. The Parking Spaces will be leased by Tenant for the entire Term of the Lease and, following the Abatement Period, the monthly fee for each such Parking Space shall be $275.00, subject to reasonable adjustment from time-to-time, plus all applicable sales and other taxes. At the election of Landlord and upon written notice of such election to Tenant, Tenant shall enter into a separate commercially reasonable agreement on terms and conditions reasonably acceptable to Tenant with any applicable parking vendor designated by Landlord from time-to-time to manage the Garage which shall be consistent with the terms of the Lease relating to parking and the Garage.

1.20 Permitted Uses: Subject to any applicable laws, rules, orders, ordinances, directions, regulations and requirements of federal, state, county, and municipal authorities (collectively, "**Governmental Requirements**"), the Permitted Uses shall be general office, research, development and laboratory use and other ancillary uses related to the foregoing, and such other uses as approved by Landlord in writing. The Permitted Uses shall not include a vivarium nor the manufacturing of biotechnology or pharmaceutical products for distribution purposes. As accessory or ancillary to the Permitted Uses, food service and health and fitness facilities for employees and visitors shall be permitted. Tenant shall not use the Premises, or any part thereof, or suffer or permit the use and/or occupancy of the Premises or any part thereof by Tenant and/or Tenant's agents, employees, consultants, contractors, licensees and/or subtenants (collectively with Tenant, the "**Tenant Parties**") in a manner which, in the reasonable judgment of Landlord (taking into account the use of the Building as a combination laboratory, research and development and office and retail building and the Permitted Uses) shall (a) impair, interfere with or otherwise diminish the quality of any of the Building services or the proper and economic heating, cleaning, ventilating, air conditioning or other servicing of the Building or Premises, or the use or occupancy of any of the Common Areas; (b) create a nuisance or cause any injury or damage to any occupants of the Premises or other tenants or occupants of the Building or their property; (c) cause harmful air emissions, laboratory odors or noises or any other unreasonable and objectionable odors, noises or emissions to emanate from the Premises; or (d) be unreasonably inconsistent with the operation and/or maintenance of the Building as a first-class office building or a first-class combination office, research, development and laboratory and retail facility. Tenant shall not place a load upon any floor of the Premises exceeding 75 pounds per square foot of area, which is the load such floor was designed to carry and which is allowed by Governmental Requirements.

2. DEMISE AND USE.

(A) Delivery Condition/"As-Is". Landlord hereby leases to Tenant and Tenant hereby accepts the Premises on the terms set forth herein. Landlord shall make all improvements to the Premises as described in, and required under this Lease, as described in **Exhibit C**, attached hereto and made a part hereof ("**Landlord Work**"). Landlord will cause its contractor to perform the Landlord Work in a good and workmanlike manner and in accordance with all applicable laws, codes, ordinances and regulations. At no cost to Tenant, Landlord shall allow Tenant to work with Landlord's world-class lab consultant and architect for space planning and design of the Landlord Work, the Premises, and any other work or alterations pertaining thereto, which is all included in Landlord's turnkey build-out of the Premises. Landlord may not make any material changes or substitutions to the specifications contained in Exhibit C without Tenant's consent, which shall not be unreasonably withheld, except that any changes to any of the equipment or finishes, such as fabrics and colors, shall only be made in consultation with Tenant.

Tenant may request in writing changes to the Landlord Work, subject to Landlord's reasonable approval (each, a "**Change Request**"). If Landlord deems a Change Request is deemed reasonable and appropriate, and Landlord approves such Change Request, increases in cost resulting from such Change Request shall be paid as follows: (i) Landlord will provide an allowance to cover approved Change Requests and all associated soft costs up to an aggregate maximum of $50,000.00 for all applicable Change Requests ("**Change Allowance**"), provided that the Change Allowance will only apply to Change Requests approved within sixty (60) days after the Commencement Date; and (ii) any amounts for Change Orders in excess of the Change Allowance will be Tenant's sole responsibility. If the scope and cost of a Change Request is approved both by Landlord and Tenant, then the parties will execute a mutually agreeable change order for the Change Request, and, with respect to any and all Change Requests beyond the aggregate Change Allowance, Tenant shall pay for the additional costs of such Change Request within ten (10) days of Landlord's demand therefor as a condition to Landlord's obligation to effectuate the Change Request into the Landlord's Work. Further, all reasonable costs paid by Landlord to third parties for reviewing any Change Requests will be reimbursed by Tenant.

Landlord shall assign to Tenant the industry standard warranty that it will obtain from its contractor for a period of one (1) year from substantial completion of all Landlord Work and will use commercially reasonable efforts to cause any such warranty work to be completed within forty-five (45) days following Tenant's notice of defects in the Landlord Work provided during such one (1) year warranty period. Further, Landlord shall use commercially reasonable efforts to enforce all subcontractor and manufacturer warranties with respect to the roof, Landlord Work, and Building systems against defects on Tenant's behalf for a period that is the lesser of (i) twelve (12) months following the Commencement Date, or (ii) the period of each such warranty, as applicable. Upon substantial completion of the Landlord Work, Landlord and Tenant shall jointly inspect the Premises to determine that the Landlord Work has been substantially completed as provided herein and will jointly develop a list of all known minor or insubstantial items remaining to be completed or corrected (the "**Punch List**"). Landlord and Tenant will cooperate in good faith in the preparation of the Punch List, and Landlord will cause its contractor to complete the items agreed upon in the Punch List within forty-five (45) days after their identification on the Punch List. Subject to completion of the Landlord Work (excluding solely the Punch List items which Landlord remains obligated to perform), TENANT ACKNOWLEDGES THAT IT WILL INSPECT THE PREMISES AND WILL ACCEPT THE PREMISES IN ITS "AS-IS, WHERE IS" CONDITION. Notwithstanding any provision in this Lease to the contrary, from the Effective Date to the Commencement Date, Tenant, its agents, contractors, sub-contractors, architects, employees, space planners, consultants, vendors, advisors, and other persons approved by Tenant shall be permitted to access the Premises provided such access does not unreasonably interfere with the Landlord Work.

(B) Late Delivery. Subject to Force Majeure events (as defined herein) or delays caused by Tenant (of which Landlord had provided Tenant contemporaneous written notice, a "**Tenant Delay**") which result in a delay in Landlord's delivery of the Premises to Tenant, if Landlord fails to deliver the Premises to Tenant with the Landlord Work completed as provided in Section 2(A) and elsewhere in this Lease (excluding only Punch List items) on or before the date that is five (5) months following the date of Landlord's and Tenant's mutual execution and delivery of the Lease (the "**Delivery Deadline**"), a "**Delay**" will have occurred. Landlord will not be deemed to be in default hereunder because of a Delay and Tenant's remedy in the event of a Delay shall be for additional abatement of Rent in accordance with the schedule below. Upon the occurrence of a Delay (without regard to events of Force Majeure), the Commencement Date, the Rent Commencement Date, and the Lease Expiration Date all will be extended by one day for each day of such Delay. Any credits against Rent described below shall be applied against Rent first coming due after the Abatement Period.

Delay Period	Rent Credit
Less than 30 days	None
More than 30 days and less than 61 days	1 day for each day of Delay
More than 61 days	2 days for each day of Delay

Moreover, subject to Force Majeure events and Tenant Delay, if Landlord fails to deliver the Premises to Tenant with the Landlord Work completed as provided in Section 2(A) and elsewhere in this Lease and consistent with Exhibit C (excluding only Punch List items) on or before the date that is nine (9) months following the Delivery Deadline, Tenant

shall have the right to terminate the Lease, which right of termination Tenant may exercise at any time until Landlord delivers the Premises to Tenant with the Landlord Work completed as provided in Section 2(A) and elsewhere in this Lease and consistent with Exhibit C (excluding only Punch List items), after which time Tenant's right to terminate for late delivery shall be void and of no further force or effect. Notwithstanding the foregoing, the nine (9) month period in this paragraph shall be extended one (1) day for every full day of a (i) Tenant Delay that materially disrupts Landlord and its contractors from performing the Landlord Work in the Premises and (ii) any Force Majeure event delays.

(C) Pre-Term Access; Beneficial Occupancy. Subject to Force Majeure events, Tenant Delay and the terms and conditions of this Lease, and provided Tenant does not interfere with any ongoing Landlord construction work on the Premises, Landlord will use commercially reasonable efforts to deliver possession of the Premises to Tenant fourteen (14) days prior to the Commencement Date. Upon Landlord's notification to Tenant of Pre-Term Access, Tenant shall have the right (i) to exercise Pre-Term Access, at Tenant's sole risk and expense, at times reasonably approved by Landlord for the purpose of installation of Tenant's fixtures, furnishings and equipment by Tenant and Tenant's employees, contractors, representatives, and agents; and (ii) to occupy the Premises for the Permitted Use as though the Commencement Date had occurred, provided that (a) a temporary or permanent certificate of occupancy shall have been issued for the Premises or portion thereof, to the extent necessary; (b) Tenant shall not be in default under any terms of this Lease; and (c) all of the terms and conditions of this Lease shall apply and be binding upon Tenant during Tenant's period of Beneficial Occupancy as if the Commencement Date had occurred, except for payment of Rent. Tenant shall, prior to the first entry to the Premises pursuant to this Section 2(C), provide Landlord with certificates of insurance evidencing that the insurance required in Section 9 hereof is in full force and effect and covering any person or entity entering the Building. Landlord shall have no responsibility or liability for loss or damage to trade fixtures, furniture, equipment or any other of property or equipment brought upon the Premises by Tenant during the period of Beneficial Occupancy, except for any gross negligence or willful misconduct by Landlord, its agents, employees or contractors. Tenant shall defend, indemnify and hold the Landlord and the Related Parties (hereinafter defined) harmless from and against any and all Claims (hereinafter defined) for injury to persons or property to the extent resulting from Tenant's Pre-Term Access to and Tenant's use of the Premises prior to the Commencement Date; provided, however, such obligation to defend, indemnify and hold Landlord and Related Parties harmless shall not apply with respect to any negligent acts or omissions of Landlord or any Related Parties or any of Landlord's contractors, subcontractors, vendors or consultants. Tenant shall coordinate any access to the Premises prior to the Commencement Date with Landlord's property or construction manager. Notwithstanding anything apparently to the contrary contained herein, Tenant shall be responsible to pay for any variable costs associated with its Pre-Term Access and Beneficial Occupancy, including without limitation electricity, janitorial and cleaning services, and overtime HVAC services, whether billed directly to Tenant or billed to Landlord or Landlord's property manager.

(D) Permitted Use. Tenant covenants that the Premises will be used only for the Permitted Use and for no other use or purpose. Tenant further covenants that the Premises will not be used or occupied for any unlawful purposes and will not create or continue a nuisance. Tenant further acknowledges that it has received no written or oral inducements from Landlord or any of Landlord's representatives concerning this Lease or that Tenant will be granted any exclusive rights except as set forth in this Lease. If by reason of the particular manner of use of the Premises by any of the Tenant Parties or the failure of any Tenant Party to comply with the provisions of this Lease beyond all applicable notice and cure periods, the insurance rate applicable to any policy of insurance which Landlord maintains in connection with the Lease and landlords in Comparable Buildings (defined below) customarily maintain, shall at any time thereafter be higher than it otherwise would be, as a result of such particular manner of use or failure by Tenant, Tenant shall reimburse Landlord upon written demand (which demand shall include such reasonable detail and documentation as Tenant may reasonably request) for that part of any insurance premiums which shall have been charged because of such use or failure within thirty (30) days after Tenant's receipt of an invoice therefor. Notwithstanding anything in this Lease to the contrary, under no circumstances may any portion of the Premises be used for any of the following purposes: governmental agencies; consulates, foreign government agencies, foreign government entities, or foreign consultants; healthcare or medical care providers; call centers; collection agencies; or high employee density uses (in excess of 1 person per 150 rentable square feet of space); or any uses prohibited by the protective covenants or any declarations, easements and/or protective covenants encumbering and recorded against the Land or the Project in effect as of the Effective Date (each a "**Prohibited Use**"). Landlord represents and warrants to Tenant that it has provided to Tenant all protective covenants and declarations, easements and/or protective covenants encumbering and recorded against the Land or the Project in effect as of the Effective Date, to the extent any such protective covenants exist. Landlord represents to Tenant that no declarations of covenants, conditions or restrictions or restrictive covenants encumber or are recorded against the Land or the Project as of the date hereof.

(E) Permits. Tenant shall, at Tenant's sole cost and expense, apply for, seek and obtain all necessary state and local licenses, permits and approvals needed for the operation of Tenant's business and/or Tenant's Rooftop Equipment (defined in Rider Section 5 herein), including without limitation, any and all necessary permits and approvals directly or indirectly relating or incident to the conduct of its activities on the Premises, its scientific experimentation, transportation, storage, handling, use and disposal of any Hazardous Substances or laboratory specimens (collectively, the "**Required Permits**") on or before commencement of its business operations on the Premises (and prior to Tenant's occupancy of the Temporary Space, if applicable), provided, however, Tenant shall obtain any required certificate of occupancy prior to operating its business in the Premises. Tenant shall thereafter maintain all Required Permits. Tenant, at Tenant's expense, shall at all times comply with the terms and conditions of each such Required Permit. Landlord shall reasonably cooperate with Tenant in connection with its application for Required Permits at no cost or expense to Landlord. Within ten (10) days of a request by Landlord, Tenant shall furnish Landlord with copies of all Required Permits that Tenant has obtained.

(F) Chemical Safety Program.

(1) If applicable, Tenant shall establish and maintain a chemical safety program administered by a licensed, qualified individual in accordance with applicable requirements of the Illinois Environmental Protection Agency ("**Illinois EPA**"), the City of Chicago Department of Water Management ("**DWM**") and any other applicable governmental authority. Tenant shall be solely responsible for all costs incurred in connection with the maintenance of such chemical safety program, and Tenant shall provide Landlord with such documentation as Landlord may reasonably request evidencing Tenant's compliance with (i) prudent good housekeeping and environmental practices, (ii) the requirements of the Illinois EPA, the DWM, and any other applicable governmental authority with respect to such chemical safety program and (iii) this Section 2(F).

(2) If Tenant desires to operate and have installed an acid neutralization system and tank serving the Premises (which may also serve other portions of the Building, collectively, the "**Acid Neutralization System**"), Tenant may make a request to Landlord for permission to install the Acid Neutralization System at Tenant's sole cost and expense. Upon such request, Landlord, in its sole and absolute discretion, may either deny or agree to cooperate with Tenant with respect to Tenant's efforts to install and obtain any permits required by Governmental Requirements (including without limitation any permit required by the Illinois EPA) with respect to the Acid Neutralization System. Tenant shall fully comply with the requirements of this Section 2(F) with respect to Tenant's use of any Acid Neutralization System. Tenant shall not introduce anything into the Acid Neutralization System, if any, (i) in violation of the terms of any permit issued by the Illinois EPA or other applicable governmental authority concerning the Acid Neutralization System (the "**Water Authority Permit**"), (ii) in violation of Governmental Requirements, or (iii) that would interfere with the proper functioning of any Acid Neutralization System.

(3) Notwithstanding any other provision of this Lease, Tenant shall not use the Premises, or any part thereof, or suffer or permit the use of the Premises or any part thereof by any of the Tenant Parties, as a vivarium.

(G) Telecommunications Provider. Tenant shall have the right to select, at Tenant's sole discretion, any telecommunications provider with service in the Building.

(H) Extra Equipment. In addition to the backup generator system(s) to be provided by Landlord as part of the Landlord Work, and all other mechanical and other systems and equipment provided for in this Lease, Landlord shall consider all reasonable requests from Tenant for the installation of any additional generator(s), supplemental HVAC system and/or other equipment or systems serving the Premises (or a portion thereof) exclusively (the "**Extra Equipment**"). The cost to purchase and install the Extra Equipment will be paid for by Tenant. The location of any Extra Equipment to be located outside of the Premises will be in a mutually agreeable location reasonably approved by Landlord and Tenant. Any request for Extra Equipment may be granted or denied by Landlord in Landlord's sole and absolute discretion.

(I) Tenant Construction Deliveries. Landlord will coordinate with Tenant regarding any construction and other deliveries associated with Tenant's alterations, furnishings, installations and move-in to the Premises by utilizing the adjacent alley/streets for deliveries, as needed, and Landlord shall pay for the reasonable costs associated with any city-imposed street closure fees and related costs resulting from such alley/street closure utilization during the performance of Landlord's Work.

(J) Disability Act. As of the Lease Commencement Date and continuing throughout the entire Term, notwithstanding any provision in this Lease to the contrary, Landlord shall, at Landlord's sole cost and expense, cause the Building (excluding the interior of the Premises) to be in compliance with all federal, Illinois and local Governmental Requirements, including, but not limited to, the Americans with Disabilities Act ("**ADA**") that materially and adversely affect Tenant's use of access to the Premises. Landlord shall be responsible for promptly and properly correcting any material violations of all present and future Governmental Requirements of any and all governmental authorities having or claiming jurisdiction over the Project (or any part thereof) (excluding solely Tenant's specific manner of use of the Premises, employment practices and obligations within the interior of the Premises expressly set forth in this Lease) with respect to common areas and other areas of the Project, the Land, the Parking Garage and the Building, but specifically excluding any leased tenant spaces. Any work performed by Landlord pursuant to this Section 2(J) shall be at Landlord's sole costs and expense, except to the extent it is expressly permitted by this Lease to be included in Operating Expenses.

3. LETTER OF CREDIT.

Within ten (10) business days following the Effective Date (the "**Deposit Date**") , as security for Tenant's faithful performance of Tenant's obligation hereunder, Tenant shall deliver to Landlord a clean, irrevocable letter of credit established in Landlord's (and its successors' and assigns') favor in the amount of Seven Hundred Sixty-Six Thousand Five Hundred Twenty-Eight and No/100 Dollars ($766,528.00) in the form depicted in **Exhibit K** or otherwise reasonably acceptable to Landlord issued by a Qualified Issuer (as hereinafter defined) (the "**Letter of Credit**"). If Tenant is unable to deliver the Letter of Credit to Landlord on or before the Deposit Date, in lieu of the Letter of Credit, Tenant may by wire transfer deliver a temporary cash deposit to Landlord, in the same amount as the Letter of Credit ($766,528.00) (if applicable, the "Cash Deposit"), on or before the Deposit Date; provided, however, that Tenant must replace the Cash Deposit by delivering the Letter of Credit to Landlord within thirty (30) days after the Deposit Date. If applicable, (a) all of Landlord's rights to use the Letter of Credit hereunder, and all of Tenant's obligations with respect to the Letter of Credit hereunder, shall fully apply to the Cash Deposit; and (b) upon Tenant's timely replacement of the Cash Deposit with the Letter of Credit, Landlord promptly shall refund the Cash Deposit to Tenant.

The Letter of Credit shall specifically provide for partial draws and shall by its terms be transferable by the beneficiary thereunder at the Tenant's sole cost and expense. If Tenant fails to make any payment of Base Rent, additional rent, taxes, utility charges or other amounts due under the terms of this Lease, or otherwise defaults hereunder, beyond any applicable notice and cure period, Landlord, at Landlord's option, may make a demand for payment under the Letter of Credit in an amount equal to the amounts then due and owing to Landlord under this Lease. In the event that Landlord draws upon the Letter of Credit, Tenant shall present to Landlord a replacement Letter of Credit in the full Letter of Credit Amount satisfying all of the terms and conditions of this paragraph within ten (10) business days after receipt of notice from Landlord of such draw and Landlord shall simultaneously deliver any cash proceeds held by Landlord. Tenant's failure to do so within such 10-business day period will constitute a default hereunder (Tenant hereby waiving any additional notice and grace or cure period), and upon such default Landlord shall be entitled to immediately exercise all rights and remedies available to it hereunder, at law or in equity. The Letter of Credit shall contain a so-called "evergreen" clause providing that the Letter of Credit shall not be cancelled unless the issuing bank delivers thirty (30) days' prior written notice to Landlord. In the event that the Letter of Credit has an expiry or expiration date earlier than the Expiration Date of this Lease (including any applicable Extension Terms), and Tenant has not presented to Landlord a replacement Letter of Credit which complies with the terms and conditions of this Section on or before twenty (20) days prior to the expiry or expiration date of the Letter of Credit then held by Landlord, then Landlord, shall have the right at any time prior to such expiration or expiry date to draw upon the Letter of Credit then held by Landlord and any such amount paid to Landlord by the issuer of the Letter of Credit shall be held by Landlord as security for the performance of Tenant's obligations hereunder. During such time that Landlord is holding cash in the full amount of the Letter of Credit required hereunder, then Tenant will not be required to replace the Letter of Credit but this will not prevent Landlord from requiring that Tenant deliver a replacement letter of credit reasonably acceptable to Landlord in exchange for the cash then-being held by Landlord. Any interest earned on such

amounts shall be the property of Landlord. Landlord's election to draw under the Letter of Credit and to hold the proceeds of the drawing under the Letter of Credit shall not relieve Tenant from its obligation to present to Landlord a replacement Letter of Credit which complies with the terms and conditions of this Lease within thirty (30) days following Landlord's request. Tenant acknowledges that any proceeds of a draw made under the Letter of Credit and thereafter held by Landlord shall be used by Landlord to cure or satisfy any obligation of Tenant hereunder as if such proceeds were instead proceeds of a draw made under a Letter of Credit that remained outstanding and in full force and effect at the time such amounts are applied by Landlord to cure or satisfy any such obligation of Tenant. Tenant hereby affirmatively disclaims any interest Tenant has, may have, claims to have, or may claim to have in any proceeds drawn by Landlord under the Letter of Credit and held in accordance with the terms hereof except as specifically provided herein for return of such proceeds upon delivery of a replacement Letter of Credit as provided herein. Landlord and Tenant expressly acknowledge and agree that at the end of the term of this Lease (whether by expiration or earlier termination hereof), and if Tenant is not then in default under this Lease, Landlord shall return to the Letter of Credit to the issuer of the Letter of Credit or its successor (or as such issuer may direct in writing) and if Landlord is then holding any cash proceeds from a draw on the Letter of Credit that were not applied, such funds shall be returned to Tenant. As used herein, a "**Qualified Issuer**" shall mean a federally insured banking or lending institution having assets of at least $250 million whose long term debt is graded "investment grade" and which is not under any government supervision. At any time during the Term, Tenant may substitute for a Letter of Credit then being held by Landlord, a substitute letter of credit issued by a different Qualified Issuer and otherwise conforming to the requirements of this Section (which will be the Letter of Credit for all purposes hereunder), in which event Landlord shall surrender the Letter of Credit it is then holding. If appropriate, Landlord shall cooperate with Tenant to effect a simultaneous exchange of the Letter of Credit for such substitute letter of credit.

Notwithstanding anything apparently to the contrary herein, if, during the Term, Tenant demonstrates that its business achieves "gross profitability" in accordance with GAAP, for three (3) consecutive fiscal years, as evidenced by Tenant's audited financial statements (and excluding from the determination of gross profitability any corporate acquisitions made by tenant during such two year period), Tenant, upon providing such evidence to Landlord, may reduce the amount of the Letter of Credit to Three Hundred Eighty-Three Thousand Two Hundred Sixty-Four and 00/100 Dollars ($383,264.00). Further, at any time during the Term, Landlord, in its sole and absolute discretion, may agree to a reduction of the Letter of Credit, and any such reduction must be expressly stated in in a written amendment to this Lease.

4. BASE RENT AND OPERATING EXPENSES (INCLUDING TAXES).

(A) Rent. Commencing on the Rent Commencement Date, monthly installments of Base Rent and of Tenant's Proportionate Share of Operating Expenses and Taxes, as well as all other amounts due hereunder (collectively, "**Rent**") are due on the first day of each month in advance, or on such other date or at such other time as is specified in this Lease, without demand and without deduction, abatement, or setoff during the Term. Rent for any period during the Term hereof which is less than one month shall be a pro-rata portion of the monthly installment. Rent shall be payable in lawful money of the United States to Landlord at the address stated herein or to such other persons or at such other places as Landlord may designate in writing.

(B) Operating Expense Inclusions. "**Operating Expenses**" shall mean and include, subject to the exclusions described in Section 4(C) or in any other provision of this Lease, all out-of-pocket amounts, expenses and costs (other than Taxes and exclusions therefrom) that Landlord incurs or pays, as determined for each calendar year on an accrual basis, because of or in connection with: the security, insurance, control, operation, administration (including, without limitation, concierge services), management, repair, replacement or maintenance of the Building and Project (including, without limitation, all of the Project amenities); wages and salaries of all on-site employees engaged in the operation, maintenance or security of the Project (together with Landlord's reasonable allocation of expenses of off-site employees who perform a portion of their services in connection with the operation, maintenance or security of the Project, including accounting personnel); the cost of Permissible Capital Improvements (as defined below) as reasonably amortized on a fully amortizing, beginning-of-the-month, level payment basis by Landlord over the useful life (as reasonably determined by Landlord in accordance with generally accepted accounting principles consistently applied for accounting and not tax purposes) of the applicable Permissible Capital Improvement, but without any interest on the unamortized amount of the cost thereof, provided, however, in no event shall the annual amortized amount of the cost of any Permissible Capital Improvement described in clause (ii)(x) of the definition of "Permissible Capital Improvements"

exceed Landlord's reasonable calculation of annual savings in Operating Expenses to be achieved by the applicable improvement or item; costs of utilities, other than the cost of any metered or submetered utilities paid separately by other tenants; the costs of the standby "back-up" generator, all machinery, equipment, landscaping, fixtures and other facilities, including personal property and all costs associated with maintaining any certification(s) achieved by the Building and Project, as may now or hereafter exist in or on the Building or Project; and fees, charges and other costs and expenses, including, without limitation, management fees, administrative costs and expenses (including, without limitation, for management, accounting and reporting applications (such as, by way of example only and not limitation, software and other applications) used in connection with the management or operation of the Project), consulting fees, legal fees, accounting and audit fees to the extent attributable to the accounting and auditing of Operating Expenses (specifically excluding audit fees (a) of Landlord's business unrelated to the accounting or auditing of Operating Expenses, or (b) that are required under any loans or other financings directly or indirectly secured by the Project), reporting fees and administrative fees, of all persons engaged by Landlord or otherwise incurred in good faith by Landlord in connection with the management, operation, administration, ownership, maintenance and repair of the Project. When, in the reasonable determination of Landlord, any service, including, but not limited to, HVAC, electrical, janitorial and property management service, is provided disproportionately either to the Premises or to any other premises within the Building, then Operating Expenses per square foot payable hereunder may be increased or reduced, as the case may be, by Landlord's reasonable determination of the increased or reduced cost per square foot of such disproportionate service. Tenant shall also pay the cost of any above-standard services (including, without limitation, above-standard utility charges) and the cost of any separately metered utilities. Landlord shall equitably allocate (in its reasonable judgment and in a manner consistent with similar allocations at Comparable Buildings) and consistently applied Operating Expenses between the Office Area and the Retail Area. Following the third anniversary of the Commencement Date, during the remainder of the Term, controllable Operating Expenses may not increase by more than four and one-half percent (4.5%) in any lease year on a cumulative, compounding basis. As used herein, (i) the term "**Comparable Buildings**" means other Class A office buildings and Class A office and laboratory buildings of similar quality to the Project located in the Fulton Market submarket of Chicago, Illinois (not owned by Landlord or its affiliates), and (ii) subject to the provisions of Section 4(c) below, the term "**Permissible Capital Improvements**" means any capital improvement, which improvement or item either (x) was made for purposes of reducing Operating Expenses or (y) was required to comply with any Governmental Requirements first enacted or made applicable to the Project after the Commencement Date. Notwithstanding anything in this Lease to the contrary, whenever the practices or standards at Comparable Buildings are applied or otherwise referenced in this Lease, such practices or standards shall be deemed to relate to those practices or standards that predominate in the Comparable Buildings. Landlord estimates that the total Operating Expenses for the 2021 calendar year will be approximately $11.48 per rentable square foot.

(C) Exclusions from Operating Expenses. The following items will be excluded from any payment of Operating Expenses:

i Costs for capital improvements or other capital expenditures made to the Project and/or the Land other than Permissible Capital Improvements to the extent permitted under Section 4(B) above.

ii Alterations attributable solely to certain tenants of the Project and/or the Land (including Tenant) and costs of constructing leasehold improvements to rentable areas of the Project, whether for Tenant or any other tenant.

iii Interest and any increase in the rate of interest payable by Landlord with respect to any debts secured by a deed of trust or mortgage on the Project and/or the Land and amortization or other payments or charges on loans to Landlord (including, without limitation, points, finder's fees, legal fees, commissions, loan fees, participation payments, or other expenses incurred in connection with borrowed funds), whether loans that are unsecured or are secured by a deed of trust, mortgage, or otherwise on the Project and/or the Land or any equipment or other personal property used in connection with the Project.

iv Depreciation of the Project or any other improvements on the Land under or pertaining to the Project or any equipment or other personal property used in connection with the Project.

v Any amortization expense except for costs of Permissible Capital Improvements to the extent includable in Operating Expenses under Section 4(B) above.

vi Legal, auditing, consulting and professional fees paid or incurred in connection with negotiations for leases, financings, refinancings, sales, acquisitions, obtaining of permits or approvals (other than those permits or approvals that are necessary for the Project or Building as a whole and are not specific to any tenant of the Project or the specific use of a tenant or any specialty service within the Project), zoning proceedings or actions, environmental permits or actions, lawsuits, further development or redevelopment of the Land or any other portion of the Project or any extraordinary transactions, occurrences or events.

vii Taxes and all costs expressly excluded from the definition of Taxes.

viii The cost incurred in performing work or furnishing services for one or more individual tenants which work or services are in excess of work and services required to be provided to (or are otherwise not provided to) Tenant under the Lease.

ix [Intentionally Omitted]

x Expenses incurred in leasing (including without limitation, existing leases of existing tenants) or procuring new tenants or subtenants including advertising and leasing fees, commissions or brokerage commissions of any kind, including without limitation, signing bonuses, moving expenses, assumption of rent under existing leases and other concessions or inducements, marketing expenses and expenses for preparation of leases or renovating space for existing or new tenants or subtenants and build out allowances.

xi [Intentionally Omitted]

xii The annual fee for any property management services for the Project to the extent it exceeds three percent (3%) of gross receipts for the Project. For purposes of this Section 4(C)(xii), gross receipts means regular payments made under leases, licenses and/or occupancy agreements for the Project and, for the avoidance of doubt, specifically excludes non-recurring or extraordinary receipts or revenues (e.g., proceeds from any capital events, including, without limitation, dispositions, financings or re-financings of the Land, Project or any portions thereof).

xiii Wages, costs and salaries associated with home office, off-site employees and personnel who do not perform any services in connection with the operation, maintenance or security of the Project. With respect to those home office, off-site employees and personnel who do perform any services in connection with the operation, maintenance or security of the Project, when reasonably allocating the expenses of such employees and personnel in accordance with Section 4(B) above, Landlord shall exclude any such expenses that are allocated to the Project, to the extent such expenses are in excess of reasonable market rates and as compared to Comparable Building.

xiv [Intentionally Omitted]

xv The cost of constructing, installing, repairing, operating and maintaining any specialty service within the Project, such as, but not limited to, an observatory, broadcasting facility, luncheon club, cafeteria, retail store, sundry shop, newsstand, concession, or day care center, but excluding the normal costs attributable to providing Building services to such specialty service areas, to the extent such normal costs exceed any revenue or income Landlord receives from such specialty services. For purposes of this Lease, a “specialty service” is any service or facility within the Project, the use and benefit of which are not solely limited to employees and other business invitees of tenants of the Building. Notwithstanding anything herein to the contrary, none of the following shall be excluded from Operating Expenses: (i) the costs and expenses of maintaining, repairing, operating or making replacements to any amenity spaces operated for the sole benefit of employees and other business invitees of tenants of the Building (including, without limitation, costs of leasing equipment), so long as, in each case, all fees and income derived from such amenity spaces are applied to offset such costs and expenses (excluding any catering revenue generated by any retail or restaurant operator in the Project), and (ii) the costs of maintaining, repairing, operating (including costs of any clerks, attendants or any other persons operating such facility or area) or making replacements to any concierge facility or area.

xvi Costs that Landlord incurs in operating an ancillary service in the Project in respect of which users pay a separate charge (such as a shoe shine stand, a newsstand, or a stationery store), including any compensation paid to clerks, attendants or other persons in commercial concessions operated by Landlord.

xvii The costs of correcting any structural and latent defects in the initial design or construction of the Project or other improvements (except that the costs of normal repair, maintenance and replacements of components shall be included in Operating Expenses unless otherwise excluded from Operating Expenses), or defects in workmanship or materials used in the initial construction of the Project.

xviii [Intentionally Omitted]

xix Insurance premiums to the extent any tenant causes Landlord's existing insurance premiums to increase or requires Landlord to purchase additional insurance.

xx Title insurance, key man and other life insurance, disability insurance and health, accident and sickness insurance, except only for the premiums for group or other plans providing reasonable benefits to persons of the grade of building manager and below engaged on a substantially full-time basis in operating and managing the Project and other insurance coverages not related to the Project or the operation, management or maintenance of the Project.

xxi Any advertising, promotional or marketing expenses for the Project (other than as expressly permitted below).

xxii Any cost representing an amount paid to any entity related to Landlord which is in excess of the amount of the market rate for such service.

xxiii Costs incurred due to violation by Landlord or any tenant of the Project of the terms of any lease or condition, covenant or restriction affecting the Land and/or the Project, or any laws, rules regulations or ordinances applicable to the Land, and/or the Project.

xxiv Costs of repairs, replacements or other work occasioned by the exercise by governmental authorities of the right of eminent domain or any other taking, any costs due to casualty (whether insured or not) and any expenses for repair or replacements covered by warranties, guarantees or indemnitees (whether or not actually received).

xxv Any costs of defending or pursuing any claims involving the title of the Project and/or the Land (whether insured or not).

xxvi Services, costs, items and benefits for which Tenant or any other tenant or occupant of the Project or third person (including insurers) specifically reimburses Landlord or for which Tenant or any other tenant or occupant of the Project pays third persons.

xxvii Penalties, fines and interest for late payment of, including, without limitation, taxes, insurance, equipment leases and other past due amounts under any other contracts to which Landlord is a party or which Landlord is otherwise obligated to pay.

xxviii Contributions to Operating Expense reserves.

xxix Dues to professional and lobbying associations or trade associations (other than BOMA or any similar organization) and contributions to charitable or political organizations.

xxx Costs incurred in removing the property of former tenants or other occupants of the Project.

xxxi Costs incurred in connection with the acquisition or sale of air rights, easements or similar interests in real property.

xxxii Costs associated with Landlord's relocation, or attempted relocation, of any tenant in the Project.

xxxiii Expenses that Landlord incurs in buying or selling the Project and/or the Land.

xxxiv Salaries or other compensation paid to executive employees above the grade of building manager (including, without limitation, profit sharing, bonuses and 401(k) savings plans), but Operating Expenses may include compensation (including, without limitation, profit sharing, bonuses and 401(k) savings plans) paid to the building engineer to the extent required under any union or collective bargaining agreement.

xxxv Costs of directly or indirectly selling, syndicating, financing, mortgaging or hypothecating any of Landlord's interest in the Project and/or the Land.

xxxvi The cost of any disputes including, without limitation, legal or arbitration fees, between Landlord, any employee or agency of Landlord, any tenants or subtenants of the Project, or any mortgagees or ground lessors of Landlord or any parties involved in the design or construction of the Project.

xxxvii Without limitation of any provisions above, the cost of any judgment, settlement, payment or arbitration award arising from claims, disputes or potential disputes in connection with potential or actual claims, litigation or arbitration pertaining to Landlord's contractual breach, negligence, willful misconduct, or other fault, and all expenses, including attorneys' fees, incurred in connection therewith.

xxxviii Amounts payable by Landlord for withdrawal liability or unfunded pension liability to a multi-employer pension plan (under Title IV of the Employee Retirement Income Security Act of 1974, as amended).

xxxix Costs incurred by Landlord which result from a breach by Landlord of this Lease or any other lease at the Project.

xl Costs arising from the negligence or fault of other tenants or occupants at the Project or the Land to the extent that Landlord has actually recovered all or a portion thereof from a third party; provided, however, to the extent such costs are for repairs or replacements and are covered by an indemnity, such costs, regardless of whether actually received, are to be excluded herein.

xli Costs that Landlord incurs to correct a representation made by Landlord in this Lease.

xlii Any gifts furnished to any entity whatsoever including, but not limited to, Tenant, other tenants, employees, vendors, contractors, prospective tenants and agents.

xliii Any expenses incurred by Landlord for use of any public portions of the Project and/or the Land including, but not limited to, shows, promotions, kiosks, and advertising, beyond the normal expenses attributable to providing building services, such as lighting and HVAC to such public portions of the Building.

xliv The cost of providing after hours HVAC to other tenants of the Project.

xlv Any cost of acquiring, installing, moving, insuring, maintaining or restoring objects of art, but costs related to ordinary maintenance, security and insurance may be included in Operating Expenses.

xlvi Costs of leasing, acquiring, operating and maintaining motor vehicles (except that the costs of operating the shuttle bus service provided in this Lease and costs incurred by Landlord, if any, in maintaining and repairing vehicles related to such shuttle bus service shall be included in Operating Expenses).

xlvii The costs of any electric current or other utilities for the Project beyond those specified for common areas of the Building, but this clause shall not include: (x) the cost of electricity used to operate the central components of the Building's HVAC systems in order to furnish HVAC during regular business hours or ventilating at any other time, (y) costs of any utilities or services supplied to the common areas (other than as excluded from Operating Expenses herein), or (z) the cost of utilities used to operate the Building fire and life safety systems. For clarity, Operating Expenses shall not include (1) the cost of utility installation for tenants, separate metering or sub-metering for tenants and/or tap-in charges for adding tenants, or the cost of any utilities for which Tenant or any other tenant directly contracts with a third party therefor or in respect of which Tenant or any other tenant or other occupant is separately metered or sub-metered and pays Landlord or a third party directly, or (2) the cost of any electricity, water, gas, sewer or similar utility services used by any tenant or other occupant of the Project in its premises if such utility or other service is separately metered, sub-metered, or otherwise charged directly to Tenant or to the Premises.

xlviii Costs of structural repairs and replacements and any other repairs and replacements of a capital nature to the Project (including contributions to capital reserves) other than capital improvements permitted under Section 4(B) above.

xlix Costs of repairs, replacements, alterations or improvements necessary to make the Project or Land (including, without limitation, any building equipment or machinery) comply with applicable past, present or future laws, such as, without limitation, sprinkler installation or requirements under the Americans with Disabilities Act and any penalties or damages incurred due to noncompliance, other than Permitted Capital Improvements expressly permitted under Section 4(B) above.

l All expenses directly resulting from the negligence or willful misconduct of Landlord or any Affiliate of Landlord or any of their respective agents, servants or other employees or damages or other costs for or in connection with bodily injury or personal injury resulting from any tortious conduct of Landlord or its agents, including without limitation, the amount of any judgments rendered against Landlord in excess of the amount of any applicable liability policies and costs of repairs, replacements, alterations and/or improvements.

li Costs of testing (except for routine water tests), containing, removing or abating or any costs otherwise caused by or related to any hazardous, toxic or biologically undesirable wastes, materials, conditions and/or substances, including, without limitation, asbestos and asbestos containing materials, and mold, in, upon or beneath the Project and/or the Land (e.g., any Hazardous Substances in the soil or ground water), except to the extent that such costs are incurred in connection with the remediation of Hazardous Substances required to be performed by Landlord as a result of an environmental law (or amendment thereto) first enacted after the Effective Date (it being understood, however, that any such costs that are excluded under this Section 4(C)(li) shall, to the extent the same relate to any capital improvements or other capital items, be subject to the limitations applicable to inclusion of the costs of Permissible Capital Improvements in Operating Expenses set forth in this Lease.

lii Costs of constructing additions to the Project or new buildings on the Land, or otherwise further developing or redeveloping the Land or any portion of the Project.

liii Landlord’s general corporate overhead and general and administrative expenses, including costs that Landlord incurs in organizing or maintaining in good standing the entity that constitutes Landlord, or in authorizing Landlord to do business in the jurisdiction where the Building is located, or administration expenses, deed recordation expenses, legal and accounting fees (other than with respect to Building operations), office costs, human resource management costs and information technology costs. For the avoidance of doubt, audit costs and the costs of preparing financial statements of Landlord (as opposed to records and statements for the Building) shall be excluded from Operating Expenses.

liv The cost of any events or promotions not intended solely for tenants of the Building unless consented to by an authorized representative of Tenant in writing, but Landlord may include in Operating Expenses the cost of customary events that are intended solely for tenants of the Building and not others that are not tenants in the Building.

lv Any “above-standard” cleaning including, but not limited to, construction clean-up or special cleanings associated with parties/events and specific tenant requirements in excess of service provided to Tenant including trash collection, removal, hauling and dumping.

lvi Costs or expenses for work or services that are to be performed at “Landlord’s cost” or “Landlord’s expense” (or any terms of similar import) pursuant to this Lease (except to the extent otherwise expressly set forth herein).

lvii Any other costs or expenses that are expressly excluded from operating expenses under any “net” lease entered into by Landlord with a third party tenant for office space in the Building.

lviii Any other costs or expenses that are expressly excluded from Operating Expenses under this Lease.

lix All other items which under generally accepted accounting principles as consistently applied in the real estate industry for first-class office, laboratory and/or research buildings are properly classified as capital expenditures except, other than capital improvements permitted under Section 4(B) above.

All Operating Expenses for the Project and the Land shall be reduced by the amount (net of collection costs) of any insurance reimbursement, discount or allowance actually received by Landlord (or which Landlord is eligible to receive) in connection with such costs or which Landlord would have received had Landlord maintained the insurance required hereunder.

(D) Taxes. As used herein, the term "**Taxes**" shall include, without limitation: any and all real estate taxes; assessments (whether they be general or special); community improvement district charges (to the extent paid by Landlord and exclusively related to the Project); governmental charges that accrue against the Building, the Project and/or premises therein, (whether federal, state, county, or municipal, and whether imposed by taxing or management districts or authorities presently existing or hereafter created); sewer rents; transit and transit district taxes; public improvement district and business improvement district levies; and any other federal, state or local governmental charge, general, special, ordinary or extraordinary, now or hereinafter levied or assessed against the Building, the Project and/or premises therein. Except to the extent specifically identified above, Taxes exclude any local, state, or federal income or inheritance taxes. Landlord shall pay all Taxes payable during the Term before the same are delinquent. Notwithstanding anything herein to the contrary, in the event that the present method of taxation changes so that in lieu of or in addition to the whole or any part of Taxes, there is levied on Landlord a capital tax directly on the rents or revenues received therefrom or a franchise tax, margin tax, assess or charge based, in whole or in part, upon such rents or revenues for the Project, then all such taxes, assessments or charges or the part thereof so based, shall be deemed to be included within the term "Taxes" for purposes hereof. Taxes shall also include the cost of consultants retained in an effort to lower taxes and all costs incurred in disputing any taxes or in seeking a lower tax valuation for the Project. With respect to property taxes, Tenant waives all rights to protest or appeal the appraised value of the Premises, as well as the Project, and all rights to receive the notices of reappraisement. From time to time during any calendar year, Landlord may estimate or reestimate Taxes to be due by Tenant for that calendar year and deliver a copy of the estimate or re-estimate to Tenant. Thereafter, monthly installments of Tenant's Proportionate Share of Taxes paid by Tenant shall be appropriately adjusted in accordance with the revised estimations.

(E) Payment. Commencing on the Rent Commencement Date, Tenant shall pay its Proportionate Share of the cost of all Operating Expenses and Taxes, payable in advance in monthly installments on the first day of each month in such amount as is reasonably estimated by Landlord from time-to-time (but not re-estimated on more than one (1) occasion during any calendar quarter). Within sixty (60) days after the first day of each calendar year, Landlord shall furnish to Tenant an estimate of Tenant's Proportionate Share of reimbursable Operating Expenses and Taxes for the ensuing calendar year. Landlord will furnish a statement of the actual cost with respect to the reimbursable Operating Expenses and Taxes ("**Final Statement**") no later than one hundred twenty (120) days following the calendar year-end including the year following the year in which this Lease terminates. In the event that Landlord is, for any reason, unable to furnish the accounting for the prior year within the time specified above, Landlord will furnish such accounting as soon thereafter as practicable with the same force and effect as the statement would have had if delivered within the time specified above. Tenant will pay any deficiency to Landlord as shown by such statement within thirty (30) days after receipt of statement. If the total amount paid by Tenant during any calendar year exceeds the actual amount of its share of the reimbursable Operating Expenses or Taxes due for such calendar year, the excess will be refunded by Landlord within thirty (30) days of the date of the statement.

(F) Gross Up. With respect to any calendar year or partial calendar year during the term of this lease in which the Building is less than ninety-five percent (95%) occupied, the Operating Expenses that vary with occupancy for such period shall, for the purposes hereof, be increased to the amount which would have been incurred had the Building been ninety-five percent (95%) occupied. In adjusting the variable components of Operating Expenses to reflect ninety-five percent (95%) occupancy of the Building, Landlord will fairly allocate variable Operating Expenses so that: (i) Landlord does not make a profit from that adjustment; and (ii) the Operating Expenses are no greater than the amount that would have been paid or incurred had the Building been ninety-five percent (95%) occupied.

(G) Review of Books and Records. Tenant shall have the right to conduct a Tenant's Review, as hereinafter defined, at Tenant's sole cost and expense (including, without limitation, photocopy and delivery charges), upon thirty (30) days' prior written notice to Landlord. "**Tenant's Review**" shall mean a review of Landlord's books and records relating to (and only relating to) Operating Expenses payable by Tenant hereunder for the most recently completed calendar year (as reflected on Landlord's Final Statement) by Tenant's employees or a licensed Certified Public Accountant ("CPA") selected by Tenant. Tenant must elect to perform a Tenant's Review by written notice of such election received by Landlord within three (3) months following Tenant's receipt of Landlord's Final Statement for the most recently completed calendar year. In the event that Tenant fails to make such election in the required time and manner required, or fails to perform such Tenant's Review to completion within the period required, or fails to provide Landlord with a copy of Tenant's review within the time period required, then Landlord's calculation of Operating Expenses and Taxes for such most recently completed calendar year shall be final and binding on Tenant. Tenant hereby acknowledges and agrees that even if it has elected to conduct a Tenant's Review, Tenant shall nonetheless pay all Operating Expense payments to Landlord as and when due, subject to readjustment. Tenant and Landlord further acknowledge that Landlord's books and records relating to the Building may not be copied in any manner, but are confidential, and may only be reviewed at a location reasonably designated by Landlord; but Landlord will make such records conveniently available within the metropolitan area in which the Premises is located. Tenant shall provide to Landlord a copy of Tenant's Review within thirty (30) days after the date of such Review. If Tenant's Review reflects a reimbursement owing to Tenant by Landlord, and if Landlord disagrees with Tenant's Review, then Tenant and Landlord shall jointly appoint an auditor to conduct a review ("**Independent Review**"), which Independent Review shall be deemed binding and conclusive on both Landlord and Tenant. The Independent Review shall be conducted by a CPA who has not been retained by either landlord or Tenant (or their affiliates) during the preceding five years. If the Independent Review results in a reimbursement owing to Tenant equal to three (3%) percent or more of the amounts stated as Tenant's liability for Operating Expenses as reflected in the Final Statement, the costs of Tenant's Review and the Independent Review shall be paid by Landlord. If the Independent Review results in a reimbursement owing to Tenant, then Landlord shall pay the costs of the Independent Review. If the Independent Review results in no reimbursement owing to Tenant, then Tenant shall pay the costs of Tenant's Review and the Independent Review. Under no circumstances shall Tenant conduct a review of Landlord's books and records whereby the auditor operates on a contingency fee or similar payment arrangement. Prior to conducting any such review Tenant's reviewer must sign a commercially reasonable non-disclosure, non-solicitation, and confidentiality agreement provided by Landlord. Notwithstanding any provision in this Section 4(G) to the contrary, if the Independent Review results in a reimbursement owing to Tenant equal to three (3%) percent or more of the amounts stated as Tenant's liability for Operating Expenses as reflected in the Final Statement, Landlord will promptly investigate all prior years' Operating Expenses for which records are available regarding those items that were determined to be in error to confirm whether those items were properly accounted for and reported in prior calendar years during the Term. Landlord will report its findings to Tenant in writing, along with providing reasonable back-up and supporting documentation, and if Landlord's investigation determines that a refund is due to Tenant, Landlord shall pay the refund within thirty (30) days.

5. SERVICES.

(A) Generally. Provided that this Lease or Tenant's right to possession of the Premises has not been terminated, and subject to Section 5(B) below, during the Term Landlord shall furnish to the non-laboratory areas of the Premises the following services and utilities: (i) water (tempered and cold) provided for general use of tenants of the Building in accordance with Comparable Buildings; (ii) heated and refrigerated air conditioning as appropriate, during normal working hours (hereinafter defined) and at such other times as Landlord normally furnishes these services to all tenants of the Building (which shall, in any event, be comparable to the times such services are furnished at the Comparable Buildings), and at temperatures and in amounts in accordance with base building specifications and Comparable Buildings; (iii) janitorial services to the Premises (other than janitorial services for all laboratory areas, for which Tenant shall be solely responsible) on all business days (i.e., not including weekends or Holidays) for Building-standard installations and such window washing as may from time to time in Landlord's judgment be reasonably required to be comparable with window washing at Comparable Buildings; (iv) passenger and freight elevators for ingress and egress to the floor on which the Premises are located, in common with other tenants, provided that Landlord may reasonably limit the number of elevators to be in operation at times other than during normal working hours, with the freight elevator service to be provided by at least one (1) automatic, unmanned oversized passenger elevator serving each floor of the Building; (v) replacement of Building-standard light bulbs and fluorescent tubes (but not incandescent light bulbs, nonstandard fixtures, or other lamps of tenants); (vi) electrical current in

accordance with base building specifications (and Landlord's Work to the extent Landlord's Work includes any electrical work); (vii) access to the Building, Parking Garage, Project, common areas and Premises on a 24/7 basis 365 days a year subject to the terms and conditions of this Lease; (viii) a Building security system consistent with Class A office security systems and procedures in Comparable Buildings, including, but not limited to, 24/7 security coverage; and (ix) shared use of the Building's loading docks. In the event Tenant requests and Landlord provides any of the foregoing HVAC services to Tenant at times outside normal working hours (i.e., any time other than 7:00 a.m. to 6:00 p.m. Monday through Friday or 8:00 a.m. to 1:00 p.m. on Saturday, specifically excluding Holidays), then Landlord shall have the right to bill Tenant without any mark-up and Tenant agrees to pay for such additional services. Floor by floor HVAC service shall be provided upon request at times outside normal working hours at the After Hours Rate (defined below). The initial charge for after-hours HVAC is a flat rate of $100.00 per hour per floor ("**After Hours Rate**"). The After Hours Rate is subject to increase as necessitated by increases in the cost of providing the additional HVAC, but any such increase shall be comparable with the rates for after-hours HVAC charged to tenants at Comparable Buildings. Landlord shall not provide HVAC service to any other tenant of the Building outside of normal working hours unless such after-hours HVAC service is specifically requested by the applicable tenant or is required to be provided in order to service another tenant's premises as a result of the configuration of the applicable HVAC system (i.e., a single HVAC unit serves multiple premises and one of the tenants served by such unit requests after-hours HVAC service) and, further, Landlord shall charge any other tenant requesting after-hours HVAC service a rate comparable to the After Hours Rate and shall use commercially reasonable efforts to collect all amounts owing by other tenants for after-hours HVAC service. Tenant's use of electricity for lights and outlets shall be separately metered and the cost of providing such meter(s) shall be borne by Landlord without pass through of such cost to Tenant as an Operating Expense or otherwise). Landlord will also provide Tenant with the ability to control fan operation (in lieu of operation of the full HVAC system serving the Premises) in Premises for use outside normal working hours, without temperature control, at no separate charge from Landlord. For purposes of this Lease provision, "**Holidays**" shall include New Year's Day, Memorial Day, July 4th, Labor Day, Thanksgiving and Christmas and any such other holidays as reasonably determined by Landlord, consistent with other Comparable Buildings. Landlord, at Landlord's cost, will provide a separate meter to meter Tenant's electrical use within the Premises. Other than as shown in attached Exhibit C or as otherwise approved by Landlord, Tenant will not install or operate in the Premises any electrically operated equipment or machinery that operates on greater than 240 volt power without first obtaining the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned, or delayed. Tenant shall not install any non-customary electrically operated equipment or machinery that will necessitate any changes, replacements or additions to, or in the use of, the Building Systems serving the Premises or the Building, without first obtaining the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned, or delayed. Business machines and mechanical equipment belonging to Tenant which cause noise or vibration that may be transmitted to the structure of the Building or to any space therein to such a degree as to be reasonably objectionable to Landlord or to any tenant in the Building shall be installed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other devices sufficient to reduce such noise and vibration to a level reasonably satisfactory to Landlord. Landlord acknowledges that any equipment to be installed by Tenant as pre-approved by Landlord do not require any further consent or approval as may otherwise be required under this Section and such installation are acceptable. Notwithstanding anything in this Lease to the contrary, any damage to any fixtures or appliances in the Premises to the extent attributable to misuse by Tenant or its agents, employees or invitees, shall be paid by Tenant, and Landlord will not in any case be responsible therefor.

Except in the event of the gross negligence or willful misconduct of Landlord, failure by Landlord to any extent to make available, or any slowdown, stoppage or interruption of these services shall not render Landlord liable in any respect for damage to either person, property or business, nor be construed as an actual or constructive eviction of Tenant or work an abatement or offset of Rent, nor relieve Tenant from fulfillment of any covenant or agreement hereof, except as set forth below. Notwithstanding the foregoing, upon the occurrence of any interruption or discontinuance of such services, as set forth in this Section 5(A), which results from Landlord's gross negligence or willful misconduct and was not caused by Tenant or by Tenant's subtenants, agents, employees or contractors (without any reasonably equivalent or alternative service being provided by Landlord), and such interruption or discontinuance continues for a period of five (5) consecutive days (or re-occurs on more than ten (10) days, even if not consecutive days, within a thirty (30) day period) after Tenant shall have given written notice thereof to Landlord, then, from and after the expiration of such three (3) day period (or re-occurring five (5) days), where Tenant is unable to and does not use the Lab and/or the Premises, or a substantial portion thereof, for the conduct of business as normally conducted by Tenant, Base Rent and Tenant's Proportionate Share of Operating Expenses, Taxes, Insurance, Common Area Charges and rent for Parking Spaces shall abate in the same proportion as the portion of the Premises that Tenant is

unable to and does not use bears to the entire Premises until such time as such service is restored or Tenant begins using the Lab and/or Premises (or affected portion thereof). Landlord shall not, except in an emergency, voluntarily effect any stoppage or reduction of any service without giving prior oral or written notice to Tenant of the time and estimated duration thereof. Should any equipment or machinery furnished by Landlord break down or for any cause cease to function properly, Landlord shall use reasonable diligence to repair same promptly, but, except as provided above, Tenant shall have no claim for abatement of Rent or damages on account of any interruption in service occasioned thereby or resulting therefrom.

(B) Separately Metered Utilities. Notwithstanding the foregoing, at Landlord's sole cost and expense, all utilities in the lab area of the Premises, including without limitation, water, electricity, natural gas and HVAC, shall be separately metered or sub-metered, or otherwise accurately accounted for, by Landlord, and the costs for usage shall be billed and paid directly by Tenant when due.

(C) Common Areas. Landlord shall be responsible for providing and/or maintaining in good condition and repair the following: (i) trash removal, (ii) landscaping; (iii) all labor costs and supply costs involved in the operation of the Building; (iv) all other services of any kind and nature which Landlord determines may be used in or upon the Project; (v) management of the Project; (vi) and the repair, maintenance and replacement of the Building and improvements as follows: (1) the roof; (2) all structural interior and exterior components of the Building and improvements except those modifications installed by Tenant; (3) Garage; (4) sidewalks, alleys and any and all access drives, including the removal of snow and ice therefrom; (5) heating and air conditioning equipment, lines and fixtures except for any supplementary air conditioning systems installed by or at the request of Tenant; (6) plumbing equipment, lines and fixtures, including, but not limited to fire sprinkler and fire control systems, except for any of these items of Tenant's personal property including, without limitation, dishwashers and refrigerators; (7) electrical equipment, lines and fixtures and a standby, "back-up" generator serving the Project, including without limitation tenants' premises, except for tenants' personal property including, for example only and without limitation, tenants' back-up generators and computer infrastructures; (8) all ingress-egress doors to the Building; (9) exterior plate glass; (10) all utility lines and services, except to the extent installed or modified by or at the direction of any tenant; (11) elevator equipment, lines and fixtures; (12) preventative maintenance to the heating and air conditioning equipment, lines and fixtures; and (13) janitorial service to the Premises (other than the lab area, which shall be Tenant's sole responsibility) and common areas. Landlord reserves the right to bill Tenant separately for extra janitorial service required for non-standard installations as may from time to time in Landlord's judgment be reasonably required, or shall permit Tenant to undertake such services itself, with an appropriate adjustment, if any, to the amount of Operating Expenses. The costs incurred by Landlord in connection with the performance and provision of the foregoing services shall be included in Operating Expenses except to the extent expressly excluded under Section 4(C). In no event will Landlord be responsible for alterations to the Building's structure required by applicable law because of Tenant's use of the Premises if outside the scope of the laboratory or general office primary Permitted Uses or alterations or improvements to the Premises made by Tenant (excluding the Landlord Work).

If Landlord fails to satisfy its obligations under this Section 5(C) due to Landlord's negligence or willful misconduct; and such failure continues for a period of ten (10) consecutive days after Landlord's receipt of notice from Tenant; and provided such condition was not caused by Tenant or by Tenant's subtenants, agents, employees or contractors, then, from and after the expiration of such ten (10) day period, where Tenant is unable to and does not use the Lab and/or the Premises, or a substantial portion thereof, for the conduct of business as normally conducted by Tenant, Base Rent and Tenant's Proportionate Share of Operating Expenses, Taxes, Insurance, Common Area Charges and rent or fees for parking spaces shall abate in the same proportion as the portion of the Premises that Tenant is unable to and does not use bears to the entire Premises until such time as such maintenance is performed or Tenant begins using the Lab and/or Premises (or affected portion thereof). Notwithstanding anything to the contrary herein, Landlord's liability under this Section 5(C) shall be limited to Base Rent abatement and abatement of Tenant's Proportionate Share of Operating Expenses, Taxes, Insurance, Common Area Charges and rent or fees for parking spaces (as provided in this paragraph) and the cost of performing such work (it being understood that nothing in this sentence shall operate to limit Landlord's indemnification obligations contained in this Lease).

(D) Utility Consumption. Tenant acknowledges and affirms its knowledge and understanding of Landlord's efforts to benchmark utility consumption within the entirety of the Building. As such, Tenant consents to Landlord's using such consumption information to enable Landlord to satisfy the requirements established by the US EPA for whole building data for, and to incorporate Tenant's utility data in, such benchmarking initiatives as Landlord actively participates in, subject only to the provision that Landlord will exercise commercially reasonable care to maintain the privacy of Tenant's specific consumption data. Any public dissemination of such data shall be in aggregate with other Building tenants' and occupants' consumption data, with no direct identification of individual tenant usage.

6. COMPLIANCE.

Tenant, at Tenant's sole expense, shall comply with all Governmental Requirements now in force or which may hereafter be in force, which shall impose any duty upon Tenant with respect to the use, occupation or alteration of the Premises made by, or at the direction of, Tenant (excluding the Landlord Work). Notwithstanding anything to the contrary contained herein, Tenant will keep, repair, maintain and preserve the Premises (including, without limitation, all electronic, phone and data cabling and related equipment installed for the exclusive benefit of Tenant (other than building service equipment), fixtures, lighting, electrical equipment and wiring, non-structural walls, interior windows, floor coverings, doors and door frames and plate glass all within the Premises (provided that Landlord shall have the right to repair plate glass at Tenant's cost)) in good, neat and sanitary condition and free of insects, rodents, vermin and other pests, except for normal wear and tear, and damage by fire or casualty, and repairs or services required to be completed or provided by Landlord hereunder. Tenant shall be solely responsible, at Tenant's sole cost and expense, for the proper maintenance of the portions of any and all sanitary, electrical, heating, air conditioning, plumbing, security or other systems, equipment and appliances *to the extent* installed and/or operated by Tenant and/or exclusively serving the Premises. Tenant agrees to provide regular maintenance by contract with a reputable qualified service contractor for the heating and air conditioning, electrical, plumbing and life-safety equipment exclusively servicing the Premises. Such maintenance contract and contractor shall be subject to Landlord's reasonable approval. Tenant, at Landlord's request, shall at reasonable intervals provide Landlord with copies of such contracts and maintenance and repair records and/or reports. Tenant shall be responsible, at its sole cost and expense, for janitorial and trash removal services for all laboratory areas within the Premises and for all proper biohazard disposal services for the Premises. Such services shall be performed by licensed (where required by law or governmental regulation), insured and qualified contractors approved in advance, in writing, by Landlord (which approval shall not be unreasonably withheld, delayed or conditioned) and on a sufficient basis to ensure that the Premises are at all times kept neat and clean.

Tenant, at Tenant's sole cost and expense, shall cause the Premises to be exterminated on an as-needed basis to Landlord's reasonable satisfaction and shall cause all portions of the Premises used for the storage, preparation, service or consumption of food or beverages to be cleaned daily in a manner reasonably satisfactory to Landlord, and to be treated against infestation by insects, rodents and other vermin and pests whenever there is evidence of any infestation. Tenant shall not permit any person to enter the Premises for the purpose of providing such extermination services, unless such persons have been approved by Landlord. If requested by Landlord, Tenant shall, at Tenant's sole cost and expense, store any refuse generated in the Premises by the consumption of food or beverages in a cold box or similar facility.

When Tenant fails to maintain the Premises, or as otherwise needed, at Tenant's sole cost and expense, Landlord will make all interior repairs and replacements including but not limited to interior walls, doors and windows, floors, floor coverings, light bulbs, plumbing fixtures, and electrical fixtures, except for normal wear and tear, damage by fire or casualty and repairs or services required to be completed or provided by Landlord hereunder. Tenant will also reimburse to Landlord, at Tenant's sole cost and expense, costs to repair or replace any broken windows and/or damage to the Building or Premises caused by the negligence of Tenant or its employees, agents, guests or customers during the Term hereof. Except in case of emergency, Landlord will provide Tenant with notice of its intent to perform such repairs or replacements at least one (1) business day before commencement of such work. The above repairs, replacements, and/or services must be performed by an approved contractor of Landlord, which approval shall not be unreasonably withheld, conditioned or delayed. Should Tenant fail to perform all interior repairs and replacements to Tenant's Premises such repairs may be performed by Landlord and charged to Tenant at Tenant's sole cost and expense without any administrative fee, profit or overhead. Tenant will comply with all ordinances of the City of Chicago, rules and regulations of the Board of Health and the laws of the State of Illinois, and any laws, rules or regulations of any governmental authority required of Tenant relative to the repair, maintenance and replacement within the Premises except to the extent such compliance is the obligation of Landlord under this Lease. Upon Tenant having actual knowledge, Tenant shall give to Landlord prompt notice of any fire or accident in the Premises or in the Building and of any damage to, or defective condition in, any part or appurtenance of the Building including, without limitation, the sanitary, electrical, ventilation, heating and air conditioning or other systems located in, or passing through, the Premises. Tenant agrees to comply with all rules and regulations now or hereafter promulgated by Landlord from time to time of which Tenant has prior written notice and that apply to all tenants in the Building or Project ("**Rules and Regulations**"). Current Rules and Regulations are as set forth on **Exhibit B**.

Tenant shall comply with all easements, covenants and restrictions now encumbering the Property or any portion thereof, including, without limitation, the Protective Covenants. Tenant also shall comply with all easements, covenants and restrictions that become effective after the Effective Date and encumber the Property or any portion thereof, provided that no such future easements, covenants or restrictions shall diminish or interfere with the rights and benefits granted Tenant under this Lease, increase any of Tenant's obligations under this Lease or impose any additional burdens on Tenant or impair in any manner Tenant's use of the Premises. Additionally, Tenant acknowledges that Landlord may enter into reciprocal easement agreements, operating agreements or additional covenants with adjacent property owners, and Tenant hereby agrees to cooperate (at no cost or liability to Tenant) with Landlord's endeavors in entering into any such easements, agreements or covenants, and shall abide by such easements, agreements and covenants as to which Landlord has provided Tenant copies thereof, provided that no such easements, agreements or covenants shall diminish or interfere with the rights and benefits granted Tenant under this Lease, increase any of Tenant's obligations under this Lease or impose any additional material burdens on Tenant or materially impair Tenant's use of the Premise .

7. PARKING.

Tenant and its employees, agents, contractors and invitees shall have the right in common with other tenants of the Building to use the Parking Spaces on an unreserved basis, subject to such reasonable Rules and Regulations (as defined herein) as Landlord may promulgate from time to time and applicable laws. Notwithstanding the foregoing, if, at any time during the Term, the Premises expand (whether due to the exercise of expansion rights, the ROFO [as defined below] or otherwise), Tenant shall, on or before the date upon which the Lease Term commences with respect to such expansion space, have the right to elect to lease on a month-to-month basis any then-unencumbered Parking Spaces allocable to the ROFR Space or ROFO Space, as determined using the ratio of one unreserved Parking Space per 2,869 rentable square feet in the Premises) (it being understood that, in connection with any expansion process, upon Tenant's request, Landlord shall promptly inform Tenant in writing of how many unencumbered Parking Spaces are then available), with any failure by Tenant to timely make such an election being deemed an election to not exercise such right; provided, however, in the case of a ROFO in which the ROFO Space Notice or includes a right to lease a specific number of Parking Spaces, the preceding terms of this sentence (i.e., the terms before the proviso) shall not apply and Tenant shall have the applicable rights to Parking Spaces described in the ROFO Space Notice. Except as otherwise expressly set forth in this Lease, all of the Parking Spaces and any expansion parking spaces that Tenant elects to lease as set forth in this paragraph (if applicable) shall, subject to the relinquishment rights described below, be leased at a rate of $275.00 per Parking Space per month, plus any applicable sales tax, as such parking rate may be reasonably adjusted by Landlord from time to time in accordance with market prices; provided, however, in no event will the adjusted parking fee exceed fair market value. Notwithstanding anything herein to the contrary, except in the case of an Event of Default under this Lease with respect to which Landlord has completed the exercise of any of the remedies described in paragraphs (A) thru (D) of Article 19, Landlord will not have the right to terminate Tenant's rights to any of the Parking Spaces that Tenant has elected to Lease pursuant to this Section 7. Landlord may grant or deny access rights to other tenants of the Project. Tenant shall only permit parking by its employees, agents, contractors, or invitees of passenger vehicles in appropriate designated parking areas. Landlord shall not be responsible for enforcing Tenant's parking rights against any third parties but Landlord shall use commercially reasonable efforts to ensure all users of the Garage observe the applicable Rules and Regulations and do not breach their respective obligations (whether under a lease agreement or otherwise) with respect to the use of the Garage and parking spaces. It is understood and agreed that (i) no specific, reserved parking spaces will be allocated for use by Tenant, and (ii) all of Tenant's Parking Spaces shall be in the Garage. Notwithstanding anything herein to the contrary, in addition to the visitor Parking Spaces, Landlord hereby reserves the right from time to time to designate any portion of the parking facilities to be used exclusively by visitors to the Building, other persons, entities, or tenants, and to charge for visitor parking and/or reserved parking; provided, however, Landlord shall not exercise such right in a manner that diminishes or unreasonably interferes with any of Tenant's rights with respect to the Parking Spaces. Tenant agrees that it and its employees shall observe the reasonable safety precautions in the use of parking facilities promulgated by the operator and/or Landlord governing their use. In the event that the operator and/or Landlord require that an identification or parking sticker must be displayed at all times in all cars parked in the parking facilities, any car not displaying such a sticker may be towed away, booted or ticketed at the car owner's expense. If Tenant relinquishes its rights with respect to any Parking Spaces under this Lease, Tenant may, at any time thereafter during the Term, inquire with Landlord whether any Parking Spaces are then available to lease and, if any Parking Spaces are then available (as determined by Landlord), Tenant shall have the right to lease such additional Parking Spaces in accordance with the terms and provisions of this Lease.

8. HAZARDOUS SUBSTANCES.

(A) The term "**Hazardous Substances**", as used in this Lease shall mean pollutants, contaminants, toxic or hazardous wastes, asbestos, polychlorinated biphenyls ("**PCBs**"), oil or any hazardous, radioactive or toxic substance, material or waste or petroleum derivative, the removal of which is required or the presence or use of which is or becomes restricted, prohibited or penalized by any Environmental Law (hereinafter defined) including without limitation live organisms, viruses and fungi, medical waste and any so-called "biohazard" materials," and any materials on the right to know list of the Occupational Safety and Health Administration. The term "**Hazardous Substance**" includes, without limitation, any material or substance which is (i) designated as a "hazardous substance," "hazardous material," "oil," "hazardous waste" or toxic substance under any Environmental Law or (ii) contains any component now or hereafter designated as such. The term "**Environmental Law**", shall mean any federal, state or local law, ordinance or other statute, rule or regulation of any local, state or federal governmental or quasi-governmental authority relating to pollution or protection of the environment or health and safety matters, including but not limited to any discharge by any of the Tenant Parties into the air (including outdoor air and indoor air), surface water, sewers, soil or groundwater of any Hazardous Substance whether within or outside the Premises, including, without limitation (a) the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 et seq., (b) the Federal Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq., (c) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq., (d) the Toxic Substances Control Act of 1976, 15 U.S.C. Section 2601 et seq., (e) the Illinois Environmental Protection Act, 415 Ill. Comp. Stat. 5, including, without limitation, Title II, Title VI-A, Title VI-B and Title XVII, (f) the Solid Waste Planning and Recycling Act, 415 Ill. Comp. Stat. 15, and (g) the Illinois Solid Waste Management Act, 415 Ill. Comp. Stat. 20. Tenant, at its sole cost and expense, shall comply with (i) all Environmental Laws, and (ii) any rules, requirements and safety procedures of (A) the Illinois EPA, the City of Chicago, and any other governmental agency with jurisdiction over Hazardous Substances and (B) any insurer of the Building or the Premises with respect to Tenant's use, storage and disposal of any Hazardous Substances.

(B) Tenant shall not, without the prior written consent of Landlord, bring or permit to be brought to or kept at, in or on the Premises or elsewhere in the Building or the Project (a) any inflammable, combustible or explosive fluid, material, chemical or substance (except for de minimis quantities of standard office and cleaning supplies and/or as identified on **Exhibit L** attached hereto) stored in compliance with Environmental Laws and in proper containers); and (b) any Hazardous Substance, other than the types and legally permissible quantities of Hazardous Substances which are used by Tenant in the ordinary course of Tenant's business and are listed on Exhibit L attached hereto ("**Tenant's Hazardous Substances**"); provided that the same shall at all times be brought to, kept at or used in so-called 'control areas' (the location, number and size of which shall reasonably be determined by Landlord) in accordance with all applicable Environmental Laws and prudent environmental practices (including without limitation best practices to minimize quantities of stored Hazardous Substances using a "just in time" method of purchasing the same) and (with respect to medical waste and so-called "biohazard" materials) good scientific and medical practices; and provided further that if any applicable Environmental Laws limit quantities of permitted Hazardous Substances on a per floor basis, Tenant will be allowed to utilize only such limited allowable quantity in the same proportion as the rentable square footage of the Premises bears to the entire rentable square footage of the 7th floor of the Building; and provided further that in no event shall Tenant generate, produce, bring upon, use, store or treat any infectious biological micro-organisms or any other Hazardous Substances in the Premises with a risk category above the level of Biosafety Level 2 as established and described by the U.S. Department of Health and Human Services Publication Biosafety in Microbiological and Biomedical Laboratories (Fifth Edition) (as it may be further revised, the "**BMBL**") or such nationally recognized new or replacement standards as may be reasonably selected by Landlord; and provided further that to the extent any Governmental Requirement sets a maximum quantity of any Hazardous Substances which may be stored, used or brought into the Building without additional licensing, permitting or authorizations therefor, Tenant shall not be permitted to use, store or bring into the Building more than Tenant's prorated share of such Hazardous Substances (as determined by the relative use of such Hazardous Substances by tenants operating research and development laboratories). In all events, Tenant shall comply with all applicable provisions of the BMBL. No portion of the Premises will be used by Tenant as a landfill or a dump. Tenant will not install in, on, under or about the Project, any underground tanks of any type. Tenant shall be responsible for assuring that all laboratory uses are adequately and properly vented. On or before each anniversary of the Commencement Date and at least fifteen (15) days prior to any date on which Tenant intends to add a new Hazardous Substance to, or materially increase the quantity of any Hazardous Substance already on, the list of

Tenant's Hazardous Substances, Tenant shall submit to Landlord an updated list of Tenant's Hazardous Substances for Landlord's review and approval, which approval shall not be unreasonably withheld, conditioned or delayed. Tenant shall provide such further information concerning any Tenant's Hazardous Substances and/or their use, storage and/or disposal within thirty (30) days of Landlord's reasonable request concerning the same. Landlord shall have the right, from time to time, to inspect the Premises for compliance with the terms of this Section 8 at Tenant's sole cost and expense. With respect to any Hazardous Substance brought or permitted to be brought or kept in or on the Premises or elsewhere in the Building or the Project in accordance with the foregoing, Tenant shall (i) not permit any such Hazardous Substance to escape, be released or be disposed in or about (except in compliance with Environmental Laws) the Premises, the Building or the Land and (ii) within five (5) business days of Landlord's reasonable request, which request shall not be made more frequently than one time per calendar year unless otherwise required by a governmental authority or Landlord reasonably suspects that a release of a Hazardous Substance has occurred upon the Premises, provide evidence reasonably satisfactory to Landlord of Tenant's compliance with all applicable Environmental Laws including copies of all licenses, permits and registrations that Tenant has been required to obtain prior to handling any Hazardous Substance at the Premises and that have not been previously provided to Landlord. Notwithstanding the foregoing, with respect to any of Tenant's Hazardous Substances which Tenant does not properly handle, store or dispose of in compliance with all applicable Environmental Laws, prudent environmental practices and (with respect to medical waste and so-called "biohazard" materials) good scientific and medical practices, Tenant shall, upon written notice from Landlord, no longer have the right to bring such material into the Building or the Project until Tenant has demonstrated, to Landlord's reasonable satisfaction, that Tenant has implemented programs to thereafter properly handle, store or dispose of such material. In order to induce Landlord to waive its otherwise applicable requirement that Tenant maintain insurance in favor of Landlord against liability arising from the presence of radioactive materials in the Premises, and without limiting the foregoing, Tenant hereby represents and warrants to Landlord that at no time during the Term will Tenant bring upon, or permit to be brought upon, the Premises any radioactive materials whatsoever.

(C) If any lender or governmental authority requires testing to determine whether there has been any release of Hazardous Substance(s) and such testing is required as a result of the acts or omissions of any of the Tenant Parties, then Tenant shall reimburse Landlord upon demand, as additional rent, for the reasonable costs thereof. If Tenant is found to have caused any release of a Hazardous Substance at, in, on, under, from or upon the Project, all reasonable, out of pocket costs incurred by Landlord in connection with Landlord's monitoring of Tenant's compliance with this Section 8, including Landlord's reasonable attorneys' fees and costs, shall be additional rent and shall be due and payable to Landlord within thirty (30) days after the delivery to Tenant of Landlord's invoice therefor. Tenant shall execute affidavits, certifications and the like, as may be reasonably requested by Landlord from time to time concerning Tenant's best knowledge and belief concerning the presence of Hazardous Substances at, in, on, under, from or upon the Premises, the Building or the Project. From time to time during the term of this Lease, Tenant shall provide Landlord with such evidence of Tenant's compliance with the terms of this Section 8 as Landlord may reasonably request, which request shall not be made more frequently than one time per calendar year unless otherwise required by a governmental authority or Landlord reasonably suspects that a release of a Hazardous Substance has occurred at, in, on, under, from or upon the Premises. Further, at Landlord's option, Landlord may (but shall have no obligation to) obtain a report or reports from time to time (each, a "**Landlord's Report**") addressed to Landlord by a licensed environmental engineer or certified industrial hygienist, which Landlord's Report shall be based on the environmental engineer's or certified industrial hygienist's inspection of the Premises and shall set forth the current condition of the Premises with respect to Tenant's use, storage and disposal of Hazardous Substances. Landlord may obtain a Landlord's Report at Tenant's cost at any time that Tenant is in default under this Lease beyond any applicable notice and cure period. In addition, if any time a Landlord's Report indicates that there is a material deficiency in compliance with the standards set forth in this Section 8, then the costs of such Landlord's Report shall be reimbursed by Tenant to Landlord upon demand, as additional rent, for the reasonable cost thereof, Tenant shall promptly remedy such deficiency, and Landlord shall be entitled to a written evaluation by Landlord's consultant at Tenant's cost to confirm the proper completion of such remedy, such costs also to be reimbursed by Tenant to Landlord upon demand as additional rent, for the reasonable cost thereof, together with interest at the Default Rate until paid in full.

(D) Tenant agrees to indemnify, defend and hold harmless Landlord, its lenders, any managing agents and leasing agents of the Premises, and their respective agents, partners, officers, directors and employees, from all claims, judgments, demands, actions, liabilities, losses, penalties, costs, expenses, fees, damages and obligations of any nature (collectively, "**Claims**") arising from or as a result of Hazardous Substances or any other contamination of any part of the Project or adjacent property, or exacerbation of any Hazardous Substances or other contamination of any part of the Project or adjacent property which contamination or exacerbation, as the case may be, arises as a result of (i) the presence

of any Hazardous Substance in the Premises, the presence of which is caused by any act or omission (where there is a duty to act) of any of the Tenant Parties, or (ii) from a breach by Tenant of its obligations under this Section 8. This indemnification of by Tenant includes, without limitation, reasonable costs incurred in connection with any investigation of site conditions or any cleanup, remedial, removal or restoration work or any other response action required by any federal, state or local governmental agency or political subdivision because of any Hazardous Substance present in the soil, soil vapor, or ground water at, on or under, or any indoor air in, the Building based upon the circumstances identified in the first sentence of this Section 8D. The foregoing indemnifications shall survive the expiration or sooner termination of this Lease.

(E) Without limiting the obligations set forth in Section 8D above, if any Hazardous Substance is at, in, on, under, from, or upon the Building or the Project as a result of the acts or omissions (where there is a duty to act) of any of the Tenant Parties and results in any contamination of any part of the Project or any adjacent property that is in violation of any applicable Environmental Law or that requires the performance of any response action pursuant to any Environmental Law, Tenant shall promptly take all actions at Tenant's sole cost and expense as are necessary to reduce such Hazardous Substance to amounts below any applicable reportable quantity, reportable concentration or any other applicable reporting or cleanup standard set forth in any Environmental Law such that (i) no further response actions are required, (ii) no Environmental Land Use Control (as that term is defined in the Illinois Administrative Code Title 35, § 742.200) is required, and (iii) no environmental easements, deed restrictions or other limitations on the use of the property is or are required; provided that Tenant shall first obtain Landlord's written approval of such actions, which approval shall not be unreasonably withheld, conditioned or delayed so long as such actions would not be reasonably expected to have an adverse effect on the market value or utility of the Project for the Permitted Uses, and in any event, Landlord shall not withhold its approval of any proposed actions which are required by applicable Environmental Laws and comply with the provisions of Sections 8E(i), (ii), and (iii), above (such approved actions, "**Tenant's Remediation**"). In the event that Tenant fails to complete Tenant's Remediation prior to the end of the Term, then, until the completion of Tenant's Remediation (as evidenced by a "No Further Remediation Letter" (as such term is defined by applicable Environmental Laws), or other appropriate regulatory closure documentation that is reasonably acceptable to Landlord) (the "**Remediation Completion Date**"), (i) Tenant shall pay to Landlord, with respect to the portion of the Premises which reasonably cannot be occupied by a new tenant until completion of Tenant's Remediation, (A) additional rent on account of Operating Expenses and Taxes and (B) Base Rent in an amount equal to the fair market rental value of such portion of the Premises (as reasonably determined by Landlord); and (ii) Tenant shall maintain responsibility for Tenant's Remediation and Tenant shall complete Tenant's Remediation as soon as reasonably practicable in accordance with all Environmental Laws. If Tenant does not diligently pursue completion of Tenant's Remediation, Landlord shall have the right to either (A) assume control of the performance of Tenant's Remediation, in which event Tenant shall pay all reasonable costs and expenses of Tenant's Remediation (it being understood and agreed that all costs and expenses of Tenant's Remediation incurred pursuant to contracts entered into by Tenant shall be deemed reasonable) within thirty (30) days of demand therefor (which demand shall be made no more often than monthly), and Landlord shall be substituted as the party identified on any governmental filings as the party performing such Tenant's Remediation or (B) require Tenant to maintain responsibility for Tenant's Remediation, in which event Tenant shall complete Tenant's Remediation as soon as reasonably practicable in accordance with all Environmental Laws, it being understood that Tenant's Remediation shall not contain any requirement that Tenant remediate any contamination to levels or standards more stringent than those associated with the Project's current office, research and development, laboratory, and vivarium uses.

(F) During the Term, Tenant shall promptly provide Landlord with copies of all summons, citations, directives, information inquiries or requests, notices of potential responsibility, notices of violation or deficiency, orders or decrees, claims, complaints, investigations, judgments, letters, notice of environmental liens, and other communications, written or oral, actual or threatened, received by Tenant from the United States Environmental Protection Agency, Occupational Safety and Health Administration, the Illinois Environmental Protection Agency or any other federal, state or local agency or authority, or any other entity or individual, concerning (i) any Hazardous Substance on, in, under or about the Premises; (ii) the imposition of any lien on the Premises; or (iii) any alleged violation of or responsibility under any Environmental Law relating to the Premises (including the use and/or occupancy thereof)by any Tenant Party.

(G) Prior to bringing any Hazardous Substance into any part of the Project other than lawful quantities of those set forth on Exhibit L, and standard office, cleaning and maintenance supplies used in ordinary amounts and stored in proper containers in compliance with all Environmental Laws, Tenant shall deliver to Landlord the following

information with respect thereto: (a) a description of handling, storage, use and disposal procedures; (b) all plans or disclosures and/or emergency response plans which Tenant has prepared, including without limitation Tenant's Spill Response Plan, and all plans which Tenant is required to supply to any governmental agency or authority pursuant to any Environmental Laws; and (c) other information reasonably requested by Landlord.

(H) Tenant shall be responsible, at its sole cost and expense, for Hazardous Substance and other biohazard disposal services performed by or on behalf of Tenant at the Premises. Such services shall be performed by contractors reasonably acceptable to Landlord and on a sufficient basis to ensure that the Premises are at all times kept neat, clean and free of Hazardous Substances and biohazards except in appropriate, specially marked containers reasonably approved by Landlord. In addition, if any Governmental Requirements or the trash removal company requires that any substances be disposed of separately from ordinary trash, Tenant shall make arrangements at Tenant's expense for such disposal directly with a qualified and licensed disposal company at a lawful disposal site.

(I) Notwithstanding any provision in this Section 8 or in this Lease apparently to the contrary, as of the Commencement Date the Premises shall be free and absent of all asbestos containing materials ("**ACM**") and all other Hazardous Substances, excluding any Tenant non-compliance with respect to Hazardous Substances, which shall be Tenant's obligation hereunder. During the entire Term of this Lease, Landlord, at its sole cost and expense, shall fully and promptly comply with all Environmental Laws and other Governmental Requirements applicable to Hazardous Substances. Further notwithstanding any provision in this Section 8 or in this Lease apparently to the contrary, Landlord agrees that Tenant shall have no obligations or liability as to any Hazardous Substances that exist in the Building, the Premises, the Land, the Project or adjacent properties except solely to the extent such Hazardous Substances are placed in the Building, the Premises, the Land, the Project or adjacent properties by Tenant or any person or party for whom Tenant is responsible or if Tenant causes or knowingly exacerbates an issue related to Hazardous Substances on or about the Premises.

9. INSURANCE.

(A) INSURANCE BY LANDLORD. Landlord shall, during the Term, procure and keep in force at least the following insurance (the cost of Landlord's insurance hereunder will be deemed to be an Operating Expense to the extent applicable to the period after the Commencement Date):

(1) PROPERTY INSURANCE. "All Risk" property insurance covering the full replacement value of the Building and including, without limitation, coverage for earthquake and flood; and machinery (if applicable); sprinkler damage; vandalism; malicious mischief; and loss of rental income. Such Insurance shall not cover Tenant's equipment, trade fixtures, inventory, fixtures or personal property located on or in the Premises.

(2) LIABILITY INSURANCE. Commercial general liability (lessor's risk) insurance against any and all claims for bodily injury, death or property damage occurring in or about the Building or the Land. Such insurance shall have a combined single limits as may be reasonably determined by Landlord from time to time in a manner consistent with Comparable Buildings; and

(4) OTHER. Such other insurance as Landlord deems necessary and prudent.

Should Landlord choose to self-insure, the cost of maintaining such self-insurance shall be considered an expense of the property and be payable by Tenant as a portion of Operating Expenses; provided, that in no event shall Operating Expenses include any amount in excess of the premiums that would have otherwise been included if Landlord had purchased such insurance from an insurance company and not elected to self-insure, plus commercially reasonable deductible amounts.

(B) INSURANCE BY TENANT. Tenant shall, during the Term, procure and keep in force the following insurance:

(1) Tenant's Liability Insurance. Commercial general liability insurance against any and all claims for personal injury, bodily injury (including without limitation sickness, disease and death) and property damage occurring in, or about the Premises arising out of Tenant's use and occupancy of the Premises. Such insurance shall have a combined single limit of not less than One Million Dollars ($1,000,000) per occurrence with a Two

Million Dollar ($2,000,000) aggregate limit and excess umbrella liability insurance in the amount of Four Million Dollars ($4,000,000) Such liability insurance shall be primary and not contributing to any insurance available to Landlord and Landlord's insurance shall be in excess thereto. In no event shall the limits of such insurance be considered as limiting the liability of Tenant under this lease. Such policy shall name Landlord, its lenders, any managing agents and leasing agents of the Premises, and their respective agents, partners, officers, directors and employees as additional insureds, and shall include standard contractual liability coverage covering Tenant's liability assumed under this Lease, including without limitation Tenant's indemnification obligations.

(2) Tenant's Property Insurance. A policy of fire, vandalism, malicious mischief, extended coverage and so-called "special form" or "special cause" coverage insuring all equipment, trade fixtures, inventory, fixtures, and personal property located on or in the Premises for perils covered by the causes of loss—special form (all risk) and in addition, coverage for wind, terrorism and boiler and machinery (if applicable). Such insurance shall be written on a replacement cost basis in an amount equal to one hundred percent (100%) of the full replacement value of the aggregate of the foregoing, and shall insure the interests of both Landlord and Tenant as their respective interests may appear from time to time.

(3) Business Interruption Insurance. Business interruption and extra expense insurance in such amounts to reimburse Tenant for direct or indirect loss attributable to all perils commonly insured against by prudent tenants or attributable to prevention of access to the Premises or the Building as result of such perils..

(4) Workers' Compensation/Employers Liability Insurance. Workers' compensation insurance in accordance with statutory law and employers' liability insurance with a limit of not less than $1,000,000 per accident, $1,000,000 disease, policy limit and $1,000,000 disease limit each employee.

(5) Intentionally Omitted.

(6) Intentionally Omitted.

(7) Increase in Coverage. Landlord may, by written notice to Tenant, require an increase in policy limits or require that Tenant carry other forms of insurance; provided that the same are commercially reasonable and readily available and in keeping with the insurance requirements of owners of Comparable Buildings.

(8) General Requirements. The policies required to be maintained by Tenant shall be with companies rated A- VIII or better by A.M. Best. Insurers shall be licensed to do business in the state in which the Premises are located and domiciled in the USA. Any deductible amounts under any insurance policies required hereunder shall not exceed $25,000. Certificates of insurance (copies of policies may be required) shall be delivered to Landlord prior to the commencement date and annually thereafter promptly upon renewal of the policy or obtaining a replacement policy, each naming Landlord, the applicable property management company and any applicable lender as additional insureds. Tenant shall have the right to provide insurance coverage which it is obligated to carry pursuant to the terms hereof in a blanket policy, provided such blanket policy expressly affords coverage to the Premises as a scheduled location under such policy and to Landlord as required by this Lease. Tenant will provide ten (10) days-notice of cancellation of any of Tenant's policies referred to above to Landlord.

(9) Failure to Maintain. In the event Tenant does not purchase the insurance required by this Lease or keep the same in full force and effect, Landlord may, but shall not be obligated to, after delivering written notice to Tenant and giving Tenant a reasonable opportunity to cure, purchase the necessary insurance and pay the premium. The Tenant shall repay to Landlord, as additional Rent, the amount so paid promptly upon demand. In addition, Landlord may recover from Tenant and Tenant agrees to pay, as additional Rent, any and all reasonable expenses (including without limitation attorneys' fees) and damages which Landlord may sustain by reason of the failure to Tenant to obtain and maintain such insurance.

(10) Waiver of Subrogation. Except for Worker's Compensation insurance, Landlord and Tenant hereby mutually waive their respective rights of recovery against each other for any loss of, or damage to, either parties' property, to the extent that such loss or damage is insured by an insurance policy (or in the event either party elects to self-insure any property coverage required) required to be in effect at the time of such loss or damage. Each party shall obtain any special endorsements, if required by its insurer whereby the insurer waives its rights of

subrogation against the other party. The provisions of this clause shall not apply in those instances in which waiver of subrogation would cause either party's insurance coverage to be voided or otherwise made uncollectible, provided that such party provides written notice hereof to the other party within thirty (30) days of learning that such waiver of subrogation shall not be applicable.

10. INDEMNIFICATION.

(A) Release. Except to the extent caused by the gross negligence or willful misconduct of, or violation of law by, or due to the default under this Lease beyond any applicable notice and cure period by, Landlord or its agents, employees or contractors, but subject to the provisions set forth in Article 9 above, Tenant hereby releases Landlord, its beneficiaries, mortgagees, stockholders, agents (including, without limitation, management agents), partners, officers and employees, and their respective agents, partners, officers and employees ("**Related Parties**"), from and waives all claims for damages to person or property sustained by Tenant, resulting directly or indirectly from fire or other casualty, any existing or future condition, defect, matter or thing in the Premises, the Building (including the associated common areas), or from any equipment or appurtenance therein, or from any accident in or about the Building (including the associated common areas), or from any act of neglect of any third party tenant or occupant of the Building or of any other third party.

(B) Tenant's Indemnification. Except to the extent caused by the negligence or willful misconduct of or due to the default under this Lease beyond any applicable notice and cure period, by Landlord or its agents, employees or contractors, but subject to the provisions set forth in Article 9 above, Tenant agrees to hold harmless and indemnify Landlord and Landlord's Related Parties from and against claims and liabilities, including reasonable attorneys' fees, (i) for injuries to all persons and damage to or theft or misappropriation or loss of property (excluding the Building or any equipment or appurtenance therein belonging to Landlord) occurring within the Premises arising from Tenant's occupancy of the Premises or the conduct of its business, or from any activity, work, or thing done, or permitted by Tenant, its employees, agents, guests or invitees within the Premises, (ii) the negligence or willful misconduct of Tenant or its agents, employees or contractors, or (iii) from any breach or default on the part of Tenant in the performance of any covenant or agreement on the part of Tenant to be performed pursuant to the terms of this Lease beyond the expiration of applicable notice or cure periods.

(C) Tenant's Fault. Subject to the provisions set forth in Article 9 above (including, without limitation the waiver of subrogation in Section 9(B)(10)), if any damage to the Building or any equipment or appurtenance therein belonging to Landlord, results from any negligent act or the willful misconduct of Tenant, its agents or employees, Tenant shall be liable therefor and Landlord may, at Landlord's option repair such damage, and Tenant shall, upon demand by Landlord, reimburse Landlord the total reasonable cost of such repairs and damages to the Building. If Landlord has failed to procure and maintain the insurance required under Section 9(A), any damage to the Building or any equipment or appurtenance therein belonging to Landlord shall be solely to Landlord's account.

(D) Landlord's Indemnification. Subject to the provisions set forth in Article 9 above, and to the extent not due to the negligence or willful misconduct of Tenant or its agents, employees or contractors, Landlord agrees to indemnify, defend and hold Tenant and its officers, directors, partners, employees, agents and contractors harmless from and against all liabilities, losses, demands, actions, expenses or claims, including attorneys' fees and court costs for injury to or death of any person or for damage to any property to the extent such are determined to be caused by (i) the gross negligence or willful misconduct of Landlord, its agents, employees, property managers or contractors in or about the Premises, Building, Parking Garage, or Project, or (ii) the breach or default by Landlord of this Lease beyond any applicable notice and cure period.

(E) Limitation on Landlord's Liability.

LANDLORD SHALL NOT BE LIABLE FOR ANY INJURY OR DAMAGE TO PERSONS OR PROPERTY RESULTING FROM FIRE, EXPLOSION, FALLING PLASTER, STEAM, GAS, AIR CONTAMINANTS OR EMISSIONS, ELECTRICITY, ELECTRICAL OR ELECTRONIC EMANATIONS OR DISTURBANCE, WATER, RAIN OR SNOW OR LEAKS FROM ANY PART OF THE BUILDING OR FROM THE PIPES, APPLIANCES, EQUIPMENT OR PLUMBING WORKS OR FROM THE ROOF, STREET OR SUB-SURFACE OR FROM ANY OTHER PLACE OR CAUSED BY DAMPNESS, VANDALISM, MALICIOUS MISCHIEF OR BY ANY OTHER CAUSE OF WHATEVER NATURE, EXCEPT TO THE EXTENT CAUSED BY

OR DUE TO THE NEGLIGENCE OR WILLFUL MISCONDUCT OF LANDLORD AND/OR ANY OF THE LANDLORD RELATED PARTIES, AND THEN, WHERE NOTICE AND AN OPPORTUNITY TO CURE ARE APPROPRIATE (I.E., WHERE TENANT HAS AN OPPORTUNITY TO KNOW OR SHOULD HAVE KNOWN OF SUCH CONDITION SUFFICIENTLY IN ADVANCE OF THE OCCURRENCE OF ANY SUCH INJURY OR DAMAGE RESULTING THEREFROM AS WOULD HAVE ENABLED LANDLORD TO PREVENT SUCH DAMAGE OR LOSS HAD TENANT NOTIFIED LANDLORD OF SUCH CONDITION) ONLY AFTER (I) NOTICE TO LANDLORD OF THE CONDITION CLAIMED TO CONSTITUTE NEGLIGENCE OR WILLFUL MISCONDUCT, AND (II) THE EXPIRATION OF A REASONABLE TIME AFTER SUCH NOTICE HAS BEEN RECEIVED BY LANDLORD WITHOUT LANDLORD HAVING COMMENCED TO TAKE ALL REASONABLE AND PRACTICABLE MEANS TO CURE OR CORRECT SUCH CONDITION; AND PENDING SUCH CURE OR CORRECTION BY LANDLORD, TENANT SHALL TAKE ALL REASONABLY PRUDENT TEMPORARY MEASURES AND SAFEGUARDS TO PREVENT ANY INJURY, LOSS OR DAMAGE TO PERSONS OR PROPERTY. NOTWITHSTANDING THE FOREGOING, IN NO EVENT SHALL ANY OF THE LANDLORD RELATED PARTIES BE LIABLE FOR ANY LOSS WHICH IS COVERED BY INSURANCE POLICIES ACTUALLY CARRIED OR REQUIRED TO BE SO CARRIED BY THIS LEASE; NOR SHALL ANY OF THE LANDLORD RELATED PARTIES BE LIABLE FOR ANY ACTS, OMISSIONS OR NEGLIGENCE OF OTHER TENANTS OR PERSONS IN THE BUILDING OR DAMAGE CAUSED BY OPERATIONS IN CONSTRUCTION OF ANY PRIVATE, PUBLIC, OR QUASI-PUBLIC WORK; NOR SHALL ANY OF THE LANDLORD RELATED PARTIES BE LIABLE FOR ANY LATENT DEFECT IN THE PREMISES OR IN THE BUILDING.

TENANT AGREES THAT IN THE EVENT TENANT SHALL HAVE ANY CLAIM AGAINST LANDLORD OR LANDLORD'S RELATED PARTIES UNDER THIS LEASE ARISING OUT OF THE SUBJECT MATTER OF THIS LEASE, TENANT'S SOLE RECOURSE SHALL BE AGAINST LANDLORD'S INTEREST IN THE BUILDING, LAND AND PROJECT, FOR THE SATISFACTION OF ANY CLAIM, JUDGMENT OR DECREE REQUIRING THE PAYMENT OF MONEY BY LANDLORD OR LANDLORD'S RELATED PARTIES AS A RESULT OF A BREACH HEREOF OR OTHERWISE IN CONNECTION WITH THIS LEASE, AND NO OTHER PROPERTY OR ASSETS OF LANDLORD, LANDLORD'S RELATED PARTIES OR THEIR SUCCESSORS OR ASSIGNS, SHALL BE SUBJECT TO THE LEVY, EXECUTION OR OTHER ENFORCEMENT PROCEDURE FOR THE SATISFACTION OF ANY SUCH CLAIM, JUDGMENT, INJUNCTION OR DECREE. EXCEPT AS EXPRESSLY PROVIDED TO THE CONTRARY HEREIN, UNDER NO CIRCUMSTANCE SHALL LANDLORD, TENANT OR ANY OF ITS RESPECTIVE RELATED PARTIES BE LIABLE FOR CONSEQUENTIAL, SPECIAL, PUNITIVE, EXEMPLARY OR ANY SIMILAR TYPE OF DAMAGES, AND TENANT AND LANDLORD EACH RESPECTIVELY HEREBY WAIVES THE SAME.

11. DAMAGE OR CASUALTY.

(A) Landlord's Rights. In the event the Premises or the Building, or any portion thereof, is damaged or destroyed by any casualty, then Landlord shall rebuild, repair and restore the damaged portion thereof (the "**Restoration**"), provided that Landlord shall be entitled to terminate this Lease by written notice to Tenant within sixty (60) days after the date of the casualty if any one of the following applies: (i) the amount of insurance proceeds available to Landlord and the amount of the insurance deductible is less than the cost of such rebuilding, restoration and repair, (ii) such rebuilding, restoration and repair cannot reasonably be completed within one hundred eighty (180) days after the work commences in the opinion of a registered architect or engineer appointed by Landlord, (iii) the damage or destruction has occurred within twelve (12) months before the expiration of the Term (and Tenant does not elect to exercise any then applicable renewal option within thirty (30) days after Tenant's receipt of Landlord's termination notice), or (iv) such rebuilding, restoration, or repair is not then permitted, under applicable governmental laws, rules and regulations, to be done in such a manner as to return the damaged portion thereof to substantially its condition immediately prior to the damage or destruction, including, without limitation, the same net rentable floor area. To the extent that insurance proceeds must be paid to a mortgagee or beneficiary under, or must be applied to reduce any indebtedness secured by, a mortgage or deed of trust encumbering the Premises or Building, such proceeds, for the purposes of this subsection, shall be deemed not available to Landlord unless such mortgagee or beneficiary permits Landlord to use such proceeds for the rebuilding, restoration, and repair of the damaged portion thereof. Notwithstanding the foregoing, Landlord shall have no obligation to repair any damage to, or to replace any of, Tenant's personal property, furnishings, trade fixtures, equipment or other such property or effects of Tenant. If Landlord does not timely deliver such termination notice to Tenant, Landlord shall not thereafter be entitled to terminate this Lease pursuant to this Section 11(A) and shall be obligated to restore the damage to the Building and the Premises.

In the event the Premises or the Building, or any portion thereof, is damaged or destroyed by any casualty to the extent that Landlord is not obligated, under Section 11(A) above, to rebuild, repair or restore the damaged portion thereof, then Landlord shall within sixty (60) days after such damage or destruction, notify Tenant of its election, at its option, to either (i) rebuild, restore and repair the damaged portions thereof, in which case Landlord's notice shall specify the time period within which Landlord estimates such repairs or restoration can be completed; or (ii) terminate this Lease effective as of the date the damage or destruction occurred. If Landlord does not give Tenant written notice within sixty (60) days after the damage or destruction occurs of its election to terminate this Lease, Landlord shall not thereafter be entitled to terminate this Lease pursuant to Section 11(A) and shall be obligated to restore the damage to the Building and the Premises.

(B) Tenant's Rights. Notwithstanding the foregoing, if Landlord does not elect to terminate this Lease, Tenant may terminate this Lease if either (i) Landlord notifies Tenant that in its good faith determination such repair or restoration cannot be completed within two hundred seventy (270) days from the date of the casualty, or (ii) the damage or destruction occurs within the last fifteen (15) months of the Term, unless Tenant's gross negligence or willful misconduct was the sole cause of the damage. If Tenant has the right to terminate the Lease in accordance with the above provisions, Tenant may so elect by written notice to Landlord which must be given within thirty (30) days after the date Landlord delivers its initial notice of the estimate of the duration of the repairs Upon Landlord's receipt of any such notice from Tenant under this Section 11(B), the termination shall be effective as of the date the destruction occurred, and Tenant shall have a reasonable period thereafter to move out of the Premises.

There shall be an abatement of rent by reason of damage to or destruction of the Premises or the Building, or any portion thereof, to the extent that (i) Landlord receives insurance proceeds for loss of rental income attributable to the Premises and (ii) the floor area of the Premises cannot be reasonably used by Tenant for conduct of its business, in which event the Base Rent shall abate proportionately according to (i) or (ii) above, as appropriate, commencing on the date that the damage to or destruction of the Premises or Building has occurred, and except that, if Landlord or Tenant elects to terminate this Lease as provided in Paragraph 11(B) above, no obligation shall accrue under this Lease after such termination. Notwithstanding the provisions of this Section, if Landlord's insurance refuses to pay for a portion of abatement or Landlord lacks coverage and the cause of the damage was due to the gross negligence or willful misconduct of Tenant or its employees, agents or contractors, Tenant shall not be entitled to such abatement.

(C) Sole Remedies. Landlord and Tenant agree that applicable rights set forth in this Section 11 shall be each party's sole recourse in the event of damage to or destruction of the Premises, the Building and/or the Project (inclusive of the Garage) by fire or other casualty, and each of Landlord and Tenant waive any other rights either party may have under any applicable Law to terminate this Lease by reason of damage to the Premises, the Building and/or or the Project.

(D) All of Landlord's obligations under this Section 11 to complete the restoration of the Premises or Building are subject to delays arising from (i) the collection of insurance proceeds, (ii) force majeure events and/or (iii) the time needed for Tenant to obtain any license, clearance or other authorization of any kind required for Landlord to enter into and restore the Premises issued by any governmental authority to the extent necessary as a result of the use of Hazardous Substances in, on or about the Premises (collectively referred to herein as **"Hazardous Materials Clearances"**). Tenant shall use diligent good faith efforts to obtain any and all Hazardous Materials Clearances as soon as reasonably possible. Notwithstanding anything to the contrary, if any Hazardous Materials Clearances are required, no abatement of rent provided under this Lease shall apply from and after the date of the casualty in question until the date on which Tenant obtains such Hazardous Materials Clearances.

12. EMINENT DOMAIN.

In the event that the whole or a substantial part of the Premises shall be condemned or taken in any manner for any public or quasi-public use (or sold under threat of such taking), and as a result thereof, the remainder of the Premises cannot be used for the same purpose as prior to such taking, the Lease shall terminate as of the date possession is taken. If less than a substantial part of the Premises shall be so condemned or taken (or sold under threat thereof)

and after such taking the Premises can be used for the same purposes as prior thereto, the Lease shall cease only as to the part so taken as of the date possession shall be taken by such authority, and Tenant shall pay full Rent up to that date (with appropriate refund by Landlord of such Rent attributable to the part so taken as may have been paid in advance for any period subsequent to the date possession is taken) and thereafter Base Rent and Operating Expenses shall be equitably adjusted to reflect the reduction in the Premises by reason of such taking, Landlord shall, at its expense, make all necessary repairs or alterations to the Building so as to constitute the remaining Premises a complete architectural unit, provided that Landlord shall not be obligated to undertake any such repairs or alterations if the cost thereof exceeds the award resulting from such taking. Landlord shall be entitled to receive the entire award, including the damages for the property taken and damages to the remainder, with respect to any condemnation proceedings affecting the Building; however, Tenant may make a separate claim against the condemnor for any damage to its business or for relocation costs.

13. <u>ASSIGNMENT AND SUBLETTING</u>.

(A) LANDLORD'S CONSENT. Tenant shall not sell, assign, encumber, mortgage or transfer this Lease or any interest therein, sublet or permit the occupancy or use by others (i.e. other than Tenant and its agents, employees, officers, directors, members, managers, partners, invitees, contractors, subcontractors and other representatives) of the Premises or any part thereof, or allow any transfer hereof or any lien upon Tenant's interest by operation of law or otherwise (collectively, a "**Transfer**") without the prior written consent of Landlord (except for Permitted Transfers, as more fully set forth below), which consent shall not be unreasonably withheld, conditioned or delayed. Tenant agrees that denial of such consent shall be deemed reasonable if based upon, but not limited to, the following:

(i) In the reasonable judgment of Landlord, the subtenant or assignee (a) is of a character or engaged in a business or proposes to use the Premises in a manner which is not in keeping with the standards of Landlord for the Building, or would diminish the value of the Building, (b) has an unfavorable reputation, or (c) has unfavorable credit standing;

(ii) Tenant is then in default under this Lease beyond any applicable notice and cure period;

(iii) The proposed assignment or sublease instrument does not have the substance or form which is reasonably acceptable to Landlord;

(iv) The proposed subtenant is a third party prospect (including tenants) with whom Landlord has either sent or received a written proposal to lease competing space in the Building within the preceding ninety (90) days;

(v) The proposed assignee or subtenant will use the Premises in a manner that would materially increase Operating Expenses;

(vi) The proposed assignee or subtenant is a governmental or quasi-governmental entity or subdivision or agency thereof, or any other entity entitled to the defense of sovereign immunity;

(vii) The proposed assignee or subtenant is currently or has been in the past involved in litigation with Landlord or any affiliate of Landlord;

(viii) The occupancy of the Premises by the proposed subtenant would cause Landlord's insurance to be cancelled or increased;

(ix) The use is not for the Permitted Use; or

(x) The use is a Prohibited Use or is not a use generally in keeping with the uses allowed at Comparable Buildings.

Landlord's consent to any Transfer shall be granted or withheld in accordance with Section 13 and must be given (or rejected) within fifteen (15) business days of receipt by Landlord of such written request from Tenant (which request shall identify the transferee and contain applicable financial information on the transferee).

Under no circumstances shall Tenant be released from any liability accruing under this Lease before or after any Transfer.

Any Transfer which is not in compliance with the provisions of this Section 13 shall, at the option of Landlord, be void and of no force or effect.

(B) NOTICE TO LANDLORD. Tenant shall provide written notice of the proposed assignee, subtenant or other transferee (collectively, a "**Transferee**"), as applicable, which notice shall provide Landlord with (i) the name and address of the proposed Transferee, (ii) a reasonably detailed description of such person or entity's business, (iii) proposed Transferee's financials, and (iv) a list of Hazardous Substances (certified by the proposed Transferee to be true and correct) that the proposed Transferee intends to use or store in the Premises, and the information described in Section 8(G) above related thereto, and (v) such other information as Landlord may reasonably require. If Landlord does not send written notice of disapproval to Tenant with respect to a request for approval of a Transfer within fifteen (15) business days after Landlord's receipt of Tenant's request for approval, Landlord shall be deemed to have not approved the Transfer as submitted; however, following the expiration of such fifteen (15) business day period, Tenant may elect to deliver a second written notice to Landlord requesting approval of the applicable Transfer, and if Landlord fails to respond within five (5) business days thereafter, Landlord shall be deemed to have approved the applicable Transfer. If Landlord disapproves of the proposed Transferee, Landlord shall promptly provide Tenant with a detailed written explanation of the reasons for such disapproval, and Landlord and Tenant shall confer in good faith about Landlord's objections in an effort to mutually acceptably resolve Landlord's objections.

(C) EXCESS RENT. Except in connection with a Permitted Transfer, if Tenant shall enter into any Transfer at a rental rate (or additional rent consideration) in excess of the then current Base Rent and Operating Expenses per rentable square foot, then fifty percent (50%) of the excess Rent (or additional rent consideration) shall be and become the property of Landlord and shall be paid to Landlord as it is received by Tenant, after deducting (from each excess Rent payment so received until collected in full), as and when incurred by Tenant, Tenant's reasonable brokerage (excluding commissions paid to brokers who are Tenant's Affiliates), legal and other expenses, including advertising, remodeling, alterations and concession costs ("**Tenant's Costs**") incurred in connection with such Transfer. If Tenant shall sublet the Premises or any part thereof, Tenant shall be responsible for all actions and neglect of the subtenant and its officers, partners, employees, agents, guests and invitees as if such subtenant and such persons were employees of Tenant. Nothing in this Section shall be construed to relieve Tenant from the obligation to obtain Landlord's prior written consent to any proposed sublease.

(D) RECAPTURE. This Section 13(D) shall not be applicable to Permitted Transfers. Until the Building's rentable square footage is 95% leased, upon giving Landlord notice pursuant to Section 13(B) above for less than the entire Premises, Landlord shall have the right, to be exercised by giving written notice to Tenant within fifteen (15) business days after receipt of Tenant's notice, to recapture the space described in Tenant's notice and such recapture notice shall, if given, cancel and terminate this Lease with respect to the space and for the term therein described as of the date stated in Tenant's notice. If Landlord shall elect to give the aforesaid recapture notice, then the Term shall expire and end on the date stated in Tenant's notice as fully and completely as if that date had been herein definitely fixed for the expiration of the Term, unless Tenant rescinds its request to Transfer within ten (10) business days following Landlord's delivery of the recapture notice. Landlord's recapture right under this Section 13(D) shall terminate automatically and permanently when 95% of the Building's rentable square footage is 95% leased.

(E) INCLUDED AND EXCLUDED TRANSFERS. Neither this Lease nor any interest therein nor any estate created thereby shall pass by operation of law or otherwise to any trustee, custodian or receiver in bankruptcy of Tenant or any assignee for the assignment of the benefit of creditors of Tenant.

(F) NO WAIVER AND NO RELEASE. The consent by Landlord to any Transfer and/or the making of a Permitted Transfer (as defined below), shall not be construed as a waiver or release of Tenant from liability for the performance of all covenants and obligations to be performed by Tenant under this Lease, and Tenant shall remain liable therefor, nor shall the collection or acceptance of Rent from any assignee, subtenant, transferee or other occupant constitute a waiver or release of Tenant from any of its obligations or liabilities under this Lease. Any consent given pursuant to this Section 13 shall not be construed as relieving Tenant from the obligation of obtaining Landlord's prior written consent to any subsequent Transfer.

(G) DOCUMENT REVIEW. Tenant shall pay to Landlord a Transfer request fee of $1,000.00 contemporaneous with Tenant's submission of the documentation pertaining to the Transfer. Any final assignment and assumption agreement or sublease utilized by Tenant to evidence any subletting or assignment for which Landlord's consent is required hereunder shall be subject to the prior, reasonable approval by Landlord, which approval shall not be unreasonably withheld, conditioned, or delayed by Landlord.

(H) PERMITTED TRANSFERS. Provided that (a) Tenant remains liable on this Lease, (b) Tenant provides Landlord with prior written notice and names of the applicable transferee and a copy of the assignment or sublease agreement, if applicable (except that if a transfer referred to in clause (v) or (vi) is contemplated to be made and regulatory or confidentiality requirements dictate that disclosure of such transfer not be made until after such transfer has occurred, then Tenant shall not be required to satisfy the requirements of this clause (b) or clause (e) until after such transfer has occurred), (c) Tenant is not then in default beyond any applicable notice and cure period, (d) the proposed transfer may not be made for any Prohibited Uses, and (e) Tenant provides to Landlord financial statements to Landlord evidencing that such transferee or surviving corporation has a credit rating and net worth (exclusive of intangible assets) at least as favorable as Tenant as of the date of this Lease or the date of the Transfer, whichever is greater, then the following Transfers will not require Landlord's prior consent (each a "**Permitted Transfer**"):

(i) a transfer to any entity which is controlled by Tenant;

(ii) a transfer to a person or entity which controls Tenant ("**Parent**");

(iii) a transfer to an affiliate or an entity which is controlled by Tenant's Parent; and

(iv) a transfer to any entity in connection with an initial public offering of stock in Tenant or an equity offering in Tenant, provided that such offering is effectuated pursuant to a bona fide business purpose and not for the purpose of circumventing the limitations on Transfers set forth in this Lease.

(I) LANDLORD'S ASSIGNMENT. Landlord may transfer and assign, in whole or in part, this Lease and its rights and obligations in the Building or Premises that are the subject to this Lease, in which case Landlord shall have no further liability hereunder, provided that and to the extent such transferee assumes in writing the obligations of Landlord hereunder.

14. ALTERATIONS BY TENANT.

(A) Tenant shall not, without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed, make or permit any alteration, improvement, addition or installation in or to the Premises. At least fifteen (15) business days prior to commencing any alterations to the Premises, Tenant shall provide Landlord written notice of its alteration plans for Landlord's review, and if applicable, approval. Under no circumstances may Tenant make any alterations to the structural elements of the Building, the roof, the life/safety systems, the HVAC system (except for changes solely within the Premises), the security system for which Landlord is responsible, or which have any adverse effect on any other Building systems. Notwithstanding the foregoing, written consent of Landlord shall not be required and Tenant may make alterations to the interior of the Premises that comply with the following requirements (alterations satisfying these requirements, the "**Permitted Alterations**"): (i) the alteration is non-structural in nature (except that installation or removal of demising walls and interior offices shall be permitted); (ii) the alteration does not adversely affect the roof or any area outside of the Premises; (iii) the alteration does not materially affect the electrical, plumbing, HVAC or mechanical systems in the Building or servicing the Premises, or the sprinkler or other life safety system; (iv) the alteration costs less than $132,160.00 for each such alteration project in the aggregate; (v) Landlord receives prior written notice; and (vi) Tenant is not then in default beyond any applicable notice or cure period. All work performed by or at the request of Tenant shall be performed by contractors and subcontractors approved in writing by Landlord (which approval shall not be unreasonably withheld, conditioned or delayed), who shall be required to obtain the following insurance: (i) Workman's Compensation and Occupational Disease Insurance in accordance with the laws of the state in which the Building is located; and (ii) Commercial General Liability Insurance with limits for bodily injury and property damage of not less than One Million Dollars ($1,000,000) for any one occurrence and in the aggregate. Promptly after the completion of the alterations or improvements, Tenant, at its expense, shall deliver to Landlord an accurate as-built drawing on

CADD computer disc (to the extent such drawings were produced), as well as a hard copy, showing such alterations or improvements in the Premises. Landlord's approval of any plans, specifications or work drawings shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency or compliance with any laws, rules and regulations of governmental agencies or authorities. Tenant agrees to reimburse Landlord for any actual third-party costs and expenses related to the review and approval of Tenant's plans and specifications for any alterations made during the Term for which Landlord's approval is required, and to pay Landlord a management fee for oversight of such work equal to three percent (3%) of the cost thereof for all alterations requiring Landlord's consent that exceed $100,000 in total costs. Notwithstanding anything to the contrary, Landlord may withhold its consent in its sole discretion with respect to, and Permitted Alterations shall not include, any Alteration (i) affecting the fixed lab benches, fume hoods, roof, Building systems, Building structure and/or areas outside the Premises, or (ii) changing the rentable square footage of the Premises (collectively, "**Restricted Alterations**").

(B) All work herein permitted that is approved by Landlord shall be done and completed by Tenant in a good and workmanlike manner and in compliance with all requirements of laws and of governmental rules and regulations, as well as Building rules and regulations, and otherwise in such manner as to cause a minimum of interference with other construction in progress and with the transaction of business in the Building. If Landlord reasonably determines that, in connection with Alterations by Tenant, (A) any base Building system (including without limitation the fire alarm system) should be or is required to be shut down, and/or (B) base Building system cleaning or other maintenance or repair is required (including without limitation the changing of base Building system filters pre- or post-construction), Tenant shall reimburse Landlord for the reasonable out-of-pocket costs incurred by Landlord in connection therewith. TENANT AGREES TO INDEMNIFY AND TO HOLD LANDLORD HARMLESS FROM AND AGAINST ALL MECHANICS' OR OTHER LIENS ARISING OUT OF ANY OF SUCH WORK, ANY AND ALL CLAIMS FOR DAMAGES OR INJURY WHICH MAY OCCUR DURING THE COURSE OF ANY SUCH WORK, AND ANY AND ALL COSTS, EXPENSES AND REASONABLE ATTORNEYS' FEES INCURRED BY LANDLORD IN CONNECTION THEREWITH. Landlord agrees to join with Tenant, at no cost to Landlord, in applying for all permits necessary to be secured from governmental authorities and to promptly execute such consents as such authorities may require in connection with any of the foregoing work.

(C) Except as set forth in Section 17(B) below, Landlord may not require that Tenant remove any or all alterations, improvements or additions, including without limitation the initial improvements, as delivered by Landlord, at the expiration of the Term. All alterations, additions and improvements which may be made on the Premises, whether before or during the Term, shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the Term. Tenant shall repair any damage to the Premises caused by the installation or removal of Tenant's alterations, improvements, additions, trade fixtures, furnishings and equipment, normal wear and tear and casualty damage and damage caused by Landlord or any Landlord Related Parties or Landlord's contractors excepted. Without limitation to the generality of the foregoing, at all times during the Term, Tenant shall ensure that all wiring and cabling that it installs within the Premises or Building complies with all provisions of local fire and safety codes, as well as with the National Electric Code.

(D) Neither Tenant nor anyone claiming by, through or under Tenant or this Lease shall have the right to file or place any mechanics lien or other lien of any kind or character whatsoever upon the Premises or upon the Building or improvement thereon, or upon the leasehold interest of Tenant therein, and notice is hereby given that no contractor, subcontractor, or anyone else who may furnish any material, service or labor for any building, improvements, alteration repairs or any part thereof, shall at any time be or become entitled to any lien thereon, such notice and waiver shall be effective only to the extent permitted under Illinois law. Any lien filed by a third party (including any supplier of labor or materials) must be removed by Tenant within ten (10) business days following delivery of written notice from Landlord of the existence of such recorded lien, unless Tenant is contesting such lien diligently and in good faith and provides other security reasonably acceptable to Landlord and Landlord's lender, in either's sole and absolute discretion, in the amount of the lien for the benefit of Landlord and Landlord's lender.

(E) With respect to any alterations requiring the approval of Landlord under this Lease, Landlord may require any contractors performing work for Tenant in connection with this Lease to be union members and may withhold approval of such contractors if the use of the same could, in Landlord's reasonable judgment, violate the terms of any agreement between Landlord and any union providing work, labor or services at the Project or disturb labor harmony with the workforce or trades engaged in performing other work, labor or services at the Project). If Tenant disregards any such Landlord requirement and, as a result, Tenant uses labor (including, without limitation, any contractors),

material or equipment in the performance of any work in connection with this Lease and such use causes a violation of the terms of any agreement between Landlord and any union providing work, labor or services at the Project or disturbs labor harmony with the workforce or trades engaged in performing other work, labor or services at the Project, then (i) Tenant, upon demand by Landlord, shall immediately cause all labor, materials and equipment causing such violation or disturbance to be removed from the Project, and (ii) Tenant agrees to protect, defend, indemnify and hold Landlord harmless from and against any and all Claims in any way arising or resulting from or in connection with any such violation and/or disturbance.

15. [Intentionally Deleted]

16. MORTGAGEE PROVISIONS; ESTOPPEL; SUBORDINATION.

(A) Subordination. This Lease is and shall be subject and subordinate, at all times, to all ground or underlying Leases and to the Lien or Liens or security title of all mortgages now or hereafter upon the Project or Landlord's interest or estate therein, and to all renewals, modifications, consolidations, replacements and/or extensions thereof, irrespective of the time of execution or the time of recording of any such ground or underlying Lease or any such mortgage, provided that Tenant's rights hereunder shall not be disturbed so long as Tenant is not in default hereunder beyond all applicable notice and cure periods. The word "mortgage" as used herein includes mortgages, deeds to secure debt, deeds of trust and any sale-leaseback transactions, ground Lease, underlying Lease or other similar instruments, and modifications, extensions, renewals, and replacements thereof, and any and all advances thereunder. Tenant shall execute within fifteen (15) business days any instruments, releases or other documents requested by any lessor or the holder of any Mortgage (a "holder") in form and content reasonably approved by Tenant, for the purpose of subjecting and subordinating this Lease to such Mortgage, provided that Tenant receives a commercially reasonable subordination, non-disturbance and attornment agreement ("SNDA") from holder in form and content reasonably approved by Tenant. Without limiting other acceptable forms of SNDA, Tenant agrees that the SNDA form attached hereto as Exhibit E is approved by Tenant. Tenant shall attorn to any party succeeding to Landlord's interest in the Premises, whether by purchase, foreclosure, deed in lieu of foreclosure, power of sale, termination of lease or otherwise, only upon such party's request and at such party's sole discretion but not otherwise. Notwithstanding such attornment, Tenant agrees that any such successor in interest shall not be (a) liable for any act or omission of, or subject to any rights of setoff, claims or defenses otherwise assertable by Tenant against, any prior owner of the Project (including without limitation, Landlord), (b) bound by any rents paid more than one (1) month in advance to any prior owner, (c) liable for any Security Deposit not paid over to such successor by Landlord, or (d) bound by any modification, amendment, extension or cancellation of the Lease not consented to in writing by such holder. Tenant shall execute all such agreements confirming such attornment as such party may reasonably request. Tenant shall not seek to enforce any remedy it may have for any alleged default on the part of Landlord without first giving written notice by certified mail, return receipt requested, specifying the alleged default in reasonable detail, to any holder whose address has been given to Tenant, and affording such holder a reasonable opportunity to perform Landlord's obligations hereunder. Notwithstanding the generality of the foregoing, any such holder may at any time subordinate any such Mortgages to this Lease on such terms and conditions as such holder may deem appropriate. Tenant hereby irrevocably appoints Landlord its attorney in fact in its name, place and stead to execute any such subordination or attornment documents as described herein which Tenant fails to execute within ten (10) days after written demand therefor. In addition, each day that Tenant fails to remit the subordination and attornment documents, Tenant will be in default under this Lease and, in addition to the other remedies provided herein, commencing on the fifth (5th) day after Tenant's receipt of the second subordination and attornment documents notice, Tenant shall pay a late fee of One Hundred Dollars ($100) per day until the day on which Tenant remits the subordination and attornment documents as set forth herein.

(B) Estoppel. Tenant agrees that at any time within ten (10) days following written notice from Landlord, it will execute, acknowledge and deliver to Landlord or any proposed mortgagee or purchaser a statement in writing certifying whether this Lease is in full force and effect and, if it is in full force and effect, what modifications have been made to the date of the certificates and whether or not any defaults or offsets exist with respect to this Lease and, if there are, what they are claimed to be and setting forth the dates to which Rent or other charges have been paid in advance, if any, and stating whether or not Landlord is in default, if so, specifying what the default may be. The failure of Tenant to execute, acknowledge, and deliver to Landlord a statement as above within such ten (10) day period shall constitute an acknowledgment by Tenant that this Lease is unmodified and in full force and effect, that the Rent and other charges have been duly and fully paid through and including the respective due dates immediately preceding the date of

Landlord's notice to Tenant, and shall constitute as to any person, a waiver of any defaults which may exist prior to such notice unless identified in the statement. In addition, each day that Tenant fails to remit the estoppel certificate, commencing on the fifteenth (15th) day after Landlord's request, Tenant shall be in default under this Lease and, in addition to the other remedies provided herein, pay a late fee of One Hundred Dollars ($100) per day until the day on which Tenant remits the estoppel certificate as set forth herein.

(C) Notice. Tenant agrees to give any holder of any first mortgage against the Project, or any interest therein, by registered or certified mail, a copy of any notice or claim of default served upon Landlord by Tenant, provided that prior to such notice, Tenant has been notified in writing (by way of service on Tenant of a copy of an assignment of Landlord's interest in leases, or otherwise) of the address of such first mortgage holder. Tenant further agrees that if Landlord shall have failed to cure any such default within thirty (30) days after such notice to Landlord (or if such default cannot be cured or corrected within that time, then such additional time as may be reasonably necessary if Landlord has commenced within such thirty (30) days and is diligently pursuing the remedies or steps necessary to cure or correct such default), then Tenant shall so notify such holder and such holder of the first mortgage shall have an additional thirty (30) days within which to cure or correct such default after receipt of such notice (or if such default cannot be cured or corrected within that time, then such additional time as may be reasonably necessary if such holder of the first mortgage has commenced to cure such default within such thirty (30) day period and is diligently pursuing the remedies or steps necessary to cure or correct such default, including the time necessary to obtain possession if possession is necessary to cure or correct such default).

(D) Quiet Enjoyment. Landlord covenants that it has good and sufficient right to enter into this Lease and that Landlord alone has full right to lease the Premises to Tenant for the Term aforesaid. Landlord further covenants that, so long as this Lease is in full force and effect, Tenant will have quiet enjoyment from and against the claims of all persons lawfully claiming by, through or under Landlord throughout the Term and any renewal or extension thereof, subject, however, to all provisions of this Lease and all laws, mortgages, ground leases and restrictive covenants to which the Land is subject.

17. EXPIRATION OR TERMINATION OF LEASE AND SURRENDER OF POSSESSION.

(A) Holding Over. Tenant will, at the expiration or termination of this Lease by lapse of time or otherwise, yield up immediate possession to Landlord. If Tenant retains possession of the Premises or any part thereof after such expiration or termination, then Landlord may, at its option, serve written notice upon Tenant that such holding over constitutes any one of (i) creation of a month-to-month tenancy, upon the terms and conditions set forth in this Lease, or (ii) creation of a tenancy at sufferance (with the right to lock-out Tenant pursuant to Section 19(C) below), in any case upon the terms and conditions set forth in this Lease; provided, however, that the monthly Base Rent (or daily Base Rent under (ii)) shall, in addition to all other sums which are to be paid by Tenant hereunder, whether or not as additional Rent, be equal to one hundred twenty-five percent (125%) of the Base Rent being paid monthly to Landlord under this Lease immediately prior to such termination for the first thirty (30) days of Tenant's holdover, and thereafter at a rate of one hundred fifty percent 150% of the Base Rent being paid monthly to Landlord under this Lease immediately prior to such termination. Such holdover Base Rent shall be prorated on the basis of a 365-day year for each day Tenant remains in possession. Tenant shall be liable for consequential damages to Landlord for any holdover, provided Landlord gives Tenant written notice ("**Holdover Notice**") that Landlord has entered into another lease with an tenant for all or part of the Premises, and Tenant fails to vacate and surrender the Premises within thirty (30) days following the later of (i) the expiration or earlier termination of this Lease and (ii) the date Tenant receives the Holdover Notice. In addition to the foregoing, Tenant shall also pay to Landlord all damages sustained by Landlord resulting from retention of possession by Tenant, including the loss of any proposed subsequent tenant for any portion of the Premises. Upon request of Tenant, Landlord shall advise Tenant within sixty (60) days of the expiration or termination date, of any situation or condition which may give rise to consequential damages. The provisions of this paragraph shall not constitute a waiver by Landlord of any right of re-entry as herein set forth; nor shall receipt of any Rent or any other act in apparent affirmance of the tenancy operate as a waiver of the right to terminate this Lease for a breach of any of the terms, covenants, or obligations herein on Tenant's part to be performed.

(B) Removal and Restoration. Tenant shall remove such trade fixtures and furnishings and machinery installed by Tenant at Tenant's cost and any Alterations as to which Landlord advised Tenant at the time of approval of any Alterations for which its consent was necessary. All initial turnkey Tenant Improvements to the Premises, including, without limitation the Landlord Work, shall remain and be surrendered with the Premises, and Tenant shall have no obligation to remove any portion therefor. If Tenant fails to comply with the terms and conditions of this subsection, Landlord may at Tenant's sole cost and expense remove and dispose of such items and Tenant shall pay to Landlord the actual reasonable amount that Landlord incurs in the removal and disposal of any such items. Further, Tenant shall be obligated to pay for the repair and restoration of any damage to the Premises, the Building or the Property caused by or arising from the removal obligations undertaken by Tenant set forth in this paragraph, normal wear and tear excepted.

(C) Decommissioning. Promptly following the expiration of this Lease (or within thirty (30) days after any earlier termination), Tenant shall clean and otherwise decommission all interior surfaces (including floors, walls, ceilings, and counters), piping, supply lines, waste lines, acid neutralization systems and plumbing in and/or exclusively serving the Premises, and all exhaust or other ductwork in and/or exclusively serving the Premises, in each case which has carried or released or been contacted by any Hazardous Substances or other chemical or biological materials used in the operation of the Premises, and shall otherwise clean the Premises so as to permit the Surrender Plan (defined below) to be issued. At least sixty (60) days prior to the expiration of the Term (or, if applicable, within ten (10) business days after any earlier termination of this Lease), Tenant shall deliver to Landlord a narrative description prepared by a third-party provider reasonably acceptable to Landlord of the actions proposed (or required by any Governmental Requirements) to be taken by Tenant in order to render the Premises (including, without limitation, floors, walls, ceilings, counters, piping, supply lines, waste lines and plumbing in or serving the Premises and all exhaust or other ductwork in or serving the Premises) free of Hazardous Substances and otherwise released for unrestricted use and occupancy including without limitation causing the Premises to be decommissioned in accordance with the regulations of the U.S. Nuclear Regulatory Commission and/or the Illinois Emergency Management Agency (the "**IEMA**") for the control of radiation and cause the Premises to be released for unrestricted use by IEMA (the "**Surrender Plan**"). The Surrender Plan shall be prepared so that, following its implementation, all exhaust and other duct work in the Premises may be reused by a subsequent tenant or disposed of in conformance with all applicable Environmental Laws without incurring special costs on account of any Hazardous Substances or undertaking special procedures for demolition, disposal, investigation, assessment, cleaning or removal of such Hazardous Substances or needing to give notice in connection with such Hazardous Substances. The Surrender Plan (i) shall be accompanied by a current list of (A) all local, state and federal licenses, registrations, permits and approvals held by or on behalf of any Tenant Party with respect to Hazardous Substances in, on, under, at or about the Premises, and (B) Tenant's Hazardous Substances, and (ii) shall be subject to the review and approval of Landlord's environmental consultant. In connection with review and approval of the Surrender Plan, upon request of Landlord, Tenant shall deliver to Landlord or its consultant such additional non-proprietary information concerning the use of and operations within the Premises as Landlord shall request. On or before the expiration of the Term (or within thirty (30) days after any earlier termination of this Lease, during which period Tenant's use and occupancy of the Premises shall be governed by Section 17(A) above), Tenant shall (i) perform or cause to be performed all actions described in the approved Surrender Plan, and (ii) deliver to Landlord a certification from a third party certified industrial hygienist reasonably acceptable to Landlord (or if such certification is not available from such hygienist, a statement) certifying (or stating, to the best of the hygienist's knowledge based upon reasonable investigation) that the Premises do not contain any Hazardous Substances and evidence that the approved Surrender Plan shall have been satisfactorily completed by a contractor acceptable to Landlord (the "**Decommissioning Closure Report**"), and the Decommissioning Closure Report shall also include reasonable detail concerning the clean-up measures taken, the clean-up locations, the tests run, and the analytic results. Landlord shall have the right, subject to reimbursement at Tenant's expense as set forth below, to cause Landlord's environmental consultant to inspect the Premises and perform such additional procedures as may be deemed reasonably necessary to confirm that the Premises are, as of the expiration of the Term (or, if applicable, the date which is thirty (30) days after any earlier termination of this Lease), free of Hazardous Substances and otherwise available for unrestricted use and occupancy as aforesaid. Landlord shall have the unrestricted right to deliver the Surrender Plan, the Decommissioning Closure Report and any report by Landlord's environmental consultant with respect to the surrender of the Premises to third parties, subject to redaction of any of Tenant's proprietary information. Such third parties and the Landlord Related Parties shall be entitled to rely on the Decommissioning Closure Report. If Tenant shall fail to prepare a Surrender Plan or submit a Decommissioning Closure Report based on the Surrender Plan approved by Landlord, or if Tenant shall fail to complete the approved Surrender Plan, or if such Surrender Plan, whether or not approved by Landlord, shall fail to adequately address the use of Hazardous Substances by any of the Tenant Parties in, on, at, under, from or upon the Premises, (A) Landlord shall have the right to take any such actions as Landlord may deem reasonable or appropriate to assure that the Premises and the Project are surrendered in the condition required hereunder, the cost of which actions shall be

reimbursed by Tenant as additional rent upon demand; and (B) if the Term shall have ended, unless and until Landlord elects to take such actions to assure that the Premises are surrendered in the condition required hereunder, Tenant shall be deemed to be a holdover tenant subject to the provisions of Section 17(A) above until the date on which Tenant delivers the Decommissioning Closure Report (in the form required hereunder) to Landlord. Tenant's obligations under this Section 17(C) shall survive the expiration or earlier termination of this Lease.

(D) Surrender. Except as set forth Section 17(B) above, upon the expiration of this Lease, by lapse of time or otherwise, any alterations, improvements or additions erected on and attached to the Premises by Tenant shall be and become the property of Landlord without any payment therefor and Tenant shall surrender the Premises (including without limitation all affixed lab benches, fume hoods, electric, plumbing, heating and sprinkling systems, fixtures and outlets, vaults, paneling, molding, shelving, radiator enclosures, cork, rubber, linoleum and composition floors, ventilating, silencing, air conditioning and cooling equipment therein), together with all improvements, installed cabling or additions thereon, whether erected by Tenant or Landlord, broom clean, free of personal property, equipment, and/or trade fixtures (including without limitation all Tenant's Rooftop Equipment and all autoclaves and cage washers) and otherwise in the condition in which the same are required to be maintained hereunder, ordinary wear and tear, damage by fire or other casualty and repairs which are the responsibility of Landlord excepted. Any items of personal property left in the Premises following the expiration or sooner termination of the Lease, if such items are not removed within five (5) business days after written notice from Landlord to Tenant, may, at Landlord's option, become the sole and exclusive property of Landlord and this Lease shall act as a bill of sale therefor, and Landlord may sell or discard such personal property. Landlord shall not have to take any special precautions or measures with regards to any property, equipment and/or trade fixtures left within the Premises and Landlord shall not be deemed a bailee thereof. Without limitation to the generality of the foregoing, Landlord may discard computers, records, files, and data through commercial shredding vendors that certify the destruction and shredding thereof and protection of the confidentiality of any information contained therein.

18. DEFAULT.

The occurrence of one or more of the following events shall constitute a material default and breach of this Lease by Tenant (a "**default**" or "**Event of Default**"):

(A) Failure by Tenant to make payment of any Rent herein agreed to be paid or any other payment required to be made by Tenant hereunder, as and when due, and such a failure shall continue for a period of five (5) days after Tenant receives written notice from Landlord of such failure to pay Rent (provided that Landlord shall not be required to provide such notice of failure to pay rent more than once in any twelve (12) month period);

(B) The making by Tenant of any assignment or arrangement for the benefit of creditors;

(C) The filing by Tenant of a petition in bankruptcy or for any other relief under the Federal Bankruptcy Law or any other applicable statute;

(D) The levying of an attachment, execution of other judicial seizure upon Tenant's property in or interest under this Lease, which is not satisfied or released or the enforcement thereof stayed or superseded by an appropriate proceeding within thirty (30) days thereafter;

(E) The filing of an involuntary petition in bankruptcy or for reorganization or arrangement under the Federal Bankruptcy Law against Tenant and such involuntary petition is not withdrawn, dismissed, stayed or discharged within sixty (60) days from the filing thereof;

(F) The appointment of a Receiver or Trustee to take possession of the property of Tenant or of Tenant's business or assets, and the order or decree appointing such Receiver or Trustee shall have remained in force undischarged or unstayed for thirty (30) days after the entry of such order or decree;

(G) If Tenant causes or suffers any material release of Hazardous Substances in, on or near the Project ("**material**" meaning, for purposes of this clause (G), a release in violation of any Environmental Law or that results in a requirement to perform any response action(s) pursuant to applicable Environmental Laws, including without limitation, reporting such release to any governmental authority), which Tenant fails to undertake in accordance with the provisions of the Lease, provided that Landlord has delivered written notice to Tenant explaining in detail all such failings and given Tenant a reasonable period in which to cure;

(H) The failure by Tenant to perform or observe any other term, covenant, agreement or condition to be performed or kept by Tenant under the terms, conditions, or provisions of this lease, and such a failure shall continue uncorrected for thirty (30) days after written notice thereof has been given by Landlord to Tenant (provided, however, if such failure cannot be cured within such thirty (30) day period, so long as Tenant commenced the curing of such failure within such thirty (30) day period, and diligently prosecutes said cure to completion, then Tenant shall submit to Landlord a detailed plan to cure and anticipated timeline and shall not be deemed to be in default thereunder); or

(I) Tenant fails to pay and release of record, or diligently contest and bond around, any mechanic's or construction lien filed against the Premises or the Project for any work performed, materials furnished, or obligation incurred by or at the request of Tenant, within the time and in the manner required in this Lease.

19. REMEDIES.

During the existence of any default, Landlord may, in addition to all other rights and remedies afforded Landlord hereunder or by Law, take any of the following actions:

(A) Terminate the Lease. Terminate this Lease by giving Tenant written notice thereof, in which event, Tenant shall pay to Landlord the sum of (1) all Rent accrued and unpaid hereunder up to and including the date of termination, (2) all other amounts then due and unpaid under this Lease, and (3) to the extent permitted under applicable law, an amount equal to the total Rent that Tenant would have been required to pay for the remainder of the Term discounted to present value at a per annum rate equal to the "Prime Rate" as published in *The Wall Street Journal*, in its listing of "Money Rates" as of the date this Lease is so terminated, (4) the cost of removing any property or alterations pursuant to Section 17(B) above. and (5) the portion of any brokerage commissions and tenant improvement allowances payable on any new lease for the Premises (or portion thereof), in both cases prorated to the then-remaining Term; provided, however, in the event of an acceleration of future Rent, whether pursuant to the preceding provisions of this paragraph or otherwise, Tenant shall be entitled to a credit in the amount that Tenant can prove is the present value (discounted in the manner specified in clause (3) hereof) of the reasonable net rental that Landlord would likely receive during the remainder of the Term following the period that Landlord would need to market the Premises, negotiate the new lease, build out the premises, if applicable, and rental to commence under the new lease.

(B) Terminate Tenant's Right of Possession. Terminate Tenant's right to possess the Premises without terminating this Lease by giving written notice thereof to Tenant, in which event Tenant shall pay to Landlord (1) all Rent and other amounts accrued and unpaid hereunder up to and including the date of termination of possession, (2)) all other amounts then due and unpaid from time to time under this Lease, and (3) all Rent and other sums required hereunder to be paid by Tenant during the remainder of the Term, diminished by any net sums thereafter received by Landlord through reletting the Premises during such period; in any such reletting, Tenant shall be relieved of its obligations under this Lease as of the date of such reletting (however, Tenant shall remain liable for any monetary deficiencies). Tenant hereby acknowledges that (i) Landlord may reasonably elect to lease other comparable available space in the Building, or in other buildings owned by Landlord or Landlord's Affiliates, before reletting the Premises, (ii) Landlord need not enter into any new lease that Landlord does not reasonably deem to be acceptable, and (iii) Landlord may decline to incur expenses to relet, other than customary leasing commissions and legal fees for negotiation of a lease with a new tenant. Tenant shall not be entitled to the excess of any consideration obtained by reletting over the Rent due hereunder, except such excesses shall be used to offset any additional amounts payable by Tenant under this Section 19. Reentry by Landlord to the Premises shall not affect Tenant's obligations hereunder for the unexpired Term; rather, Landlord may, from time to time, bring action against Tenant to collect amounts due by Tenant, without the necessity of Landlord's waiting until the expiration of the Term. Actions to collect amounts due by Tenant to Landlord under this subsection may be brought from time to time on one or more occasions, without the necessity of Landlord waiting until the Expiration Date of this Lease. Unless Landlord delivers written notice to Tenant expressly stating that it has elected to terminate this Lease, all actions taken by Landlord to exclude or dispossess Tenant of the Premises shall be deemed to be taken under this subsection. If Landlord elects to proceed under this Section (B), it may at any time elect to terminate this Lease under (A) above. No re-entry by Landlord or any action brought by Landlord to remove Tenant from the Premises shall operate to terminate this Lease unless Landlord shall have given written notice of termination to Tenant, in which event Tenant's liability shall be as above provided.

(C) Intentionally Omitted.

(D) Landlord's Other Rights and Remedies. Upon any default, Tenant shall pay to Landlord, to the extent not duplicative of any of the amounts paid to Landlord pursuant to Section 19(A) or 19(B) above, all costs incurred by Landlord (including court costs and reasonable attorneys' fees and expenses) in (1) obtaining possession of the Premises, (2) removing, storing and/or disposing of Tenant's or any other occupant's property, (3) repairing, restoring, altering, remodeling, or otherwise putting the Premises into condition required by this Lease, (4) reletting all or any part of the Premises including brokerage commissions (prorated based on the time between the commencement of the new lease and the Expiration Date of this Lease), and other costs incidental to such reletting, but not the cost of new improvements for the new tenant, (5) performing Tenant's obligations which Tenant failed to perform, and (6) enforcing, or advising Landlord of, its rights, remedies, and recourses. Landlord's acceptance of Rent following an Event of Default shall not waive Landlord's rights regarding such Event of Default. Landlord's receipt of Rent with knowledge of any default by Tenant hereunder shall not be a waiver of such default, and no waiver by Landlord of any provision of this Lease shall be deemed to have been made unless set forth in writing and signed by Landlord. No waiver by Landlord of any violation or breach of any of the terms contained herein shall waive Landlord's rights regarding any future violation of such term or violation of any other term. If Landlord repossesses the Premises pursuant to the authority herein granted, then Landlord shall have the right to remove and (i) store, at Tenant's expense, or (ii) sell at auction (following written notice and a thirty (30) day cure period) all of the furniture, trade fixtures, equipment and other personal property in the Premises, including that which is owned by or leased to Tenant at all times before any foreclosure thereon or repossession thereof by any lessor thereof or third party having a lien thereon. Landlord may relinquish possession of all or any portion of such furniture, trade fixtures, equipment and other property to any person (a "**Claimant**") who presents to Landlord a copy of any instrument represented by Claimant to have been executed by Tenant (or any predecessor of Tenant) granting Claimant the right under various circumstances to take possession of such furniture, trade fixtures, equipment or other property, without the necessity on the part of Landlord to inquire into the authenticity or legality of the instrument. Landlord shall have no obligation to do so but may, at its option and without prejudice to or waiver of any rights it may have, (a) escort Tenant and or its employees to the Premises to retrieve any personal belongings of Tenant and/or its employees not covered by the security interest, or (b) obtain a list from Tenant of the personal property of Tenant and/or its employees, and make such property available to Tenant and/or Tenant's employees; however, Tenant first shall pay in cash all reasonable costs and reasonable estimated expenses to be incurred in connection with the removal of such property and making it available. No right or remedy granted to Landlord herein is intended to be exclusive of any other right or remedy, and each and every right and remedy herein provided shall be cumulative and in addition to any other right or remedy hereunder or now or hereafter existing in law or equity or by statute. All rights may be exercised at any time, in any order, or Landlord may forebear upon any right, without any waiver by Landlord. In the event of termination of this Lease, Tenant waives any and all rights to redeem the Premises either given by any statute now in effect or hereafter enacted.

(E) Late Fee. If any Rent or other payment required of Tenant under this Lease is not paid when due, Landlord may charge Tenant, and Tenant shall pay upon demand a fee equal to five percent (5%) of the delinquent payment to reimburse Landlord for its cost and inconvenience incurred as a consequence of Tenant's delinquency. Notwithstanding the foregoing, before a late charge is charged to Tenant the first time in any twelve (12) month period, Landlord shall provide Tenant written notice of the delinquency, and shall waive such late charge if Tenant pays such delinquency within five (5) business days of Tenant's receipt of such written notice. All such late fees shall be additional Rent.

(F) Interest. Tenant shall pay interest on all amounts that are more than thirty (30) days overdue at the compounded annual rate of fifteen percent (15%) commencing as of the expiration of such thirty (30) day period and continuing until paid in full, but in no amount greater than the maximum allowable rate under law. Notwithstanding the foregoing, before default interest as provided above is charged to Tenant the first time in any twelve (12) month period, Landlord shall provide Tenant written notice of the delinquency, and shall waive such default interest if Tenant pays such delinquency within five (5) business days of Tenant's receipt of such written notice.

(G) No Waiver. Receipt by Landlord of Rent or other payments from Tenant shall not be deemed to operate as a waiver of any rights of Landlord to enforce payment of any Rent, additional Rent, or other payments previously due or which may thereafter become due, or of any rights of Landlord to terminate this Lease or to exercise any remedy or right which otherwise might be available to Landlord, the right of Landlord to declare a forfeiture for each and every breach of this Lease is a continuing one for the life of this Lease.

20. MISCELLANEOUS.

(A) Not Void. If any term or provision of this Lease is declared invalid or unenforceable, the remainder of this Lease shall not be affected by such determination and shall continue to be valid and enforceable.

(B) Entire Agreement; Amendments. This Lease contains the entire agreement between the parties hereto. This Lease may only be amended by a writing signed by the parties hereto, or by an electronic record that has been electronically signed by the parties hereto and has been rendered tamper-evident as part of the signing process. The exchange of email or other electronic communications discussing an amendment to this Lease, even if such communications are signed, does not constitute a signed electronic record agreeing to such an amendment.

(C) Authority. Tenant warrants that this Lease is being executed with full authority of Tenant and that the officers whose signatures appear hereon are duly authorized and empowered to make and execute this Lease in the name of the entity that is Tenant by appropriate and legal resolution of its owners and/or governing officers, as applicable. Tenant shall supply to Landlord, contemporaneously with the delivery of this Lease, a corporate resolution or Board approval documentation authorizing Tenant's signatory to enter into this Lease. Landlord warrants that this Lease is being executed with full authority of Landlord and that the officers whose signatures appear hereon are duly authorized and empowered to make and execute this Lease in the name of the entity that is Landlord by appropriate and legal resolution of its owners and/or governing officers, as applicable.

(D) Notices. All notices required under this Lease and other information concerning this Lease ("**Communications**") shall be personally delivered or sent by certified mail return receipt requested, or by overnight courier. Subject to the terms of this Section, Landlord may, in its sole discretion, send such Communications to the Tenant electronically, or permit the Tenant to send such Communications to the Landlord electronically, in the manner described in this Section. Such Communications sent by personal delivery, mail or overnight courier will be sent to the addresses in Section 1 of this Lease, or to such other addresses as the Landlord and the Tenant may specify from time to time in writing. Communications shall be effective (i) if mailed, upon the earlier of receipt or five (5) business days after deposit as certified mail with the U.S. mail, or (ii) if hand-delivered, by courier or otherwise when delivered. Such Communications may be sent electronically by the Landlord to the Tenant (i) by transmitting the Communication to an electronic address provided by the Tenant or to such other electronic address as the Tenant may specify from time to time in writing for such purposes, or (ii) by posting the Communication on a website and sending the Tenant a notice to the Tenant's postal address or electronic address provided by Tenant solely for such purpose, telling the Tenant that the Communication has been posted, its location, and providing instructions on how to view it. Communications sent electronically to the Tenant will be effective when the Communication, or a notice advising of its posting to a website, is sent to the Tenant's electronic address with an electronic receipt of such Communication. Notwithstanding the foregoing, Communications to Tenant which assert a default may only be delivered to Tenant by overnight courier sent to the addresses identified in Section 1.

(E) Rent. Unless the context clearly denotes the contrary, the word "Rent" or "Rental" as used in this Lease not only includes cash Base Rent and Tenant's Proportionate Share of Operating Expenses, but also all other payments and obligations to pay assumed by Tenant, whether such obligations to pay run to Landlord or to other parties.

(F) NO JURY TRIAL. IT IS MUTUALLY AGREED BY AND BETWEEN LANDLORD AND TENANT THAT THE RESPECTIVE PARTIES HERETO SHALL, AND THEY HEREBY DO, WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OF OR OCCUPANCY OF THE PREMISES OR ANY CLAIM OF INJURY OR DAMAGE AND ANY EMERGENCY STATUTORY OR ANY OTHER STATUTORY REMEDY. IF LANDLORD COMMENCES ANY SUMMARY PROCEEDING FOR NONPAYMENT OF RENT, TENANT WILL NOT INTERPOSE ANY NON-COMPULSORY COUNTERCLAIM OF WHATEVER NATURE OR DESCRIPTION IN ANY SUCH PROCEEDING.

(G) [Intentionally Omitted]

(H) Confidential. Tenant and Landlord shall at all times keep all business terms and conditions of this Lease (i.e., lease rates, concessions, tenant improvement allowances, lease term options or rights) confidential and shall not disclose the terms thereof to any third party, except: (i) for its employees, manager or board of directors, accountants, attorneys, brokers, agents, lenders, equity partners and other professionals who have a legitimate business reason to know the terms of this Lease, as well as prospective purchasers and lenders; (ii) as required by any laws, rules or regulations applicable to such party, including without limitation, the requirements of the United States Securities and Exchange Commission or similar organization; or (iii) in connection with any legal proceedings. Any announcements, communication or publicity by either Landlord or Tenant regarding the subject lease transaction shall occur after the Effective Date, and only then with the prior written consent of both parties.

(I) OFAC Compliance.

(a) Tenant represents and warrants that: (1) To the best of Tenant's knowledge, after reasonable inquiry, Tenant is: (i) not currently identified on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control, Department of the Treasury ("**OFAC**") and/or on any other similar list maintained by OFAC pursuant to any authorizing statute, executive order or regulation (collectively, the "**List**"), and; (ii) is not a person or entity with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States; (2) None of the funds or other assets of Tenant constitute property of, or are beneficially owned, directly or indirectly, by any Embargoed Person (as hereinafter defined); (3) No Embargoed Person has any interest of any nature whatsoever in Tenant (whether directly or indirectly); (4) None of the funds of Tenant have been derived from any unlawful activity with the result that the investment in Tenant is prohibited by law or that the Lease is in violation of law, and; (5) Tenant has implemented procedures, and will consistently apply those procedures to ensure the foregoing representations and warranties remain true and correct at all times.

(b) Tenant covenants and agrees: (1) To comply with all requirements of law relating to money laundering, anti-terrorism, trade embargos and economic sanctions, now or hereafter in effect; (2) To immediately notify Landlord in writing if any of the representations, warranties or covenants set forth in this paragraph or the preceding paragraph are no longer true or have been breached or if Tenant has a reasonable basis to believe that it may no longer be true or have been breached; (3) To not knowingly use funds from any "**Prohibited Person**" (as such term is defined in the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) to make any payment due to Landlord under the Lease, and (4) At the request of Landlord, to provide such information as may be requested by Landlord to determine Tenant's compliance with the terms hereof.

(c) Tenant hereby acknowledges and agrees that Tenant's inclusion on the List at any time during the Term shall be a material default of the Lease. Notwithstanding anything herein to the contrary, Tenant shall not permit the Premises or any portion thereof to be used or occupied by any person or entity on the List or by any Embargoed Person (on a permanent, temporary or transient basis), and any such use or occupancy of the Premises by any such person or entity shall be a material default of the Lease.

(d) Tenant shall also require and shall take reasonable measures to ensure compliance with the requirement that no person who owns any other direct interest in Tenant is or shall be listed on any of the Lists or is an Embargoed Person. The term Embargoed Person means any person, entity or government subject to trade restrictions under U.S. law, including but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §1701 et seq., The Trading with the Enemy Act, 50 U.S.C. App. 1 et seq., and any Executive Orders or regulations promulgated thereunder with the result that the investment in Tenant is prohibited by law or Tenant is in violation of law ("**Embargoed Person**"). This Subsection (d) shall not apply to any person to the extent that such person's interest in Tenant is through a U.S. Publicly-Traded Entity. As used in this Lease, U.S. Publicly-Traded Entity means a Person, other than an individual, whose securities are listed on a national securities exchange, or quoted on an automated quotation system, in the United States, or a wholly-owned subsidiary of such a person ("**U.S. Publicly-Traded Entity**").

(J) Wi-Fi. In addition to Lines, Tenant shall have the right to install a Wireless Fidelity Network ("**Wi-Fi Network**") within the Premises for the use of Tenant. Tenant agrees that Tenant's communications equipment associated with the Wi-Fi Network will not cause radio frequency, electromagnetic, or other interference to any other party or occupants of the Building (or to any such party or occupant's Wi-Fi Network) or any other party. Should any interference occur, Tenant shall take all necessary steps as soon as commercially practicable and no later than three (3) calendar days following such occurrence to correct such interference. If such interference continues after such three (3) day period, Tenant shall immediately cease operating Tenant's Wi-Fi Network equipment until such interference is corrected or remedied to Landlord's satisfaction.

(K) Successors, Assigns and Liability. The terms, covenants, conditions and agreements herein contained and as the same may from time to time hereafter be supplemented, modified or amended, shall apply to, bind, and inure to the benefit of the parties hereto and their legal representatives, successors and assigns, respectively. In the event either party now or hereafter shall consist of more than one person, firm or corporation, then and in such event all such person, firms and/or corporations shall be jointly and severally liable as parties hereunder.

(L) Exculpatory Provisions. IT IS EXPRESSLY UNDERSTOOD AND AGREED BY AND BETWEEN THE PARTIES HERETO, ANYTHING HEREIN TO THE CONTRARY NOTWITHSTANDING, THAT EACH AND ALL OF THE REPRESENTATIONS, WARRANTIES, COVENANTS, UNDERTAKINGS AND AGREEMENTS HEREIN MADE ON THE PART OF LANDLORD WHILE IN FORM PURPORTING TO BE THE REPRESENTATIONS, WARRANTIES, COVENANTS, UNDERTAKINGS AND AGREEMENTS OF LANDLORD ARE NEVERTHELESS EACH AND EVERY ONE OF THEM MADE AND INTENDED, NOT AS PERSONAL REPRESENTATIONS, WARRANTIES, COVENANTS, UNDERTAKINGS AND AGREEMENTS BY LANDLORD OR FOR THE PURPOSE OR WITH THE INTENTION OF BINDING LANDLORD PERSONALLY, BUT ARE MADE AND INTENDED FOR THE PURPOSE ONLY OF SUBJECTING LANDLORD'S INTEREST IN THE PREMISES TO THE TERMS OF THIS LEASE AND FOR NO OTHER PURPOSE WHATSOEVER, AND IN CASE OF DEFAULT HEREUNDER BY LANDLORD, TENANT SHALL LOOK SOLELY TO THE INTERESTS OF LANDLORD IN THE PREMISES, BUILDING, LAND AND PROJECT; AND THAT LANDLORD SHALL NOT HAVE ANY PERSONAL LIABILITY TO PAY ANY INDEBTEDNESS ACCRUING HEREUNDER OR TO PERFORM ANY COVENANT, EITHER EXPRESS OR IMPLIED, HEREIN CONTAINED, ALL SUCH PERSONAL LIABILITY, IF ANY, BEING EXPRESSLY WAIVED AND RELEASED BY TENANT AND BY ALL PERSONS CLAIMING BY, THROUGH OR UNDER TENANT.

(M) Laws that Govern. This Lease is governed by the Electronic Signatures in Global and National Commerce Act (15 U.S.C. §§ 7001 *et seq.*) and, to the extent that state law applies, the laws of the State of Illinois without regard to its conflicts of law rules.

(N) Financial Statements. Within ten (10) business days after Landlord's written request, Tenant shall deliver to Landlord the then current audited (if previously created and available or unaudited) financial statements of Tenant, and audited (if previously created and available or unaudited) financial statement of the two (2) years prior to the current financial statements year, with an opinion of a certified public accountant (if unaudited statements are provided), or otherwise certified to be true, correct and complete by Tenant's chief financial officer or other representative. This information includes a balance sheet, cash flow statement, and profit and loss statement for the most recent prior year, all prepared in accordance with generally accepted accounting principles consistently applied or other sound accounting principles. Tenant shall not be required to report the financial information of Tenant so long as Tenant has reported such financial information to the United States Securities and Exchange Commission and the same are available to the public.

(O) Personal Property. Landlord agrees to allow commercially reasonable access to the Project for the purpose of delivering, installing and removing Tenant's personal property to the Premises, to the extent such personal property is otherwise permitted under this Lease.

(P) Access to Premises. Subject to the provisions hereof, Landlord and its authorized agents shall have free access to the Premises at any and all reasonable times for customary services (such as regular janitorial services and other services that Landlord is required to perform on a regular basis pursuant to this Lease), and for non-customary services (such as non-emergency repairs) upon at least forty-eight (48) hours' verbal notice to Tenant, to inspect the same and for the purposes pertaining to the rights of Landlord. Landlord shall use commercially reasonable efforts to minimize any interference with operation of Tenant's business from the Premises during any such entry. During the last twelve (12) months of the term of this Lease (as may have been extended) Landlord may show the Premises to prospective lessees. Notwithstanding the foregoing, because of the nature of Tenant's business, the confidential and proprietary

processes and procedures, Landlord shall have no rights to enter the Lab nor any "quality assurance" area within the Premises unless accompanied by a representative of Tenant. Landlord shall strictly comply with Tenant's standard health, hygiene and safety protocols when entering the Lab or the "quality assurance" areas. In connection with any entry into the Premises by Landlord or any of its agents, employees, affiliates, members, managers, partners, officers, directors, contractors or other representatives, Landlord shall require such persons comply with Tenant's security measures which may include, without limitation, checking in at a receptionist desk and providing the receptionist with such person's name and company affiliation and being escorted in the Premises by a representative of Tenant (except in the case of emergencies).

(Q) Real Estate Brokers. Tenant represents that Tenant has directly dealt with and only with brokers identified in Article 1 (whose commission shall be paid by Landlord pursuant to a separate agreement with each such broker), in connection with this Lease and TENANT AGREES TO INDEMNIFY AND HOLD LANDLORD HARMLESS FROM ALL DAMAGES, LIABILITY, AND EXPENSE (INCLUDING REASONABLE ATTORNEY'S FEES) ARISING FROM ANY CLAIMS OR DEMANDS OF ANY OTHER BROKER OR BROKERS OR FINDERS FOR ANY COMMISSION ALLEGED TO BE DUE SUCH BROKER OR BROKERS OR FINDERS IN CONNECTION WITH ITS PARTICIPATING IN THE NEGOTIATION WITH OR FOR TENANT OF THIS LEASE. Landlord represents, warrants and agrees that Tenant shall not have any liability or obligation to pay any commission, fee or other amount to any of the brokers identified in Article 1.

(R) Force Majeure. Whenever a period of time is herein prescribed for action to be taken by Landlord or Tenant, the party taking the action shall not be liable or responsible for, and therefore shall be excluded from the computation of any such period of time, any delays due to strikes, riots, acts of God, pandemics (including COVID-19), shortages of labor or materials, terrorist activities, acts of war, governmental actions or inactions or laws, regulations, or restrictions, or any other causes of any kind whatsoever which are beyond the control of such acting party, and which in any of such events, cannot be overcome by the commercially reasonable efforts of the acting party ("**Force Majeure**"); provided, however, in no event shall Force Majeure (including any aspect of the situation with respect to the COVID-19 virus or any other pandemic) apply to either (i) the financial obligations of Tenant under this Lease, including, without limitation, Tenant's obligation to timely pay Rent, or (ii) Tenant's obligation to maintain insurance hereunder.

(S) No Estate in Land. This Lease shall create the relationship of landlord and tenant between Landlord and Tenant, and nothing contained herein shall be deemed or construed by the parties hereto, or by any third party, as creating the relationship of principal and agent, or of partnership, or of joint venture, or of any relationship other than landlord and tenant, between the parties hereto. No estate shall pass out of Landlord and Tenant has only a usufruct not subject to levy and sale.

(T) Energy and Environmental Initiatives.

(i) Programs. Landlord and Tenant acknowledge and agree that Landlord is committed to employing sustainable operating and maintenance practices for the Building. Tenant shall fully cooperate with Landlord in any programs in which Landlord may elect to participate relating to the Building's (i) energy efficiency, management and conservation; (ii) water conservation and management; (iii) environmental standards and efficiency; (iv) recycling and reduction programs; and/or (v) safety, which participation may include, without limitation, the Leadership in Energy and Environmental Design (**LEED**) program and related Green Building Rating System promoted by the U.S. Green Building Council. All carbon tax credits and similar credits, offsets and deductions are the sole and exclusive property of Landlord. Tenant affirms its support of these practices, and agrees to cooperate with Landlord by implementing commercially reasonable conservation practices to the extent provided herein. Periodically, Landlord may offer additional examples, guidance and practices related to energy conservation measures, which Tenant agrees to consider for implementation. Should any specific practice(s) proposed by Landlord be deemed to be inconsistent or interfere with Tenant's business operations, then upon Landlord's request, Tenant shall so advise Landlord in writing as its reason for declining to implement such specific practice(s). Any monitoring and reporting of base Building energy use will be done by a third party, and costs associated with this subsection (B) shall be included in Operating Expenses. Tenant shall also use best efforts to help meet building-wide energy use reduction goals and minimize use of electricity, water, heating, and air conditioning unless Tenant's business operations shall be adversely affected thereby. Tenant shall use Energy Star or comparably efficient appliances for Tenant's Premises. All products used by Tenant in the Premises in making alterations to the Premises shall be consistent with Building

standards for using environmentally friendly and recycled materials. Without limitation to the generality of the foregoing, Tenant shall comply with the Sustainable Building Guidelines attached hereto as **Exhibit H**. For avoidance of doubt, in all respects Tenant shall not be restricted from operating its business in the fashion and manner which it deems necessary or advisable, regardless of the foregoing conservation or sustainability initiatives or practices in effect or proposed by Landlord.

(ii) Recycling. Tenant shall use best efforts to recycle by separating waste stream into Single Stream (paper, plastic, metals); dispose of all electronic items (cell phones, computers, etc. in designated bins); and dispose of compostable waste appropriately. All costs of recycling programs instituted by Landlord shall be included in Operating Expenses.

(U) Counterparts; Electronic Signatures. This Lease may be executed in counterparts, including both counterparts that are executed on paper and counterparts that are in the form of electronic records and are executed electronically. An electronic signature means any electronic sound, symbol or process attached to or logically associated with a record and executed and adopted by a party with the intent to sign such record, including facsimile or e-mail electronic signatures. All executed counterparts shall constitute one agreement, and each counterpart shall be deemed an original. The parties hereby acknowledge and agree that electronic records and electronic signatures, as well as facsimile signatures, may be used in connection with the execution of this Lease and electronic signatures, facsimile signatures or signatures transmitted by electronic mail in so-called pdf format shall be legal and binding and shall have the same full force and effect as if a paper original of this Lease had been delivered had been signed using a handwritten signature. Landlord and Tenant (i) agree that an electronic signature, whether digital or encrypted, of a party to this Lease is intended to authenticate this writing and to have the same force and effect as a manual signature, (ii) intend to be bound by the signatures (whether original, faxed or electronic) on any document sent or delivered by facsimile or, electronic mail, or other electronic means, (iii) are aware that the other party will rely on such signatures, and (iv) hereby waive any defenses to the enforcement of the terms of this Lease based on the foregoing forms of signature. If this Lease has been executed by electronic signature, all parties executing this document are expressly consenting under the Electronic Signatures in Global and National Commerce Act ("**E-SIGN**"), and Uniform Electronic Transactions Act ("**UETA**"), that a signature by fax, email or other electronic means shall constitute an Electronic Signature to an Electronic Record under both E-SIGN and UETA with respect to this specific transaction.

(V) Consents by Landlord. In all circumstances under this Lease where the prior consent or permission of Landlord is required before Tenant is authorized to take any particular type of action and no specific standard of consent is specified, such consent must be in writing and the matter of whether to grant such consent or permission shall be within the sole and exclusive judgment and discretion of Landlord, and it shall not constitute any nature of breach by Landlord under this Lease or any defense to the performance of any covenant, duty or obligation of Tenant under this Lease that Landlord delayed or withheld the granting of such consent or permission, whether or not the delay or withholding of such consent or permission was prudent or reasonable or based on good cause. With respect to any provision of this Lease which provides that Tenant shall obtain Landlord's prior consent or approval, Landlord may withhold such consent or approval for any reason at its sole discretion, unless the provision specifically states that the consent or approval will not be unreasonably withheld. With respect to any provision of this Lease which provides that Landlord shall not unreasonably withhold or unreasonably delay any consent or any approval, Tenant, in no event, shall be entitled to make nor shall Tenant make any claim for, and Tenant hereby waives any claim for money damages; nor shall Tenant claim any money damages by way of setoff, counterclaim or defense, based upon any claim or assertion by Tenant that Landlord has unreasonably withheld or unreasonably delayed any consent or approval; but Tenant's sole remedy shall be an action or proceeding to enforce any such provision, or for specific performance, injunction or declaratory judgment.

(W) Independent Covenants. The obligation of Tenant to pay Rent and other monetary obligations provided to be paid by Tenant under this Lease and the obligation of Tenant to perform Tenant's other covenants and duties under this Lease constitute independent, unconditional obligations of Tenant to be performed at all times provided for under this Lease, save and except only when an abatement thereof or reduction therein is expressly provided for in this Lease and not otherwise, and Tenant acknowledges and agrees that in no event shall such obligations, covenants and duties of Tenant under this Lease be dependent upon the condition of the Premises or the Project, or the performance by Landlord of its obligations hereunder.

(X) Recording. Neither Landlord nor Tenant shall record this Lease, but a short-form memorandum hereof may be recorded at the request of Landlord, in Landlord's sole and absolute discretion.

(Y) No Access to Roof. Except as specifically set forth in the Rider attached to this Lease Tenant shall have no right of access to the roof of the Premises or the Building, without the prior consent of Landlord.

(Z) Real Estate Investment Trust. During the Term, should a real estate investment trust become Landlord hereunder, all provisions of this Lease shall remain in full force and effect except as modified by this paragraph. If Landlord in good faith determines that its status is a real estate investment trust under the provisions of the Internal Revenue Code of 1986, as heretofore or hereafter amended, will be jeopardized because of any provision of this Lease, Landlord may request reasonable amendments to this Lease and Tenant will not unreasonably withhold, delay or defer its consent thereto, provided that such amendments do not (a) increase the monetary or other obligations of Tenant pursuant to this Lease or (b) in any other manner adversely affect Tenant's interest or business operations in the Premises.

(AA) Use of Trademark, Service Mark and/or Trade Name. Tenant acknowledges that Landlord claims as its sole and exclusive property the trademark, service mark, and/or trade name "West End on Fulton®" (the "**Mark**") for use in connection with the Project by Landlord or its designated assignees or licensees. Tenant shall not claim any superior right to the Mark and shall not use the Mark in any manner whatsoever in connection with the Premises or the operations conducted thereon unless it has obtained the prior written permission from Landlord. Tenant acknowledges and agrees that it shall not use the Mark on Tenant's letterhead, marketing materials or any written communication or visual presentation. Tenant may, however, reasonably identify Tenant's Premises as being located in the West End on Fulton® Project for directional purposes only.

(BB) Landlord's Limitation of Liability. It is expressly understood and agreed that notwithstanding anything to the contrary contained in this Lease, and notwithstanding any applicable law to the contrary, the liability of Landlord hereunder (including any successor landlord) and any recourse by Tenant against Landlord shall be limited solely and exclusively to the equity interest of Landlord in and to the Project, and neither Landlord, nor any of its constituent partners, shall have any personal liability therefor, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant. Except as provided in this Lease, under no circumstances shall Landlord be liable for consequential damages, including, without limitation, injury to Tenant's business or for any loss of income or profit therefrom.

(CC) Exculpation. CBRE Global Investors, LLC, a Delaware limited liability company ("CBRE Global"), is the investment manager for California State Teachers' Retirement System, a public entity created pursuant to the laws of the State of California ("CALSTRS"), and CALSTRS is a member of Landlord. It is expressly understood and agreed that notwithstanding anything to the contrary contained in this Lease but subject to the provision of Section 10, and notwithstanding any applicable law to the contrary, the liability of Landlord hereunder (including any successor landlord) and any recourse by Tenant against Landlord for damages shall be limited solely and exclusively to the equity interest of Landlord in and to the Project (which shall include, without limitation, the Building, unencumbered insurance proceeds, condemnation proceeds, proceeds of sale and rents and other income from the Project, and which shall not affect any rights of Tenant to self-help, offset or equitable relief), and neither Landlord, nor any of its constituent partners (including, without limitation CALSTRS), shall have any personal liability therefor, and Tenant hereby expressly waives and releases such personal liability on behalf of itself and all persons claiming by, through or under Tenant. Except as otherwise expressly provided in this Lease with respect to Tenant, under no circumstances shall Landlord or Tenant be liable for consequential, punitive or special damages, including, without limitation, injury to either party's business or for any loss of income or profit therefrom; provided, that the foregoing shall not be deemed to limit Landlord's remedies with respect to any Rent payable to Landlord.

(DD) Acknowledgement, Representation and Warranty Regarding Prohibited Transactions. Tenant acknowledges that Landlord is wholly owned by CALSTRS, a unit of the California Government Operations Agency established pursuant to Title 1, Division 1, Parts 13 and 14 of the California Education Code, Sections 22000, et seq., as amended (the "**Education Code**"). As a result, Tenant acknowledges that CALSTRS is prohibited from engaging in certain transactions with or for the benefit of an "employer", "employing agency", "member", "beneficiary" or "participant" (as those terms are defined or used in the Education Code). In addition, Tenant acknowledges that certain restrictions under the Internal Revenue Code, 26 U.S.C. Section 1, et seq. (the "**Code**") may apply to distributions made

by CALSTRS to its members, beneficiaries and participants. Accordingly, Tenant represents and warrants to Landlord and CALSTRS that, to Tenant's current actual knowledge (a) Tenant is neither an employer, employing agency, member, beneficiary or participant; (b) Tenant has not made any contribution or contributions to Landlord or CALSTRS; (c) neither an employer, employing agency, member, beneficiary nor participant, nor any person who has made any contribution to Landlord or CALSTRS, nor any combination thereof, is related to Tenant by any relationship described in Section 267(b) of the Code; (d) neither Landlord, CALSTRS, CBRE Global, their affiliates, related entities, agents, officers, directors or employees, nor any CALSTRS board member, employee or internal investment contractor thereof or therefor (collectively, "**Landlord Affiliates**") has received or will receive, directly or indirectly, any payment, consideration or other benefit from, nor does any Landlord Affiliate have any agreement or arrangement with, Tenant or any person or entity affiliated with Tenant, relating to the transactions contemplated by this Lease except as expressly set forth in this Lease; and (e) no Landlord Affiliate has any direct or indirect ownership interest in Tenant or any person or entity affiliated with Tenant.

(EE) Survival. Notwithstanding anything in this Lease to the contrary, the following rights, duties, and obligations shall survive the expiration or termination of this Lease: (a) any accrued, but unsatisfied, obligations of Landlord or Tenant, as applicable, as of the date of such expiration or termination, (b) any indemnification obligations, (c) any exculpatory provisions or provisions that otherwise limit the liability of the parties under this Lease, and (d) any rights, duties, and obligations which, by the terms of the applicable provisions, expressly survive the expiration or termination of this Lease.

(FF) Labor Harmony. It is understood that, in the performance of construction and other work at the Project, Landlord shall take measures consistent with those described in Section 14(E) and typical of prudent landlords of Comparable Buildings to ensure labor harmony amongst the workforce and trades performing work at the Project (including, without limitation, those contractors, subcontractors, labor and suppliers performing punch list and other work concerning the base Building improvements). Notwithstanding anything in this Lease to the contrary, no party shall be deemed in violation of any provisions of this Lease concerning labor harmony if it shall have retained (or caused to have been retained), in the particular context in question, union contractors, subcontractors (of any tier), labor or suppliers and caused them to comply with such procedures that do not result in any delay or impose any other material cost or liability, such as separate construction entrances, as may be customarily employed to maintain labor harmony.

(GG) Rider and Exhibits. The Rider, and all attached exhibits (Exhibits A through L) are attached hereto and made a part hereof, by reference, for all purposes.

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[SIGNATURE PAGES]

IN WITNESS WHEREOF, the parties may have executed this Lease in counterpart copies, each of which shall be deemed originals. Landlord and Tenant have executed this Lease the date and year noted above.

TENANT:

TALIS BIOMEDICAL CORPORATION
a Delaware corporation

By:	/s/ John Roger Moody, Jr.		January 20, 2021
Name:	John Roger Moody, Jr.		Date
Title:	CFO		

[SIGNATURES CONTINUE ON FOLLOWING PAGE]

LANDLORD:

FULTON OGDEN VENTURE, LLC,
a Delaware limited liability company

By: **TC FULTON OGDEN MEMBER, LLC,**
a Delaware limited liability company,
its Managing Member

By: **TRAMMELL CROW CHICAGO DEVELOPMENT, INC.,**
a Delaware corporation,
its Managing Member

By: /s/ John Carlson — January 20, 2021
Name: John Carlson — Date
Title: Authorized Signatory

[END OF SIGNATURE PAGES]

RIDER TO LEASE

ADDITIONAL PROVISIONS

1. This Rider Controls. The provisions set forth in this Rider control to the extent they conflict with any provision or provisions set forth in the body of this Lease.

2. Tenant's Right of First Offer.

(a) First Offer Space. Subject to preexisting tenants' rights on the Effective Date and the terms and conditions contained in this Rider section 2, provided (1) no default by Tenant beyond any applicable notice and cure periods has occurred and is then-continuing at the time Tenant exercises its ROFO (defined below) and (2) Tenant has not sublet more than 25% of the then-current Premises, during the Term, Tenant shall have an ongoing right of first offer (the "**ROFO**") to lease any remaining space located on the 7th floor and one additional floor located on either the 6th or the 8th floor of the Building that Landlord determines to make available for lease (any such space, "**ROFO Space**"). Prior to offering any ROFO Space to any third parties, Landlord shall deliver to Tenant written notice ("**ROFO Space Notice**") that such ROFO Space is available for lease, which notice must specify the pertinent business terms upon which Landlord is willing to lease the ROFO Space, including, without limitation: (i) the size and location of the proposed ROFO Space; (ii) the date that the ROFO Space will be available for delivery to Tenant; (iii) the date on which rent would first be payable therefor; (iv) the rental terms for such space (and annual escalations thereof)**;** (v) the market terms applicable to such ROFO Space (including, without limitation, any tenant improvement or moving allowances, rent abatement periods or other concessions to the proposed tenant (any such allowances, rent abatement periods or other concessions, the "**Offered Concessions**")); and (vi) any other material economic terms and conditions that would be applicable to the ROFO Space.

(b) Exercise Acceptance Notice. Tenant may exercise the ROFO by providing written notice of exercise to Landlord within ten (10) business days after the date the ROFO Space Notice is delivered to Tenant, the time of giving of such notice being of the essence, (if exercised, the "**ROFO Space Acceptance Notice**") of its election to lease the entire ROFO Space described in the ROFO Space Notice under the terms of the ROFO Space Notice (except as expressly provided otherwise herein), with any failure to timely deliver a ROFO Space Acceptance Notice being a deemed election to not lease the applicable ROFO Space or any portion thereof. If Tenant timely delivers an effective ROFO Space Acceptance Notice, except as otherwise specifically set forth below, the ROFO Space shall be included in the Premises upon the same terms, covenants and conditions as are set forth in the applicable ROFO Space Notice or as Landlord and Tenant otherwise mutually agree in writing and otherwise (i.e., with respect to any terms not specifically addressed in the ROFO Space Notice) on the terms applicable to the then-current Premises (for clarity, the below terms and provisions shall govern and control in the event of any conflict with any of the terms of the applicable ROFO Space Notice or any of the other terms or provisions of the Lease):

(i) If the ROFO Space has not been previously leased, then Landlord will deliver the ROFO Space with only base building improvements unless otherwise set forth in the ROFO Space Notice. If, on the other hand, the ROFO Space has been previously leased and improved, then Landlord will deliver the ROFO Space in its then-current "AS IS" condition unless otherwise set forth in the ROFO Space Notice. Notwithstanding the foregoing, if the ROFO Space Notice contemplates Landlord work (including, without limitation, improvement and/or demolition work) that is different than the applicable condition described in the first sentence of this subparagraph (i), at Tenant's option, to be indicated in the ROFO Acceptance Notice, Tenant may instead elect that Landlord not complete such work and any cost savings realized by Landlord by not having to perform the applicable work shall be applied to reduce the rate of Base Rent payable with respect to the applicable ROFO Space.

(ii) If Tenant exercises the ROFO on a one-half (1/2) floor basis, on a floor that does not then have a common corridor, Tenant will be required to pay 50% of the cost incurred by Landlord to demise and construct a building-standard corridor, unless Landlord has previously leased other space on the applicable floor.

(c) Amendment. After receipt of any such ROFO Space Acceptance Notice, Landlord and Tenant shall promptly enter into an amendment to the Lease mutually and reasonably acceptable to Landlord and Tenant to amend the Lease pursuant to the terms and conditions of the ROFO Space Notice and Section 4(a) of this Rider.

(d) Failure to Exercise. Landlord will not be required to provide Tenant with more than one (1) ROFO Space Notice in any calendar year. In the event that (a) Tenant fails to exercise its right as aforesaid within ten (10) business days after the date the ROFO Space Notice is given to Tenant, or (b) Tenant has elected not to or has failed to exercise the ROFO with respect to a specific ROFO Space more than twice during the Term, Tenant shall be deemed to have waived its right with respect to such ROFO Space under this Section, and Landlord shall be free to lease the same without restriction, except as expressly provided in this Rider. If Landlord enters into a Third Party Lease within 12 months following delivery a ROFO Space Notice, the ROFO shall automatically transfer to a single floor of Landlord's choosing between the 4th through the 8th portion of the Building. If Landlord does not enter into the a Third Party Lease within such 12-month period, the ROFO shall be reinstated in accordance with all of the terms and conditions of this Rider Section 2. If Landlord, in delivering ROFO Space Notices hereunder, does not act, or has not acted, in good faith or fair dealing, the deemed waiver described in this clause (d) shall not apply.

(e) Not Transferable. Tenant acknowledges and agrees that any preferential rights granted under this Rider Section 2 shall be deemed personal to Tenant and any Permitted Transferee, and may not be exercised by any other person or entity.

3. Tenant's Right of First Refusal.

(a) Grant of Right of First Refusal. During the first two (2) years after the Commencement Date ("**Original ROFR Term**"), subject to preexisting tenants' rights on the Effective Date and the terms and conditions contained in this Rider section 3, and provided (i) no default by Tenant beyond any applicable notice and cure periods has occurred and is then continuing at the time Tenant exercises its ROFR (defined below); (ii) Tenant has not sublet more than 25% of the then-current Premises; and (iii) Tenant has at least three (3) years remaining in the then-current Term, Landlord hereby grants to Tenant an ongoing first right of refusal ("**Right of Refusal or ROFR**") to lease from Landlord for the remainder of the initial 11-year Lease Term and any exercised Extension Term(s) thereafter, the following spaces in the Building: (i) the balance of the 7th floor outside of the Premises and (ii) any two (2) contiguous or non-contiguous floors located between the 4th and 8th floors of the Building ("**Refusal Space**"), to be determined at Landlord's election.

(b) Third Party Offer; Exercise Notice. If Landlord submits a bona fide, second round proposal to a third party prospective tenant ("**Third Party Offer**") to lease all or any portion of the Refusal Space, before proceeding to enter into a lease with such third party, Landlord shall first give to Tenant written notice that Landlord has received such Third Party Offer, describing the material terms and conditions of such Third Party Offer that Landlord is willing to accept, including the base rental rate, lease term, rent abatement period (if any), and tenant improvement allowance (if any) ("**Third Party Offer Notice**" or "**ROFR Space Notice**"). Tenant may exercise the Right of Refusal by giving Landlord written notice of Tenant's desire to lease the Refusal Space as set forth herein and in the Third Party Offer ("**Exercise Notice**") or before the tenth (10th) business day after Tenant's receipt of the Third Party Offer Notice. Landlord shall not be required to provide the ROFR Space Notice more than twice during the Original ROFR Term.

(c) Expansion Amendment. If Tenant timely provides an Exercise Notice, Landlord promptly shall prepare and Landlord, and Tenant shall enter into, an amendment to the Lease ("**Expansion Amendment**"), reasonably acceptable to Landlord and Tenant, based on the terms and conditions contained in the Third Party Offer and the Third Party Offer Notice, and the Premises shall be adjusted accordingly; provided, that the term with respect to any Refusal Space shall be coterminous with the Term, and any economic concessions or terms shall be equitably adjusted to take into account such shorter term.

(d) Extended ROFR Term. If Tenant exercises any ROFR rights during the Original ROFR Term, and the Premises, as expanded by the exercised ROFR(s), exceeds an aggregate area of 100,000 RSF, then the Original ROFR Term automatically will be extended throughout the remainder of the Term ("**Extended ROFR Term**"). If applicable, the Extended ROFR Term will be effective provided that a minimum of three (3) years remain in the then-current Term. If fewer than three (3) years remain in the then-current Term, Tenant shall have the right to effectuate

the Extended ROFR Term by exercising an additional right to extend the Term such that five (5) years then remain in the Term. To exercise this right, Tenant must provide Landlord with written notice of exercise within ten (10) business days of the occurrence of the circumstances giving rise to the right. This extension right is separate and exclusive from any other extension or renewal rights contained in the Lease.

(e) Failure to Exercise. If Tenant fails to timely provide an Exercise Notice, Landlord shall have a twelve (12) month period commencing with the date of the Third Party Offer Notice to enter into a lease for the Refusal Space with a third party based on substantially the same terms as are contained in the Third Party Offer and Third Party Offer Notice or upon terms that are more advantageous to Landlord ("**Third Party Lease**"). If Landlord enters into the Third Party Lease within said 12-month period, the ROFR shall terminate only as to the space leased pursuant to the Third Party Lease and as to that space only, the ROFR shall be of no further force or effect. If Landlord does not enter into the Third Party Lease within said 12-month period, the ROFR shall be reinstated in accordance with all of the terms and conditions of this Rider Section 2.

(f) Not Transferable. Tenant acknowledges and agrees that any preferential rights granted under this Rider Section 3 shall be deemed personal to Tenant and any Permitted Transferee, and may not be exercised by any other person or entity.

4. Signage. Landlord will provide Tenant with signage in the Building lobby level on the coffee bar column, behind the turnstiles and in the bike room along Fulton Street, which signage, together with any changes or alterations to it, shall be subject to Landlord's prior written approval. Landlord also shall allow Tenant signage in the elevator bank of the floor on which the Premises are located and on the entry door to the Premises. If during the Term Tenant occupies at least one full floor of the Building, Landlord also will provide Tenant with a sign panel on the monument sign located near the primary Building entrance at the intersection of Fulton and Ogden. All signage as provided in this section will be provided at no cost to Tenant, and all signage hereunder, including any changes or alterations thereto, will be subject to Landlord's prior written approval.

5. Rooftop Equipment.

(a) Subject to the terms and conditions of this Lease and the specific terms and conditions of this Section 5 of the Rider, upon Landlord's prior written consent, not to be unreasonably withheld, conditioned or delayed, Tenant may, at its sole cost and expense, erect, maintain, install and operate solely for use in Tenant's business operations in the Premises (and not for use by third parties) during the Term, certain rooftop equipment such as satellite dish(es), antennas, telecommunications equipment, supplemental air conditioning units and other related or desired equipment (the "**Rooftop Equipment**") at locations on the roof of the Building as designated by Landlord (said location being herein referred to as the "**Rooftop Equipment Space**"). Such Rooftop Equipment Space shall not exceed Tenant's Proportionate Share of the total Building rooftop space available for use by all Building tenants based on the relative square footage between the Premises and the Building. Tenant shall not install or operate any Rooftop Equipment until Tenant has obtained and submitted to Landlord copies of all required governmental permits, licenses, and authorizations necessary for the installation and operation thereof. Tenant shall comply with all Governmental Requirements applicable to the operation, use, repair and maintenance of the Rooftop Equipment. In addition, Tenant shall comply with all construction rules and regulations promulgated by Landlord with respect thereto. Tenant shall maintain the Rooftop Equipment in good order, condition and repair and in compliance with Governmental Requirements. Landlord makes no warranties or representations to Tenant with respect to the Rooftop Equipment Space. Landlord shall not charge Tenant rent for the use of the Rooftop Equipment Space during the Term. Upon expiration of this Lease or any earlier termination of the Lease or Tenant's right to maintain the Rooftop Equipment in the Rooftop Equipment Space under this Section 5, Tenant shall, at its sole expense, remove the Rooftop Equipment and all related conduits, cables and facilities installed on or in the Building in accordance with this Section 5 and repair any damage to the Rooftop Equipment Space and the Building caused thereby. Landlord reserves the right (without obligation) to relocate any one or more of the Rooftop Equipment, at Landlord's cost, to alternate locations, provided such space remains technologically sufficient, in Landlord's reasonable estimation. Tenant agrees to provide Tenant's "**Rooftop Equipment Plans and Specifications**" (herein so called) for Landlord's approval prior to installation of same (which plans and specifications shall comply strictly with all applicable laws and all requirements for protecting and preserving Landlord's warranties relating to the Building, including the roof). All Rooftop Equipment shall be installed within the Rooftop Equipment Space in accordance with the Rooftop Equipment Plans and Specifications previously approved by Landlord in writing, which approval shall not be unreasonably withheld, conditioned or

delayed. Tenant shall not materially change, alter, modify or amend the Rooftop Equipment Plans and Specifications for the Satellite Antenna or installation thereof or otherwise alter the Rooftop Equipment or the installation and/or location of the Rooftop Equipment without the prior written consent of Landlord. Nothing contained in this Lease shall be deemed to grant to Tenant any independent right of access to the Rooftop Equipment Space. All access to the roof of the Building shall under all circumstances be made through and in conjunction with Landlord or its agents and shall be subject to such reasonable controls and restrictions as Landlord may impose from time to time and consistently applied to other tenants of the Building, provided that Landlord shall impose no fees or charges on such roof access.

(b) Tenant shall at all times maintain the Rooftop Equipment and related facilities in good order and repair and Tenant shall be responsible for any and all costs and expenses incurred in connection with such repairs to the Rooftop Equipment and such related facilities. Tenant's installation, repair, maintenance and operation of the Rooftop Equipment and all related facilities shall be subject to and performed in accordance with all terms and conditions of the Lease as well as all applicable laws in effect from time to time, and Tenant shall obtain all permits and approvals therefor prior to commencing the operation thereof and shall maintain such permits and approvals in good standing at all times thereafter. Tenant shall further be responsible for any repairs to the roof of the Building necessitated by the installation or repair of the Rooftop Equipment. Any roof penetration shall be performed by such roofing contractor as is acceptable to Landlord and is required to comply with any such roof warranty, at Tenant's expense. If the installation, repair, replacement or removal of any Rooftop Equipment or related conduit or other equipment or facilities voids Landlord's roof warranty, then, to the extent Landlord's roof warranty was provided to Tenant prior to the date Tenant 's contractor started work on the roof affecting the roof warranty, Tenant shall assume all responsibility and costs with regard to the roof of the Building to the extent such costs would have been covered by such warranty had it not been voided. Landlord shall cooperate with Tenant, at no cost to Tenant, to determine the requirements, specifications and restrictions on any roof and other applicable warranties, including, without limitation, obtaining a written determination from the issuer of the warranties and/or other appropriate persons or entities that the Rooftop Equipment and installation thereof by Tenant shall not void Landlord's roof and other applicable warranties.

(c) Notwithstanding anything herein contained to the contrary, Landlord shall be entitled to require that the Rooftop Equipment be screened from public view, at Tenant's expense. Furthermore, no Rooftop Equipment may be used in any fashion which would cause any interference with the Building's voice and data communications systems and electronic data processing operation or any other antenna, radio system, or microwave dish on, at, or adjacent to or near the Building existing prior to the installation of Tenant's Rooftop Equipment. In the event any of the Rooftop Equipment and/or related conduit, equipment or facilities cause any such interference, Tenant shall discontinue the operation of the Rooftop Equipment within two (2) business days after receipt of written notice thereof until such time as such unreasonable interference is eliminated, if ever. From and after the expiration of such two (2) business day period, Tenant shall have thirty (30) days in which to eliminate such interference. If Tenant does not or cannot eliminate the interference within such thirty (30)-day period, Tenant shall discontinue all use of such Rooftop Equipment and all related equipment until such interference is eliminated, in Landlord's reasonable estimation.

6. Shuttle Bus Service. Subject to Force Majeure events, throughout the Term (including any renewals or extensions thereof), Landlord shall furnish shuttle bus service to (a) the major Metra train stations; and (b) the Lake Street Transfer CTA Station for the benefit of Tenant, any Permitted Transferee, any permitted assignees or subtenants, and their respective employees and contractors, in common with other tenants and occupants of the Building, at no charge to Tenant, any Permitted Transferee, or any permitted assignees or subtenants, or their respective employees or contractors. Such shuttle service shall operate during morning and evening commuting time periods of 7:30 a.m. – 9:30 a.m. and 4:30 p.m. – 6:30 p.m. on business days, with such service frequencies and capacities as may be reasonably determined by Landlord from time to time based on the actual demand for such services. Throughout the Term (including any renewals or extensions thereof), Landlord shall also run a shuttle service during lunch hours (11:30 AM-1:30 PM) throughout the Fulton Market neighborhood, with such service frequencies and capacities as may be reasonably determined by Landlord from time to time based on the actual demand for such services. All out-of-pocket costs for the shuttle bus service (net of any third party revenues derived therefrom) will be included in Operating Expenses, subject to the provisions of Section 4(C) (and any other relevant provisions) of the Lease. Except as otherwise expressly provided in this Section, such Building amenities shall be operated at no additional charge (other than inclusion in Operating Expenses as provided in this Lease) to Tenant, or any Permitted Transferee, or any permitted assignees or subtenants of Tenant or any of their respective employees or contractors. Notwithstanding anything apparently to the contrary contained herein, Landlord, in its sole and absolute discretion, shall have the right to modify or suspend shuttle bus service throughout the Term.

7. Building Amenities. Subject to Force Majeure events, throughout the Term (including any renewals or extensions thereof), Landlord shall install and operate within the Building, for the benefit of Building tenants and occupants, the following amenities: (a) a covered rideshare pick-up and drop-off point; (b) bike storage and lockers; (c) an amenity center with meeting rooms and indoor and outdoor seating areas; (d) fitness center; (e) rooftop outdoor and indoor seating and collaborative spaces, together with, an indoor and outdoor amenity center located on the 9th floor of the Building containing meeting spaces for up to 200 people and the provision of grab-and-go snacks and beverages (it being understood that Landlord or its operator of the amenity center may charge consumers for such food and beverages at such rates as it shall establish in its sole and absolute discretion and that such food service may be provided by vending machines offering fresh foods or substantially similar offerings and such vending machines may be in a location in the Building determined by Landlord, provided that such location must be in the common areas accessible to all tenants of the Building). Subject to Landlord's construction, repair and maintenance activities occurring on the 9th floor and Force Majeure, Landlord shall maintain the 9th floor amenities, and failure to do so shall entitle Tenant a reduction in Base Rent of 15%, unless in mostly all Comparable Buildings similar amenities have been discontinued and the space re-purposed. In no event shall Tenant have any right to terminate this Lease if Landlord fails to provide any of the amenities described in the immediately preceding sentence at any time during the Term. Notwithstanding anything apparently to the contrary contained herein, Landlord, in its sole and absolute discretion, shall have the right to modify or suspend the building amenities throughout the Term.

8. Identification of Tenant's Employees and Contractors. In connection with the exercise of the rights described in Sections 6 and 7 of this Rider, Landlord may require that employees and contractors of Tenant and of any permitted assignees or subtenants obtain such identification cards, keys or passes as Landlord generally uses with respect to such amenities. All Building amenities shall be made available to employees and contractors of Tenant, irrespective of whether (or the degree to which) any such individual employee or contractor actually occupies or uses office space in the Building, subject to the provisions of this Rider.

9. List of Approved Contractors and Service Providers. Landlord shall maintain a "white list" of approved vendors, service provider, contractors with respect to all maintenance and matters under the Lease, and shall make such list available to Tenant upon request. Tenant may engage any such person or firm identified on a current version of such list without the need for any additional approvals from Landlord.

EXHIBIT A

OUTLINE OF PREMISES

EXHIBIT B

RULES AND REGULATIONS

Subject to the Rules and Regulations Conditions and the other terms and conditions of the Lease, the following rules and regulations shall apply to the Premises, the Project, the Land and the appurtenances thereto:

1. Tenant, its servants, employees, customers, invitees, and guests shall not obstruct sidewalks, entrances, passages, corridors, vestibules, halls, elevators, or stairways in and about the Building which are used in common with other tenants and their servants, employees, customers, guests, and invitees, and which are not a part of the Premises of Tenant. Tenant shall not place objects against glass partitions or doors or windows which would be unsightly from the Building corridors or from the exterior of the Building and will promptly remove any such objects upon notice from Landlord.

2. Plumbing, fixtures and appliances shall be used only for the purposes for which designed, and no sweeping, rubbish, rags or other unsuitable material shall be thrown or deposited therein.

3. Except as otherwise provided in the Lease or any exhibits thereto, no signs, advertisements or notices shall be painted or affixed on or to any exterior facing windows or doors or other exterior part of the Building without the prior written consent of Landlord. Landlord shall have the right to prohibit any such affixed advertising by Tenant which in Landlord's reasonable opinion tends to impair the reputation of the Building or its desirability as a building for office use, and upon written notice from Landlord, Tenant shall refrain from or discontinue such affixed advertising. No curtains or other window treatments shall be placed between the glass and the Building standard window treatments. No awning or other projection shall be attached to the outside walls of the Building. Canvassing, soliciting, and peddling in the Building is prohibited and each tenant shall cooperate to prevent the same.

4. Tenant, its servants, employees, customers, invitees, and guests shall not smoke in the Building. In no instance shall Tenant, its servants, employees, customers, invitees, or guests smoke within twenty-five (25) feet of any Building entry or exit doors, wheelchair ramps serving the Building, operable windows, or fresh air intake vents.

5. Movement in or out of the Building of furniture or office equipment, or dispatch or receipt by tenants of any bulky material, merchandise or materials which require use of stairways, or movement through the Building entrances or lobby shall be in such a manner as is described in the Lease or as Landlord may otherwise reasonably approve.

6. All safes, equipment (including, without limitation, office, fitness center and kitchen equipment), or other heavy articles shall be carried in or out of the Premises or Building only at such time and in such manner as is described in the Lease or as shall be otherwise reasonably approved in writing by Landlord, and Landlord shall in all cases have the right to reasonably specify the proper position of any such safe, equipment, or other heavy article, which shall only be used by Tenant in a manner which will not interfere with or cause damage to the Premises or the Building in which they are located, or to the other tenants or occupants of the Building.

7. Landlord may reasonably prescribe weight limitations and determine the locations for safes and other heavy equipment or items, which shall in all cases be placed in the Building so as to distribute weight in a manner reasonably acceptable to Landlord which may include the use of such supporting devices as Landlord may reasonably require.

8. Corridor doors, when not in use, shall be kept closed. Nothing shall be swept or thrown into the corridors, halls, or stairways. Except as otherwise expressly permitted under the Lease or under Section 31 below, no birds, pets or animals shall be brought into or kept in, on or about any tenant's Premises. No portion of any tenant's Premises or the Building shall at any time be used or occupied as overnight sleeping quarters or lodging quarters. Except as is reasonably necessary in connection with the use of any bicycle storage room, no bicycle or other vehicle shall be allowed in offices, halls, corridors, or elsewhere in the Building, except as required by law.

9. Tenant shall reasonably cooperate with Landlord's employees in keeping its leased Premises neat and clean.

10. Floor penetration locations and sizes must be approved by Landlord prior to installation, such approval not to be unreasonably withheld, conditioned or delayed.

11. Tenant shall not make or permit any vibration or improper, objectionable or unpleasant noises or odors in the Building or otherwise unreasonably interfere in any way with other tenants or persons having business with them during normal business hours.

12. Except to the extent caused by the negligence or willful misconduct of, or breach of the Lease by, Landlord or Landlord's employees, agents or representatives, Tenant assumes full responsibility for protecting its space from theft, robbery, and pilferage, which includes keeping doors locked and other means of entry to the Premises closed and secured after Normal Building Hours. All entrance doors to the Premises shall be locked when the Premises are not in use.

13. All vehicles are to be currently licensed, in operating condition, parked for business purposes having to do with Tenant's business operated in the Premises, parked within designated parking spaces, one vehicle to each space. No vehicle shall be parked as a "billboard" vehicle in the parking lot. Any vehicle parked improperly may be towed away. Tenant, Tenant's agents, employees, vendors and customers who do not operate or park their vehicles as required shall subject the vehicle to being towed at the expense of the owner or driver. Landlord may place a "boot" on the vehicle to immobilize it and may levy a charge of $50.00 to remove the "boot."

14. No machinery or equipment (including, without limitation, kitchen equipment) of any kind (other than normal office equipment and trade fixtures and equipment installed by Landlord as part of the improvements delivered by Landlord, and except for equipment of the type described in the Lease or in Paragraph 23 below) shall be operated by Tenant in the Premises without Landlord's prior written consent, nor shall Tenant use or keep in the Building any flammable or explosive fluid or substance (other than typical office supplies [e.g., photocopier toner] used in compliance with all applicable Laws) except to the extent as designated by Tenant in accordance with the Lease.

15. No tenant may enter into or perform maintenance or repairs to electrical rooms, mechanical rooms, or other service areas of the Building unless accompanied by Landlord or the Building manager, provided, however, such restriction shall not apply with respect to any electrical rooms, mechanical rooms or other service areas of the Building to the extent such rooms contain equipment or systems exclusively servicing or used by the Premises, and if either (a) Landlord has not provided accompanied access within one (1) business day following the applicable tenant's request therefor and such access is necessary to enable the applicable tenant to comply with any obligations under its lease, or (b) there is an emergency threatening imminent harm to persons or property and access to such rooms or other areas is necessary to address such emergency, then, in the case of either (a) or (b), the applicable tenant may enter into such rooms or other areas unaccompanied by Landlord or the Building manager.

16. Intentionally Deleted.

17. Tenant shall give immediate notice to Landlord in case of any known emergency at the Premises affecting the Project or its tenants or occupants.

18. Any carpeting glued down by Tenant shall be installed with a releasable adhesive. In the event of a violation of the foregoing by Tenant, Landlord may charge the reasonable expense incurred by such removal to Tenant at the expiration or prior termination of the Lease.

19. No new electric panels or transformers for any purpose shall be brought into the leased Premises without Landlord's written permission specifying the manner in which same may be done.

20. Tenant shall not unreasonably waste electricity, water, or air conditioning and shall reasonably cooperate with Landlord to insure the most effective operation of the Building's heating and air conditioning systems, and shall refrain from attempting to adjust any controls other than unlocked room thermostats or other devices, if any, installed for Tenant's use.

21. In no event shall Tenant bring into the Building flammables, such as gasoline, kerosene, naphtha and benzene, or explosives, or any other article of intrinsically dangerous nature (other than typical office supplies [e.g., photocopier toner] used in compliance with all applicable Laws) other than as necessary in conduct of Tenant's business and identified to Landlord. If, by reason of the failure of Tenant to comply with the provisions of this subparagraph, any insurance premium for all or any part of the Building shall at any time be increased, Tenant shall make immediate payment of the whole of the increased insurance premium attributable to such failure, without waiver of any of Landlord's other rights at law or in equity for Tenant's breach of this Lease.

22. Intentionally Deleted.

23. Tenant and visitors of Tenant shall have the right to operate microwave ovens, toaster ovens, refrigerators, ice makers, vending machines and coffee makers exclusively for the benefit of its employees, permitted occupants and their respective visitors.

24. Intentionally Deleted.

25. Tenant will insure that all large deliveries to the Premises are coordinated with property management and made through such entrances, elevators and corridors and at such times as may from time to time be reasonably designated by Landlord; provided, however, for clarity, the foregoing obligation does not extend to or include routine catering services, UPS, FedEx, U.S. Post Service or comparable courier or messenger deliveries. Such deliveries may not be made through any of the main entrances to the Building with Landlord's prior permission. Tenant will use or cause to be used, in the Building, hand trucks or other conveyances equipped with rubber tires and rubber side guards to prevent damage to the Building or property in the Building.

26. Tenant will insure that furniture and equipment and other bulky matter being moved to or from the Premises are moved through such entrances, elevators and corridors and at such times as may from time to time be reasonably designated by Landlord, and by movers or a moving company reasonably approved by Landlord.

27. Tenant requirements and requests for services or work will be reasonably considered only following written application to property management; provided, however, the foregoing shall not apply to any services or work required to be performed by Landlord under the Lease. Building employees shall not be requested to perform, and shall not be requested by any tenant to perform, any work outside of regular duties, unless under specific instructions from Landlord.

28. Parking Rules:

(a) Cars must be parked within the stall lines painted on the floor.

(b) All directional signs and arrows must be observed.

(c) The speed limit shall be ten (10) miles per hour.

(d) Parking is prohibited in areas not striped for parking, aisles, areas where "No Parking" signs are posted, in cross hatched areas and in such other areas as may be reasonably designated by Landlord or Landlord's agent(s) including, but not limited to, areas designated as "Visitor Parking" or reserved spaces not rented under this Lease.

(e) Every patron is required to park and lock his or her own car. All responsibility for damage to cars or persons or loss of personal possessions is assumed by the patron.

(f) Spaces which are designated for small, intermediate or full-sized cars shall be so used. No intermediate or full-size cars shall be parked in parking spaces limited to compact cars.

(g) No overnight parking is allowed without the prior written consent of the Landlord, unless the vehicle owner is then in the Premises.

(h) Tenant and patron(s) will immediately vacate the parking facilities and remove all vehicles upon Landlord's request in order to facilitate evacuations during any applicable times of danger.

29. Tenant and Tenant's servants, employees, agents, visitors, and licensees shall observe faithfully and comply in all material respects with the foregoing Rules and Regulations and such other and further appropriate rules and regulations as Landlord or Landlord's agent may from time to time reasonably adopt, provided, that same do not conflict with or limit the rights of Tenant pursuant to the Lease and so long as the same otherwise satisfy the Rules and Regulations Conditions under the Lease.

30. Landlord reserves the right to rescind any of these Rules and Regulations and to make such other further Rules and Regulations as in its reasonable judgment will from time to time be needful for the safety, protection, efficiency, care and cleanliness of the Premises, Building, the Garage, and the Land, the operation thereof, the preservation of good order therein, and the protection and comfort of the tenants and their agents, employees, licensees and invitees, which Rules and Regulations, when made and written notice thereof if given to a tenant, shall be binding upon it in like manner as if originally set forth herein, provided, that same do not conflict with or limit the rights of Tenant pursuant to the Lease and so long as the same otherwise satisfy any conditions regarding Rules and Regulations under the Lease.

31. Notwithstanding anything to the contrary contained elsewhere in the Lease or the Rules and Regulations, Tenant's right to bring into the Project, the Land and the Premises fully domesticated and trained dogs kept by the Tenant's employees or contractors as pets ("**Permitted Dogs**") shall be subject to compliance with the below conditions:

(a) In no event shall Tenant permit any "Dangerous Breeds", as that term is defined below, to enter the Premises or the Building. For the purposes herein, "Dangerous Breeds" shall include, without limitation, the following breeds: Pit Bull Terrier, Rottweiler, Boxer, Chow, Presa Canario, German Shepherd, Alaskan Malamute and Doberman Pinscher; provided, however, with respect to German Shepherds, and Alaskan Malamutes, Tenant shall be permitted to bring up to one (1) dog of each breed into the Premises as Permitted Dogs;

(b) All Permitted Dogs shall be strictly controlled at all times and shall not be permitted to foul, damage or otherwise mar any part of the Premises or the Building;

(c) Within ten (10) business days after Landlord's request, which may be made from time to time, Tenant shall provide Landlord (which may be done via e-mail) with evidence of all current vaccinations (including rabies) and reasonable evidence of flea treatment or regimen, if reasonably required by Landlord for Permitted Dogs having access to the Premises;

(d) Tenant shall be responsible for any additional cleaning costs and all other costs which may arise from the presence of the Permitted Dogs in the Premises in excess of the costs that would have been incurred had the Permitted Dogs not been allowed in or around the Premises and any soiling or damage caused by any Permitted Dog in the Premises or the common areas (including the parking areas, exterior landscaping and sidewalks) is the sole responsibility of Tenant;

(e) Intentionally Deleted;

(f) Tenant shall only use reasonably approved areas specified by Landlord from time to time to exercise and allow Permitted Dogs to relieve themselves;

(g) All waste must be disposed of in a sealed bag in the appropriate receptacle, which shall be provided and regularly emptied by Landlord;

(h) The owner of each Permitted Dog must have sanitary waste remover (bag, scoop, etc.) on them at all times while with its Permitted Dog outside of the Premises;

(i) Tenant shall immediately remove any waste and excrement of any Permitted Dogs (brought on the Premises by Tenant) from the Premises and common areas, exterior landscaping and sidewalks;

(j) Intentionally Deleted;

(k) The total number of Permitted Dogs allowed in the Premises at any one time shall not exceed fifteen (15) per full floor of the Premises or the maximum number permitted by applicable law, whichever is less;

(l) Permitted Dogs shall enter and leave the Premises solely by means of the freight elevator and the sole access points to the freight elevator from outside of the Premises for transport of Permitted Dogs shall be the direct path to the freight elevator;

(m) Permitted Dogs shall not be tied to any fixed object outside of the Premises, including patio areas, walkways, stairs, stairwells, parking lots, grassy areas, or any other parts of the Project;

(n) Tenant shall comply with all applicable laws, ordinances and other legal requirements associated with or governing the presence of the Permitted Dogs or other dogs brought onto the Premises by Tenant or any of Tenant's employees on the Premises and such presence shall not violate the certificate of occupancy;

(o) Permitted Dogs may not access, walk through or otherwise use the common area amenities, including without limitation the common restrooms, any fitness center, conference rooms or courtyard;

(p) Permitted Dogs may not unreasonably loiter in any common areas, including without limitation the building lobby, common corridors, exterior grounds other than specifically designated areas for pets to relieve themselves and exercise. Access is only allowed in these areas as a direct path of travel between the Premises, parking areas and designated outdoor areas;

(q) Promptly following a written request from Landlord, Tenant must provide Landlord with a list of employees with a Permitted Dog and a description of each Permitted Dog that is to be allowed into the Premises.

(r) Permitted Dogs will not be permitted in any portion of the Building located on a tenant floor upon which Tenant does not lease rentable area unless a dog amenity is located on such floor by Landlord;

(s) All Permitted Dogs must be on a leash at all times when outside the Premises;

(t) Tenant shall take reasonable precautions so that Permitted Dogs with fleas and/or other infections or open wounds are not allowed into the Building;

(u) Pet odors and/or poor behavior (for example, aggression or loud barking) by any Permitted Dog will not be tolerated and, following written notice and a reasonable opportunity to cure, any dog exhibiting such behavior will be barred from entering the Building in the future; provided, however, if a Permitted Dog is creating a dangerous situation no opportunity to cure will be provided;

(v) If Tenant fails to comply with its cleaning obligations hereunder following written notice and reasonable opportunity to cure, Landlord shall have the right, as its sole remedy, to utilize special cleaning services to remedy any soiling or damage caused by Permitted Dogs and Tenant shall reimburse Landlord the cost thereof within thirty (30) days after written demand; provided, however, Landlord will not be required to provide Tenant with more than two (2) written notices and opportunities to cure within any twelve (12) month period within the Term before Landlord exercises the foregoing right to utilize special cleaning services;

(w) Tenant's Permitted Dogs must have all licenses required by all applicable laws and ordinances and those licenses must be current and attached to the Permitted Dog so as to be visible;

(x) Landlord may require Tenant to remove any carpet (that has been soiled or stained by Permitted Dogs and cannot be reasonably restored through customary cleaning) at Tenant's expense at the end of the Term;

(y) Terms of these Pet Rules and Regulations are subject to reasonable change on written notice to Tenant at Landlord discretion so long as such modifications comply with the Rules and Regulations Conditions; and

(z) Tenant shall not allow any dog food, milk, water or other food or drink for the Permitted Dogs to remain in open bowls or containers at any time that no Permitted Dog is in the Premises.

Notwithstanding anything in the Lease Agreement to the contrary, in the event an individual violates the provisions of this Paragraph 31, then, upon notice from Landlord, that individual may no longer bring a Permitted Dog in the Building.

Notwithstanding anything in this **Exhibit B** to the contrary, to the extent that there is any inconsistency between the provisions of the Lease and these Rules and Regulations, the provisions of the Lease shall control.

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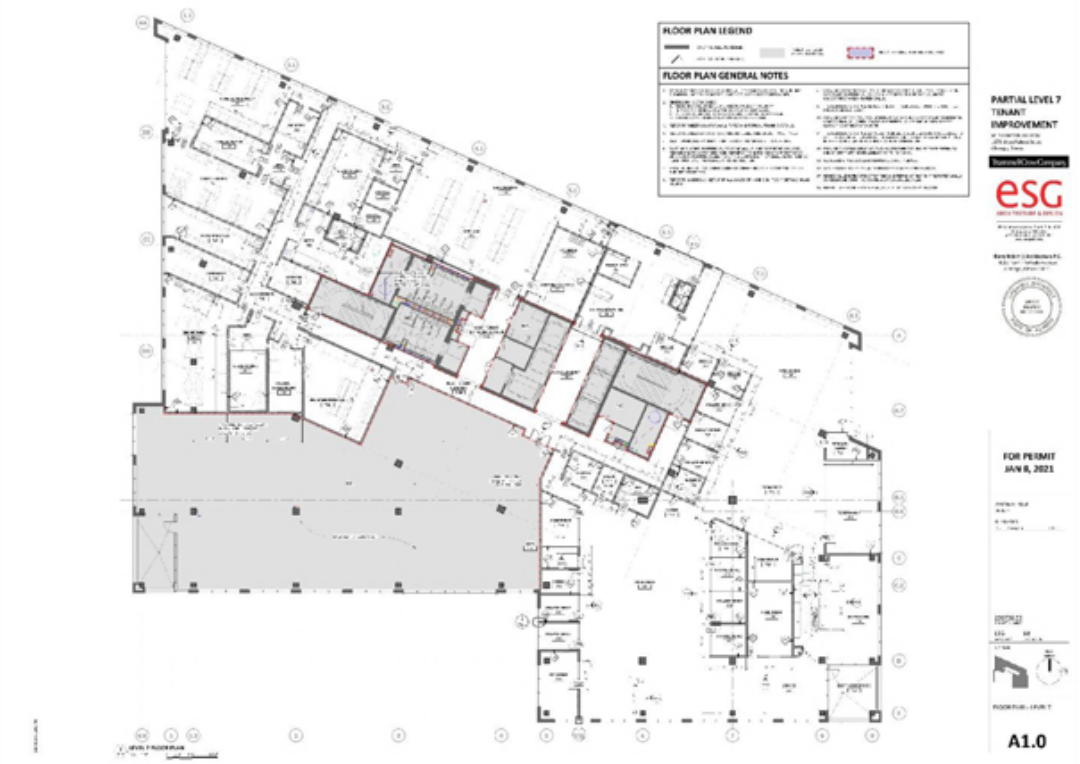
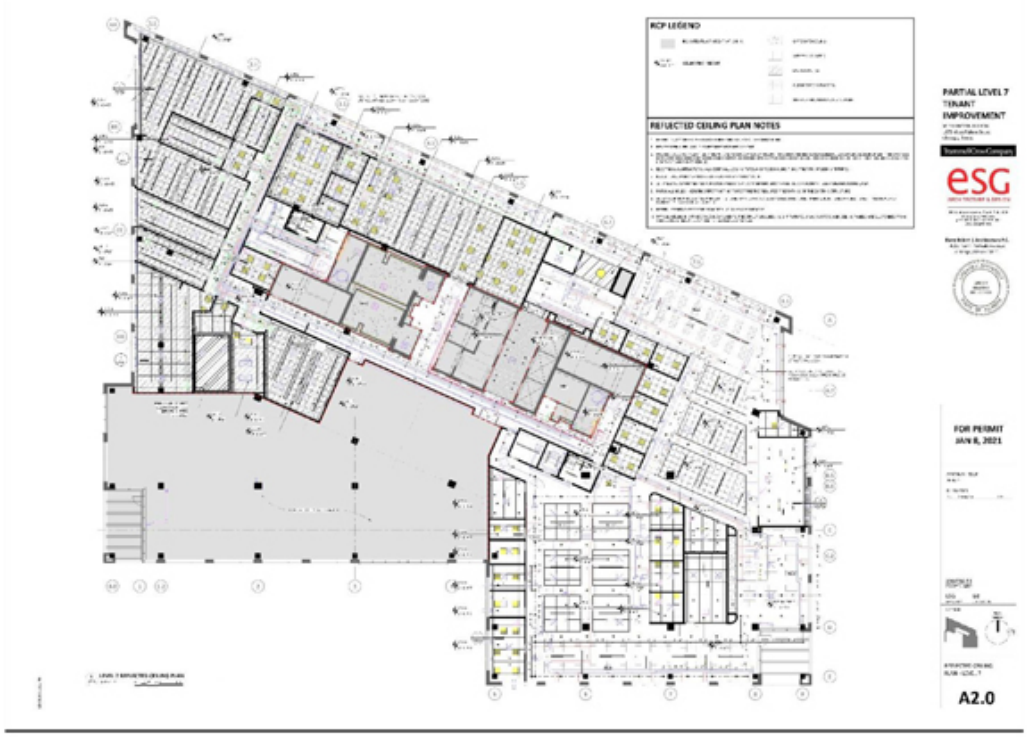
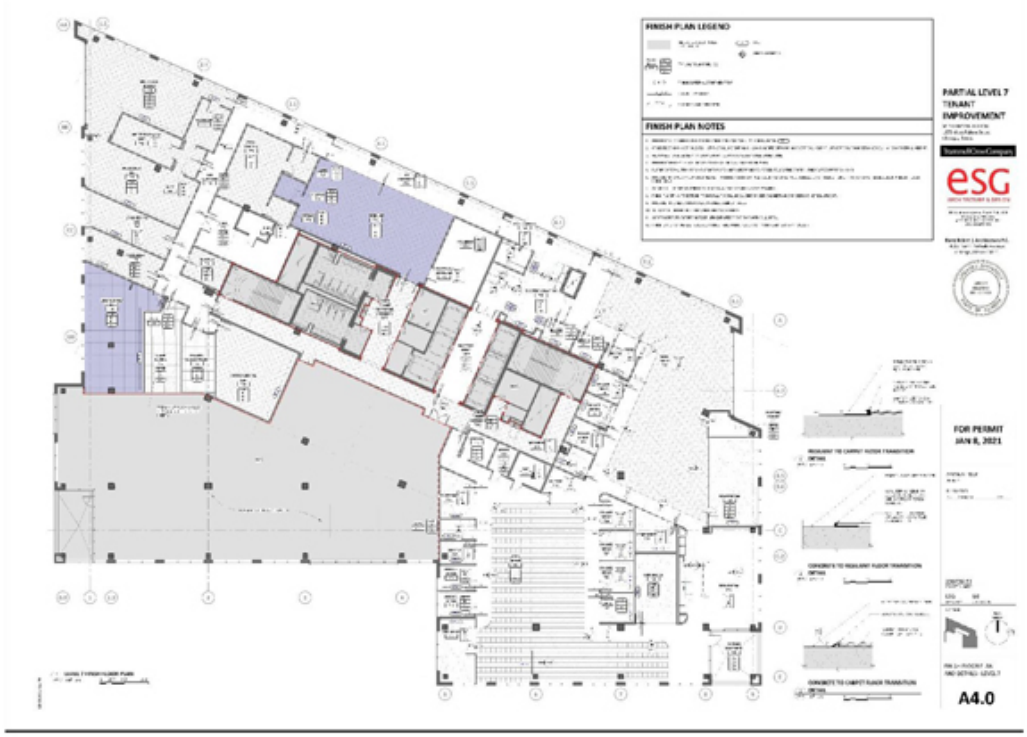
EXHIBIT C

LANDLORD WORK SPECIFICATIONS




RCP LEGEND
REFLECTED CEILING PLAN NOTES
PARTIAL LEVEL 7
TENANT
IMPROVEMENT
esg
FOR PERMIT
JAN 8, 2021
A2.0


FFE PLAN LEGEND
FFE PLAN NOTES
PARTIAL LEVEL 7
TENANT
IMPROVEMENT
esg
FOR PERMIT
JAN 8, 2021
A3.0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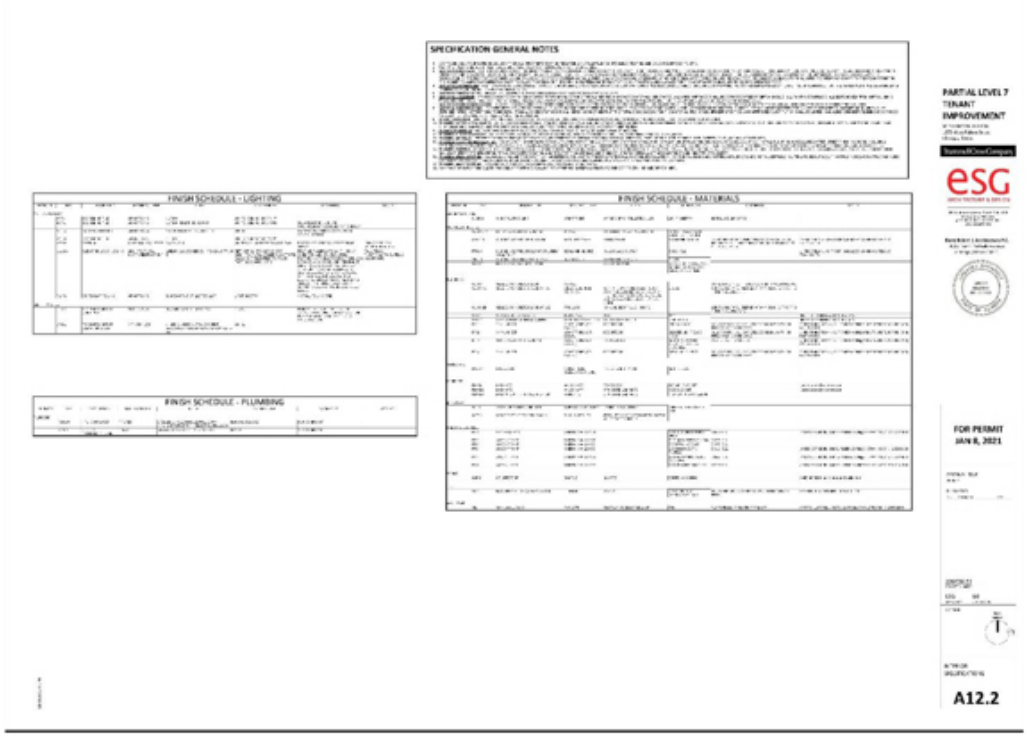
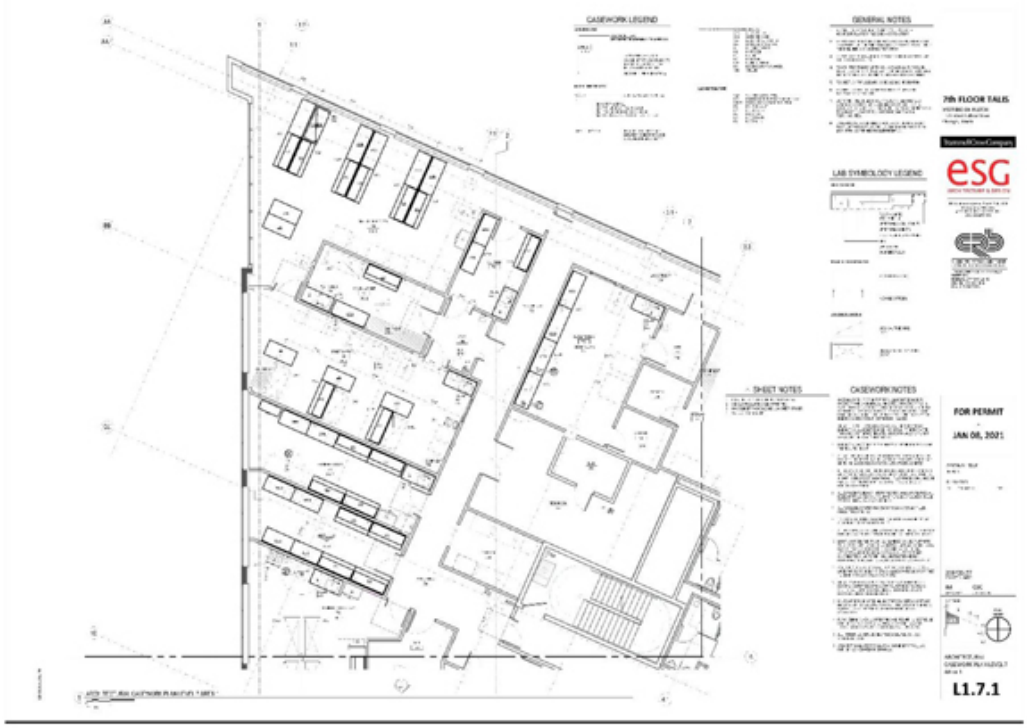
FINISH PLAN NOTES
PARTIAL LEVEL 7
TENANT
IMPROVEMENT
esg
FOR PERMIT
JAN 8, 2021
A4.0


SPECIFICATION GENERAL NOTES
FINISH SCHEDULE - LIGHTING
FINISH SCHEDULE - MATERIALS
FINISH SCHEDULE - PLUMBING
PARTIAL LEVEL 7
TENANT
IMPROVEMENT
esg
FOR PERMIT
JAN 8, 2021
A12.2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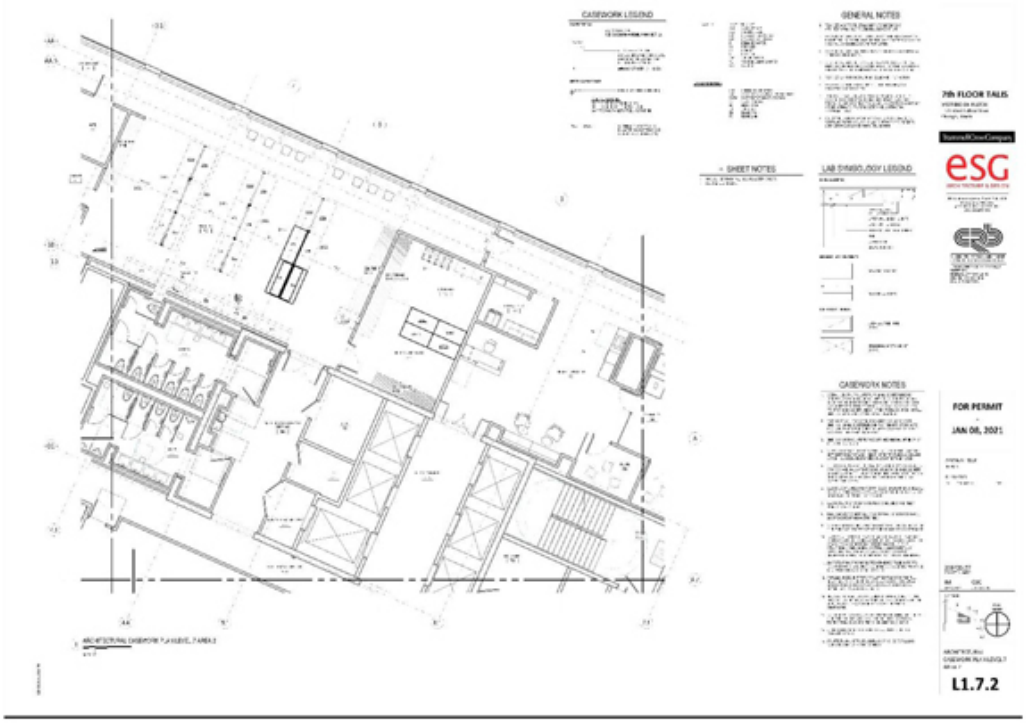
GENERAL NOTES
LAB SYMBOLOGY LEGEND
SHEET NOTES
CASEWORK NOTES
7th FLOOR TALIS
esg
FOR PERMIT
JAN 08, 2021
L1.7.1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esg
FOR PERMIT
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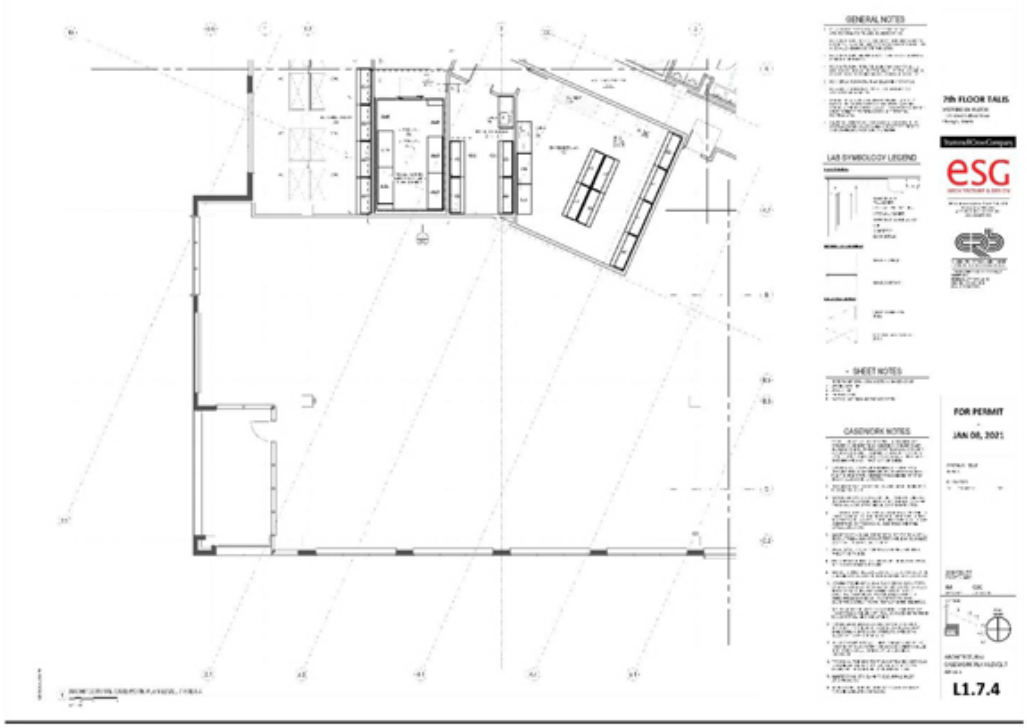
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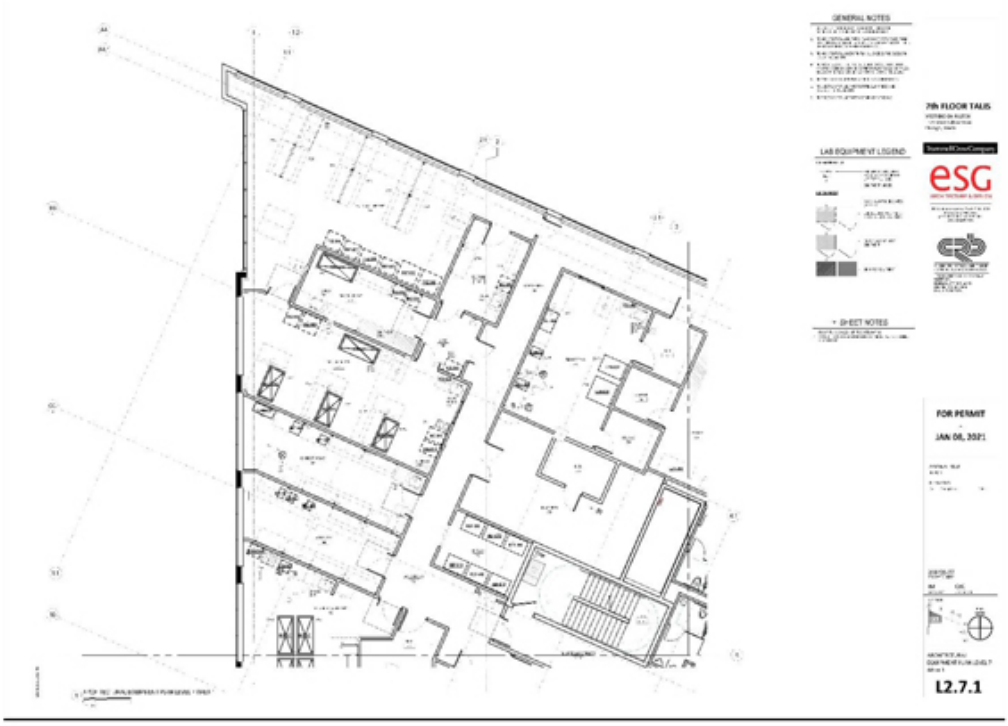
SHEET NOTES
CASEWORK NOTES
7th FLOOR TALIS
esg
FOR PERMIT
JAN 08, 2021
L1.7.4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LAB EQUIPMENT LEGEND
SHEET NOTES
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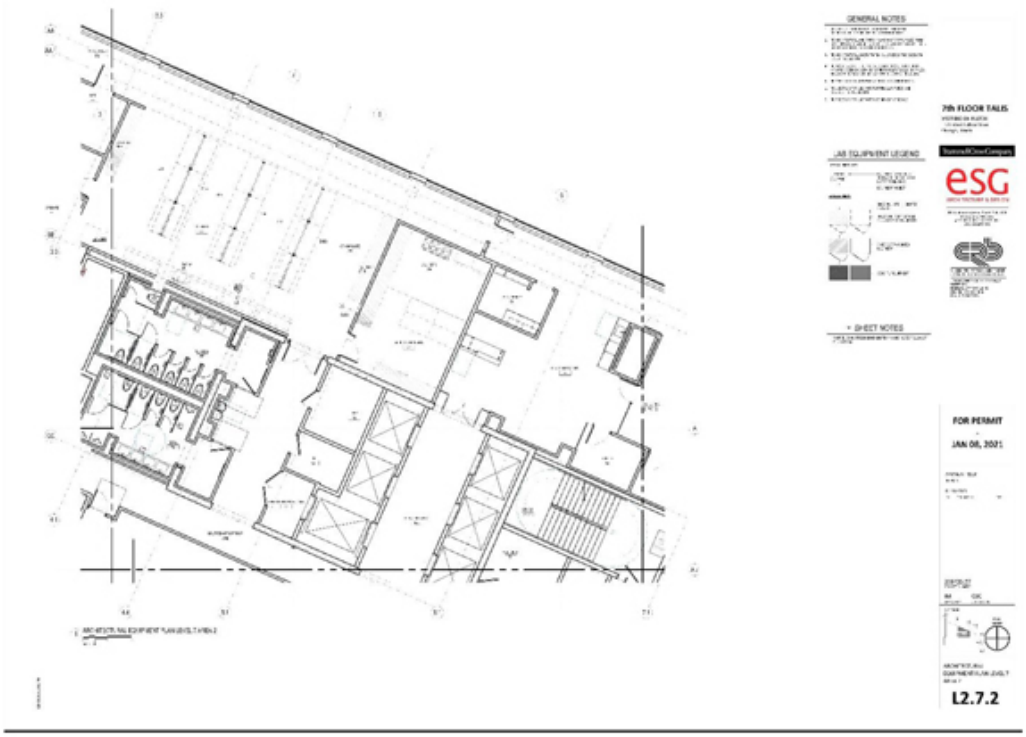
FOR PERMIT
JAN 08, 2021
L2.7.1


GENERAL NOTES
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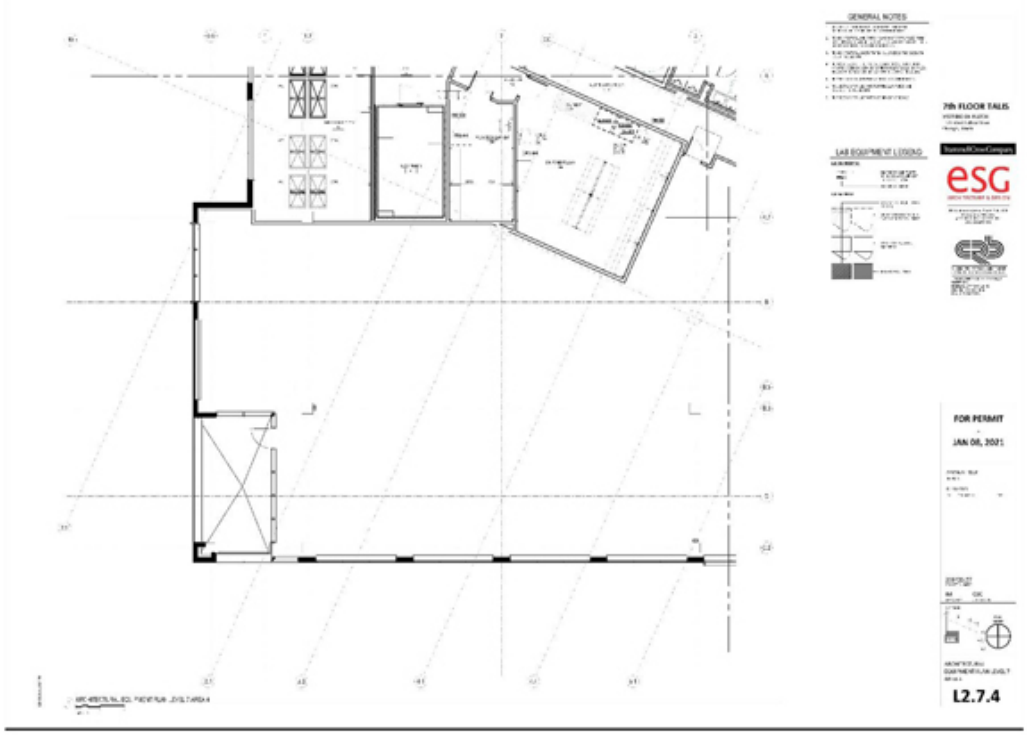
LAB EQUIPMENT LEGEND
SHEET NOTES
esg
FOR PERMIT
JAN 08, 2021
L2.7.2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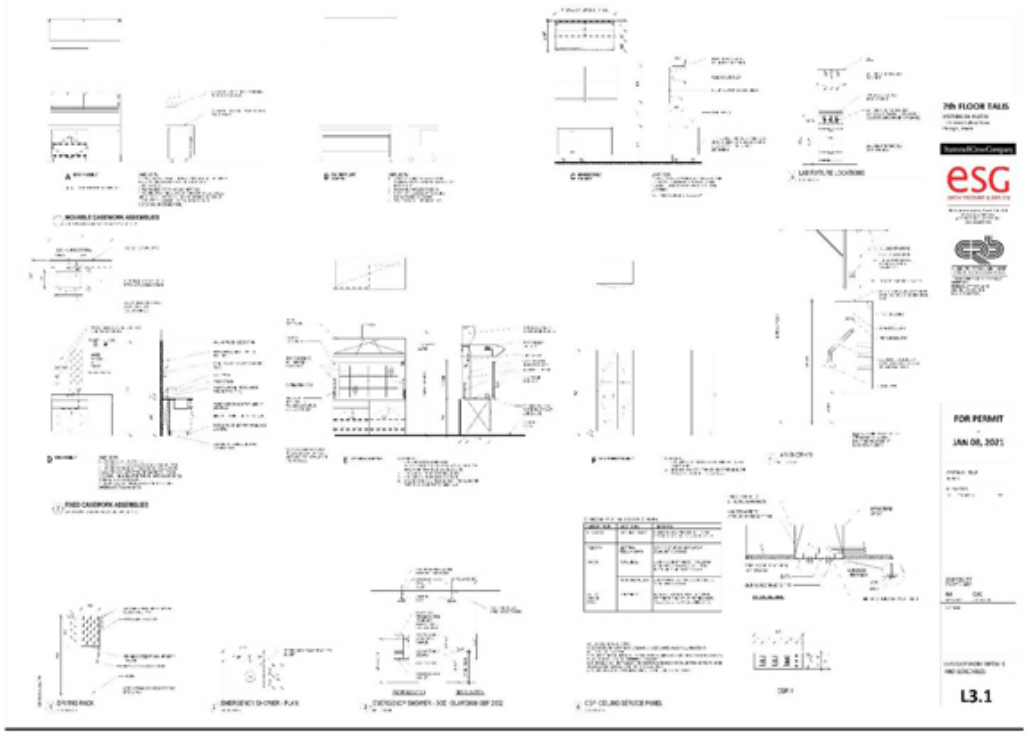
esg
FOR PERMIT
JAN 08, 2021
L2.7.4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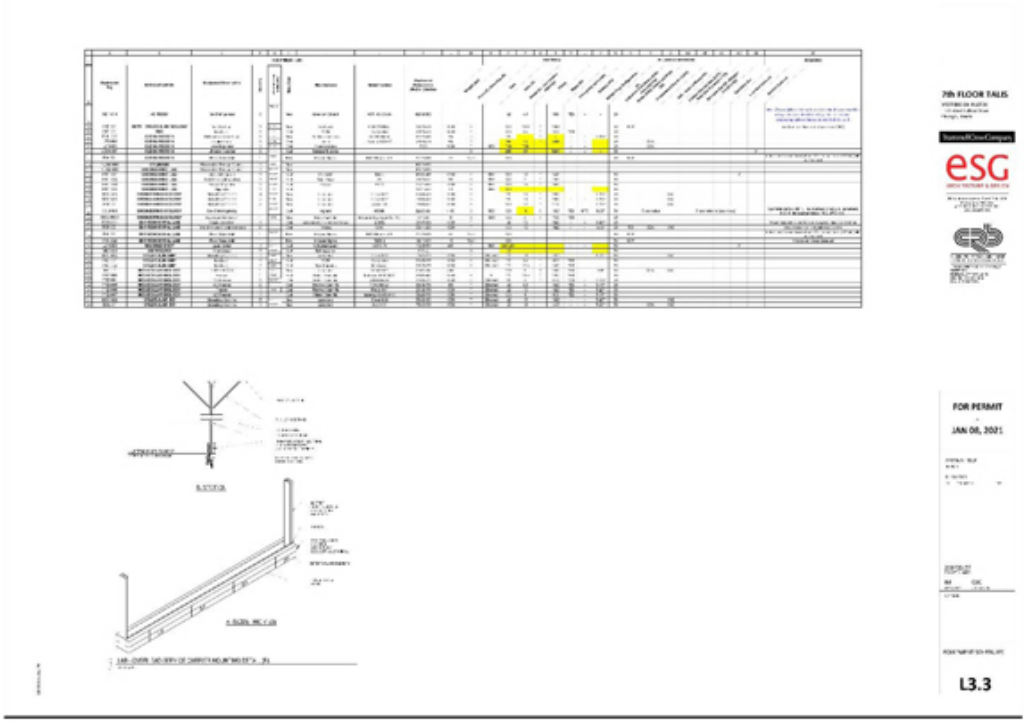
esg
FOR PERMIT
JAN 08, 2021
L3.1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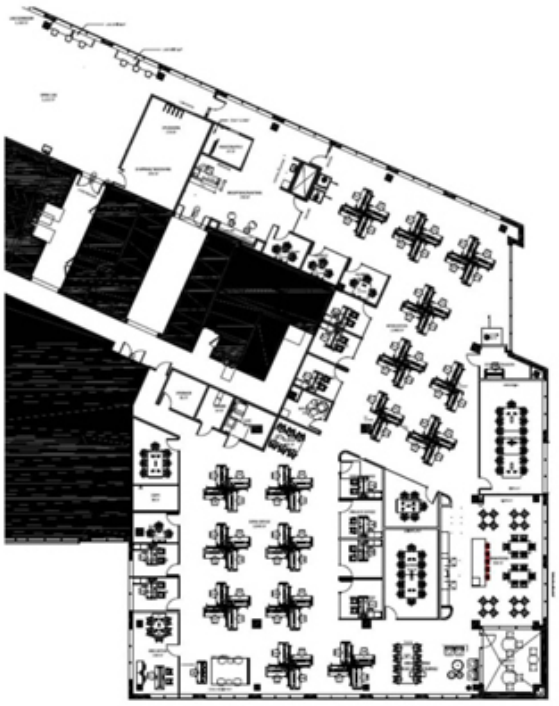
esg
FOR PERMIT
JAN 08, 2021
L3.3

Floor Plans



Workstation

WS-1 Option A

Very White Paint

Coastal Elm Laminate

Carrera Felt

Teknion | Cityline Fixed Height Table

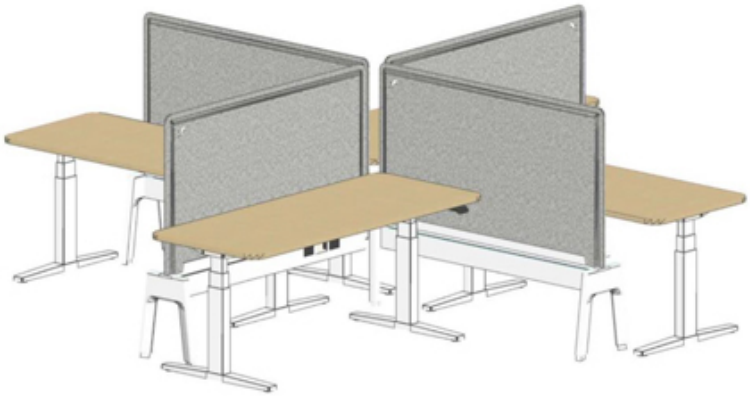
30" d x 72"W Surface

Panel height 51"

office revolution

Workstation

WS-1 Option B



Very White Paint

Campus Oak

Carrera Felt

Teknion | Cityline Fixed Height Table

30" d x 72"W Surface

Panel height 51"

office revolution

Private Office | HiSpace w Storage

PO-1 Option A

Very White Paint

Coastal Elm Laminate

Teknion | Height Adjustable Table

Campus Oak Laminate 13"H Modesty Panel
Credenza with Hinged Door and Box Box File
Height Adjustable Table with Display Toggle w/ Memory & Navigate GPS

office revolution

Private Office | HiSpace w Storage

PO-1 Option B

Very White Paint

Campus Oak

Teknion | Height Adjustable Table

Campus Oak Laminate 13"H Modesty Panel
Credenza with Hinged Door and Box Box File
Height Adjustable Table with Display Toggle w/ Memory & Navigate GPS

office revolution

Task Chair

CH-1

OFS | Sladr

Maharam Murmur
Cauldron 006

Dove
Seating Mesh

Graphite
Base Frame Finishes

office revolution

Guest Chair

CH-2

MAD | Lolli

office revolution

Small and Medium Conference Room Table

TB-1 , TB-2, TB-3, TB-4

Coastal Elm Laminate or Campus Oak
(pending workstation finish selection)

Ebony Base

Teknion | Workshop

office revolution

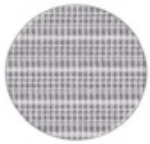
Conference/Huddle Chair

CH-3

Sit On It | Wit Midback

Fixed arms

Momentum Origin Alloy



Striped Fog Mesh

Black Frame

office revolution

Huddle Room Wedge Table

TB-5

Coastal Elm Laminate or Campus Oak
(pending workstation finish selection)

Ebony Base

Teknion | Expansion

This will not be height adjustable – photo for reference only

office revolution

Collab Rectangle Table

TB-6

Howe

Top: L310 White

Base: W3-Oak

office revolution

Phone Booth

ST-1

National | Weitz

Input | Jet

AC-1

Solo | Zenbooth

office revolution

Phone Booth

AC-2

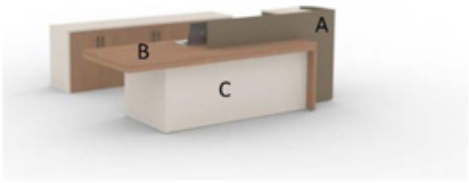
Double | Zenbooth

office revolution

Reception

R-1

guest perspective



receptionist perspective

A
Wilsonart
Traceless MIDNIGHT Velvet
15506-31

B
Wilsonart
New Age Oak 7938
WA-7938-Fine Velvet Texture Vertical Grade

C
Arborite
P124-CA
Tatami Nezumi +

office revolution

Reception

CH-4

Allermuir | Kin

Clear Ash

Ultrafabrics, Brisa Original Ash
533-5802

Reception Table

TB-7

WCI | Kone
24" dia

Top
Jett Black LJB by Nevermar

Edge Detail
Facet Self Edge
LFSE

Column Detail
Natural Ash

Base
Matte Black

office revolution

Reception Reupholstered Sofa

SF-1

Allsteel Sofa

Gamut
Finch
3468-204

office revolution

Collaboration Area

CH-5

Teknion | Variable

Frame
Light Grey

Fleck Forge
Carbide 7016

office revolution

Collaboration Lounge

CH-6

Blu Dot | Bloke
Ochre Velvet

CH-7

Blu Dot | Bloke
Rostenkowski Blue

Collaboration Lounge Tables

TB-8, TB-9, TB-10

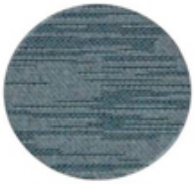
Blu Dot | Plateau Tables

Coffee table, Medium Table and Side Table

Wellness Room

TB-11, CH-8

Blu Dot | Note



Luum Ephemera 4065
Halcyon

Allermuir | Open High Back
Lounge & Ottoman

office revolution

Breakroom

CH-9

Allermuir | Casper

Maharam Lariat
Alabaster

Frame
Slate Grey

Breakroom

ST-2

Leland | Omena Bar Stool

*at island with glides

Transparent
White Wash

Maharam Lariat
Alabaster

office revolution

Breakroom

TB-12, TB-13

Howe | Tempest

Rectangular Top
Formica Liquid Glass

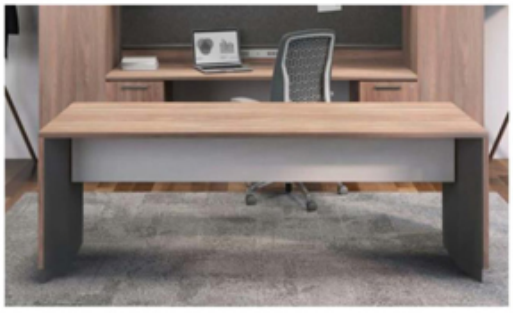
Round Top
VU3 Oak

Black Base B7

office revolution

CEO Office

PO-1



Teknion | Expansion- Flintwood

Teknion | Expansion-Flintwood
*2 laterals priced

Frame
Light Grey

Fleck Forge
Carbide 7016

CH-7

Teknion | Variable

TB-14

Teknion | Workshop

CEO Waiting / Exec. Assistant

CH-7

Blu Dot | Bloke
Rostenkowski Blue

TB-15

Blu Dot | Plateau Tables

office revolution

Rugs

West Elm Indra Rugs
8x10
Qty.2

office revolution

Outdoor

OC-1, OT-1, OST-1, OT-2

Blu Dot | Skiff Outdoor Tables
Loll Designs | Fresh Air Barstool
Loll Designs | Emin Dining Chair

Fresh Green Chairs

White Tables

office revolution

Lab

TB-16

Watson | C9

Top:
Field Elm

Bottom:
Satin Grey

office revolution

Lab

ST-3

Task Stool
Black Vinyl
$254

office revolution

office revolution

Thank You

Contact

Tara Bernal
Business Development
224.343.7826
tbernal@office-revolution.com

Furnishing
Beautiful
Spaces

Offices

Headquarters
Bannockburn, IL

Illinois
Chicago, IL

North Carolina
Raleigh, NC

Ohio
Columbus, OH

EXHIBIT D

CONFIRMATION OF LEASE TERMS AND DATES

Re: Lease (the "Lease") dated _____, made by and between FULTON OGDEN VENTURE, LLC, a Delaware limited liability company ("**Landlord**"), and TALIS BIOMEDICAL CORPORATION., a _____ corporation ("**Tenant**") for the premises located at Suite 700, 1375 West Fulton Market, Chicago, Illinois ("**Premises**")

The undersigned, as Tenant, hereby confirms as of the date executed below, the following:

1. The Premises contains _____ rentable square feet of space, and the Building contains _____ rentable square feet, both of which are the final agreement of the parties and not subject to adjustment.

2. The Commencement Date is hereby deemed to be _____

3. The Expiration Date is hereby deemed to be: _____

4. The rent schedule set forth in Section 1.12 of the Lease is hereby deemed to be:

Months	Annual Base Rent/RSF*	Annual Base Rent	Monthly Installment
1-12	$ _____	$_____	$ _____
13-24	$ _____	$_____	$ _____
25-36	$ _____	$_____	$ _____
37-48	$ _____	$_____	$ _____
49-60	$ _____	$_____	$ _____

5. All alterations and improvements required to be performed by Landlord pursuant to the terms of the Lease to prepare the entire Premises for Tenant's initial occupancy have been satisfactorily completed. As of the date hereof, Landlord has fulfilled all of its obligations under the Lease. The Lease is in full force and effect and has not been modified, altered, or amended. There are no offsets or credits against Rent.

TENANT:

TALIS BIOMEDICAL CORPORATION,
a Delaware corporation

By: _____
Name: _____
Title: _____

Date executed: _____

EXHIBIT E

FORM OF SNDA

[ATTACHED]

EXHIBIT E

FORM OF SNDA

CSFV FULTON OGDEN LENDER, LLC
c/o COX, CASTLE & NICHOLSON LLP
2029 CENTURY PARK EAST
SUITE 2100
LOS ANGELES, CALIFORNIA 90067
ATTENTION: JOHN M. TROTT, ESQ.

PERMANENT TAX INDEX NUMBERS:

17-08-318-010-0000
17-08-318-011-0000
17-08-318-012-0000
17-08-318-013-0000
17-08-318-014-0000
17-08-318-029-0000
17-08-318-032-0000
17-08-318-035-0000
17-08-318-034-0000

PROPERTY ADDRESS:

235 North Ogden Avenue
Chicago, Illinois

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement") executed on the date(s) indicated on each acknowledgment, but to be effective as of January __, 2021, by and among CSFV FULTON OGDEN LENDER, LLC, a Delaware limited liability company (hereinafter referred to as "Lender"), TALIS BIOMEDICAL CORPORATION, a Delaware corporation, (hereinafter referred to as "Tenant"), and FULTON OGDEN VENTURE, LLC, a Delaware limited liability company (hereinafter referred to as "Landlord").

STATEMENT OF BACKGROUND

Landlord and Tenant entered into that certain unrecorded Lease (hereinafter referred to as the "Lease") dated January __, 2021, executed by Landlord and Tenant, relating to the premises described therein (hereinafter referred to as the "Premises") and being part of the Property (as hereinafter described). Lender has made or has committed to make a loan to Landlord in the approximate principal amount of $94,000,000.00 secured by a deed of trust, mortgage or security deed (hereinafter referred to as the "Mortgage") being recorded in the Official Records of Cook County, Illinois on May 20, 2019 as Document No. 1914057059 covering certain property described in Exhibit A attached hereto and by this reference made a part hereof (the "Property") including the Premises. Tenant has agreed that the Lease shall be subject and subordinate to the Mortgage held by Lender, provided Tenant is assured of continued occupancy of the Premises under the terms of the Lease;

STATEMENT OF AGREEMENT

For and in consideration of the mutual covenants herein contained, the sum of Ten Dollars ($10.00) and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, and notwithstanding anything in the Lease to the contrary, it is hereby agreed as follows:

1. Lender, Tenant and Landlord do hereby covenant and agree that the Lease with all rights, options (including options to acquire or lease all or any part of the Premises), liens and charges created thereby, is and shall continue to be subject and subordinate in all respects to the Mortgage and to any renewals, modifications, consolidations, replacements and extensions thereof and to all advancements made thereunder upon the terms and conditions set forth herein.

2. Lender does hereby agree with Tenant that, in the event Lender becomes the owner of the Premises by foreclosure, conveyance in lieu of foreclosure or otherwise, so long as Tenant is not in default under the Lease beyond all applicable notice and cure periods, (a) the Lease shall continue in full force and effect as a direct Lease between the succeeding owner of the Property and Tenant, upon and subject to all of the terms, covenants and conditions of the Lease, for the balance of the term of the Lease, and Lender will not disturb the possession of Tenant, and (b) the Premises shall be subject to the Lease and Lender shall recognize Tenant as the tenant of the Premises for the remainder of the term of the Lease in accordance with the provisions thereof; provided, however, that Lender shall not (i) be subject to any claims, offsets or defenses which Tenant might have against any prior landlord (including Landlord) except as set forth in Section 3 below; (ii) be liable for any act or omission of any prior landlord (including Landlord), other than (x) to cure defaults of a continuing nature with respect to the maintenance or repair of the Premises or the Property, or as to which notice of default had previously been delivered to Lender and (y) to correct any conditions that existed as of the date of the attornment which violate the obligations of successor as landlord under the Lease; (iii) be bound by any rent or additional rent which Tenant might have paid for more than one month in advance or any security deposit or other prepaid charge paid to any prior landlord (including Landlord), unless such monies are received by or credited to Lender, (iv) be bound by any amendment or modification of the Lease made without its written consent, except for (1) any amendment or modifications of the Lease which memorializes Tenant's exercise of any rights granted under the Lease; (2) any amendment which is not material where a "material" amendment means one which reduces the rent or term, otherwise increases or decreases the size of the Premises, modifies the operating expenses reimbursements payable by Tenant (other than as a result of any audit which Tenant may undertake), or increases adversely Landlord's obligations under the Lease, or (3) an amendment or modification made or effected pursuant to the express terms of the Lease. Nothing contained herein shall prevent Lender from naming Tenant in any foreclosure or other action or proceeding initiated by Lender pursuant to the Mortgage to the extent necessary under applicable Law in order for Lender to avail itself of and complete the foreclosure or other remedy, provided Tenant's rights under the Lease are not disturbed in any way and the Lease remains in full force and effect as a direct Lease between the succeeding owner of the Property and Tenant. Further, the foregoing shall in no event be interpreted to waive any offset or defense which Tenant may have, to the extent the same may arise in connection with circumstances arising or continuing after the date of Lender's succession to the interest of Landlord.

3. Tenant does hereby agree with Lender that, in the event Lender becomes the owner of the Premises by foreclosure, conveyance in lieu of foreclosure or otherwise, then Tenant shall attorn to and recognize Lender as the landlord under the Lease for the remainder of the term thereof, and Tenant shall perform and observe its obligations thereunder, subject only to the terms and conditions of the Lease. Tenant further covenants and agrees to execute and deliver upon request of Lender an appropriate agreement of attornment to Lender and any subsequent titleholder of the Premises in form reasonably acceptable to Tenant.

4. Tenant acknowledges that Landlord will execute and deliver to Lender an assignment of the Lease as security for said loan, and Tenant hereby expressly consents to such assignment. Tenant agrees to notify Lender of any default(s) by Landlord under the Lease, if and as required in the Lease; and Lender shall have the same right to cure such default(s) as is provided to Landlord under the Lease.

5. Lender acknowledges the provisions of the Workletter that is part of the Lease relating to construction of the Landlord Work and any other improvements to the Premises, Landlord's obligations thereunder, and Tenant's rights of offset related thereto. Specifically, Lender has approved Landlord's obligations and shall make available to Landlord the funds necessary for Landlord to perform its obligations under the Lease in accordance with the terms of its agreements with Landlord. Lender agrees that upon any foreclosure or if Lender becomes the successor landlord, it shall cause the completion of the Landlord Work and all other improvements described in the Workletter.

Lender shall have no obligations nor incur any liability with respect to any warranties made by Landlord of any nature whatsoever, including any warranties respecting use, compliance with zoning, hazardous wastes or environmental laws, Landlord's title, Landlord's authority, habitability, fitness for purpose or possession. In the event that Lender shall acquire title to the Premises or the Property, Lender shall have no obligation, nor incur any liability, beyond Lender's then equity interest except as specifically stated herein with respect to the foregoing construction obligations, if any, in the Premises, and Tenant shall look exclusively to such equity interest of Lender, if any, in the Premises, Building, Land and Project for the payment and discharge of any obligations or liability imposed upon Lender hereunder, under the Lease or under any new lease of the Premises.

6. If any portion or portions of this Agreement shall be held invalid or inoperative, then all of the remaining portions shall remain in full force and effect, and, so far as is reasonable and possible, effect shall be given to the intent manifested by the portion or portions held to be invalid or inoperative.

7. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

8. Lender shall not, either by virtue of the Mortgage, the Assignment of Leases or this Agreement, be or become a mortgagee in possession or be or become subject to any liability or obligation under the Lease or otherwise until Lender shall have acquired the interest of Landlord in the Premises, by foreclosure or otherwise, and then such liability or obligation of Lender under the Lease shall extend only to those liability or obligations or accruing subsequent to the date that Lender has acquired the interest of Landlord in the Premises as modified by the terms of this Agreement.

9. Any and all notices, elections, approvals, consents, demands, requests and responses thereto ("Communications") permitted or required to be given under this Agreement shall be in writing and shall be deemed to have been properly given and shall be effective upon the earlier of receipt thereof or deposit thereof in the United States mail, postage prepaid, certified with return receipt requested or by overnight courier, to the other party at the address of such other party set forth hereinbelow or at such other address within the continental United States as such other party may designate by notice specifically designated as a notice of change of address and given in accordance herewith; provided, however, that the time period in which a response to any Communication must be given shall commence on the date of receipt thereof; and provided further that no notice of change of address shall be effective with respect to Communications sent prior to the time of receipt thereof. Any notice, if given to Lender, must be addressed as follows, subject to change as provided hereinabove:

Lender:	CSFV Fulton Ogden Lender, LLC c/o CBRE Global Investors 515 South Flower Street, 31st Floor Los Angeles, California 90071 Attn: Nathan Zinn
with a copy to:	Cox Castle Nicholson 2029 Century Park East Suite 2100 Los Angeles, California 90067 Attn: John Trott

and, if given to Tenant, must be addressed as follows, subject to change as provided hereinabove:

Talis Biomedical Corporation
1375 West Fulton Market, Suite 700
Chicago, IL 60607
Attn: CEO
Email: bcoe@talisbio.com

With a copy to:

Talis Biomedical Corporation
230 Constitution Drive
Menlo Park, CA 94025
Attn: Legal Department
Email: contracts@talisbio.com

And

Talis Biomedical Corporation
1253 S. Clark Street, 12th Floor
Chicago, IL 60603
Attn: CEO
Email: bcoe@talisbio.com

and, if given to Landlord, must be addressed as follows, subject to change as provided hereinabove:

Fulton Ogden Venture, LLC
c/o Trammell Crow Company
700 Commerce Drive, Suite 455
Oak Brook, Illinois 60523
Attn: Grady Hamilton

10. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, legal representatives, successors, successors-in-title and assigns. When used herein, the term "landlord" refers to Landlord and to any successor to the interest of Landlord under the Lease.

11. This Agreement may be executed in any number of counterparts, each of which shall be effective only upon delivery and thereafter shall be deemed an original, and all of which shall be taken to be one and the same instrument, for the same effect as if all parties hereto had signed the same signature page. Any signature page of this Agreement may be detached from any counterpart of this Agreement without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more additional signature pages.

[*Remainder of page intentionally left blank;*
signature pages follow]

EXECUTED to be effective as of the date first written above.

LENDER:

CSFV FULTON OGDEN LENDER, LLC,
a Delaware limited liability company

By: California State Teacher's Retirement System,
a public entity, its sole member

By: CBRE Global Investors,
its authorized agent

By: _____
Name: _____
Its: _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA)
) ss:
COUNTY)

On January __, 2021 before me, _____
Notary Public (insert name and title of the officer),

personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: _____

[Seal]

TENANT:

TALIS BIOMEDICAL CORPORATION,
a Delaware corporation

By: _____
Name: _____
Its: _____

TENANT ACKNOWLEDGMENT

STATE OF _____

COUNTY OF _____

I certify that the following person personally appeared before me this day, acknowledging to me that he or she signed the foregoing document for the purpose stated therein and in the capacity indicated:

Date: January __, 2021.

_____
Notary Public

_____
Printed Name

My commission expires: _____

[Official seal]

LANDLORD ACKNOWLEDGMENT

LANDLORD:

FULTON OGDEN VENTURE, LLC,
a Delaware limited liability company

By: TC Fulton Ogden Member, LLC,
a Delaware limited liability company,
its Member

By: Trammell Crow Chicago Development, Inc.,
a Delaware corporation,
its sole member

By: _____
Name: _____
Its: _____

STATE OF _____))
) SS.
COUNTY OF _____))

The undersigned, a Notary Public to and for the said County, in the State aforesaid, DOES HEREBY CERTIFY that _____, the _____, of Trammell Crow Chicago Development, Inc., a Delaware corporation that is the sole member of TC Fulton Ogden Member, LLC, a Delaware limited liability company that is the managing member of FULTON OGDEN VENTURE, LLC, a Delaware limited liability company, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such _____ appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of said limited liability company, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this _____ day of January, 2021.

EXHIBIT A
Legal Description of the Property

Real property in the City of Chicago, County of Cook, State of Illinois, described as follows:

PARCEL 1:

THE NORTH 120 FEET OF LOTS 34, 35, 36, 37 AND 38 IN HAYES' RESUBDIVISION OF BLOCK 5 IN UNION PARK SECOND ADDITION TO CHICAGO IN SECTION 8, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THAT PART OF THE SOUTH 4.0 FEET OF LOT 10 AND ALL OF LOT 11 (EXCEPT THAT PART OF SAID LOT 11 AND THAT PART OF THE SOUTH 4.0 FEET OF SAID LOT 10 LYING EAST OF A LINE DRAWN FROM A POINT 41.88 FEET WEST OF THE NORTHEAST CORNER OF THE SOUTH 4 FEET OF LOT 10 TO A POINT ON THE SOUTH LINE OF LOT 11 WHICH IS 48.0 FEET WEST OF THE SOUTHEAST CORNER OF SAID LOT 11); ALL IN S.S. HAYES RESUBDIVISION OF BLOCK 5 IN UNION PARK SECOND ADDITION TO CHICAGO IN THE SOUTHWEST 1/4 OF SECTION 8, TOWNSHIP 39 NORTH; RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

THE NORTH 126.5 FEET OF THE FOLLOWING DESCRIBED TRACT: LOT 13 (EXCEPT THE SOUTH 100 FEET) AND ALL OF LOTS 14, 15, 16 AND 17, ALSO THE SOUTH 30 FEET OF THAT PART OF LOT 35 WEST OF THE WEST LINE OF LOT 18 PRODUCED NORTH; ALSO THE SOUTH 30 FEET OF LOTS 36, 37AND 38 IN S.S. HAYES RESUBDIVISION OF BLOCK 5 IN UNION PARK SECOND ADDITION TO CHICAGO, IN THE SOUTHWEST 1/4 OF SECTION 8, TOWNSHIP 39 NO TH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

LOTS 3 TO 10 (EXCEPT THAT PART OF SAID LOTS LYING WEST OF A LINE DRAWN THROUGH A POINT IN THE SOUTH LINE OF FULTON STREET 127.88 FEET EAST OF THE EAST LINE OF SHELDON STREET AND THROUGH A POINT IN THE EAST LINE OF SHELDON STREET 61.41 FEET NORTH OF THE NORTH LINE OF WEST LAKE STREET, SAID EXCEPTION BEING THAT PART THEREOF CONDEMNED FOR OGDEN AVENUE IN CASE 421621 IN COOK COUNTY, ILLINOIS) AND (EXCEPT THE SOUTH 4 FEET OF LOT 10); ALL IN S.S. HAYES RESUBDIVISION OF BLOCK 5 IN UNION PARK SECOND ADDITION TO CHICAGO IN THE SOUTHWEST 1/4 OF SECTION 8, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 5:

THAT PORTION OF THE VACATED NORTH AND SOUTH PUBLIC ALLEY, 16.00 FEET WIDE, LYING EAST OF THE EAST LINE OF LOTS 1 TO 11 BOTH INCLUSIVE, LYING WEST OF THE WEST LINE OF LOTS 13 AND 38, LYING EASTERLY OF THE NORTHEASTERLY EXTENSION OF THE EASTERLY LINE OF NORTH OGDEN AVENUE (AS SAID NORTH OGDEN AVENUE WAS OPENED BY CONDEMNATION PROCEEDINGS IN THE COUNTY COURT OF COOK COUNTY ILLINOIS AS DOCKET NUMBER 42162, ORDER OF POSSESSION ENTERED MARCH 1, 1945), LYING SOUTH OF THE WESTERLY EXTENSION OF THE NORTH LINE OF SAID LOT 38 (SAID WESTERLY EXTENSION BEING ALSO THE SOUTH LINE OF WEST FULTON STREET) AND LYING NORTH OF THE EASTERLY EXTENSION OF THE SOUTH LINE OF LOT 11; ALSO THAT PART OF VACATED NORTH OGDEN AVENUE BEING THAT PART OF LOTS 1 AND 2 LYING EASTERLY OF SAID NORTHEASTERLY EXTENSION OF THE EASTERLY LINE OF OGDEN AND LYING WEST OF SAID WEST LINE OF SAID LOTS 1 AND 2 AND LYING NORTH OF THE SOUTH LINE OF LOT 2, ALL OF THE ABOVE BEING LOCATED IN S.S. HAYES RESUBDIVISION OF BLOCK 5 IN UNION PARK SECOND ADDITION TO CHICAGO IN SECTION 8, TOWNSHIP 39 NORTH,

RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS AND ALSO ALL OF THE ABOVE DESCRIBED BEING VACATED BY ORDINANCE PASSED BY THE CITY COUNCIL OF THE CITY OF CHICAGO ON MAY 20, 1998 AND RECORDED IN THE OFFICE OF THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS ON SEPTEMBER 16, 1998 AS DOCUMENT NUMBER 98826637.

PARCEL 6:

THAT PART OF LOT 11 AND THE SOUTH 4.0 FEET OF LOT 10 LYING EAST OF A LINE DRAWN FROM POINT 41.88 FEET WEST OF THE NORTHEAST CORNER OF THE SOUTH 4 FEET OF LOT 10 TO A POINT ON THE SOUTH LINE OF LOT 11 WHICH IS 48.0 FEET WEST OF THE SOUTHEAST CORNER THEREOF, IN S. S. HAYES RESUBDIVISION OF BLOCK 5 IN UNION PARK SECOND ADDITION TO CHICAGO IN THE SOUTHWEST 1/4 OF SECTION 8, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

EXHIBIT F

FORM OF ESTOPPEL CERTIFICATE

[TO BE MODIFIED AS NECESSARY FOR LANDLORD OR TENANT]

[Date]

Re: 1375 W. Fulton Street, Chicago, Illinois

The undersigned, **[_____ ("Tenant")] [_____ ("Landlord")]** hereby certifies, as of the date of this Estoppel Certificate, as follows:

1. Tenant is the tenant under the lease described in **Exhibit A** annexed hereto and Landlord is the landlord under the lease described in **Exhibit A** annexed hereto, covering the space in the Building known as 1375 W. Fulton Street, Chicago, Illinois (the "**Property**") described on **Exhibit A** (the "**Premises**"), which lease has not been amended or supplemented (orally or in writing) except as set forth on **Exhibit A** (as so amended or supplemented, the "**Lease**"). The description of the Lease on Exhibit A is true, correct and complete. The Lease contains all of the understandings and agreements between Landlord and Tenant with respect to the Premises. There are no other agreements between Landlord and Tenant with respect to the Premises, including without limitation, any agreement with Landlord or any agent, representative or employee of Landlord, concerning free rent, partial rent, rebate of rental payments or any other type of rental or other economic inducement or concession except as expressly set forth in the Lease. Capitalized terms not defined herein shall have the same meaning as set forth in the Lease.

2. Except as indicated on **Exhibit A**, Tenant has not assigned its interest in the Lease and Tenant is not subletting all or any portion of the Premises.

3. The Lease is in full force and effect. As of the date hereof (i) [Tenant] [Landlord] has neither sent to [Landlord] [Tenant] nor received from [Landlord] [Tenant] any written notice of default under the Lease as to any currently outstanding matter, and, to [Tenant's] [Landlord's] current, actual knowledge, there are no uncured defaults under the Lease by either Landlord or Tenant, nor are there any conditions or events existing which, with or without notice or the lapse of time, or both, would constitute an Event of Default by [Tenant] [Landlord] under the Lease, and (ii) to [Tenant's] [Landlord's] current, actual knowledge, Tenant has no existing defenses or offsets under the Lease against Tenant's obligations to pay Rent thereunder. Tenant has not advanced any funds for or on behalf of Landlord for which Tenant has a right to deduct from or offset against future Rent payments, except as set forth in the Lease and further except that the foregoing shall not diminish Tenant's rights to conduct an audit of Landlord's books and records as set forth in the Lease.

4. The Commencement Date and the initial Expiration Date of the Lease are set forth in **Exhibit A**. Tenant has accepted possession of the Premises and, to Tenant's current, actual knowledge, any improvements required by the terms of the Lease to be made by the Landlord thereunder have been completed. All allowances, reimbursements or other obligations of Landlord for the payment of monies to or for the benefit of Tenant that have been requested by Tenant prior to the date hereof have been fully paid, all in accordance with the terms of the Lease.

5. Tenant is currently paying the amount of Base Rent that is set forth on **Exhibit A** and all such Base Rent has been paid through the date set forth on **Exhibit A**. Tenant has made no security deposit with Landlord except as set forth on **Exhibit A** or in the Lease.

6. No Base Rent or additional Rent have been paid more than thirty (30) days in advance of their respective due dates.

7. No notice to terminate the Lease has been given or received by Tenant.

8. There has not been filed by or, to [Tenant's][Landlord's] knowledge, against [Tenant] [Landlord] a petition in bankruptcy, voluntary or otherwise, any assignment for the benefit of creditors, any petition seeking reorganization or arrangement under the bankruptcy laws of the United States, or any state thereof, or any other action brought under said bankruptcy laws with respect to [Tenant] [Landlord].

9. [Tenant has no rights of renewal, extension or expansion (including rights of first refusal or rights of first offer) except as set forth on **Exhibit A** or in the Lease. Tenant has no right to terminate the lease prior to the Expiration Date except as set forth on **Exhibit A** or in the Lease.]

10. Tenant does not have a right or option or right of first refusal pursuant to the Lease or otherwise to purchase all or any part of the Premises or the Property.

This Estoppel Certificate shall not be deemed to alter or modify any of the terms or conditions of the Lease. The statements contained herein shall act solely to estop [Tenant] [Landlord] from taking any position with respect to the Lease or [Tenant's] [Landlord's] rights or remedies thereunder or asserting any claim or defense against [Buyer/Lender], as the case may be, to the extent that such claim or assertion materially contradicts the statements contained herein and to the extent that [Buyer/Lender] has no current, actual knowledge, as of the date of this Estoppel Certificate, of any facts that are contrary to the statements contained herein. This certificate shall be binding upon [Tenant] [Landlord] and its successors and assigns and shall inure to the benefit of and be enforceable by the addressees hereof and their successors and assigns. Whenever a statement is made in this Estoppel Certificate on the basis of the knowledge of [Tenant] [Landlord], current, actual knowledge of [Tenant] [Landlord] or words of similar import, or on the basis of whether [Tenant] [Landlord] has received written notice, such statement is made with the exclusion of any facts disclosed to or otherwise known by [Buyer/Lender] and/or [Tenant] [Landlord] and is made solely on the basis of the current, actual knowledge, as distinguished from implied, imputed and constructive knowledge, on the date that such statement is made, of [name], [title] of [Tenant] [Landlord]. Nothing contained herein shall be construed as to give rise to any personal liability by such person or as to waive or modify any of the provisions of the Lease. Tenant has no obligation to update any information contained herein.

Very truly yours,

[_____]

By: _____
Name:
Title:

EXHIBIT A TO ESTOPPEL CERTIFICATE

1. Description of Lease and of each amendment thereto by title, date and parties:

2. Space covered by the Lease by rentable square feet, suite number and floor:

3. Subleases or assignments:

4. Security deposit, if any:

5. Commencement Date and initial Expiration Date:

6. Amount of Base Rent:

7. Date(s) through which Base Rent and additional Rent have been paid:

8. Other Exceptions/Disclosures:

EXHIBIT G

[Reserved]

EXHIBIT H

SUSTAINABLE BUILDING GUIDELINES

PURPOSE

This document outlines tenant sustainable building guidelines which are required to support the building's LEED 2009 v3 Core and Shell certification. In addition, the information provided in the remainder of the document will assist tenants in coordinating their space design with the base building systems. The document also highlights areas in which the building's LEED Core and Shell certification can contribute toward LEED for Commercial Interiors rating system should the tenant decide to pursue LEED certification.

UNITED STATES GREEN BUILDING COUNCIL

The United States Green Building Council (USGBC) is a nonprofit organization committed to expanding sustainability in the built environment. Its mission is to transform the way buildings and communities are designed, built and operated, enabling an environmentally and socially responsible, healthy, and prosperous environment that improves the quality of life.

LEED

LEED (Leadership in Energy and Environmental Design) is a voluntary, consensus-based national rating system for developing high-performance, sustainable buildings. Developed by the USGBC, LEED addresses all building types and emphasizes state-of-the-art strategies for sustainable site development, water savings, energy efficiency, materials and resource selection, and indoor environmental quality.

TENANT SUSTAINABLE GUIDELINES – REQUIRED FOR ALL TENANTS

Refrigerant(s) (Fundamental and Enhanced Refrigerant Management)

CFC based refrigerants are not permitted. Limit the use of refrigerants to units with low GWP (typically use R-410a, avoid R-22) and a charge of less than 5 lb/ton of cooling in all tenant- mechanical cooling systems. Refrigerants must comply with the formula below. Fire suppression systems do not use ozone-depleting substances (CFCs, HCFCs, or halons).

$$LCGWP + LCODP \times 10^5 £ 100$$

Tenant Lighting (EA p2 Minimum Energy Performance)
The lighting power density for tenant installed lighting shall be no greater than 0.82 W/SF.
Plumbing Fixtures (WE p1 Water Use Reduction)
Plumbing fixtures must meet (not exceed) the following flow rates outlined below

- Water Closets (1.28 gpf or less)
- Urinals (0.125 gpf or less)
- Metering Lavatories (0.5 gpm or less)
- Kitchen/Pantry Faucets (1.5 gpm or less)
- Shower Fixtures (1.8 gpm or less)

Storage and Collection of Recyclables-Tenants are required to recycle, at a minimum, paper, cardboard, glass, metal and plastics. The building has provisions to collect tenant recycling.

PROJECT DATA

Floor Area:	Approximately 307,720 gross square feet (total building)
Building Address:	1375 West Fulton Market Chicago, Illinois 60607

OPPORTUNITIES FOR TENANTS

The LEED Guidelines that follow summarize the credits being pursued to achieve LEED Silver certification under the LEED-CS rating system. It is intended to help tenants understand and take full advantage of the high-performance features of the building, and to provide guidance for reinforcing these features in their own workplaces. It will also provide tenants with direction and information for achieving LEED-CI.

Sustainable Sites (SS)

Development Density or Community Connectivity
Alternative Transportation—Public Transportation Access
Alternative Transportation—Bicycle Storage & Changing Rooms: The building has provided 70 bicycle spaces for tenant use and visitor use.
Alternative Transportation—Alternative Fueling Stations: The building has provided six (6) electric vehicle charging stations for tenant use.

Water Efficiency (WE)

Water Use Reduction: The building has provided low flow plumbing fixtures in all core restrooms. Core restrooms and fitness center fixtures meet the following flush and flow rates:

- Water Closets (1.28 gpf or less)
- Urinals (0.125 gpf or less)
- Metering Lavatories (0.5 gpm or less)
- Kitchen/Pantry Faucets (1.5 gpm or less)
- Shower Fixtures (1.8 gpm or less)

Energy and Atmosphere (EA)

Fundamental Refrigerant Management: No CFC based refrigerants will be used in base building systems.
Measurement & Verification—Base Building: The building has developed an M&V plan which provides ongoing accountability of building energy consumption over time.

Measurement & Verification—Tenant Submetering: The building includes a centrally monitored electronic metering network which can accommodate tenant submetering as required by LEED 2009 for Commercial Interiors Rating System EA Credit 3: Measurement and Verification. In addition, the design team has developed a tenant measurement and verification (M&V) plan that documents and advises future tenants of this opportunity and the means of achievement.

Indoor Environmental Quality (IEQ)

Minimum IAQ Performance – The base building mechanical systems have been designed to exceed ASHRAE 62.1, 2007 by 30%.

Thermal Comfort: Design: The base building HVAC system will meet the requirements of ASHRAE 55-2004.

EXHIBIT I

Definition of Fair Market Value

For each Extended Term "Fair Market Rent" shall be determined as follows:

Within thirty (30) days after Landlord's receipt of Tenant's notice of exercise of the next available Extension Option, Landlord shall provide to Tenant notice of Landlord's proposed "Market Rental Rate" for the Premises for the applicable Extension Term as determined by Landlord, including both the Base Rent per square foot for the first (1st) year of such Extended Term and the annual increases in such rate per square foot throughout such Extended Term (hereinafter referred to as the "Landlord's Rent Proposal"). Tenant shall have the right, exercisable within fifteen (15) days from the date of Landlord's Rent Proposal, to elect to accept same in writing or to reject same in writing as set forth below. Failure by Tenant to respond within said 15-day period shall be conclusively deemed to be Tenant's acceptance of Landlord's Rent Proposal.

In order to validly and timely reject Landlord's Rent Proposal, Tenant must provide written notice of rejection thereof to the Landlord prior to the expiration of such 15-day period. In order to be a valid notice of rejection of Landlord's Rent Proposal, Tenant's notice must state that it is rejecting Landlord's Rent Proposal and Tenant's notice must include therein Tenant's proposed "Market Rental Rate" for the Extended Term, including both the Base Rent per square foot for the first (1st) year of such Extended Term and the annual increases in such rate per square foot throughout such Extended Term (the "Tenant's Rent Proposal"). Landlord shall have the right, exercisable within fifteen (15) days from the date of receipt of Tenant's Rent Proposal, to elect to accept same in writing or to reject same in writing as set forth below. Failure by Landlord to respond within such 15-day period shall be conclusively deemed to be Landlord's rejection of Tenant's Rent Proposal. If Landlord rejects, or is deemed to reject, Tenant's Rent Proposal, Landlord and Tenant shall each negotiate during the thirty (30) day period following the date of Landlord's rejection of Tenant's Rent Proposal to resolve the difference of opinion as to the "Fair Market Rent" for the Premises for the Extended Term.

If the parties are unable to reach a mutual agreement on the "Fair Market Rent" for the applicable Extended Term by the end of such 30-day period, then either party may at any time within thirty (30) days thereafter submit such determination to binding arbitration ("Arbitration") by notifying the other party of their intention to do so (the "Arbitration Notice"). Such Arbitration shall be conducted using three (3) arbiters selected as provided below, and shall otherwise be conducted in accordance with the rules then in effect of the American Arbitration Association at the office thereof located nearest to the Premises.

Each of Landlord and Tenant shall name and appoint an arbiter within ten (10) business days after the Arbitration Notice. Each arbiter must be either a licensed independent M.A.I. appraiser or a licensed commercial real estate broker in the area of the Premises, in either case with at least ten (10) years of experience in such capacity in the geographical area of the Premises. The two (2) arbiters so appointed shall be instructed to jointly name and appoint a third arbiter, and shall notify the parties by joint notice A

in writing of such selection, and the three (3) arbiters so named shall comprise the panel. Each party shall pay for any fees owed to the arbiter selected by it, and the parties shall each pay for one-half (½) of the fees of the third arbiter. Each party shall then submit to the arbiters and to the other party hereto in writing, within fifteen (15) days of the notice of appointment of the third arbiter, such submitting party's proposed final determination of the "Fair Market Rent" for the applicable Extended Term, together with any information or data supporting same.

The arbiters shall be instructed to select, as the "Market Rental Rate" for the Extended Term, either the proposed "Market Rental Rate", including both the Base Rent per square foot for the first (1st) year of such Extended Term and the annual increases in such rate per square foot throughout such Extended Term, as submitted to the arbiters by Tenant, or the proposed "Market Rental Rate", including both the Base Rent per square foot for the first (1st) year of such Extended Term and the annual increases in such rate per square foot throughout such Extended Term, as submitted to the arbiters by Landlord, and the arbiters shall have no authority to compromise, adjust, or average same, or to propose any different amount. The determination of the arbiters shall be made within thirty (30) days after receipt of such submittals from Landlord and Tenant, and shall be final and binding upon the parties hereto.

EXHIBIT J

[Reserved]

EXHIBIT K

FORM OF LETTER OF CREDIT

[TO BE ATTACHED]

DRAFT

THIS DRAFT LC IS PROVIDED TO YOU AT YOUR REQUEST AND THERE IS NO OBLIGATION ON OUR PART
DESPITE OUR ASSISTANCE IN THE PREPARATION OF THIS DRAFT LC. THE DRAFT LC IS NOT TO BE CONSTRUED AS EVIDENCE OF COMMITMENT ON OUR PART TO ISSUE OR ADVISE SUCH LC'S IN THE FUTURE.
PLEASE QUOTE OUR PRE-VET REFERENCE NUMBER I N ALL FUTURE CORRESPONDENCE INCLUDING APPLICATION ONCE SUBMITTED.
PRE-VET REF:

****

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER _____ DATED: _____
To: Beneficiary Name and Address

DEAR SIR/MADAM:

WE HEREBY ISSUE OUR IRREVOCABLE STANDBY LETTER OF CREDIT IN YOUR FAVOR.

BENEFICIARY: (NAME AND ADDRESS)

ACCOUNT PARTY: (NAME AND ADDRESS)

DATE OF EXPIRY:

PLACE OF EXPIRY: OUR COUNTERS

AMOUNT:

APPLICABLE RULES: ISP LATEST VERSION

THIS LETTER OF CREDIT IS ISSUED AT THE REQUEST _____ ON BEHALF OF _____.

FUNDS UNDER THIS CREDIT ARE AVAILABLE AT SIGHT WITH JPMORGAN CHASE BANK, N.A. UPON PRESENTATION OF BENEFICIARY'S SIGNED AND DATED STATEMENT READING AS FOLLOWS:

"_____ IN DEFAULT UNDER THAT CERTAIN LEASE (THE "LEASE") WITH _____WITH REGARD TO (PROPERTY)_____, AND ALL APPLICABLE NOTICE AND CURE PERIODS UNDER THE LEASE HAVE EXPIRED. WE HEREBY DEMAND THE AMOUNT OF USD_____ UNDER JPMORGAN CHASE BANK, N.A. LETTER OF CREDIT NUMBER ____"

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ADDITIONAL 12 MONTH PERIODS FROM THE PRESENT OR EACH FUTURE EXPIRATION DATE, UNLESS AT LEAST 30 DAYS PRIOR TO THE CURRENT EXPIRY DATE WE SEND NOTICE IN WRITING TO YOU AT THE ABOVE ADDRESS, THAT WE ELECT NOT TO AUTOMATICALLY EXTEND THIS LETTER OF CREDIT FOR ANY ADDITIONAL PERIOD. HOWEVER IN NO EVENT SHALL THIS LETTER OF CREDIT BE AUTOMATICALLY EXTENDED BEYOND THE FINAL EXPIRY DATE OF _____.

THIS LETTER OF CREDIT IS TRANSFERABLE, BUT ONLY IN ITS ENTIRETY, AND MAY BE SUCCESSIVELY TRANSFERRED. TRANSFER OF THIS LETTER OF CREDIT SHALL BE EFFECTED BY US UPON YOUR SUBMISSION OF THIS ORIGINAL LETTER OF CREDIT, INCLUDING ALL AMENDMENTS, IF ANY, ACCOMPANIED BY OUR TRANSFER REQUEST FORM DULY COMPLETED AND EXECUTED. IF YOU WISH TO TRANSFER THE LETTER OF CREDIT, PLEASE CONTACT US FOR THE FORM WHICH WE SHALL PROVIDE TO YOU UPON YOUR REQUEST. IN ANY EVENT, THIS LETTER OF CREDIT MAY NOT BE TRANSFERRED TO ANY PERSON OR ENTITY LISTED IN OR OTHERWISE SUBJECT TO, ANY SANCTION OR EMBARGO UNDER ANY APPLICABLE RESTRICTIONS. CHARGES AND FEES RELATED TO SUCH TRANSFER WILL BE FOR THE ACCOUNT OF THE APPLICANT.

WE ENGAGE WITH YOU THAT DOCUMENTS DRAWN AND PRESENTED UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT SHALL BE DULY HONORED IF PRESENTED AT OUR COUNTERS AT 10420 HIGHLAND MANOR DRIVE, 4TH FLOOR, TAMPA, FLORIDA 33610 ATTN: STANDBY LETTER OF CREDIT UNIT ON OR BEFORE THE EXPIRATION DATE. ALL PAYMENTS DUE HEREUNDER SHALL BE MADE BY WIRE TRANSFER TO THE BENEFICIARY'S ACCOUNT PER THEIR INSTRUCTIONS. ALL DOCUMENTS PRESENTED MUST BE IN ENGLISH.

DRAWINGS HEREUNDER MAY BE PRESENTED BY FACSIMILE/TELECOPY ("FAX") TO FAX NUMBER 856-294-5267 UNDER TELEPHONE PRE-ADVICE TO 1-800-634-1969. SUCH FAX PRESENTATION(S) MUST BE RECEIVED ON OR BEFORE THE EXPIRY DATE IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT. ANY SUCH FAX PRESENTATION SHALL BE CONSIDERED THE SOLE OPERATIVE INSTRUMENT OF DRAWING. IN THE EVENT OF PRESENTATION BY FAX, THE ORIGINAL DOCUMENTS SHOULD NOT ALSO BE PRESENTED

THIS LETTER OF CREDIT MAY BE CANCELLED PRIOR TO EXPIRATION PROVIDED THE ORIGINAL LETTER OF CREDIT (AND AMENDMENTS, IF ANY) ARE RETURNED TO JPMORGAN CHASE BANK, N.A., AT OUR ADDRESS AS INDICATED HEREIN, WITH A STATEMENT SIGNED BY THE BENEFICIARY STATING THAT THE ATTACHED LETTER OF CREDIT IS NO LONGER REQUIRED AND IS BEING RETURNED TO THE ISSUING BANK FOR CANCELLATION.

THIS LETTER OF CREDIT IS GOVERNED BY, AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK AND, EXCEPT AS OTHERWISE EXPRESSLY STATED HEREIN, IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES, ICC PUBLICATION NO. 590 (THE "ISP98"), AND IN THE EVENT OF ANY CONFLICT, THE LAWS OF THE STATE OF NEW YORK WILL CONTROL, WITHOUT REGARD TO PRINCIPLES OF CONFLICT OF LAWS.

ALL INQUIRIES REGARDING THIS TRANSACTION MAY BE DIRECTED TO OUR CLIENT SERVICE GROUP AT THE FOLLOWING TELEPHONE NUMBER OR EMAIL ADDRESS QUOTING OUR REFERENCE _____.

TELELPHONE NUMBER 1-800-634-1969

EMAIL ADDRESS: GTS.CLIENT.SERVICES@JPMCHASE.COM

YOURS FAITHFULLY,
JPMORGAN CHASE BANK, N.A.

_____
Authorized Signature

EXHIBIT L

TENANT'S HAZARDOUS SUBSTANCES

Hexane

Heptane

Methanol

Methylpiperazine

Tetradecane

2-Mercaptoethanol

Cyclohexane

Dichloromethane

Acetonitrile

Hexamethyldisiloxane

Dimethylformamide

Methylpiperazine

Butanol

Chloroform

Polydemethysiloxane, Trimethysiloxy

Ethanol

Sulfuric acid

Chromium Etchant

Fluoride-Bifluoride-hydrofluoric acid

Acetic acid

Hydrogen peroxide 30% solution

Hydrolchloric acid 30% solution

Isopropyl Alcohol

Guanidine

Exhibit 10.16

LEASE AGREEMENT

By and Between

WESTPORT OFFICE PARK, LLC,
a Delaware limited liability company

("Landlord")

and

TALIS BIOMEDICAL CORPORATION, a Delaware corporation

("Tenant")

January 20, 2021

TABLE OF CONTENTS

LEASE AGREEMENT

THIS LEASE AGREEMENT, (this "Lease") is made and entered into as of January 20, 2021 by and between WESTPORT OFFICE PARK, LLC, a Delaware limited liability company ("Landlord"), and Tenant identified in the Basic Lease Information below.

BASIC LEASE INFORMATION

Tenant: TALIS BIOMEDICAL CORPORATION, a Delaware corporation

Premises: A portion of the first (1st) floor of the Building, containing approximately 11,858 square feet of rentable area, and the entire second (2nd) floor of the Building, containing approximately 25,642 square feet of rentable area, outlined in Exhibit B to this Lease. The total rentable area of the Premises is 37,500 square feet.

Building: The Building commonly known as 3400 Bridge Parkway, Redwood City, California 94065. The rentable area of the Building is 51,822 square feet.

Base Rent:

Period (In Months)	Annual Base Rent	Monthly Base Rent
01 - 06	N/A	$172,500.00 (Abated*)
07 - 12	N/A	$ 172,500.00
13 - 24	$2,664,000.00	$ 222,000.00
25 - 36	$2,743,920.00	$ 228,660.00
37 - 48	$2,826,237.60	$ 235,519.80
49 - 60	$2,911,024.68	$ 242,585.39
61 - 72	$2,998,355.52	$ 249,862.96
73 - 84	$3,088,306.08	$ 257,358.84
85 - 96	$3,180,955.32	$ 265,079.61
97 - 108	$3,276,384.00	$ 273,032.00
109 - 120	$3,374,675.52	$ 281,222.96
121 - 126	N/A	$ 289,659.65

* As an inducement to Tenant entering into this Lease, so long as no Event of Default shall have occurred under this Lease, Base Rent in the amount of $172,500.00 per month shall be abated for the first six (6) months commencing as of the Commencement Date, or if the Commencement Date is other than the first day of a calendar month, commencing as of the first day of the first full calendar month of the Term. During such abatement period, Tenant shall still be responsible for the payment of all of its other monetary obligations under the Lease.

** As an inducement to Tenant entering into this Lease, so long as no Event of Default shall have occurred under this Lease, during the first twelve (12) months after the Commencement Date, for purposes of calculating Base Rent only, the Premises shall be deemed to contain only 30,000 square feet of rentable area. The amount of Base Rent set forth in the foregoing table for that period reflects that deemed square footage. The amount equal to the difference between Base Rent payable based on those deemed square footages and the Base Rent that would be payable if the actual square footage of the Premises were used is referred to herein as the "Rental Abatement." Upon an Event of Default, the Rental Abatement accruing following such Event of Default shall be nullified and if this Lease is terminated by Landlord as a result of such Event of Default, the unamortized portion of the value of the Rental Abatement enjoyed as of that date (based on an amortization period of 126 months, commencing on the Commencement Date of this Lease) shall be immediately due and payable by Tenant to Landlord.

Security Deposit Amount: $981,478.94, subject to reduction as provided in Section 4.3.

Rent Payable Upon Execution: $210,000.00

Tenant's Building Percentage: 72.36%

Tenant's Common Area Building Percentage: 3.72%

Commencement Date: The later of (a) November 1, 2021, or (b) the date that is the earlier of (i) the date Tenant commences business operations in the Premises, or (ii) the date of Substantial Completion (as defined in the Tenant Work Letter attached hereto as Exhibit C) of the Premises.

Expiration Date: The date that is the day prior to the day that is one hundred twenty-six (126) months after the Commencement Date. If the Expiration Date falls on a day other than the last day of the calendar month, then, the Expiration Date shall be extended to the last day of the calendar month in which the day that the Term of this Lease would otherwise end but for this proviso occurs, and the Term of this Lease shall be extended accordingly.

Landlord's Address:

c/o Longfellow Real Estate Partners
260 Franklin Street, Suite 1920
Boston, MA 02110
Attention: Asset Management

With a copy by the same method to:

c/o Longfellow Real Estate Partners
1300 Island Drive, Suite 100
Redwood City, CA. 94065
Attention: Property Manager

Address for rental payment:

Payments via FedEx/UPS/Courier:

JPMorgan Chase
Attn: Westport Office Park LLC - 102268
2710 Media Center Dr.
Building # 6, Suite # 120
Los Angeles, CA 90065

Payments via regular mail (lockbox address):

Remit to: Westport Office Park LLC
P.O. Box 102268
Pasadena, CA 91189-2268

Payments via either FED wire or ACH wire:

Account Name: Westport Office Park, LLC
Account Number: 380916582
Bank Routing and Transit Number: 021000021
SWIFT Code: CHASUS33
City and State: New York, New York
For ACH Transactions Bank Routing Number:
021000021

Tenant's Address:

230 Constitution Drive
Menlo Park, CA 94025
Attention: Legal Department

With a copy to:

1253 S. Clark Street, 12th Floor
Chicago, IL 60603
Attention: CEO

Landlord's Broker: Cushman & Wakefield.

Tenant's Broker: Newmark Knight Frank.

Maximum Parking Allocation: One hundred twenty-three (123), which is based on a parking ratio of 3.3 non-exclusive parking spaces per one thousand (1,000) square feet of rentable space in the Premises. If Tenant leases any Specific Offer Space pursuant to the terms of Article 56 below, then the Maximum Parking Allocation referred to in the immediately preceding sentence shall be adjusted to equal a number based on a parking ratio of 3.3 non-exclusive parking spaces per one thousand (1,000) square feet of rentable space in Premises and in the Specific Offer Space(s) leased by Tenant from time to time.

Tenant Improvement Allowance: $195.00 per square foot of rentable area.

The Basic Lease Information is incorporated into and made part of this Lease. Each reference in this Lease to any Basic Lease Information shall mean the applicable information set forth in the Basic Lease Information, except that in the event of any conflict between an item in the Basic Lease Information and this Lease, this Lease shall control. Additional defined terms used in the Basic Lease Information shall have the meanings given those terms in this Lease.

ARTICLE 1.
PREMISES; COMMON AREAS

1.1 Subject to all of the terms and conditions hereinafter set forth, Landlord hereby leases to Tenant and Tenant hereby leases from Landlord the Premises. The property shown on Exhibit A to this Lease and all improvements thereon and appurtenances on that land thereto, including, but not limited to, the Building, other office buildings, access roadways, and all other related areas, shall be collectively hereinafter referred to as the "Project." As of the execution of this Lease, the total rentable area of the buildings in the Project is 1,007,297 square feet. Tenant acknowledges and agrees that Landlord may elect to sell one or more of the buildings within the Project and that upon any such sale Tenant's pro-rata share of those Operating Expenses and Taxes (each as defined below) allocated to the areas of the Project other than buildings and Tenant's Common Area Building Percentage shall be equitably adjusted accordingly by Landlord. The parties hereto hereby acknowledge that the purpose of Exhibit A and Exhibit B is to show the approximate location of the Premises in the Building and the general layout of the Project and such Exhibits are not meant to constitute an agreement, representation or warranty as to the construction of the Premises, the Building or the Project, the precise area of the Premises, the Building or the Project or the specific location of the Building, "Common Areas," as that term is defined in Section 1.3, below, or the elements thereof or of the accessways to the Premises, or the Project, or the identity or existence of any other tenant or occupant of the Project.

1.2 The rentable area of the Building and the Premises have been determined using the method of measurement attached hereto as Exhibit J (the "Measurement Standard"). Upon the approval of the Space Plan for the Premises pursuant to Exhibit C, Landlord's space measurement consultant Stevenson Systems, Inc. (the "Measurement Consultant") shall calculate and certify in writing to Landlord and Tenant the rentable area of the Premises using the Measurement Standard. Tenant shall have the right to have Tenant's architect consult with the Management Consultant and to review the basis and methodology for such measurement by the Management Consultant. If the Measurement Consultant determines that the rentable area of the Premises or the Building is different from that stated in this Lease, Tenant's Building Share and rent, rent abatements, allowances, parking space allocation and other amounts that are based on rentable area (including Tenant's Share) shall be recalculated in accordance with that determination. On the recalculation of rent as provided in this Section 1.2, the parties shall execute an amendment to this Lease stating the recalculated rent. Execution of that amendment

shall not be a condition precedent to the effectiveness of the recalculated rent. The Measurement Consultant's determination of rentable area shall be conclusive and binding on Tenant in the absence of manifest error and Tenant shall not have any other right to remeasure the Premises.

1.3 Tenant and its employees, invitees, sublessees, licensees and other representatives shall have the non-exclusive right to use in common with other tenants in the Project, and subject to the rules and regulations referred to in Article 27 of this Lease, those portions of the Project which are provided, from time to time, for use in common by Landlord, Tenant and any other tenants of the Project (such areas, together with such other portions of the Project designated by Landlord, in its discretion, including certain areas designated for the exclusive use of certain tenants, or to be shared by Landlord and certain tenants, are collectively referred to herein as the "Common Areas"). The Common Areas shall consist of the "Project Common Areas" and the "Building Common Areas." The term "Project Common Areas," as used in this Lease, shall mean the portion of the Project reasonably designated as such by Landlord. The term "Building Common Areas," as used in this Lease, shall mean the portions of the Common Areas located within the Building reasonably designated as such by Landlord. The manner in which the Common Areas are maintained and operated shall be at the reasonable discretion of Landlord and the use thereof shall be subject to such rules, regulations and restrictions as Landlord may make from time to time. Landlord reserves the right to close temporarily, make alterations or additions to, or change the location of elements of the Project and the Common Areas; provided that in the event of any such Common Area closure, change, alteration or modification, except in emergency situations as reasonably determined by Landlord, Landlord shall exercise commercially reasonable efforts to perform the same in a manner that is reasonably designed to minimize interference with Tenant's access to and permitted use of the Premises consistent with Comparable Buildings (as defined below). Subject to "Applicable Laws," as that term is defined in Section 5.1(a) of this Lease, except when and where Tenant's right of access is specifically excluded in this Lease, and except in the event of an emergency, Tenant shall have the right of access to the Premises, the Building, and the parking facilities servicing the Building and/or the Project twenty-four (24) hours per day, seven (7) days per week during the "Term," as that term is defined in Section 2.1, below.

ARTICLE 2.
TERM AND CONDITION OF PREMISES

2.1 The term of this Lease (the "Term") shall commence on the Commencement Date and end on the Expiration Date, unless sooner terminated (the "Termination Date") or extended as hereinafter provided. The Commencement Date of this Lease and the obligation of Tenant to pay Base Rent, Additional Rent and all other charges hereunder shall not be delayed or postponed by reason of any delay by Tenant in performing changes or alterations in the Premises not required to be performed by Landlord. In the event the Term shall commence on a day other than the first day of a month, then the Base Rent shall be promptly paid for such partial month prorated in accordance with Section 4.4 below. If Landlord does not deliver possession of the Premises to Tenant on or before the Anticipated Commencement Date, Landlord shall not be subject to any liability nor shall the validity of this Lease nor the obligations of Tenant hereunder be affected (subject to the provisions of Section 2.2 and Section 2.3 below). In the event that the Commencement Date is a date which is other than the Anticipated Commencement Date, within a reasonable period of time after the date

Tenant takes possession of the Premises Landlord shall deliver to Tenant a Commencement Date Memorandum in the form attached hereto as Exhibit F, setting forth the Commencement Date and the Expiration Date, and Tenant shall execute and return such Commencement Date Memorandum to Landlord within ten (10) business days after Tenant's receipt thereof.

2.2 In the event that the Commencement Date has not occurred (or has not been deemed to occur) on or before the Rent Credit Date (as defined below), and Tenant does not take possession of all or any portion of the Premises for the conduct of its business operations therein (as opposed to occupancy pursuant to Section 6.1 of Exhibit C attached hereto) and Tenant is ready to enter the Premises to occupy for the conduct of its business but is actually prevented from doing so solely due to the fact that the Tenant's Improvements have not been substantially completed in accordance with the terms hereof, then (unless the Commencement Date has been deemed to have occurred pursuant to the terms of this Lease notwithstanding the fact that Landlord shall have failed to deliver the Premises to Tenant with Tenant's Improvements substantially complete) Tenant, as Tenant's sole and exclusive remedy in connection therewith, shall be entitled to a rent credit equal to one (1) day's Base Rent and amounts then payable under Article 5 for each one (1) full day in the period from the Rent Credit Date until the date upon which the Commencement Date occurs (or is deemed to occur), with such rent credit to commence as of the seventh (7^{th}) month of the initial Lease Term. The term "Rent Credit Date" initially means January 1, 2022, but shall be extended by one day for every one day in delay in substantial completion of the Tenant Improvements caused solely by (i) Tenant Delays (as defined in Exhibit C), (ii) inability to obtain or unreasonable delays in obtaining necessary permits for the construction of the Tenant's Improvements, and/or (iii) any other one or more Force Majeure Events (as defined in Article 10).

2.3 In the event that the Commencement Date has not occurred (or has not been deemed to occur) on or before the Outside Commencement Date (as defined below), and Tenant does not take possession of all or any portion of the Premises for the conduct of its business operations therein (as opposed to occupancy pursuant to Section 6.1 of Exhibit C attached hereto) and Tenant is ready to enter the Premises to occupy for the conduct of its business but is actually prevented from doing so solely due to the fact that the Tenant's Improvements have not been substantially completed in accordance with the terms hereof, then (unless the Commencement Date has been deemed to have occurred pursuant to the terms of this Lease notwithstanding the fact that Landlord shall have failed to deliver the Premises to Tenant with Tenant's Improvements substantially complete) Tenant, as Tenant's sole and exclusive remedy in connection therewith, shall be entitled by notice in writing to Landlord within ten (10) days thereafter to cancel this Lease, in which event the parties shall be discharged from all obligations hereunder; provided further, however, that if such written notice of Tenant is not received by Landlord within such ten (10) day period, Tenant's right to cancel this Lease hereunder shall terminate and be of no further force or effect. If Tenant elects to terminate this Lease under this Section then such termination of this Lease shall be effective on the date which is thirty (30) days after delivery of notice of termination to Landlord, unless the Commencement Date occurs within thirty (30) days of delivery of Tenant's notice hereunder. The term "Outside Commencement Date" initially means June 1, 2022, but shall be extended by one day for every one day in delay in substantial completion of Landlord's Work caused by (i) Tenant Delays, (ii) inability to obtain or delays in obtaining necessary permits, and/or (iii) any other one or more Force Majeure Events (not to exceed ninety (90) aggregate days of delay by reason of Force Majeure Events).

2.4 Except as expressly set forth in this Lease and in the Tenant Work Letter attached hereto as Exhibit C (the "Tenant Work Letter"), Landlord shall not be obligated to provide or pay for any improvement, remodeling or refurbishment work or services related to the improvement, remodeling or refurbishment of the Premises, and Tenant shall accept the Premises in its "As Is" condition on the Commencement Date. The foregoing shall not excuse Landlord of any of its maintenance, repair or replacement obligations under the Lease.

2.5 The taking of possession of the Premises by Tenant (excluding the taking of occupancy pursuant to Section 6.1 of Exhibit C attached hereto) shall be conclusive evidence that the Premises and the Building were in good and satisfactory condition at such time (subject to a reservation of claims of any latent defects and Landlord's warranty in Section 2.6 below). As used in this Lease, a "latent defect" is a design or construction defect or error in the Premises which is not apparent upon an ordinary and reasonable inspection of the Premises. Neither Landlord nor Landlord's agents have made any representations or promises with respect to the condition of the Building, the Premises, the land upon which the Building is constructed, or any other matter or thing affecting or related to the Building or the Premises, except as herein expressly set forth, and no rights, easements or licenses are acquired by Tenant by implication or otherwise except as expressly set forth in this Lease.

2.6 Notwithstanding Section 2.5 above, Landlord warrants that the roof of the Building, HVAC system, electrical and plumbing systems, elevator and parking lot serving the Premises (the "Covered Items"), other than those constructed by Tenant, shall be in good operating condition and repair on the date possession of the Premises is delivered to Tenant; provided, however, Landlord shall have no liability hereunder for repairs or replacements necessitated by the negligent acts or omissions or the willful misconduct of Tenant and/or of Tenant's representatives, agents, contractors and/or employees. If a non-compliance with such warranty exists as of the delivery of possession, or if one of such Covered Items should malfunction or fail or become defective within the Applicable Warranty Period (as defined below), Landlord shall, as Landlord's sole obligation with respect to such matter, promptly after receipt of written notice from Tenant setting forth in reasonable detail the nature and extent of such non-compliance, malfunction, defect or failure, rectify the same at Landlord's expense (without pass-through to Tenant as an Operating Expense or otherwise). If Tenant does not give Landlord the required notice within the Applicable Warranty Period after the delivery of possession to Tenant, Landlord shall have no obligation with respect to that warranty other than obligations regarding the Covered Items set forth elsewhere in this Lease. As used in this section, the term "Applicable Warranty Period" means (a) twelve (12) months after the Commencement Date with respect to the HVAC system, and (b) six (6) months after the Commencement Date with respect to the other Covered Items.

ARTICLE 3.
USE, NUISANCE, OR HAZARD

3.1 The Premises shall be used and occupied by Tenant solely for general office research and development, general administrative purposes and all other related uses for the operation of biomedical diagnostics company, and any other lawful use permitted under applicable zoning, subject to compliance with applicable governmental approvals, and Landlord's reasonable approval (the "Permitted Use").

3.2 Tenant shall not use, occupy, or permit the use or occupancy of the Premises for any purpose which Landlord, in its reasonable discretion, deems to be illegal, immoral, or dangerous; permit any public or private nuisance; do or permit any act or thing which may unreasonably disturb the quiet enjoyment of any other tenant of the Project; keep any substance or carry on or permit any operation which might introduce offensive odors or conditions into other portions of the Project, use any apparatus which might make undue noise or set up vibrations in or about the Project; permit anything to be done which would increase the premiums paid by Landlord for special causes of loss form property insurance on the Project or its contents or cause a cancellation of, or limitation on, any insurance policy covering the Project or any part thereof or any of its contents (it being acknowledged by Landlord that, to its knowledge, use of the Premises for the operation of a biomedical diagnostics company shall not in and of itself cause an increase in Landlord's special causes of loss form property insurance premiums or a cancellation of such insurance); or permit anything to be done which is prohibited by or which shall in any way conflict with or violate the Underlying Documents (as defined below) or any law, statute, ordinance, or governmental rule or regulation now or hereinafter in force. Notwithstanding anything to the contrary in Section 22.1 below, should Tenant do any of the foregoing without the prior written consent of Landlord, and the same is not cured within five (5) business days after notice from Landlord is given to Tenant (which five (5) business day period shall be subject to extension if the nature of the breach is such that it is not possible to cure the same within such five (5) business day period so long as the Tenant commences the cure of such breach within such five (5) business day period and diligently prosecutes the same to completion) it shall constitute an Event of Default (as hereinafter defined) and shall enable Landlord to resort to any of its remedies hereunder.

3.3 The ownership, operation, maintenance and use of the Project may in future be subject to certain conditions and restrictions contained in an instrument ("CC&R's") recorded or to be recorded against title to the Project. Landlord hereby informs Tenant that, as of the date of execution of this Lease, there are no CC&R's recorded against the Project. Tenant agrees that regardless of when those CC&R's are so recorded, this Lease and all provisions hereof shall be subject and subordinate thereto and Tenant shall comply therewith; provided, however, that except as required by Applicable Laws (as defined below), Tenant's obligation to comply with CC&R's recorded after the date of this Lease shall be subject to Tenant's prior consent, which will not be withheld unless the same would materially adversely affect Tenant's rights under this Lease. Accordingly, as a consequence of that subordination, during any period in which the entire Project is not owned by Landlord, (a) the portion of Operating Expenses and Taxes (each as defined below) for the Common Areas shall be allocated among the owners of the Project as provided in the CC&R's, and (b) the CC&R's shall govern the maintenance and insuring of the portions of the Project not owned by Landlord. Tenant shall, promptly upon request of Landlord, sign all documents reasonably required to carry out the foregoing into effect.

ARTICLE 4.
RENT

4.1 Tenant hereby agrees to pay Landlord the Base Rent in accordance with the terms of this Lease. For purposes of Rent adjustment under the Lease, the number of months is measured from the first day of the calendar month in which the Commencement Date falls. Each monthly installment (the "Monthly Rent") shall be payable by check or by money order on or before the first day of each calendar month. In addition to the Base Rent, Tenant also agrees to pay Tenant's Share of Operating Expenses and Taxes (each as hereinafter defined), and any and all other sums of money as shall become due and payable by Tenant as set forth in this Lease, all of which shall constitute additional rent under this Lease (the "Additional Rent"). Landlord expressly reserves the right to apply any payment received to Base Rent or any other items of Rent that are not paid by Tenant. The Base Rent, the Monthly Rent and the Additional Rent are sometimes hereinafter collectively called "Rent" and shall be paid when due in lawful money of the United States without demand, deduction, abatement (except as otherwise expressly provided in this Lease), or offset to the addresses for the rental payment set forth in the Basic Lease Information, or as Landlord may designate from time to time. Notwithstanding anything to the contrary contained in this Lease, Tenant may pay Base Rent or any other Rent payments to Landlord required hereunder by Federal Reserve Automated Clearing House (ACH) deposit to an account as directed by Landlord by written notice to Tenant from time to time; provided that Landlord agrees to accept payment by Federal Reserve Automated Clearing House (ACH) deposit only so long as such system is available for Landlord's use.

4.2 In the event any Monthly or Additional Rent or other amount payable by Tenant hereunder is not paid within five (5) days after its due date, Tenant shall pay to Landlord a late charge (the "Late Charge"), as Additional Rent, in an amount of five percent (5%) of the amount of such late payment. Notwithstanding the foregoing, before a late charge is charged to Tenant the first time in any twelve (12) month period, Landlord shall provide Tenant written notice of the delinquency, and shall waive such late charge if Tenant pays such delinquency within five (5) business days of Landlord's delivery of such written notice. Failure to pay any Late Charge shall be deemed a Monetary Default (as hereinafter defined). Provision for the Late Charge shall be in addition to all other rights and remedies available to Landlord hereunder, at law or in equity, and shall not be construed as liquidated damages or limiting Landlord's remedies in any manner. Failure to charge or collect such Late Charge in connection with any one (1) or more such late payments shall not constitute a waiver of Landlord's right to charge and collect such Late Charges in connection with any other similar or like late payments.

4.3 Simultaneously with the execution hereof, Tenant shall deliver to Landlord (i) the Rent Payable Upon Execution as payment of the first installment of Monthly Rent and Tenant's Share of Operating Expenses and Taxes due hereunder and (ii) an amount equal to the Security Deposit Amount to be held by Landlord as security for Tenant's faithful performance of all of the terms, covenants, conditions, and obligations required to be performed by Tenant hereunder (the "Security Deposit"). The Security Deposit shall be held by Landlord as security for the performance by Tenant of all of the covenants of this Lease to be performed by Tenant and Tenant shall not be entitled to interest thereon. The Security Deposit is not an advance rent deposit, an advance payment of any other kind, or a measure of Landlord's damages in any case of Tenant's default. If Tenant fails to perform any of the covenants of this Lease to

be performed by Tenant, including without limitation the provisions relating to payment of Rent, the removal of property at the end of the Term, the repair of damage to the Premises caused by Tenant, and the cleaning of the Premises upon termination of the tenancy created hereby, then Landlord shall have the right, but no obligation, to apply the Security Deposit, or so much thereof as may be necessary, for the payment of any Rent or any other sum in default and/or to cure any other such failure by Tenant. If Landlord applies the Security Deposit or any part thereof for payment of such amounts or to cure any such other failure by Tenant, then Tenant shall, within five (5) business days following Landlord's delivery to Tenant of written demand therefor, pay to Landlord the sum necessary to restore the Security Deposit to the full amount then required by this Section 4.3. Landlord's obligations with respect to the Security Deposit are those of a debtor and not a trustee. Landlord shall not be required to maintain the Security Deposit separate and apart from Landlord's general or other funds and Landlord may commingle the Security Deposit with any of Landlord's general or other funds. Upon termination of the original Landlord's or any successor owner's interest in the Premises or the Building, the original Landlord or such successor owner shall be released from further liability with respect to the Security Deposit upon the original Landlord's or such successor owner's complying with California Civil Code Section 1950.7. Subject to the foregoing, Tenant hereby waives the provisions of Section 1950.7 of the California Civil Code, and all other provisions of law, now or hereafter in force, which (a) establish a time frame within which a landlord must refund a security deposit under a lease, and/or (b) provide that Landlord may claim from a security deposit only those sums reasonably necessary to remedy defaults in the payment of Rent, to repair damage caused by Tenant or to clean the Premises, it being agreed that Landlord may, in addition, claim those sums reasonably necessary to compensate Landlord for any other loss or damage caused by the default of Tenant under this Lease, including without limitation all damages or Rent due upon termination of this Lease pursuant to Section 1951.2 of the California Civil Code. The unused portion of the Security Deposit or portion that Landlord is not entitled to claim pursuant to the terms of the immediately preceding sentence shall be returned to Tenant or the last assignee of Tenant's interest under this Lease within thirty (30) days following expiration or termination of the Term of this Lease. Subject to the remaining terms of this Section 4.3, and provided the Reduction Conditions (as defined below) have been satisfied at the particular reduction effective date, Tenant shall have the right to reduce the amount of the Security Deposit so that the new Security Deposit amount shall be $654,319.29 effective as of the first day of the sixty-first (61st) month of the Term and $327,159.65 effective as of the first day of the eighty-fifth (85th) month of the Term. If Tenant is not entitled to reduce the Security Deposit as of a particular reduction effective date due to the failure of one or more of the Reduction Conditions, then any subsequent reduction(s) Tenant is entitled to hereunder shall be reduced by the amount of the reduction Tenant would have been entitled to had all of the Reduction Conditions been satisfied. If Tenant is entitled to a reduction in the Security Deposit, Tenant shall provide Landlord with written notice requesting that the Security Deposit be reduced as provided above (the "Reduction Notice"). If Tenant provides Landlord with a Reduction Notice, no Event of Default then exists and Tenant is entitled to reduce the Security Deposit as provided herein, Landlord shall refund the applicable portion of the Security Deposit to Tenant within thirty (30) days after the later to occur of (a) Landlord's receipt of the Reduction Notice, or (b) the date upon which Tenant is entitled to a reduction in the Security Deposit as provided above. The term "Reduction Conditions" means the following conditions which have been satisfied:

4.3.1 Tenant is occupancy of the entire Premises.

4.3.2 Tenant has a tangible net worth equal to or greater than that of the originally named Tenant as of the date of this Lease (determined in accordance with generally accepted accounting principles consistently applied and excluding from the determination of total assets all assets which would be classified as intangible assets under generally accepted accounting principles, including, without limitation, goodwill, licenses, trademarks, trade names, copyrights and franchises), and as evidenced by financial statements audited by a certified public accounting firm reasonably acceptable to Landlord. If audited financial statements are not then available, Tenant may instead provide unaudited financial statements certified by an officer, member, manager, partner or other authorized representative of Tenant as accurately and completely reflecting the financial condition of Tenant.

4.3.3 No Event of Default shall have occurred under this Lease.

4.4 If the Term commences on a date other than the first day of a calendar month or expires or terminates on a date other than the last day of a calendar month, the Rent for any such partial month shall be prorated to the actual number of days in such partial month.

4.5 All Rents and any other amount payable by Tenant to Landlord hereunder, if not paid when due, shall bear interest from the date due until paid at a rate equal to the prime commercial rate established from time to time by Bank of America, plus four percent (4%) per annum; but not in excess of the maximum legal rate permitted by law. Notwithstanding the foregoing, before default interest as provided above is charged to Tenant the first time in any twelve (12) month period, Landlord shall provide Tenant written notice of the delinquency, and shall waive such default interest if Tenant pays such delinquency within five (5) business days of Landlord's delivery of such written notice. Failure to charge or collect such interest in connection with any one (1) or more delinquent payments shall not constitute a waiver of Landlord's right to charge and collect such interest in connection with any other or similar or like delinquent payments.

4.6 If Tenant fails to make when due two (2) consecutive payments of Monthly Rent or makes two (2) consecutive payments of Monthly Rent which are returned to Landlord by Tenant's financial institution for insufficient funds, Landlord may require, by giving written notice to Tenant, that all future payments of Rent shall be made in cashier's check or by money order. The foregoing is in addition to any other remedy of Landlord hereunder, at law or in equity.

4.7 No Rent or other payment in respect of the Premises shall be based in any way upon net income or profits from the Premises. Tenant may not enter into or permit any sublease or license or other agreement in connection with the Premises which provides for a rental or other payment based on net income or profit.

ARTICLE 5.
RENT ADJUSTMENT

5.1 Definitions.

(a) "Operating Expenses", as said term is used herein, shall mean all expenses, costs, and disbursements of every kind and nature which Landlord shall pay or

become obligated to pay because of or in connection with the ownership, operation, management, security, repair, restoration, replacement, or maintenance of the Project, or any portion thereof. Operating Expenses shall be computed in accordance with generally accepted real estate practices, consistently applied, and shall include, but not be limited to, the items as listed below:

(i) Wages, salaries, other compensation and any and all taxes, insurance and benefits of, the Building manager and of all other persons engaged in the operation, maintenance and security of the Project;

(ii) Payments under any equipment rental agreements or management agreements, including without limitation the cost of any actual or charged management fee and all expenses for the Project management office including rent, office supplies, and materials therefor;

(iii) Costs of all supplies, equipment, materials, and tools and amortization (including interest on the unamortized cost) of the cost of acquiring or the rental expense of personal property used in the maintenance, operation and repair of the Project, or any portion thereof;

(iv) All costs incurred in connection with the operation, maintenance, and repair of the Project including without limitation, the following: (A) the cost of operation, repair, maintenance and replacement of all systems and equipment and components thereof of the Project; (B) the cost of janitorial, alarm, security and other services, replacement of wall and floor coverings, ceiling tiles and fixtures in common areas, maintenance and replacement of curbs and walkways, and repair to, and maintenance of, roofs; (C) the cost of licenses, certificates, permits and inspections and the reasonable cost of contesting any governmental enactments which are reasonably anticipated by Landlord to increase Operating Expenses, and the cost incurred in connection with a transportation system management program or similar program; (D) the cost of landscaping, decorative lighting, and relamping, the cost of maintaining fountains, sculptures, bridges; and (E) costs, fees, charges or assessments imposed by, or resulting from any mandate imposed on Landlord by, any federal, state or local government for fire and police protection, trash removal, community services, or other services which do not constitute “Taxes” as that term is defined below.

(v) The cost of supplying all utilities, the cost of operating, maintaining, repairing, replacing, renovating and managing the utility systems, mechanical systems, sanitary, storm drainage systems, communication systems and escalator and elevator systems, and the cost of supplies, tools, and equipment and maintenance and service contracts in connection therewith.

(vi) Costs and expenses of complying with, or participating in, conservation, recycling, sustainability, energy efficiency, waste reduction or other programs or practices implemented or enacted from time to time at the Building, including, without limitation, in connection with any LEED (Leadership in Energy and Environmental Design) rating or compliance system or program, including that currently coordinated through the U.S. Green Building council or Energy Star rating and/or compliance system or program (collectively, “Conservation Costs”);

(vii) The cost of all insurance carried by Landlord in connection with the Project as reasonably determined by Landlord, including without limitation commercial general liability insurance, physical damage insurance covering damage or other loss caused by fire, earthquake, flood or other water damage, explosion, vandalism and malicious mischief, theft or other casualty, rental interruption insurance and such insurance as may be required by any lessor under any present or future ground or underlying lease of the Building or Project or any holder of a mortgage, deed of trust or other encumbrance now or hereafter in force against the Building or Project or any portion thereof, and any deductibles payable thereunder; including, without limitation, Landlord's cost of any self insurance deductible or retention;

(viii) Capital improvements made to or capital assets acquired for the Project, or any portion thereof, after the Commencement Date that (1) are intended to reduce Operating Expenses, or (2) are necessary for the health, safety and/or security of the Project, its occupants and visitors and are deemed advisable in the reasonable judgment of Landlord, or (3) are Conservation Costs, or (4) are required under any and all applicable laws, statutes, codes, ordinances, orders, rules, regulations, conditions of approval and requirements of all federal, state, county, municipal and governmental authorities and all administrative or judicial orders or decrees and all permits, licenses, approvals and other entitlements issued by governmental entities, and rules of common law, relating to or affecting the Project, the Premises or the Building or the use or operation thereof, whether now existing or hereafter enacted, including, without limitation, the Americans with Disabilities Act of 1990, 42 USC 12111 et seq. and any state and local accessibility laws, codes, ordinances and rules (collectively, and together with regulations promulgated pursuant thereto, the "ADA") as the same may be amended from time to time, all Environmental Laws (as hereinafter defined) (subject to subsection(xviii) below), and any CC&R's, or any corporation, committee or association formed in connection therewith, or any supplement thereto recorded in any official or public records with respect to the Project or any portion thereof (collectively, "Applicable Laws"), which capital costs, or an allocable portion thereof, shall be shall be amortized over the useful life of the associated capital assets as reasonably determined by Lender consistent with generally accepted real estate management practices, together with interest on the unamortized balance at a commercially reasonable rate determined by Landlord not to exceed 10% per annum;

(ix) fees, charges and other costs, including management fees (or amounts in lieu thereof), consulting fees, legal fees and accounting fees, of all contractors, engineers, consultants and other persons engaged by Landlord or otherwise incurred by or charged by Landlord in connection with the management, operation, maintenance and repair of the Buildings and the Project; and

(x) payments under any easement, license, operating agreement, declaration, restrictive covenant, or instrument pertaining to the sharing of costs by the Building, including, without limitation, any covenants, conditions, restrictions, and reciprocal easement agreements affecting the Project, and any agreements with governmental agencies affecting the Project (any of the foregoing that now or hereafter affect the Project, including without limitation the CC&R's, collectively, the "Underlying Documents").

Expressly excluded from Operating Expenses are the following items:

(xi) Repairs and restoration paid for by the proceeds of any insurance policies or amounts otherwise reimbursed to Landlord or paid by any other source (other than by tenants paying their share of Operating Expenses);

(xii) Principal, interest, and other costs directly related to financing the Project, or applicable part thereof, or ground lease rental or depreciation;

(xiii) The cost of special services to tenants (including Tenant) for which a special charge is made;

(xiv) The costs of repair, replacement or restoration of casualty damage or for restoration following condemnation to the extent covered by insurance proceeds (or would have been covered by insurance proceeds if Landlord obtained the insurance required under this Lease and/or had used commercially reasonable efforts to collect such amounts from any such insurance carrier) or condemnation awards, except for a deductible or self-insurance retention which in any Lease Year shall not exceed $2.00 per square foot of rentable area in the Building; provided, however, if the amount of the deductible or self-insurance retention exceeds that annual limitation, Landlord may carry over the unrecovered portion of any deductible or self-insurance retention into the subsequent lease years and recover them from Tenant subject to the annual limitation provided for in this Section 5.1(a)(xiv); and, provided, further, that if Landlord does not maintain flood, earthquake and/or terrorism insurance and there is damage to or destruction of the Project, or any part thereof, caused by any flood or earthquake or terrorism, then the costs of repair, replacement or restoration of such damage or destruction shall not be included in Operating Expenses;

(xv) The costs of any capital expenditures except as expressly permitted to be included in Operating Expenses as provided under clauses (vii) (with respect to amounts included in any deductible that relate to capital expenditures, subject to the cap on deductibles as provided in clause (iv) above), and (viii) above;

(xvi) Advertising and leasing commissions; costs, including permit, license and inspection costs and supervision fees, incurred with respect to the installation of tenant improvements within the Project or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space within the Project or promotional or other costs in order to market space to potential tenants;

(xvii) The legal fees and related expenses and legal costs incurred by Landlord (together with any damages awarded against Landlord) due to the gross negligence or willful misconduct of Landlord or the bad faith violation by Landlord or any tenant of the terms and conditions of any lease of space in the Project;

(xviii) Costs incurred: (x) with respect to the investigation, cleanup, remediation or monitoring of any Hazardous Materials (as defined below) which were in existence in, on, under or about the Project (or any portion thereof) prior to the Commencement Date; and/or (y) with respect to Hazardous Materials which are disposed of or otherwise introduced into, on, under or about the Project after the date hereof by Landlord or Landlord's agents, employees or contractors and by third parties (other than Tenant and/or Tenant's affiliates or their tenants, contractors, employees or agents or other persons (excluding Landlord or Landlord's agents, employees or contractors) in the Premises); provided, however, Operating Expenses shall include costs incurred in connection with the clean-up, remediation, monitoring, management and administration of (and defense of claims related to) the presence of (1) the non-negligent use of Hazardous Materials used by Landlord (provided such use is not negligent and is in compliance with Applicable Laws) in connection with the operation, repair and maintenance of the Project to perform Landlord's obligations under this Lease (such as, without limitation, fuel oil for generators, cleaning solvents, and lubricants) and which are customarily found or used in Comparable Buildings and (2) Hazardous Materials created, released or placed in the Premises, Building or the Project by Tenant (or Tenant's affiliates or their tenants, contractors, employees or agents) prior to or after the Commencement Date;

(xix) The attorneys' fees in connection with the negotiation and preparation of letters, deal memos, letters of intent, leases, subleases and/or assignments, space planning costs, and other costs and expenses incurred in connection with lease, sublease and/or assignment negotiations and transactions with present or prospective tenants or other occupants of the Project;

(xx) The expenses in connection with services or other benefits which are not available to Tenant;

(xxi) The overhead and profit paid to Landlord or to subsidiaries or affiliates of Landlord for goods and/or services in the Project to the extent the same exceeds the costs of such goods and/or services rendered by qualified, unaffiliated third parties on a competitive basis;

(xxii) The costs arising from Landlord's charitable or political contributions;

(xxiii) The costs (other than ordinary maintenance and insurance) for sculpture, paintings and other objects of art;

(xxiv) The interest and penalties resulting from Landlord's failure to pay any items of Operating Expense when due;

(xxv) The Landlord's general corporate overhead and general and administrative expenses, costs of entertainment, dining, automobiles or travel for Landlord's employees, and costs associated with the operation of the business of the partnership or entity which constitutes Landlord as the same are distinguished from the costs of the operation of the Project, including partnership accounting and legal matters, costs of defending any lawsuits with any mortgagee, costs of selling, syndicating, financing, mortgaging or hypothecating any of Landlord's interest in the Project, costs of any disputes between Landlord and its employees (if any) not engaged in the operation of the Project, disputes of Landlord with management, or outside fees paid in connection with disputes with other Project tenants or occupants (except to the extent such dispute is based on Landlord's good faith efforts to benefit Tenant or meet Landlord's obligations under this Lease);

(xxvi) The costs arising from the gross negligence or willful misconduct of Landlord or Landlord's agents, employees, affiliates, contractors, consultants or other representatives;

(xxvii) The management office rental to the extent such rental exceeds the fair market rental for such space;

(xxviii) The costs of correction of latent defects in the Project to the extent covered by warranties;

(xxix) The costs of Landlord's membership in professional organizations (such as, by way of example and without limitation, BOMA) in excess of $2,500.00 per year;

(xxx) Fees payable to Landlord or by Landlord for management of the Project which exceed the amount which would normally be paid to a company, in connection with the management of similar quality size and use projects in Mid-Peninsula Life Science Marketplace, with a general reputation for excellence and integrity and which is not, directly or indirectly, affiliated with Landlord; provided that an annual management fee equal to three percent (3%) of the gross revenue from operation of the Project with all tenants paying full rent (without regard to abatement or other credits), including base rent and pass-throughs from the Project for any calendar year or portion thereof may be included in Operating Expenses (and excluded from Operating Expenses shall be any property management or administrative fees in excess of such three percent (3%) annual amount);

(xxxi) Costs to remedy a condition existing prior to the date of this Lease which an applicable governmental authority, if it had knowledge of such condition prior to the date of this Lease and if such condition was not subject to a variance or a grandfathered code waiver exception, would have then required to be remedied pursuant to the then current Applicable Laws in their form existing as of the date of this Lease;

(xxxii) Any penalty or fine or legal or other fees incurred by Landlord due to Landlord's violation of any federal, state or local law or regulation or failure to pay taxes, utilities or other costs on time;

(xxxiii) Costs incurred in selling, syndicating, financing (including, without limitation, debt service), mortgaging, or hypothecating any of Landlord's interest in the Project, Building and/or the Premises;

(xxxiv) Costs incurred due to Landlord's default of this Lease or any other lease, mortgage, or other agreement affecting the Project, Building and/or the Premises.

(xxxv) Amounts which are reimbursed to Landlord by persons other than Tenant;

(xxxvi) Bad debt loss, rent loss or reserves for either;

(xxxvii) Costs incurred in connection with the original construction of the Project or in connection with any major change in the Project such as adding or deleting floors;

(xxxviii) Wages, salaries or other compensation paid to any executive employees above building manager or senior engineer;

(xxxix) Any expenses associated with renovating leasable space for new tenants, or renovating space vacated by any tenant;

(xl) Any expenses, including legal, accounting and experts fees, incurred by Landlord to resolve disputes, enforce or negotiate lease terms with prospective or existing tenants or in connection with any financing, sale or syndication of the Project;

(xli) Any expenses for repairs or maintenance, which are covered by warranties, guarantees and service contracts (excluding any mandatory deductible);

(xlii) Any expenses for replacements, repairs or maintenance performed by Landlord in compliance with its obligations under Section 2.6; and

(xliii) Any item that, if included in Operating Expenses, would involve a double collection for such item by Landlord.

Additionally, there shall be deducted from Operating Expenses all amounts received by Landlord through proceeds of insurance or condemnation awards to the extent they are compensation for, or reimbursement of, sums previously included in Operating Expenses hereunder.

(b) "Taxes" shall mean all real property taxes, ad valorem taxes, personal property taxes, and all other taxes, assessments, embellishments, use and occupancy taxes, transit taxes, water, sewer and pure water charges not included in Section 5.1.(a)(v) above, excises, levies, license fees or taxes, and all other similar charges, levies, penalties, or taxes, if any, which are levied, assessed, or imposed, by any Federal, State, county, or municipal authority, whether by taxing districts or authorities presently in existence or by others subsequently created, upon, or due and payable in connection with, or a lien upon, all or any portion of the Project, or facilities used in connection therewith, and rentals or receipts therefrom and all taxes of whatsoever nature that are imposed in substitution for or in lieu of any of the taxes, assessments, or other charges included in its definition of Taxes, and any costs and expenses of contesting the validity of same. Taxes shall include, without limitation: (i) Any tax on the rent, right to rent or other income from the Project, or any portion thereof, or as against the business of leasing the Project, or any portion thereof; (ii) Any assessment, tax, fee, levy or charge in addition to, or in substitution, partially or totally, of any assessment, tax, fee, levy or charge previously included within the definition of real property tax, it being acknowledged by Tenant and Landlord that Proposition 13 was adopted by the voters of the State of California in the June 1978 election ("Proposition 13") and that assessments, taxes, fees, levies and charges may be imposed by governmental agencies for such services as fire protection, street, sidewalk and road maintenance, refuse removal and for other governmental services formerly provided without charge to property owners or occupants, and, in further recognition of the decrease in the level and quality of governmental services and amenities as a result of Proposition 13, Taxes shall also include any governmental or private assessments or the Project's contribution towards a governmental or private cost-sharing agreement for the purpose of augmenting or improving the quality of services and amenities normally provided by governmental agencies; (iii) Any assessment, tax, fee, levy, or charge allocable to or measured by the area of the Premises, the tenant improvements in the Premises, or the Rent payable hereunder, including, without limitation, any business or gross receipts tax attributable to operations at the Project or excise tax with respect to the receipt of such rent, or upon or with respect to the possession, leasing, operating, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises, or any portion thereof; (iv) Any assessment, tax, fee, levy or charge, upon this transaction or any document to which Tenant is a party, creating or transferring an interest or an estate in the Premises; (v) All of the real estate taxes and assessments imposed upon or with respect to the Buildings and all of the real estate taxes and assessments imposed on the land and improvements comprising the Project, and (vi) assessments attributable to the Project by any governmental or quasi-governmental agency (including without limitation community benefit districts and business improvement districts) that Landlord is required to pay. For purposes of this Lease, Taxes shall be calculated as if the tenant improvements in the

Buildings were fully constructed and the Project, the Buildings, and all tenant improvements in the Buildings were fully assessed for real estate tax purposes, and accordingly, Taxes shall be deemed to be increased appropriately. Notwithstanding anything to the contrary contained in this Section 5.1(b), there shall be excluded from Taxes (1) all excess profits taxes, franchise taxes, gift taxes, documentary transfer taxes, capital stock taxes, inheritance and succession taxes, estate taxes, federal and state net income taxes, and other taxes to the extent applicable to Landlord's net income (as opposed to rents, receipts or income attributable to operations at the Project), (ii) any items included as Operating Expenses, and (iii) any items paid by Tenant under Section 17.1 of this Lease.

(c) "Lease Year" shall mean the twelve (12) month period commencing January 1st and ending December 31st.

(d) "Tenant's Building Percentage" shall mean Tenant's percentage of the entire Building as determined by dividing the rentable area of the Premises by the total rentable area of the Building. If there is a change in the total Building rentable area as a result of an addition to the Building, partial destruction, modification or similar cause, which event causes a reduction or increase on a permanent basis, Landlord shall cause equitable adjustments in the computations as shall be necessary to provide for any such changes. Landlord shall, at Landlord's option, have the right to segregate Operating Expenses into two (2) separate categories, one (1) such category, to be applicable only to Operating Expenses incurred for the Building and the other category applicable to Operating Expenses incurred for the exterior Common Areas and/or the Project as a whole. If Landlord so segregates Operating Expenses into two (2) categories, two (2) Tenant's Building Percentages shall apply, one (1) such Tenant's Building Percentage shall be calculated by dividing the rentable area of the Premises by the total rentable area in the Building ("Tenant's Building Only Percentage"), and the other Tenant's Building Percentage to be calculated by dividing the rentable area of the Premises by the total rentable area of all buildings in the Project ("Tenant's Common Area Building Percentage"). Consequently, if Landlord elects to so segregate Operating Expenses into two (2) categories, any reference in this Lease to "Tenant's Building Percentage" shall mean and refer to both Tenant's Building Only Percentage and Tenant's Common Area Building Percentage of Operating Expenses.

(e) "Tenant's Tax Percentage" shall mean the percentage determined by dividing the rentable area of the Premises by the total rentable area of all buildings in the Project.

(f) "Market Area" shall mean the Redwood Shores submarket of Redwood City, California (the "City").

(g) "Comparable Buildings" shall mean comparable Class "A" office/R&D use buildings owned by institutions in the Market Area.

5.2 Tenant shall pay to Landlord, as Additional Rent, Tenant's Share (as hereinafter defined) of the Operating Expenses. "Tenant's Share" shall be determined by multiplying Operating Expenses for any Lease Year or pro rata portion thereof, by Tenant's Building Percentage. Landlord shall, in advance of each Lease Year, estimate what Tenant's Share will be for such Lease Year based, in part, on Landlord's operating budget for such Lease Year, and Tenant shall pay Tenant's Share as so estimated each month (the "Monthly Escalation Payments"). The Monthly Escalation Payments shall be due and payable at the same time and in the same manner as the Monthly Rent.

5.3 Landlord shall, within one hundred fifty (150) days after the end of each Lease Year, or as soon thereafter as reasonably possible, provide Tenant with a written statement of the actual Operating Expenses incurred during such Lease Year for the Project and such statement shall set forth Tenant's Share of such Operating Expenses. Tenant shall pay Landlord, as Additional Rent, the difference between Tenant's Share of Operating Expenses and the amount of Monthly Escalation Payments made by Tenant attributable to said Lease Year, such payment to be made within thirty (30) days of the date of Tenant's receipt of said statement (except as provided in Section 5.4 below); similarly, Tenant shall receive a credit if Tenant's Share is less than the amount of Monthly Escalation Payments collected by Landlord during said Lease Year, such credit to be applied to future Monthly Escalation Payments to become due hereunder. If utilities, janitorial services or any other components of Operating Expenses increase during any Lease Year, Landlord may revise Monthly Escalation Payments due during such Lease Year (but such revision shall not occur more than twice in any Lease Year) by giving Tenant written notice to that effect; and thereafter, Tenant shall pay, in each of the remaining months of such Lease Year, a sum equal to the amount of the revised difference in Operating Expenses multiplied by Tenant's Building Percentage divided by the number of months remaining in such Lease Year.

5.4 Within one hundred eighty (180) days following Tenant's receipt of the Operating Expense statement or Taxes statement, Tenant may give Landlord notice (the "Review Notice") stating that Tenant elects to review Landlord's calculation of the amount of Operating Expenses or Taxes payable by Tenant for the Lease Year to which such statement applies and identifying with reasonable specificity the records of Landlord reasonably relating to such matters that Tenant desires to review. Tenant may not deliver more than one (1) Review Notice with respect to any Lease Year. If Tenant fails to give Landlord such a Review Notice within that one hundred eighty (180) day period, Tenant shall be deemed to have approved the applicable statement. If Tenant timely gives the Review Notice, Tenant shall be entitled to conduct or require an audit to be conducted, provided that (a) not more than one (1) such audit may be conducted during any Lease Year of the Term, (b) the records for each Lease Year may be audited only once, (c) such audit is commenced within one hundred eighty (180) days following Tenant's receipt of the applicable statement, and (d) such audit is completed and a copy thereof is delivered to Landlord prior to the end of the calendar year in which such statement is received. Tenant's auditor must be a member of a nationally recognized accounting firm and must not charge a fee based on the amount that the accountant is able to save Tenant by the inspection. As a condition precedent to any inspection by Tenant's accountant, Tenant shall deliver to Landlord such accountant's written agreement that (i) such accountant will not in any manner solicit or agree to represent any other tenant of the Project with respect to an audit or other review of Landlord's accounting records at the Project, and (ii) such accountant shall maintain in strict confidence any and all information obtained in connection with the review and shall not disclose such information to any person or entity other than to the management

personnel of Tenant. An overcharge of Operating Expenses or Taxes by Landlord shall not entitle Tenant to terminate this Lease. In connection with any inspection or audit conducted by Tenant pursuant to this Section 5.4, Tenant agrees to keep, and to cause all of Tenant's employees and consultants to keep, all of Landlord's books and records and the audit, and all information pertaining thereto and the results thereof, strictly confidential (except that Tenant may disclose such information if required by law, subpoena or court order or in any court or arbitration proceeding to establish any overcharge of Tenant or overpayment by Tenant), and in connection therewith, Landlord may require the execution and delivery of reasonable confidentiality agreements prior to permitting any such inspection or audit. No subtenant shall have the right to audit. Any assignee's audit right will be limited to the period after the effective date of the assignment. No audit shall be permitted if an Event of Default by Tenant has occurred and is continuing under this Lease, including without limitation any failure by Tenant to pay any amount due under this Article 5. If Landlord responds to any such audit with a written explanation of any issues raised in the audit, such issues shall be deemed resolved unless Tenant responds to Landlord with further written objections or comments within thirty (30) days after receipt of Landlord's response to the audit. In no event shall payment of Rent ever be contingent upon the performance of such audit. For purposes of any audit, Tenant or Tenant's duly authorized representative, at Tenant's sole cost and expense, shall have the right, upon fifteen (15) days' written notice to Landlord, to inspect Landlord's books and records pertaining to Operating Expenses and Taxes at the offices of Landlord or Landlord's managing agent during ordinary business hours, provided that such audit must be conducted so as not to unreasonably interfere with Landlord's business operations and must be reasonable as to scope and time. If actual Operating Expenses or Taxes are finally determined (by agreement of the parties or arbitration) to have been overstated or understated by Landlord for any calendar year, then the parties shall within thirty (30) days thereafter make such adjustment payment or refund as is applicable, and if actual Operating Expenses and Taxes are finally determined (by agreement of the parties or arbitration) to have been overstated by Landlord for any calendar year by in excess of five percent (5%), then Landlord shall pay the reasonable cost of Tenant's audit, not to exceed $5,000.00.

5.5 If the occupancy of the Building during any part of any Lease Year is less than one hundred percent (100%), Landlord shall make an appropriate adjustment of the variable components of Operating Expenses for that Lease Year, as reasonably determined by Landlord using sound accounting and management principles, to determine the amount of Operating Expenses that would have been incurred had the Building been one hundred percent (100%) occupied. This amount shall be considered to have been the amount of Operating Expenses for that Lease Year. For purposes of this Section 5.5, (a) space shall be considered occupied only if it is leased and then being used in the ordinary course of business, and (b) "variable components" include only those component expenses that are affected by variations in occupancy levels.

5.6 Tenant shall pay to Landlord, as Additional Rent, "Tenant's Tax Share" (as hereinafter defined) of the Taxes. "Tenant's Tax Share" shall be determined by multiplying Taxes for any Lease Year or pro rata portion thereof, by Tenant's Tax Percentage. Landlord shall, in advance of each Lease Year, estimate what Tenant's Tax Share will be for such Lease Year and Tenant shall pay Tenant's Tax Share as so estimated each month (the "Monthly Tax Payments"). The Monthly Tax Payments shall be due and payable at the same time and in the same manner as the Monthly Rent.

5.7 Landlord shall, within one hundred fifty (150) days after the end of each Lease Year, or as soon thereafter as reasonably possible, provide Tenant with a written statement of the actual Taxes incurred during such Lease Year for the Project and such statement shall set forth Tenant's Tax Share of such Taxes. Tenant shall pay Landlord, as Additional Rent, the difference between Tenant's Tax Share of Taxes and the amount of Monthly Tax Payments made by Tenant attributable to said Lease Year, such payment to be made within thirty (30) days of the date of Tenant's receipt of said statement; similarly, Tenant shall receive a credit if Tenant's Tax Share is less than the amount of Monthly Tax Payments collected by Landlord during said Lease Year, such credit to be applied to future Monthly Tax Payments to become due hereunder (or if such credit is for the final Lease Year of the Lease, then Landlord shall pay the amount of such credit to Tenant within thirty (30) days following the date the amount of such credit is determined). If Taxes increase during any Lease Year, Landlord may revise Monthly Tax Payments due during such Lease Year (but not more often than twice per Lease Year) by giving Tenant written notice to that effect; and, thereafter, Tenant shall pay, in each of the remaining months of such Lease Year, a sum equal to the amount of the revised difference in Taxes multiplied by Tenant's Tax Percentage divided by the number of months remaining in such Lease Year. Despite any other provision of this Article 5, Landlord may adjust Operating Expenses and/or Taxes and submit a corrected statement to account for Taxes or other government public-sector charges (including utility charges) that are for that given year but that were first billed to Landlord after the date that is ten (10) business days before the date on which the statement was furnished.

5.8 If the Taxes for any Lease Year are changed as a result of protest, appeal or other action taken by a taxing authority, the Taxes as so changed shall be deemed the Taxes for such Lease Year. If in any year the Project is less than one hundred percent (100%) occupied, the elements of Taxes which vary depending upon the build out of rentable area shall be calculated as if the tenant improvements in the Project were constructed in one hundred percent (100%) of the rentable area in the Project, and all tenant improvements in the Project were fully assessed for real estate tax purposes. Any expenses reasonably incurred by Landlord in attempting to protest, reduce or minimize Taxes shall be included in Taxes in the Lease Year in which those expenses are paid. Landlord shall have the exclusive right to conduct such contests, protests and appeals of the Taxes as Landlord shall determine is appropriate in Landlord's sole discretion.

5.9 Tenant's obligation with respect to Additional Rent and the payment of Tenant's Share of Operating Expenses and Tenant's Tax Share of Taxes shall survive the Expiration Date or Termination Date of this Lease and Landlord shall have the right to retain the Security Deposit, or so much thereof as it deems necessary, to secure payment of Tenant's Share of Operating Expenses and Tenant's Tax Share of Taxes for the final year of the Lease, or part thereof, during which Tenant was obligated to pay such expenses.

ARTICLE 6.
SERVICES TO BE PROVIDED BY LANDLORD

6.1 Subject to Articles 5 and 10 herein, Landlord agrees to furnish or cause to be furnished to the Premises the utilities and services described in the Standards for Utilities and Services, attached hereto as Exhibit G, subject to the conditions and in accordance with the standards set forth herein.

6.2 Landlord shall not be liable for any loss or damage arising or alleged to arise in connection with the failure, stoppage, or interruption of any such services; nor shall the same be construed as an eviction of Tenant, work an abatement of Rent (except as provided in Section 6.8, below), entitle Tenant to any reduction in Rent, or relieve Tenant from the operation of any covenant or condition herein contained; it being further agreed that Landlord reserves the right to discontinue temporarily such services or any of them and/or access to the Premises or Project at such times as may be necessary by reason of repair or capital improvements performed within the Project, accident, unavailability of employees, repairs, alterations or improvements, or whenever by reason of strikes, lockouts, riots, acts of God, or any other happening or occurrence, whether similar or dissimilar, beyond the reasonable control of Landlord. In the event of any such failure, stoppage or interruption of services, Landlord shall use reasonable diligence to have the same restored as soon as reasonably practicable and if Landlord voluntarily takes action to discontinue any service on a temporary basis, then Landlord shall do so at a time that will not interfere with or interrupt Tenant's business operations. Neither diminution nor shutting off of light or air or both, nor any other effect on the Project by any structure erected or condition now or hereafter existing on lands adjacent to the Project, shall affect this Lease, abate Rent, or otherwise impose any liability on Landlord. Furthermore, Landlord shall not be liable under any circumstances for a loss of, or injury to, property or for injury to, or interference with, Tenant's business, including, without limitation, loss of profits, however occurring, through or in connection with or incidental to a failure to furnish any of the services or utilities as set forth in this Article 6. Without limiting the generality of the foregoing and notwithstanding anything to the contrary in this Lease, Tenant's obligation to pay rent and other amounts due under the Lease shall not be abated or limited in the event access to, use of, and/or services provided to the Premises, the Building, and/or the Project is or are prevented, limited or impaired in compliance with Applicable Laws in connection with a community health emergency, including any epidemic, quarantine, or infectious disease-related outbreak.

6.3 Landlord shall have the right to reduce heating, cooling, or lighting within the Premises and in the public area in the Building as required by any mandatory fuel or energy-saving program.

6.4 Unless otherwise provided by Landlord, Tenant shall separately arrange with the applicable local public authorities or utilities, as the case may be, for the furnishing of and payment of all telephone and facsimile services as may be required by Tenant in the use of the Premises. Tenant shall directly pay for such telephone and facsimile services as may be required by Tenant in the use of the Premises, including the establishment and connection thereof, at the rates charged for such services by said authority or utility; and the failure of Tenant to obtain or to continue to receive such services for any reason whatsoever shall not relieve Tenant of any of its obligations under this Lease.

6.5 Landlord shall have the exclusive right, but not the obligation, to provide any locksmithing services, and Landlord shall also have the non-exclusive right, but not the obligation, to provide any additional services which may be required by Tenant, including without limitation additional repairs and maintenance, provided that Tenant shall pay to

Landlord upon billing, the sum of all costs to Landlord of such additional services plus an administration fee. Upon Tenant's request, Landlord shall notify Tenant of the administrative fee applicable to the requested work. If Tenant requests the Landlord provide locksmithing services and Landlord declines, then Tenant shall not be obligated to use Landlord's locksmithing services. Charges for any utilities or service for which Tenant is required to pay from time to time hereunder, shall be deemed Additional Rent hereunder and shall be billed on a monthly basis.

6.6 At all times during the Term Landlord shall have the right to select the utility company or companies that shall provide electric, telecommunication and/or other utility services to the Premises and, subject to all Applicable Laws, Landlord shall have the right at any time and from time to time during the Term to either (a) contract for services from electric, telecommunication and/or other utility service provider(s) other than the provider with which Landlord has a contract as of the date of this Lease (the "Current Provider"), or (b) continue to contract for services from the Current Provider. The cost of such utility services and any energy management and procurements services in connection therewith shall be Operating Expenses.

6.7 If Tenant is billed directly by a public utility with respect to Tenant's electrical usage at the Premises, upon request from time to time, Tenant shall provide monthly electrical utility usage for the Premises to Landlord for the period of time requested by Landlord (in electronic or paper format) or, at Tenant's option, provide any written authorization or other documentation required for Landlord to request information regarding Tenant's electricity usage with respect to the Premises directly from the applicable utility company.

6.8 Notwithstanding anything to the contrary in Section 6.2 or elsewhere in this Lease, if (a) Landlord fails to provide Tenant with the electrical service or elevator service described in Section 6.1, or Landlord enters the Premises or performs the activities described in Sections 48.1 and 48.2 and such entry and/or performance interferes with Tenant's reasonable use of the Premises (b) such failure or Landlord's entry is not due to any one or more Force Majeure Events or to an event covered by Article 19, (c) Tenant has given Landlord reasonably prompt written notice of such failure or that such entry by Landlord is unreasonably interfering with Tenant's use of the Premises and (d) as a result of such failure or entry all or any part of the Premises are rendered untenantable (and, as a result, all or such part of the Premises are not used by Tenant during the applicable period) for more than five (5) consecutive business days, then Tenant shall be entitled to an abatement of Rent proportional to the extent to which the Premises are thereby rendered unusable by Tenant, commencing with the later of (i) the sixth business day during which such untenantability continues or (ii) the sixth business day after Landlord receives such notice from Tenant, until the Premises (or part thereof affected) are again usable or until Tenant again uses the Premises (or part thereof rendered unusable) in its business, whichever first occurs. The foregoing rental abatement shall be Tenant's exclusive remedy therefor. Notwithstanding the foregoing, the provisions of Article 19 below and not the provisions of this subsection shall govern in the event of casualty damage to the Premises or Project and the provisions of Article 20 below and not the provisions of this subsection shall govern in the event of condemnation of all or a part of the Premises or Project.

ARTICLE 7.
REPAIRS AND MAINTENANCE BY LANDLORD

7.1 Landlord shall provide for the cleaning and maintenance of the public portions of the Project, including, without limitation, the Common Areas, in keeping with the ordinary standard for Comparable Buildings as part of Operating Expenses. Unless otherwise expressly stipulated herein, Landlord shall not be required to make any improvements or repairs of any kind or character to the Premises during the Term, except such repairs as may be required to the exterior walls, corridors, windows, roof, foundations, integrated Building utility and mechanical systems and other Base Building (as defined below) elements and other structural elements and equipment of the Project, and subject to Section 13.4, below, such additional maintenance as may be necessary because of the damage caused by persons other than Tenant, its agents, employees, licensees, or invitees. As used in this Lease, the "Base Building" shall include the structural portions of the Building, and the public restrooms, elevators, exit stairwells and the systems and equipment located in the internal core of the Building on the floor or floors on which the Premises are located.

7.2 Landlord reserves the right at all reasonable times and upon reasonable notice to Tenant (except in the case of an emergency, in which event no notice shall be required) to enter the Premises to (i) inspect them; (ii) show the Premises to prospective purchasers, mortgagees, brokers, investors or tenants, or to current or prospective mortgagees, ground or underlying lessors or insurers; (iii) post notices of nonresponsibility; or (iv) alter, improve or repair the Premises or the Building, or for structural alterations, repairs or improvements to the Building or the Building Systems. Landlord agrees that except after the occurrence of an Event of Default that remains uncured, Landlord will not show the Premises to prospective tenants earlier than the date that is twelve (12) months prior to the Expiration Date. Landlord shall have the right to install, use and maintain ducts, cabling, pipes and conduits in and through the Premises, provided that (a) such ducts, cabling, pipes and conduits are concealed within or above partitioning columns, walls or ceilings, except that if such ducts, cabling, pipes or conduits are installed in areas that are utility areas (such as storage areas, mailrooms or mud rooms), then such ducts, cabling, pipes or conduits may also be installed on partitioning walls, columns or ceilings, (b) such ducts, cabling, pipes and conduits do not reduce the usable area of the Premises by more than a de minimis amount, and (c) Landlord installs such ducts, cabling, pipes and conduits in a manner that minimizes, to the extent reasonably practicable, any adverse effect on an Alteration theretofore performed in the Premises and any adverse effect on Tenant's use of the Premises. Notwithstanding anything to the contrary contained in this Section 7.2, Landlord may enter the Premises at any time to (A) perform services required of Landlord, including janitorial service, if Landlord is obligated to provide janitorial service to the Premises under this Lease; (B) to the extent permitted by applicable law, take possession due to any breach of this Lease in the manner provided herein; and (C) perform any covenants of Tenant which Tenant fails to perform. Landlord may make any such entries without the abatement of Rent and may take such reasonable steps as required to accomplish the stated purposes. Tenant hereby waives any claims for damages or for any injuries or inconvenience to or interference with Tenant's business, lost profits, any loss of occupancy or quiet enjoyment of the Premises, and any other loss occasioned thereby. For each of the above purposes, Landlord shall at all times have a key with which to unlock all the doors in the Premises, excluding Tenant's vaults, safes and special security areas designated in advance by Tenant. In an emergency, Landlord shall have the right to use any

means that Landlord may deem proper to open the doors in and to the Premises. Any entry into the Premises by Landlord in the manner hereinbefore described shall not be deemed to be a forcible or unlawful entry into, or a detainer of, the Premises, or an actual or constructive eviction of Tenant from any portion of the Premises. No provision of this Lease shall be construed as obligating Landlord to perform any repairs, alterations or decorations except as otherwise expressly agreed to be performed by Landlord herein. In connection with Landlord's exercise of any of its entry rights hereunder, Landlord shall use commercially reasonable efforts to minimize any adverse impact or effect on Tenant's use of the Premises or its business operations therein.

7.3 Except as otherwise expressly provided in this Lease, Landlord shall not be liable for any failure to make any repairs or to perform any maintenance and there shall be no abatement of rent and no liability of Landlord by reason of any injury to or interference with Tenant's business arising from the making of any repairs, alterations or improvements in or to any portion of the Project, Building or the Premises or in or to fixtures, and equipment therein. Tenant hereby waives all rights it would otherwise have under California Civil Code Sections 1932(1) and 1942(a), or any similar law, statute or ordinance now or hereafter in effect, to make repairs at Landlord's expense, to deduct repair costs from Rent and/or terminate this Lease as the result of any failure by Landlord to maintain or repair.

ARTICLE 8.
REPAIRS AND CARE OF PREMISES BY TENANT

8.1 If the Building, the Project, or any portion thereof, including but not limited to, the elevators, boilers, engines, pipes, and other apparatus, or members of elements of the Building (or any of them) used for the purpose of climate control of the Building or operating of the elevators, or of the water pipes, drainage pipes, electric lighting, or other equipment of the Building or the roof or outside walls of the Building and also the Premises improvements, including but not limited to, the carpet, wall coverings, doors, and woodwork, become damaged or are destroyed through the negligence, carelessness, or misuse of Tenant, its servants, agents, employees, or anyone permitted by Tenant to be in the Building, or through it or them, then the reasonable cost of the necessary repairs, replacements, or alterations less insurance proceeds payable to Landlord with respect to such damage or destruction, shall be borne by Tenant who shall pay the same to Landlord as Additional Rent within ten (10) days after demand, subject to Section 13.4 below. Landlord shall have the exclusive right, but not the obligation, to make any repairs necessitated by such damage.

8.2 Subject to Section 13.4 below, Tenant agrees, at its sole cost and expense, less insurance proceeds payable under Landlord's insurance, to repair or replace any damage or injury done to the Project, or any part thereof, caused by Tenant, Tenant's agents, employees, licensees, or invitees which Landlord elects not to repair. Tenant shall not injure the Project or the Premises (ordinary wear and tear excepted) and, at Tenant's sole cost and expense, shall maintain , except to the extent required to be maintained by Landlord pursuant to Section 7.1 above, the interior of the Premises, including without limitation all improvements, fixtures and furnishings therein, and the floor or floors on which the Premises are located, in good order, repair and condition at all times during the Term. If Tenant fails to keep such elements of the Premises in such good order, condition, and repair as required hereunder to the satisfaction of

Landlord, Landlord may restore the Premises to such good order and condition and make such repairs without liability to Tenant for any loss or damage that may accrue to Tenant's property or business by reason thereof, and within t thirty (30) days after completion thereof, Tenant shall pay to Landlord, as Additional Rent, upon demand, the cost of restoring the Premises to such good order and condition and of the making of such repairs, plus an additional charge of ten percent (10%) thereof. Upon the Expiration Date or the Termination Date, Tenant shall surrender and deliver up the Premises to Landlord in the same condition in which it existed at the Commencement Date, excepting only ordinary wear and tear and damage arising from any cause not required to be repaired by Tenant. Upon the Expiration Date or the Termination Date, Landlord shall have the right to re-enter and take possession of the Premises.

8.3 Tenant shall provide its own janitorial and cleaning services to the Premises at Tenant's sole cost and expense. Landlord is not obligated to provide any janitorial or cleaning services to the Premises.

ARTICLE 9.
TENANT'S EQUIPMENT AND INSTALLATIONS

9.1 If heat-generating machines or equipment, including telephone equipment, cause the temperature in the Premises, or any part thereof, to exceed the temperatures the Building's air conditioning system would be able to maintain in such Premises were it not for such heat-generating equipment, then Landlord reserves the right to install supplementary air conditioning units in the Premises, and the cost thereof, including the cost of installation and the cost of operation and maintenance thereof, including water, shall be paid by Tenant to Landlord within thirty (30) days after demand by Landlord.

9.2 Tenant shall not, without the specific written consent of Landlord (which consent shall not be unreasonably withheld, conditioned, or delayed), install or maintain any apparatus or device within the Premises which shall increase the usage of electrical power or water for the Premises to an amount greater than would be normally required for general office, and life sciences laboratory or research and development use for space of comparable size in the Market Area; and if any such apparatus or device is so installed, Tenant agrees to furnish Landlord a written agreement to pay for any additional costs of utilities as the result of said installation.

9.3 Tenant shall have the right, at Tenant's option and at Tenant's sole cost and expense, to use the heat pump and related supplemental cooling equipment existing in the Premises on the date of this Lease (collectively, "Tenant's Supplemental HVAC Equipment"). Tenant shall pay the cost of all electrical usage of Tenant's Supplemental HVAC Equipment at the rates charged for furnishing the same (but without mark up by Landlord), plus the cost of the installation, operation and maintenance of equipment which is installed in order to supply such excess consumption. At Tenant's sole cost and expense, Tenant shall at all times maintain Tenant's Supplemental HVAC Equipment, in good order, condition and repair (ordinary wear and tear and damage arising from any cause not required to be repaired by Tenant).

ARTICLE 10.
FORCE MAJEURE

10.1 Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, adverse weather, acts of war, terrorist acts, governmental action or inaction, inability to obtain services, labor, or materials or reasonable substitutes therefor, the failure of any public utility to furnish services, civil commotions, disease, epidemics, quarantine, emergency or other governmental orders, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform (each, a "Force Majeure Event"), notwithstanding anything to the contrary contained in this Lease, shall excuse the performance of such party for a period equal to any such prevention, delay or stoppage and, therefore, if this Lease specifies a time period for performance of an obligation of either party, that time period shall be extended by the period of any delay in such party's performance caused by a Force Majeure Event. Nothing in this Section 10.1 shall limit or otherwise modify or waive Tenant's obligation to pay Rent or any other charges to be paid by Tenant pursuant to this Lease as and when due pursuant to the terms of this Lease, limit or otherwise modify or waive Tenant's obligation to comply with law as provided in Section 34.1, or permit Tenant to hold over in the Premises after the expiration or earlier termination hereof. Landlord and Tenant hereby agree that the provisions of this Section 10.1 shall apply in lieu of the provisions of California Civil Code Section 1511 subparagraph 2. When performance of an obligation, or of an offer of performance, in whole or in part, by Tenant is prevented or delayed by the act of Landlord or by the operation of law, Tenant shall give notice to Landlord within ten (10) business days after Tenant becomes aware of the occurrence of the event excusing performance of an intention to claim an extension of time or of an intention to bring suit or of any other similar or related intent.

ARTICLE 11.
CONSTRUCTION, MECHANICS' AND MATERIALMAN'S LIENS

11.1 Tenant shall not suffer or permit any construction, mechanics' or materialman's lien to be filed against the Premises or any portion of the Project by reason of work, labor services, or materials supplied or claimed to have been supplied to Tenant. Nothing herein contained shall be deemed or construed in any way as constituting the consent or request of Landlord, expressed or implied, by inference or otherwise, for any contractor, subcontractor, laborer, or materialman to perform any labor or to furnish any materials or to make any specific improvement, alteration, or repair of or to the Premises or any portion of the Project; nor of giving Tenant any right, power, or authority to contract for, or permit the rendering of, any services or the furnishing of any materials that could give rise to the filing of any construction, mechanics' or materialman's lien against the Premises or any portion of the Project.

11.2 If any such construction, mechanics' or materialman's lien or other encumbrance shall at any time be filed against the Premises or any portion of the Project arising from any work performed, materials or services furnished or obligations incurred by or on behalf of Tenant, Tenant covenants that it shall protect, defend, indemnify and hold Landlord harmless from and against any claims, liabilities, judgments or costs (including, without limitation, attorneys' fees) in connection therewith, and, within twenty (20) days after Tenant has notice of the claim for lien, procure the discharge or release thereof by payment or by giving security or in such other manner as is or may be required or permitted by law or which shall otherwise satisfy

Landlord. If Tenant fails to take such action, Landlord, in addition to any other right or remedy it may have, may take such action as may be reasonably necessary to protect its interests. Any amounts paid by Landlord in connection with such action, all other expenses of Landlord incurred in connection therewith, including reasonable attorneys' fees, court costs, and other necessary disbursements shall be repaid by Tenant to Landlord within thirty (30) days after demand.

ARTICLE 12.
ARBITRATION

12.1 In the event that a dispute arises under Section 5.3 above, the same shall be submitted to arbitration in accordance with the provisions of applicable state law, if any, as from time to time amended. Arbitration proceedings, including the selection of an arbitrator, shall be conducted pursuant to the rules, regulations, and procedures from time to time in effect as promulgated by the American Arbitration Association (the "Association"). Prior written notice of application by either party for arbitration shall be given to the other at least ten (10) days before submission of the application to the said Association's office in the city wherein the Building is situated (or the nearest other city having an Association office). The arbitrator shall hear the parties and their evidence. The decision of the arbitrator may be entered in the appropriate court of law; and the parties consent to the jurisdiction of such court and further agree that any process or notice of motion or other application to the court or a judge thereof may be served outside the state wherein the Building is situated by registered mail or by personal service, provided a reasonable time for appearance is allowed. The costs and expenses of each arbitration hereunder and their apportionment between the parties shall be determined by the arbitrator in his or her award or decision, subject to the penultimate sentence of this section. No arbitrable dispute shall be deemed to have arisen under this Lease (a) prior to the expiration of the period of twenty (20) days after the date of the giving of written notice by the party asserting the existence of the dispute, together with a description thereof sufficient for an understanding thereof, and (b) where Tenant disputes the amount of a Tenant payment required hereunder (e.g., Operating Expense excess under Section 5.3 hereof), prior to Tenant paying in full the amount billed by Landlord, including the disputed amount. The prevailing party in such arbitration shall be reimbursed for its expenses, including reasonable attorneys' fees. Notwithstanding the foregoing, in no event shall this Article 12 affect or delay Landlord's unlawful detainer rights under California law.

ARTICLE 13.
INSURANCE

13.1 Landlord shall maintain, as a part of Operating Expenses, special causes of loss form property insurance on the Project (excluding, at Landlord's option, the property required to be insured by Tenant pursuant to Section 13.2(e), below) in an amount equal to the full replacement cost of the Project, subject to such deductibles as Landlord may determine. Landlord shall not be obligated to insure, and shall not assume any liability of risk of loss for, any of Tenant's furniture, equipment, machinery, goods, supplies, improvements or alterations upon the Premises. Such insurance shall be maintained with an insurance company selected, and in amounts desired, by Landlord or Landlord's mortgagee, and payment for losses thereunder shall be made solely to Landlord subject to the rights of the holder of any mortgage or deed of

trust which may now or hereafter encumber the Project. Additionally Landlord may maintain such additional insurance, including, without limitation, earthquake insurance, flood insurance, liability insurance and/or rent insurance, as Landlord may in its sole discretion elect. The cost of all such additional insurance shall also be part of the Operating Expenses. Any or all of Landlord's insurance may be provided by blanket coverage maintained by Landlord or any affiliate of Landlord under its insurance program for its portfolio of properties or by Landlord or any affiliate of Landlord's program of self-insurance, and in such event Operating Expenses shall include the portion of the reasonable cost of blanket insurance or self-insurance that is allocated to the Project.

13.2 Tenant, at its own expense, shall maintain with insurers authorized to do business in the State of California and which are rated A or better and have a financial size category of at least VIII in the most recent Best's Key Rating Guide, or any successor thereto (or if there is none, an organization having a national reputation), (a) commercial general liability insurance, including Broad Form Property Damage and Contractual Liability with the following minimum limits: General Aggregate $3,000,000.00; Each Occurrence $2,000,000.00; Personal and Advertising Injury $1,000,000.00; Medical Payments $5,000.00 per person, Umbrella/Excess Liability on a following form basis with the following minimum limits: General Aggregate $4,000,000.00; Each Occurrence $4,000,000.00; (c) Workers' Compensation with statutory limits; (d) Employer's Liability insurance with the following limits: Bodily injury by disease per person $1,000,000.00; Bodily injury by accident policy limit $1,000,000.00; Bodily injury by disease policy limit $1,000,000.00; (e) property insurance on special causes of loss insurance form covering (i) all office furniture, business and trade fixtures, office equipment, free-standing cabinet work, movable partitions, merchandise and all other items of Tenant's property on the Premises installed by, for, or at the expense of Tenant, (ii) the "Tenant Improvements," as that term is defined in Section 2.1 of the Tenant Work Letter, and any other improvements which exist in the Premises as of the Commencement Date (excluding the Base Building) (the "Original Improvements"), and (iii) all other improvements, alterations and additions to the Premises (such insurance shall be for the full replacement cost value (subject to reasonable deductible amounts) new without deduction for depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies of insurance and shall include coverage for damage or other loss caused by fire or other peril including, but not limited to, vandalism and malicious mischief, theft, water damage of any type, including sprinkler leakage, bursting or stoppage of pipes, and explosion); (f) business auto liability insurance having a combined single limit of not less than One Million Dollars ($1,000,000.00) per occurrence and insuring Tenant against liability for claims arising out of ownership, maintenance or use of any owned, hired or non-owned automobiles; and (g) Business Income Interruption for one (1) year plus Extra Expense insurance in such amounts as will reimburse Tenant for actual direct or indirect loss of earnings and continuing expenses, including rent, attributable to the risks outlined in clause (e) above. At all times during the Term, such insurance shall be maintained, and Tenant shall cause a current and valid certificate of such policies to be deposited with Landlord. If Tenant fails to have a current and valid certificate of such policies on deposit with Landlord at all times during the Term and such failure is not cured within three (3) business days following Tenant's receipt of notice thereof from Landlord, Landlord shall have the right, but not the obligation, to obtain such an insurance policy, and Tenant shall be obligated to pay Landlord the amount of the premiums applicable to such insurance within thirty (30) days after Tenant's receipt of Landlord's request for payment thereof. Said policy of liability insurance shall name

Landlord, Landlord's affiliates and subsidiaries designated by Landlord, and Landlord's managing agent as additional insureds and Tenant as the insured and shall be noncancellable with respect to Landlord except after thirty (30) days' written notice from the insurer to Landlord. All insurance policies required to be maintained by Tenant shall (i) be primary insurance as to all claims thereunder and provide that any insurance carried by Landlord is excess and is non-contributing with any insurance required of Tenant; and (ii) be in form and content reasonably acceptable to Landlord.

13.3 Tenant shall adjust annually the amount of coverage established in Section 13.2 hereof to such amount as in Landlord's reasonable opinion, adequately protects Landlord's interest; provided the same is consistent with the amount of coverage customarily required of comparable tenants in Comparable Buildings.

13.4 Notwithstanding anything in this Lease to the contrary, Landlord and Tenant each hereby waives any and all rights of recovery, claim, action, or cause of action against the other, its agents, employees, licensees, or invitees for any loss or damage to or at the Premises, Building or the Project or any personal property, equipment or fixtures of such party therein or thereon by reason of fire, the elements, or any other cause which would be insured against under the terms of (i) special causes of loss form property insurance, (ii) the Business Income Interruption referred to in Section 13.2, or (iii) the liability insurance referred to in Section 13.2, to the extent of such insurance, regardless of cause or origin, including omission of the other party hereto, its agents, employees, licensees, or invitees. Landlord and Tenant covenant that no insurer shall hold any right of subrogation against either of such parties with respect thereto. This waiver shall be ineffective against any insurer of Landlord or Tenant to the extent that such waiver is prohibited by the laws and insurance regulations of the State of California. The parties hereto agree that any and all such insurance policies required to be carried by either shall be endorsed with a subrogation clause, substantially as follows: "This insurance shall not be invalidated should the insured waive, in writing prior to a loss, any and all right of recovery against any party for loss occurring to the property described therein," and shall provide that such party's insurer waives any right of recovery against the other party in connection with any such loss or damage.

13.5 In the event Tenant's occupancy or conduct of business in or on the Premises, whether or not Landlord has consented to the same, results in any increase in premiums for the insurance carried from time to time by Landlord with respect to the Building, Tenant shall pay any such increase in premiums as Rent within thirty (30) days after bills for such additional premiums shall be rendered by Landlord. In determining whether increased premiums are a result of Tenant's use or occupancy of the Premises, a schedule issued by the organization computing the insurance rate on the Building showing the various components of such rate, shall be conclusive evidence of the several items and charges which make up such rate. Tenant shall promptly comply with all reasonable requirements of the insurance authority or of any insurer now or hereafter in effect relating to the Premises.

ARTICLE 14.
QUIET ENJOYMENT

14.1 Provided Tenant is not in default under this Lease after the expiration of any period for cure in the performance of all its obligations under this Lease, including, but not limited to, the payment of Rent and all other sums due hereunder, Tenant shall peaceably and quietly hold and enjoy the Premises for the Term, without hindrance by Landlord, subject to the provisions and conditions set forth in this Lease.

ARTICLE 15.
ALTERATIONS

15.1 Tenant agrees that it shall not make or allow to be made any alterations, physical additions, or improvements in or to the Premises without first obtaining the written consent of Landlord in each instance. As used herein, the term "Minor Alteration" refers to an alteration that (a) does not affect the outside appearance of the Building and is not visible from the Common Areas, (b) is non-structural and does not impair the strength or structural integrity of the Building, and (c) does not affect the mechanical, electrical, HVAC or other systems of the Building. Landlord agrees not to unreasonably withhold its consent to any Minor Alteration. Landlord's consent to any other alteration may be conditioned, given, or withheld in Landlord's sole discretion. Notwithstanding the foregoing, Landlord consents to any repainting, recarpeting, or other purely cosmetic changes or upgrades to the Premises, so long as (i) the aggregate cost of such work is less than $35,000.00 in any twelve-month period, (ii) such work constitutes a Minor Alteration (iii) no building permit is required in connection therewith, and (iv) such work conforms to the then existing Building standards. At the time of said request, Tenant shall submit to Landlord plans and specifications of the proposed alterations, additions, or improvements; and Landlord shall have a period of not less than ten (10) business days therefrom in which to review and approve or disapprove said plans; provided that if Landlord determines in good faith that Landlord requires a third party to assist in reviewing such plans and specifications, Landlord shall instead have a period of not less than thirty (30) days in which to review and approve or disapprove said plans. If Tenant orders any work directly from Landlord, in addition to and not in lieu of Tenant's obligation to reimburse Landlord for all actual costs reasonably incurred by Landlord in connection with such work, Tenant shall pay to Landlord an amount equal to five percent (5%) of the cost of such work to compensate Landlord for all overhead, general conditions, fees and other costs and expenses arising from Landlord's involvement with such work. If Tenant does not order any work directly from Landlord, Tenant shall pay to Landlord, within thirty (30) days after Tenant's receipt of a written invoice therefor, the reasonable cost and expense of Landlord in (A) reviewing said plans and specifications, and (B) inspecting the alterations, additions, or improvements to determine whether the same are being performed in accordance with the approved plans and specifications and all laws and requirements of public authorities, including, without limitation, the reasonable fees of any architect or engineer employed by Landlord for such purpose. In any instance where Landlord grants such consent, and permits Tenant to use its own contractors, laborers, materialmen, and others furnishing labor or materials for Tenant's construction (collectively, "Tenant's Contractors"), Landlord's consent shall be deemed conditioned upon each of Tenant's Contractors (1) working in harmony and not unreasonably interfering with any laborer utilized by Landlord, Landlord's contractors, laborers, or materialmen; and (2) furnishing Landlord with

evidence of acceptable liability insurance, worker's compensation coverage and if required by Landlord, completion bonding, and if at any time such entry by one or more persons furnishing labor or materials for Tenant's work shall cause such disharmony or unreasonable interference, the consent granted by Landlord to Tenant may be withdrawn immediately upon written notice from Landlord to Tenant. If Tenant is using Tenant's Contractors for Tenant's construction, the contract with such Tenant's Contractor(s) shall be fully executed and delivered by Tenant and Tenant's Contractor(s) prior to the commencement of construction. Notwithstanding the foregoing, Landlord agrees that so long as the Tenant is the originally named Tenant, Landlord will not require a completion bond with respect to alterations costing less than $100,000.00 (provided that Tenant has not artificially segregated an alteration which by its nature is a single unit or event into smaller increments for purposes of avoiding the necessity of obtaining a completion bond). Tenant, at its expense, shall obtain all necessary governmental permits and certificates for the commencement and prosecution of alterations, additions, or improvements and for final approval thereof upon completion, and shall cause any alterations, additions, or improvements to be performed in compliance therewith and with all Applicable Laws (including without limitation, California Energy Code, Title 24) and all requirements of public authorities and with all applicable requirements of insurance bodies. All alterations, additions, or improvements shall be diligently performed in a good and workmanlike manner, using new materials and equipment at least equal in quality and class to be better than (a) the original installations of the Building, or (b) the then standards for Comparable Buildings. Upon the completion of work and upon request by Landlord, Tenant shall provide Landlord copies of all waivers or releases of lien from each of Tenant's Contractors. No alterations, modifications, or additions to the Project or the Premises (other than any security system or supplemental HVAC system installed by Tenant if desired to be removed by Tenant) shall be removed by Tenant either during the Term or upon the Expiration Date or the Termination Date without the express written approval of Landlord. Tenant shall not be entitled to any reimbursement or compensation resulting from its payment of the cost of constructing all or any portion of said improvements or modifications thereto unless otherwise expressly agreed by Landlord in writing.

15.2 Alterations affecting air distribution or disbursement from ventilation systems serving Tenant or the Building, including without limitation the installation of Tenant's exhaust systems, shall not adversely affect the ventilation systems or air quality of the Building (or of any other tenant in the Building).

15.3 Landlord's approval of Tenant's plans for work shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with all laws, rules, and regulations of governmental agencies or authorities, including, but not limited to, the ADA. Landlord may, at its option, at Tenant's expense, require that Landlord's contractors be engaged for any work upon any fire alarm, life safety, core HVAC control work in the Premises or any work on the roof.

15.4 At least five (5) days prior to the commencement of any work permitted to be done by persons requested by Tenant on the Premises, Tenant shall notify Landlord of the proposed work and the names and addresses of Tenant's Contractors. During any such work on the Premises, Landlord, or its representatives, shall have the right to go upon and inspect the Premises at all reasonable times (and without unreasonable interference with such work), and shall have the right to post and keep posted thereon building permits and notices of non-responsibility or to take any further action which Landlord may deem to be proper for the protection of Landlord's interest in the Premises.

15.5 During such times as Tenant is performing work or having work or services performed in or to the Premises, Tenant shall require its contractors, and their subcontractors of all tiers, to obtain and maintain commercial general liability, automobile, workers compensation, employer's liability, builder's risk (to the extent not maintained by Landlord or its general contractor), and equipment/property insurance in such amounts and on such terms as are customarily required of such contractors and subcontractors on similar projects. The amounts and terms of all such insurance are subject to Landlord's written approval, which approval shall not be unreasonably withheld, conditioned or delayed. The commercial general liability and auto insurance carried by Tenant's contractors and their subcontractors of all tiers pursuant to this section shall name Landlord, Landlord's managing agent, and such other persons as Landlord may reasonably request from time to time as additional insureds with respect to liability arising out of or related to their work or services (collectively, "Additional Insureds"). Such insurance shall provide primary coverage without contribution from any other insurance carried by or for the benefit of Landlord, Landlord's managing agent, or other Additional Insureds. Such insurance shall also waive any right of subrogation against each Additional Insured. Tenant shall obtain and submit to Landlord, prior to the earlier of (i) the entry onto the Premises by such contractors or subcontractors or (ii) commencement of the work or services, certificates of insurance evidencing compliance with the requirements of this section. All of such alterations shall be insured by Tenant pursuant to Article 13 of this Lease immediately upon completion thereof.

15.6 Tenant's initial improvement of the Premises shall be governed by Exhibit C and not the provisions of this Article 15 (other than Section 15.5).

ARTICLE 16.
FURNITURE, FIXTURES, AND PERSONAL PROPERTY

16.1 Tenant, at its sole cost and expense, may remove its trade fixtures, office supplies and moveable office furniture and equipment not attached to the Project or Premises provided:

(a) Such removal is made prior to the Expiration Date or the Termination Date; and

(b) Tenant promptly repairs all damage caused by such removal.

16.2 If Tenant does not remove its trade fixtures, office supplies, and moveable furniture and equipment as herein above provided prior to the Expiration Date or the Termination Date (unless prior arrangements have been made with Landlord and Landlord has agreed in writing to permit Tenant to leave such items in the Premises for an agreed period), then, in addition to its other remedies, at law or in equity, Landlord shall have the right to have such items removed and stored at Tenant's sole cost and expense and all damage to the Project or the Premises resulting from said removal shall be repaired at the cost of Tenant; Landlord may elect that such items automatically become the property of Landlord upon the Expiration Date or the

Termination Date (subject to the provisions of Applicable Law), and Tenant shall not have any further rights with respect thereto or reimbursement therefor subject to the provisions of Applicable Law. All other property in the Premises, any alterations, or additions to the Premises (including wall-to-wall carpeting, paneling, wall covering, specially constructed or built-in cabinetry or bookcases), and any other article attached or affixed to the floor, wall, or ceiling of the Premises shall become the property of Landlord and shall remain upon and be surrendered with the Premises as a part thereof at the Expiration or Termination Date regardless of who paid therefor; and Tenant hereby waives all rights to any payment or compensation therefor. Upon submission of any plans for Landlord's approval, Tenant may request prior to the installation of specific fixtures, equipment or improvements in the Premises, that Landlord agree not to require Tenant to remove such items upon expiration or termination of the Lease or agree to permit Tenant to remove any item it may otherwise not be permitted to remove under the terms of this Lease. Such consent, which may be granted or denied in Landlord's sole discretion, must be granted in writing prior to the installation of the subject items in order to be binding against Landlord. Subject to the foregoing, if, however, Landlord so requests, in writing, Tenant shall remove, prior to the Expiration Date or the Termination Date, any and all alterations, additions, fixtures, equipment, and property placed or installed in the Premises and shall repair any damage caused by such removal. In addition, subject to the foregoing, if any alterations performed by Tenant do not use materials that conform to the building standards used by Landlord at the time of the particular alteration or if Tenant requests any initial improvements to the Premises pursuant to Exhibit C, if any, that use materials that do not conform to the building standards used by Landlord at the time of that work, Tenant shall at Tenant's sole cost and expense, no later than the expiration of the Term (or no later than fifteen (15) days after the earlier termination of the Term) cause the improvements in the Premises to be restored to conform to Landlord's building standard at Tenant's sole cost and expense. So long as such Tenant Improvements are substantially the same as those shown on the completed test-fits provided to Landlord prior to the execution of this Lease, Tenant shall not be required to remove the initial Tenant Improvements installed pursuant to Exhibit C.

16.3 All the furnishings, fixtures, equipment, effects, and property of every kind, nature, and description of Tenant and of all persons claiming by, through, or under Tenant which, during the continuance of this Lease or any occupancy of the Premises by Tenant or anyone claiming under Tenant, may be on the Premises or elsewhere in the Project shall be at the sole risk and hazard of Tenant, and if the whole or any part thereof shall be destroyed or damaged by fire, water, or otherwise, or by the leakage or bursting of water pipes, steam pipes, or other pipes, by theft, or from any other cause, no part of said loss or damage is to be charged to or be borne by Landlord unless due to the gross negligence or willful misconduct of Landlord or its employees, agents or contractors.

ARTICLE 17.
PERSONAL PROPERTY AND OTHER TAXES

17.1 During the Term hereof, Tenant shall pay, prior to delinquency, all business and other taxes, charges, notes, duties, and assessments levied, and rates or fees imposed, charged, or assessed against or in respect of Tenant's occupancy of the Premises or in respect of the personal property, trade fixtures, furnishings, equipment, and all other personal and other property of Tenant contained in the Project (including without limitation taxes and

assessments attributable to the cost or value of any leasehold improvements made in or to the Premises by or for Tenant (excluding the Tenant Improvements referred to in Exhibit C attached hereto) ((to the extent that the assessed value of those leasehold improvements exceeds the assessed value of standard office improvements in other space in the Project regardless of whether title to those improvements is vested in Tenant or Landlord)), and shall hold Landlord harmless from and against all payment of such taxes, charges, notes, duties, assessments, rates, and fees, and against all loss, costs, charges, notes, duties, assessments, rates, and fees, and any and all such taxes. Tenant shall cause said fixtures, furnishings, equipment, and other personal property to be assessed and billed separately from the real and personal property of Landlord. In the event any or all of Tenant's fixtures, furnishings, equipment, and other personal property shall be assessed and taxed with Landlord's real property, Tenant shall pay to Landlord Tenant's share of such taxes within thirty (30) days after delivery to Tenant by Landlord of a statement in writing setting forth the amount of such taxes applicable to Tenant's property. In addition, Tenant shall be liable for and shall pay ten (10) days before delinquency any (i) rent tax, gross receipts tax, or sales tax, service tax, transfer tax or value added tax, or any other applicable tax on the rent or services herein or otherwise respecting this Lease; or (ii) taxes assessed upon or with respect to the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion of the Project. If any of such taxes are billed to Landlord or included in bills to Landlord for taxes, then Tenant shall pay to Landlord all such amounts within thirty (30) days after receipt of Landlord's invoice therefor. If applicable law prohibits Tenant from reimbursing Landlord for any such taxes, but Landlord may lawfully increase the Base Rent to account for Landlord's payment of such taxes, the Base Rent payable to Landlord shall be increased to net to Landlord the same return without reimbursement of such imposition as would have been received by Landlord with reimbursement of such taxes.

17.2 The demised property herein may be subject to a special assessment levied by the City of Redwood as part of an Improvement District. As a part of said special assessment proceedings (if any), additional bonds were or may be sold and assessments were or may be levied to provide for construction contingencies and reserve funds. Interest shall be earned on such funds created for contingencies and on reserve funds which will be credited for the benefit of said assessment district.

ARTICLE 18.
ASSIGNMENT AND SUBLETTING

18.1 Tenant shall not, without the prior written consent of Landlord (which shall be subject to Section 18.2), assign, mortgage, pledge, hypothecate, encumber, or permit any lien to attach to, or otherwise transfer, this Lease or any interest hereunder, permit any assignment, or other transfer of this Lease or any interest hereunder by operation of law, sublet the Premises or any part thereof, or enter into any license or concession agreements or otherwise permit the occupancy or use of the Premises or any part thereof by any persons other than Tenant and its employees and contractors (all of the foregoing are hereinafter sometimes referred to collectively as "Transfers" and any person to whom any Transfer is made or sought to be made is hereinafter sometimes referred to as a "Transferee"). If Tenant desires Landlord's consent to any Transfer, Tenant shall notify Landlord in writing, which notice (the "Transfer Notice") shall include (i) the proposed effective date of the Transfer, which shall not be less than twenty (20) days nor more than one hundred eighty (180) days after the date of delivery of the Transfer

Notice, (ii) a description of the portion of the Premises to be transferred (the "Subject Space"), (iii) all of the terms of the proposed Transfer and the consideration therefor, including calculation of the "Transfer Premium", as that term is defined in Section 18.3 below, in connection with such Transfer, the name and address of the proposed Transferee, and a copy of all existing executed and/or proposed documentation pertaining to the proposed Transfer, and (iv) current financial statements of the proposed Transferee certified by an officer, partner, manager, member or owner thereof, business credit and personal references and history of the proposed Transferee and any other information reasonably required by Landlord which will enable Landlord to determine the financial responsibility, character, and reputation of the proposed Transferee, nature of such Transferee's business and proposed use of the Subject Space. Any Transfer made without Landlord's prior written consent shall, at Landlord's option, be null, void and of no effect, and shall, at Landlord's option, constitute a default by Tenant under this Lease. Whether or not Landlord consents to any proposed Transfer, Tenant shall pay Landlord's reasonable review and processing fees, as well as any reasonable professional fees (including, without limitation, attorneys', accountants', architects', engineers' and consultants' fees) incurred by Landlord not to exceed Five Thousand Dollars ($5,000.00) in connection with any single Transfer, within thirty (30) days after written request by Landlord.

18.2 Landlord shall not unreasonably withhold, condition or delay its consent to any proposed sublet of the Subject Space or assignment of this Lease on the terms specified in the Transfer Notice. Without limitation as to other reasonable grounds for withholding consent, the parties hereby agree that it shall be reasonable under this Lease and under any Applicable Law for Landlord to withhold consent to any proposed sublet or assignment where one or more of the following apply:

18.2.1 The Transferee is of a character or reputation or engaged in a business which is not consistent with the quality of the Building or the Project;

18.2.2 The Transferee has the power of eminent domain or is a governmental agency or instrumentality thereof, or an agency or subdivision of a foreign government;

18.2.3 The Transferee is not a party of reasonable financial worth and/or financial stability in light of the responsibilities to be undertaken in connection with the Transfer on the date consent is requested;

18.2.4 The proposed Transfer would cause a violation of another lease for space in the Project, or would give an occupant of the Project a right to cancel its lease;

18.2.5 Either the proposed Transferee, or any person or entity which directly or indirectly, controls, is controlled by, or is under common control with, the proposed Transferee, is a tenant in the Project or occupies space in the Project **and** in each case has negotiated with Landlord during the ninety (90) calendar day period immediately preceding the date Landlord receives the Transfer Notice to lease space or additional space in the Project and Landlord has space available in the Project of at least equal in size meeting the requirements of the Transferee with respect to size and delivery date;

18.2.6 An Event of Default by Tenant has occurred and is uncured at the time Tenant delivers the Transfer Notice to Landlord;

18.2.7 The Transferee intends to use the space for purposes which are not permitted under this Lease;

18.2.8 The terms of the proposed Transfer would allow the Transferee to exercise a right of renewal, right of expansion, right of first offer, or other similar right held by Tenant (or will allow the Transferee to occupy space leased by Tenant pursuant to any such right);

18.2.9 The proposed Transfer would result in more than three subleases per each full floor of the Premises being in effect at any one time during the Term;

18.2.10 Any ground lessor or mortgagee whose consent to such Transfer is required fails to consent thereto;

18.2.11 In Landlord's good faith judgment, the use of the Premises by the proposed Transferee would not be comparable to the types of office and/or lab use or any other permitted uses by other tenants in the Project, would entail any alterations which would lessen the value of the tenant improvements in the Premises, would result in more than a reasonable density of occupants per square foot of the Premises, would materially and adversely increase the burden on elevators or other Building systems or equipment over the burden thereon prior to the proposed Transfer, would require materially increased services by Landlord or would require any alterations to the Project by Landlord (or at Landlord's cost) to comply with applicable laws; or

18.2.12 In Landlord's reasonable determination, the sub-rent, additional rent or other amounts received or accrued by Tenant from subleasing, assigning or otherwise Transferring all or any portion of the Premises is based on the income or profits of any person, or the assignment or sublease could cause any portion of the amounts received by Landlord pursuant to this Lease to fail to qualify as "rents from real property" within the meaning of section 856(d) of the Internal Revenue Code of 1986, as amended (the "Code"), or any similar or successor provision thereto or which would cause any other income of Landlord to fail to qualify as income described in section 856(c)(2) of the Code.

If Landlord consents to any Transfer pursuant to the terms of this Section 18.2 (and does not exercise any recapture rights Landlord may have under Section 18.4 of this Lease), Tenant may within six (6) months after Landlord's consent, but not later than the expiration of said six-month period, enter into such Transfer of the Premises or portion thereof, upon substantially the same terms and conditions as are set forth in the Transfer Notice furnished by Tenant to Landlord pursuant to Section 18.1 of this Lease, provided that if there are any changes in the terms and conditions from those specified in the Transfer Notice such that Landlord would initially have been entitled to refuse its consent to such Transfer under this Section 18.2, Tenant shall again submit the Transfer to Landlord for its approval and other action under this Article 18 (including Landlord's right of recapture, if any, under Section 18.4 of this Lease). Notwithstanding anything to the contrary in this Lease, if Tenant or any proposed Transferee claims that Landlord has withheld or delayed its consent in violation of this Section 18.2 or

otherwise has breached its obligations under this Article 18, their sole remedies shall be a suit for contract damages (other than damages for injury to, or interference with, Tenant's business including, without limitation, loss of profits, however occurring) or declaratory judgment and an injunction for the relief sought, and Tenant hereby waives all other remedies, including, without limitation, any right at law or equity to terminate this Lease, on its own behalf and, to the extent permitted under all Applicable Laws, on behalf of the proposed Transferee.

18.3 If Landlord consents to a Transfer, as a condition thereto which the parties hereby agree is reasonable, Tenant shall pay to Landlord fifty percent (50%) of any "Transfer Premium", as that term is defined in this Section 18.3, received by Tenant from such Transferee (other than any Permitted Transferee). "Transfer Premium" shall mean all rent, additional rent or other consideration payable by such Transferee in consideration for the Transfer in excess of the Base Rent and Additional Rent payable by Tenant under this Lease during the term of the Transfer on a per rentable square foot basis if less than all of the Premises is transferred, after deducting the reasonable third party expenses incurred by Tenant for (i) any design and construction costs incurred on account of changes, alterations and improvements to the Premises in connection with the Transfer, (ii) any free base rent and tenant improvement allowances reasonably provided to the Transferee in connection with the Transfer (provided that such free rent and tenant improvement allowances shall be deducted only to the extent the same is included in the calculation of total consideration payable by such Transferee), (iii) any brokerage commissions in connection with the Transfer, and (iv) legal fees and disbursements reasonably incurred in connection with the Transfer (collectively, "Tenant's Subleasing Costs"). "Transfer Premium" shall also include, but not be limited to, any lump sum payment, key money, bonus money or other cash consideration paid by Transferee to Tenant in consideration for such Transfer, and any payment in excess of fair market value for services rendered by Tenant to Transferee or for assets, fixtures, inventory, equipment, or furniture transferred by Tenant to Transferee in connection with such Transfer. The determination of the amount of Landlord's applicable share of the Transfer Premium shall be made on a monthly basis as rent or other consideration is received by Tenant under the Transfer.

18.4 Notwithstanding anything to the contrary contained in this Article 18, in the event Tenant contemplates a Transfer (other than a Permitted Transfer) which, together with all prior Transfers then remaining in effect, would cause fifty percent (50%) or more of the Premises to be Transferred for more than fifty percent (50%) of the then remaining Term (assuming all sublease renewal or extension rights are exercised), Tenant shall give Landlord notice (the "Intention to Transfer Notice") of such contemplated Transfer (whether or not the contemplated Transferee or the terms of such contemplated Transfer have been determined). The Intention to Transfer Notice shall specify the portion of and amount of rentable square feet of the Premises which Tenant intends to Transfer (the "Contemplated Transfer Space"), the contemplated date of commencement of the contemplated Transfer (the "Contemplated Effective Date"), and the contemplated length of the term of such contemplated Transfer, and shall specify that such Intention to Transfer Notice is delivered to Landlord pursuant to this Section 18.4 in order to allow Landlord to elect to recapture the Contemplated Transfer Space. Thereafter, Landlord shall have the option, by giving written notice to Tenant (a "Recapture Notice") within twenty (20) days after receipt of any Intention to Transfer Notice, to recapture the Contemplated Transfer Space. Such recapture shall cancel and terminate this Lease with respect to such Contemplated Transfer Space as of the Contemplated Effective Date. In the event of a recapture

by Landlord, if this Lease shall be canceled with respect to less than the entire Premises, the Base Rent and Additional Rent (to the extent that it is calculated on the basis of the number of rentable square feet contained in the Premises) reserved herein shall be prorated on the basis of the number of rentable square feet retained by Tenant in proportion to the number of rentable square feet contained in the Premises, and this Lease as so amended shall continue thereafter in full force and effect, and upon request of either party, the parties shall execute written confirmation of the same. Landlord and Tenant shall share equally in the costs to demise any such portion of the Premises recaptured by Landlord pursuant to this Section 18.4.

18.5 If Landlord consents to a Transfer, (i) the terms and conditions of this Lease shall in no way be deemed to have been waived or modified, (ii) such consent shall not be deemed consent to any further Transfer by either Tenant or a Transferee, (iii) Tenant shall deliver to Landlord, promptly after execution, an original executed copy of all documentation pertaining to the Transfer in form reasonably acceptable to Landlord, (iv) Tenant shall furnish upon Landlord's request a complete statement, certified by an independent certified public accountant, or Tenant's chief financial officer, managing member, or managing partner setting forth in detail the computation of any Transfer Premium Tenant has derived and shall derive from such Transfer, and (v) no Transfer relating to this Lease or agreement entered into with respect thereto, whether with or without Landlord's consent, shall relieve Tenant or any guarantor of the Lease from any liability under this Lease, including, without limitation, in connection with the Subject Space. Landlord or its authorized representatives shall have the right at all reasonable times to audit the books, records and papers of Tenant pertaining to any Transfer, and shall have the right to make copies thereof. If the Transfer Premium respecting any Transfer shall be found understated, Tenant shall, within thirty (30) days after demand, pay the deficiency, and if understated by more than three percent (3%), Tenant shall pay Landlord's costs of such audit, not to exceed $5,000.00.

18.6 Notwithstanding anything contained herein to the contrary and without limiting the generality of Section 18.1 above, Tenant shall not: (a) sublet all or part of the Premises or assign or otherwise Transfer this Lease on any basis such that the rental or other amounts to be paid by the subtenant or assignee thereunder would be based, in whole or in part, on the income or profits derived by the business activities of the subtenant or assignee; (b) sublet all or part of the Premises or assign this Lease to any person or entity in which, under Section 856(d)(2)(B) of the Code, Longfellow Atlantic REIT, Inc., a Delaware corporation (the "Company"), or any affiliate of the Company owns, directly or indirectly (by applying constructive ownership rules set forth in Section 856(d) (5) of the Code), a ten percent (10%) or greater interest; or (c) sublet all or part of the Premises or assign this Lease in any other manner or otherwise derive any income which could cause any portion of the amounts received by Landlord pursuant hereto or any sublease to fail to qualify as "rents from real property" within the meaning of Section 856(d) of the Code, or which could cause any other income received by Landlord to fail to qualify as income described in Section 856(c) (2) of the Code. The requirements of this Section 18.6 shall likewise apply to any further subleasing, assignment or other Transfer by any subtenant or assignee. All references herein to Section 856 of the Code also shall refer to any amendments thereof or successor provisions thereto.

18.7 Any Transfer hereunder shall be subordinate and subject to the provisions of this Lease, and if this Lease shall be terminated during the term of any Transfer, Landlord shall have the right to (and each sublease shall provide Landlord with the ability to): (i) treat such Transfer as cancelled and repossess the Subject Space by any lawful means, or (ii) require that such Transferee attorn to and recognize Landlord as its landlord under any such Transfer. If Tenant shall be in default under this Lease beyond any applicable notice and cure period, Landlord is hereby irrevocably authorized, as Tenant's agent and attorney-in-fact, to direct any Transferee to make all payments under or in connection with the Transfer directly to Landlord (which Landlord shall apply towards Tenant's obligations under this Lease) until such default is cured. Such Transferee shall rely on any representation by Landlord that Tenant is in default beyond any applicable notice and cure period hereunder, without any need for confirmation thereof by Tenant. Upon any assignment, the assignee shall assume in writing all obligations and covenants of Tenant thereafter to be performed or observed under this Lease. No collection or acceptance of rent by Landlord from any Transferee shall be deemed a waiver of any provision of this Article 18 or the approval of any Transferee or a release of Tenant from any obligation under this Lease, whether theretofore or thereafter accruing. In no event shall Landlord's enforcement of any provision of this Lease against any Transferee be deemed a waiver of Landlord's right to enforce any term of this Lease against Tenant or any other person. If Tenant's obligations hereunder have been guaranteed, Landlord's consent to any Transfer shall not be effective unless the guarantor also consents to such Transfer.

18.8 Notwithstanding the foregoing, Tenant may Transfer all or part of its interest in this Lease or all or part of the Premises (a "Permitted Transfer") to the following types of entities (a "Permitted Transferee") without the written consent of Landlord: (a) any parent, subsidiary or affiliate corporation which Controls (as defined below), is Controlled by or is under common Control with Tenant (collectively, an "Affiliate"); (b) any corporation, limited partnership, limited liability partnership, limited liability company or other business entity in which or with which Tenant, an Affiliate of Tenant, or their respective corporate successors or assigns, is merged or consolidated, in accordance with applicable statutory provisions governing merger and consolidation of business entities, so long as in both cases (a) and (b), (i) Tenant's obligations hereunder are assumed by the Permitted Transferee; and (ii) the Permitted Transferee satisfies the Net Worth Threshold as of the effective date of the Permitted Transfer; or (c) any corporation, limited partnership, limited liability partnership, limited liability company or other business entity which acquires all or substantially all of Tenant's assets and/or ownership interests, if the Transferee satisfies the Net Worth Threshold as of the effective date of the Transfer; provided, that each such Permitted Transferee shall be of a character and reputation consistent with the quality of the Building, and no such Permitted Transfer is a subterfuge by Tenant to avoid its obligations under this Lease. Tenant shall remain liable for the performance of all of the obligations of Tenant hereunder, or if Tenant no longer exists because of a merger, consolidation, or acquisition, the surviving or acquiring entity shall expressly assume in writing, the obligations of Tenant hereunder. Additionally, the Permitted Transferee shall comply with all of the terms and conditions of this Lease, whether accruing prior to and/or from and after the consummation of the Transfer. No later than ten (10) days prior to the effective date of any Permitted Transfer, Tenant shall (1) notify Landlord in writing of such Permitted Transfer, and (2) furnish Landlord with copies of (A) the instrument effecting any of the foregoing Permitted Transfers, (B) documentation establishing Tenant's satisfaction of the requirements set forth above applicable to any such Permitted Transfer, and (3) evidence of insurance as required under this Lease with respect to the Permitted Transferee. The occurrence of a Permitted Transfer shall not waive Landlord's rights as to any subsequent Transfers. As used herein, the term "Net Worth

Threshold" shall mean the proposed Permitted Transferee has a tangible net worth equal to or greater than that of the originally named Tenant as of the date of this Lease (determined in accordance with generally accepted accounting principles consistently applied and excluding from the determination of total assets as to both Tenant and the Permitted Transferee all assets which would be classified as intangible assets under generally accepted accounting principles, including, without limitation, goodwill, licenses, trademarks, trade names, copyrights and franchises), and as evidenced by financial statements audited by a certified public accounting firm reasonably acceptable to Landlord. If audited financial statements are not then available, Tenant or the Permitted Transferee, as applicable, may instead provide unaudited financial statements certified by an officer, member, manager, partner or other authorized representative of Tenant or the Permitted Transferee, as applicable, as accurately and completely reflecting the financial condition of Tenant or the Permitted Transferee, as applicable. The term "Control" shall mean the possession of the power to direct or cause the direction of the management and policy of such corporation, partnership, limited liability company or other entity, whether through the ownership of voting securities, by statute or by contract, and whether directly or indirectly through Affiliates. In addition, Landlord's consent shall not be required with respect to the infusion of additional equity capital in Tenant.

ARTICLE 19.
DAMAGE OR DESTRUCTION

19.1 If the Premises or Building should be damaged or destroyed by fire or other casualty, Tenant shall give immediate written notice to Landlord. If the Premises or any common areas of the Building or Project serving or providing access to the Premises shall be damaged by fire or other casualty, Landlord shall promptly and diligently, subject to reasonable delays for insurance adjustment or other matters beyond Landlord's reasonable control, and subject to all other terms of this Article 19, restore the base, shell, and core of the Premises and such common areas. Such restoration shall be to substantially the same condition of the base, shell, and core of the Premises and common areas prior to the casualty, except for modifications required by zoning and building codes and other laws or by the holder of a mortgage on the Project, or the lessor of a ground or underlying lease with respect to the Project and/or the Building, or any other modifications to the common areas deemed desirable by Landlord, provided access to the Premises, Tenant's parking rights under this Lease and any common restrooms serving the Premises shall not be materially impaired. Landlord shall not be liable for any inconvenience or annoyance to Tenant or its visitors, or injury to Tenant's business resulting in any way from such damage or the repair thereof; provided however, that if such fire or other casualty shall have damaged the Premises or common areas, or applicable part thereof, necessary to Tenant's use or occupancy or the conduct of Tenant's business, Landlord shall allow Tenant a proportionate abatement of Base Rent and Tenant's Share of Operating Expenses and Tenant's Tax Share of Taxes, during the time and to the extent the Premises, or applicable part thereof are unfit for occupancy for the purposes permitted under this Lease, and not occupied by Tenant as a result thereof; provided further, however, if the damage or destruction was caused by the negligence or willful misconduct of Tenant or Tenant's employees, contractors, licensees, subtenants or invitees, such abatement shall occur only to the extent rental abatement insurance proceeds are received by Landlord.

19.2 Within sixty (60) days following the date of discovery of the damage, Landlord shall deliver to Tenant a written estimate from Landlord's contractor of the time needed to rebuild and/or restore the Premises and/or the Building (the "Restoration Notice"). Notwithstanding the terms of Section 19.1 of this Lease, Landlord may elect not to rebuild and/or restore the Premises, the Building and/or any other portion of the Project and instead terminate this Lease by notifying Tenant in writing of such termination within sixty (60) days after the date of Landlord's discovery of such damage (the "Damage Discovery Date"), such notice to include a termination date giving Tenant sixty (60) days to vacate the Premises, but Landlord may so elect only if the Building shall be damaged by fire or other casualty or cause, whether or not the Premises are affected, and one or more of the following conditions is present: (i) repairs cannot reasonably be completed within two hundred forty (240) days of the Damage Discovery Date (when such repairs are made without the payment of overtime or other premiums); (ii) the holder of any mortgage on the Project or ground or underlying lessor with respect to the Project and/or the Building shall require that the insurance proceeds or any portion thereof be used to retire the mortgage debt, or shall terminate the ground or underlying lease, as the case may be; or (iii) the damage is not fully covered (except for deductible or self-retention amounts in the case of a casualty other than earthquake or flood) by Landlord's insurance policies. In addition, if the Premises or the Building is destroyed or damaged to any substantial extent during the last twelve (12) months of the Term, then notwithstanding anything contained in this Article 19, Landlord and Tenant each shall have the option to terminate this Lease by giving written notice to the other of the exercise of such option within thirty (30) days after the Damage Discovery Date, in which event this Lease shall cease and terminate as of the date of such notice. Upon any such termination of this Lease pursuant to this Section 19.2, Tenant shall pay the Base Rent and Additional Rent, properly apportioned up to such date of termination, and both parties hereto shall thereafter be freed and discharged of all further obligations hereunder, except as provided for in provisions of this Lease which by their terms survive the expiration or earlier termination of the Term.

19.3 If there is an occurrence of any damage to the Premises that does not result in the termination of this Lease pursuant to this Article 19, then upon notice (the "Landlord Repair Notice") to Tenant from Landlord, Tenant shall assign to Landlord (or to any party designated by Landlord) all property insurance proceeds payable to Tenant under Tenant's property insurance policy required under Sections 13.2(e)(ii) and (iii) above with respect to any improvements in the Premises required to be insured by Tenant hereunder (excluding proceeds for Tenant's property, trade fixtures and equipment), and Landlord shall repair any injury or damage to the Tenant Improvements, alterations and the Original Improvements installed in the Premises and shall return such Tenant Improvements, alterations and Original Improvements to their original condition; provided that if the estimated cost of such repair by Landlord exceeds the sum of (A) amount of insurance proceeds received by Landlord from Tenant's insurance carrier, as assigned by Tenant, plus (B) any insurance proceeds received or will be received by Landlord with respect to such Tenant Improvements, alterations and Original Improvements (it being acknowledged and agreed that Tenant's insurance as to the Tenant Improvements, alterations and Original Improvements is primary in nature and Landlord's insurance, if any, with respect to same is secondary in nature), the such estimated excess cost shall be paid by Tenant to Landlord prior to Landlord's commencement of repair of the damage. In the event that Landlord does not deliver the Landlord Repair Notice within forty-five (45) days following the Damage Discovery Date, and the Lease does not terminate pursuant to this Article 19, Tenant shall, at its

sole cost and expense, repair any injury or damage to the Tenant Improvements, alterations, and the Original Improvements installed in the Premises and shall return such Tenant Improvements, alterations, and Original Improvements to their original condition (ordinary wear and tear excepted). Whether or not Landlord delivers a Landlord Repair Notice, prior to the commencement of construction, Tenant shall submit to Landlord, for Landlord's review and approval, all plans, specifications and working drawings relating thereto.

19.4 If (i) Landlord does not elect to terminate this Lease pursuant to Landlord's termination right as provided hereinabove, (ii) the damage constitutes a Tenant Damage Event (as defined below, and the repairs cannot, in the reasonable opinion of Landlord's contractor, be completed within two hundred forty (240) days after the date of the casualty, Tenant may elect, no earlier than sixty (60) days after the date of the damage and not later than ninety (90) days after the date of such damage (or within thirty (30) days after receipt of the Restoration Notice, if later), to terminate this Lease by written notice to Landlord effective as of the date specified in the notice, which date shall not be less than thirty (30) days nor more than sixty (60) days after the date such notice is given by Tenant (prior to which Tenant shall be entitled to an abatement of Rent as provided in Section 19.1). As used herein, a "Tenant Damage Event" shall mean damage to all or any part of the Premises or any Common Areas necessary to Tenant's occupancy of the Premises by fire or other casualty, which damage (A) is not the result of the willful misconduct of Tenant or any of the Tenant Parties (as defined below), (B) substantially interferes with Tenant's use of or access to the Premises and (C) would entitle Tenant to an abatement of Base Rent and Tenant's Share of Operating Expenses and Tenant's Tax Share of Taxes, pursuant to Section 19.1 above.

19.5 In the event this Lease is terminated in accordance with the terms of this Article 19, Tenant shall assign to Landlord (or to any party designated by Landlord) all property insurance proceeds payable to Tenant under Tenant's insurance required under Sections 13.2(e)(ii) and (iii).

19.6 The provisions of this Lease, including this Article 19, constitute an express agreement between Landlord and Tenant with respect to damage to, or destruction of, all or any portion of the Premises or the Project, and any statute or regulation of the State of California, including without limitation Sections 1932(2) and 1933(4) of the California Civil Code, with respect to any rights or obligations concerning damage or destruction in the absence of an express agreement between the parties (and any other statute or regulation now or hereafter in effect with respect to such rights or obligations), shall have no application to this Lease or to any damage or destruction to all or any portion of the Premises or the Project. Notwithstanding anything to the contrary in this Lease, neither a closure or restriction on entry with respect to the Premises or the Project to protect public health nor any limitation on Tenant's use of the Premises or Project that otherwise remains physically usable constitutes a casualty or damage to the Premises or the Building.

ARTICLE 20.
CONDEMNATION

20.1 If all of the Premises is condemned by eminent domain, inversely condemned or sold under threat of condemnation for any public or quasi-public use or purpose ("condemned"), this Lease shall terminate as of the earlier of the date the condemning authority takes title to or possession of the Premises, and Rent shall be adjusted to the date of termination. For purposes of this Lease, any governmental action requiring businesses to close temporarily does not constitute condemnation or the exercise of eminent domain and no portion of the Premises shall be considered to have been condemned by any such action.

20.2 If any portion of the Premises or Building is condemned and such partial condemnation materially impairs Tenant's ability to use the Premises for Tenant's business, Landlord shall have the option in Landlord's sole and absolute discretion of either (i) relocating Tenant to comparable space within the Project, subject to Tenant's consent to such relocation which may be given or withheld by Tenant in its sole discretion or (ii) terminating this Lease as of the earlier of the date title vests in the condemning authority or as of the date an order of immediate possession is issued and Rent shall be adjusted to the date of termination. If such partial condemnation does not materially impair Tenant's ability to use the Premises for the business of Tenant, Landlord shall promptly restore the Premises to the extent of any condemnation proceeds recovered by Landlord, excluding the portion thereof lost in such condemnation, and this Lease shall continue in full force and effect except that after the date of such title vesting or order of immediate possession Rent shall be adjusted as reasonably and equitably determined by Landlord.

20.3 If any portion of the Premises or Building is condemned and such partial condemnation objectively prevents use of the Premises, or a material portion thereof, for Tenant's business, Tenant shall have the option of terminating this Lease as of the earlier of the date title vests in the condemning authority or as of the date an order of immediate possession is issued and Rent shall be adjusted to the date of termination.

20.4 If the Premises are wholly or partially condemned, Landlord shall be entitled to the entire award paid for such condemnation, and Tenant waives any claim to any part of the award from Landlord or the condemning authority; provided, however, Tenant shall have the right to recover from the condemning authority such compensation as may be separately awarded to Tenant in connection with costs in removing Tenant's merchandise, furniture, fixtures, leasehold improvements and equipment to a new location, loss of goodwill and the unamortized cost of any Alterations paid for it solely by Tenant that Tenant is required to remove, or has a right to remove (such as any security system or supplemental HVAC system that is installed by Tenant), at the expiration or earlier termination of the Term of this Lease and that are subject to the condemnation. No condemnation of any kind shall be construed to constitute an actual or constructive eviction of Tenant or a breach of any express or implied covenant of quiet enjoyment. Tenant hereby waives the effect of Sections 1265.120 and 1265.130 of the California Code of Civil Procedure.

20.5 In the event of a temporary condemnation (i.e. a temporary taking of less than six 6) months) of the Premises and not extending beyond the Term, this Lease shall remain in effect, Tenant shall continue to pay Rent and Tenant shall receive any award made for such condemnation except damages to any of Landlord's property. If a temporary condemnation as described above is for a period which extends beyond the Term, this Lease shall terminate as of the earlier of (i) the expiration of the Lease Term or (ii) the date of initial occupancy by the condemning authority and any such award shall be distributed to Tenant. For purposes of this Lease, any governmental action for purposes of protecting public health and safety shall not be a temporary condemnation or a taking for public use that requires government compensation, abatement or any other remedy.

ARTICLE 21.
HOLD HARMLESS

21.1 Tenant agrees to defend, with counsel reasonably approved by Landlord, all actions against Landlord, any member, partner, trustee, stockholder, officer, director, employee, or beneficiary of Landlord (collectively, "Landlord Parties"), and holders of mortgages secured by the Premises or the Project (collectively with Landlord Parties, the "Indemnified Parties") with respect to, and to pay, protect, indemnify, and save harmless, to the extent permitted by law, all Indemnified Parties from and against, any and all liabilities, losses, damages, costs, expenses (including reasonable attorneys' fees and expenses), causes of action, suits, claims, demands, or judgments of any nature to which any Indemnified Party is subject because of its estate or interest in the Premises or the Project arising from (a) bodily injury to or death of any person, or damage to or loss of property on the Premises, the Project, on adjoining sidewalks, streets or ways, or, in any of the foregoing cases, to the extent arising out of the use of the Premises, the Project sidewalks streets, or ways, by Tenant or any of its agents, employees or contractors, except to the extent, if any, caused by the negligence or willful misconduct of Landlord or any of its employees, contractors, affiliates, or agents or any of the Landlord Parties, (b) any violation of this Lease by Tenant, or (c) subject to Section 13.4, any negligent act or willful misconduct of Tenant or its agents, contractors, licensees, sublessees, or invitees. Tenant agrees to use and occupy the Premises and other facilities of the Project at its own risk, and hereby releases the Indemnified Parties from any and all claims for any damage or injury to the fullest extent permitted by law; provided that such release shall not apply to such claims to the extent arising from the negligence or willful misconduct of Landlord and/or any of its agents, employees or contractors, and not insured (or required to be insured) by Tenant under this Lease.

21.2 Tenant agrees that Landlord shall not be responsible or liable to Tenant, its agents, employees, or invitees for fatal or non-fatal bodily injury or property damage occasioned by the acts or omissions of any other tenant, or such other tenant's agents, employees, licensees, or invitees, of the Project. Landlord shall not be liable to Tenant for losses to property due to theft or burglary, or damages from criminal acts, done by any persons on the Project other than Landlord or its employees or agents..

ARTICLE 22.
DEFAULT BY TENANT

22.1 The term "Event of Default" refers to the occurrence of any one (1) or more of the following:

(a) Failure of Tenant to pay when due any sum required to be paid hereunder which is not received by Landlord within five (5) days after Tenant's receipt of written notice of such failure (the "Monetary Default");

(b) Failure of Tenant, after thirty (30) days following Tenant's receipt of written notice thereof, to perform any of Tenant's obligations, covenants, or agreements except a Monetary Default, provided that if the cure of any such failure is not reasonably susceptible of performance within such thirty (30) day period, then an Event of Default of Tenant shall not be deemed to have occurred so long as Tenant has commenced such cure within such thirty (30) day period and thereafter diligently prosecutes such cure to completion;

(c) Tenant, or any guarantor of Tenant's obligations under this Lease (the "Guarantor"), admits in writing that it cannot meet its obligations as they become due; or is declared insolvent according to any law; or assignment of Tenant's or Guarantor's property is made for the benefit of creditors; or a receiver or trustee is appointed for Tenant or Guarantor or its property; or the interest of Tenant or Guarantor under this Lease is levied on under execution or other legal process; or any petition is filed by or against Tenant or Guarantor to declare Tenant of Guarantor bankrupt or to delay, reduce, or modify Tenant's or Guarantor's debts or obligations; or any petition filed or other action taken to reorganize or modify Tenant's or Guarantor's capital structure if Tenant or Guarantor is a corporation or other entity. Any such levy, execution, legal process, or petition filed against Tenant or Guarantor shall not constitute a breach of this Lease provided Tenant or Guarantor shall vigorously contest the same by appropriate proceedings and shall remove or vacate the same or cause the same to be dismissed or discharged within ninety (90) days from the date of its creation, service, or filing;

(d) The abandonment (as defined in California Civil Code section 1951.35) of the Premises by Tenant;

(e) The discovery by Landlord that any financial statement given by Tenant or any of its assignees, subtenants, successors-in-interest, or Guarantors was knowingly and materially false;

(f) The failure by Tenant to observe or perform according to the provisions of Articles 3 or 18 of this Lease where such failure continues for more than three (3) business days after notice from Landlord; or

(g) If Tenant or any Guarantor shall die, cease to exist as a corporation or partnership, or be otherwise dissolved or liquidated or become insolvent, or shall make a transfer in fraud of creditors.

22.2 In the event of any Event of Default by Tenant, Landlord, at its option, may pursue one or more of the following remedies without notice or demand in addition to all other rights and remedies provided for at law or in equity:

(a) Landlord may continue this Lease in full force and effect, and this Lease shall continue in full force and effect as long as Landlord does not terminate Tenant's right to possession, and Landlord shall have the right to collect Rent when due from Tenant and any Guarantor and the right to draw upon or apply any security for this Lease, including without limitation any security deposit, bond or letter of credit.

Landlord may, to the extent permitted under Applicable Law, enter the Premises and relet it, or any part of it, to third parties for Tenant's account, provided that any Rent in excess of the Rent due hereunder shall be payable to Landlord. Tenant shall be liable immediately to Landlord for all costs Landlord reasonably incurs in reletting the Premises, including, without limitation, brokers' commissions, expenses of cleaning and redecorating the Premises required by the reletting and like costs. Reletting may be for a period shorter or longer than the remaining Term of this Lease. Tenant shall pay to Landlord the Rent and other sums due under this Lease on the dates the Rent is due, less the Rent and other sums Landlord receives from any reletting. No act by Landlord allowed by this Section 22.2(a) shall terminate this Lease unless Landlord notifies Tenant in writing that Landlord elects to terminate this Lease. Landlord may exercise its remedies under this Section 22.2(a) without terminating Tenant's right to possession whether or not there exists any limitation on Landlord's right to terminate Tenant's right to possession, including without limitation any moratorium or other restriction or procedural limitation on evictions or unlawful detainer actions.

"The lessor has the remedy described in Civil Code Section 1951.4 (lessor may continue the lease in effect after lessee's breach and abandonment and recover rent as it becomes due, if lessee has the right to sublet or assign subject only to reasonable limitations)."

(b) Landlord may terminate Tenant's right to possession of the Premises at any time by giving written notice to that effect. No act by Landlord other than giving written notice to Tenant shall terminate this Lease. Acts of maintenance, efforts to relet the Premises or the appointment of a receiver on Landlord's initiative to protect Landlord's interest under this Lease shall not constitute a termination of Tenant's right to possession. On termination, Landlord shall have the right to remove all personal property of Tenant and store it at Tenant's cost and to recover from Tenant as damages: (i) the worth at the time of award of unpaid Rent and other sums due and payable which had been earned at the time of termination; plus (ii) the worth at the time of award of the amount by which the unpaid Rent and other sums due and payable which would have been payable after termination until the time of award exceeds the amount of the Rent loss that Tenant proves could have been reasonably avoided; plus (iii) the worth at the time of award of the amount by which the unpaid Rent and other sums due and payable for the balance of the Term after the time of award exceeds the amount of the Rent loss that Tenant proves could be reasonably avoided; plus (iv) any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform Tenant's obligations under this Lease, or which, in the ordinary course of things, would be likely to result therefrom, including, without limitation, any costs or expenses incurred by Landlord: (A) in retaking possession of the Premises, including reasonable attorneys' fees and costs therefor; (B) maintaining or preserving the Premises for reletting to a new tenant, including repairs or alterations to the Premises for the reletting; and (C) at Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by the laws of the State of California.

The "worth at the time of award" of the amounts referred to in Sections 22.2(b)(i) and 22.2(b)(ii) shall be calculated by allowing interest at the lesser of ten percent (10%) per annum or the maximum rate permitted by law, on the unpaid Rent and other sums due and payable from the termination date through the date of award. The "worth at the time of award" of the amount referred to in Section 22.2(b)(iii) shall be calculated by discounting the amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award, plus one percent (1%). Tenant waives redemption or relief from forfeiture under California Code of Civil Procedure Sections 1174 and 1179, or under any other present or future law, if Tenant is evicted or Landlord takes possession of the Premises by reason of any Event of Default by Tenant.

22.3 If Landlord shall exercise any one or more remedies hereunder granted or otherwise available, it shall not be deemed to be an acceptance or surrender of the Premises by Tenant whether by agreement or by operation of law; it is understood that such surrender can be effected only by the written agreement of Landlord and Tenant. No alteration of security devices and no removal or other exercise of dominion by Landlord over the property of Tenant or others in the Premises shall be deemed unauthorized or constitute a conversion.

22.4 Each right and remedy provided for in this Lease shall be cumulative and shall be in addition to every other right or remedy provided for in this Lease or now or hereafter existing at law or in equity or by statute or otherwise, including, but not limited to, suits for injunctive relief and specific performance. The exercise or beginning of the exercise by Landlord of any one or more of the rights or remedies provided for in this Lease or now or hereafter existing at law or in equity, or by statute or otherwise shall not preclude the simultaneous or later exercise by Landlord for any or all other rights or remedies provided for in this Lease or now or hereafter existing at or in equity or by statute or otherwise. All such rights and remedies shall be considered cumulative and non-exclusive. All costs incurred by Landlord in connection with collecting any Rent or other amounts and damages owing by Tenant pursuant to the provisions of this Lease, or to enforce any provision of this Lease, including reasonable attorneys' fees from the date such matter is turned over to an attorney, whether or not one or more actions are commenced by Landlord, shall also be recoverable by Landlord from Tenant. If any notice and grace period required under subparagraphs 22.1(a), (b) or (f) was not previously given, a notice to pay rent or quit, or to perform or quit, as the case may be, given to Tenant under any statute authorizing the forfeiture of leases for unlawful detainer shall also constitute the applicable notice for grace period purposes required by subparagraphs 22.1(a), (b) or (f). In such case, the applicable grace period under subparagraphs 22.1(a), (b) or (f) and under the unlawful detainer statute shall run concurrently after the one such statutory notice, and the failure of Tenant to cure the default within the greater of the two (2) such grace periods shall constitute both an unlawful detainer and an Event of Default entitling Landlord to the remedies provided for in this Lease and/or by said statute.

22.5 If Tenant should fail to make any payment or cure any default hereunder within the time herein permitted and such failure constitutes an Event of Default (except in the case where if Landlord in good faith believes that action prior to the expiration of any cure period under Section 22.1 is necessary to prevent damage to persons or property, in which case Landlord may act without waiting for such cure period to expire), Landlord, without being under any obligation to do so and without thereby waiving such default, may make such payment and/or remedy such default for the account of Tenant (and enter the Premises for such purpose), and thereupon, Tenant shall be obligated and hereby agrees to pay Landlord, upon demand, all reasonable costs, expenses, and disbursements, plus ten percent (10%) overhead cost incurred by Landlord in connection therewith.

22.6 In addition to Landlord's rights set forth above, if Tenant fails to pay its Rent or any other amounts owing hereunder on the due date thereof more than two (2) times during any calendar year during the Term, then upon the occurrence of the third or any subsequent default in the payment of monies during said calendar year, Landlord, at its sole option, shall have the right to require that Tenant, as a condition precedent to curing such default, pay to Landlord, in check or money order, in advance, the Rent. All such amounts shall be paid by Tenant within thirty (30) days after notice from Landlord demanding the same. All monies so paid shall be retained by Landlord, without interest, for the balance of the Term and any extension thereof, and shall be applied by Landlord to the last due amounts owing hereunder by Tenant. If, however, Landlord's estimate of the Rent and other amounts for which Tenant is responsible hereunder are inaccurate, when such error is discovered, Landlord shall pay to Tenant, or Tenant shall pay to Landlord, within thirty (30) days after written notice thereof, the excess or deficiency, as the case may be, which is required to reconcile the amount on deposit with Landlord with the actual amounts for which Tenant is responsible.

22.7 Nothing contained in this Article 22 shall limit or prejudice the right of Landlord to prove and obtain as damages in any bankruptcy, insolvency, receivership, reorganization, or dissolution proceeding, an amount equal to the maximum allowed by any statute or rule of law governing such a proceeding and in effect at the time when such damages are to be proved, whether or not such amount be greater, equal, or less than the amounts recoverable, either as damages or Rent, referred to in any of the preceding provisions of this Article 22. Notwithstanding anything contained in this Article to the contrary, any such proceeding or action involving bankruptcy, insolvency, reorganization, arrangement, assignment for the benefit of creditors, or appointment of a receiver or trustee, as set forth above, shall be considered to be an Event of Default only when such proceeding, action, or remedy shall be taken or brought by or against the then holder of the leasehold estate under this Lease.

22.8 Landlord is entitled to accept, receive, in check or money order, and deposit any payment made by Tenant for any reason or purpose or in any amount whatsoever, and apply them at Landlord's option to any obligation of Tenant, and such amounts shall not constitute payment of any amount owed, except that to which Landlord has applied them. No endorsement or statement on any check or letter of Tenant shall be deemed an accord and satisfaction or recognized for any purpose whatsoever. The acceptance of any such check or payment shall be without prejudice to Landlord's rights to recover any and all amounts owed by Tenant hereunder and shall not be deemed to cure any other default nor prejudice Landlord's rights to pursue any other available remedy. Landlord's acceptance of partial payment of Rent does not constitute a waiver of any rights, including without limitation any right Landlord may have to recover possession of the Premises.

22.9 [Intentionally omitted.]

22.10 Any obligation imposed by law upon Landlord to relet the Premises after any termination of the Lease shall be subject to the reasonable requirements of Landlord to lease to high quality tenants on such terms as Landlord may from time to time deem appropriate and to develop the Project in a harmonious manner with an appropriate mix of uses, tenants, floor areas and terms of tenancies, and the like, and Landlord shall not be obligated to relet the Premises to any party to whom Landlord or its affiliate may desire to lease other available space in the Project.

22.11 Tenant waives the right to terminate this Lease on Landlord's default under this Lease. Tenant's sole remedy on Landlord's default is an action for damages or injunctive or declaratory relief. Landlord's failure to perform any of its obligations under this Lease shall constitute a default by Landlord under this Lease if the failure continues for thirty (30) days after written notice of the failure from Tenant to Landlord. If the required performance cannot be completed within thirty (30) days, Landlord's failure to perform shall constitute a default under the Lease unless Landlord undertakes to cure the failure within thirty (30) days and diligently and continuously attempts to complete this cure as soon as reasonably possible. All obligations of each party hereunder shall be construed as covenants, not conditions. Tenant hereby waives any right or cause of action to abate (except as otherwise expressly provided in this Lease) or defer the payment of Rent or terminate this Lease arising out of the impact on Tenant's use of the Premises (including without limitation Tenant's performance becoming more difficult, less profitable or unprofitable) due to Tenant's compliance obligations under Section 34.1 or any supervening events, including without limitation any right or cause of action based upon frustration of purpose, impossibility or impracticability.

22.12 Notwithstanding any contrary provision in this Lease, except as otherwise expressly provided in Section 31.1 or Section 33.1.4, neither Tenant or any Tenant Parties shall be liable under any circumstances for any indirect or consequential damages or any injury or damage to, or interference with, Landlord's business, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring.

ARTICLE 23.
[INTENTIONALLY OMITTED]

ARTICLE 24.
[INTENTIONALLY OMITTED]

ARTICLE 25.
ATTORNEYS' FEES

25.1 All costs and expenses, including reasonable attorneys' fees (whether or not legal proceedings are instituted), involved in collecting rents, enforcing the obligations of Tenant, or protecting the rights or interests of Landlord under this Lease, whether or not an action is filed, including without limitation the cost and expense of instituting and prosecuting legal proceedings or recovering possession of the Premises after default by Tenant or upon expiration or sooner termination of this Lease, shall be due and payable by Tenant on demand, as Additional Rent. In addition, and notwithstanding the foregoing, if either party hereto shall file any action or bring any proceeding against the other party arising out of this Lease or for the declaration of any rights hereunder, the prevailing party in such action shall be entitled to recover from the other party all costs and expenses, including reasonable attorneys' fees incurred by the

prevailing party, as determined by the trier of fact in such legal proceeding. For purposes of this provision, the terms “attorneys’ fees” or “attorneys’ fees and costs,” or “costs and expenses” shall mean the fees and expenses of legal counsel (including external counsel and in-house counsel) of the parties hereto, which include printing, photocopying, duplicating, mail, overnight mail, messenger, court filing fees, costs of discovery, and fees billed for law clerks, paralegals, investigators and other persons not admitted to the bar for performing services under the supervision and direction of an attorney. For purposes of determining in-house counsel fees, the same shall be considered as those fees normally applicable to a partner in a law firm with like experience in such field. In addition, the prevailing party shall be entitled to recover reasonable attorneys’ fees and costs incurred in enforcing any judgment arising from a suit or proceeding under this Lease, including without limitation post-judgment motions, contempt proceedings, garnishment, levy and debtor and third party examinations, discovery and bankruptcy litigation, without regard to schedule or rule of court purporting to restrict such award. This post-judgment award of attorneys’ fees and costs provision shall be severable from any other provision of this Lease and shall survive any judgment/award on such suit or arbitration and is not to be deemed merged into the judgment/award or terminated with the Lease.

ARTICLE 26.
NON-WAIVER

26.1 Neither acceptance of any payment by either party hereto from the other party nor, failure by either party hereto to complain of any action, non-action, or default of the other party shall constitute a waiver of any of such party’s rights hereunder. Time is of the essence with respect to the performance of every obligation of each party under this Lease in which time of performance is a factor. Waiver by either party of any right or remedy arising in connection with any default of the other party shall not constitute a waiver of such right or remedy or any other right or remedy arising in connection with either a subsequent default of the same obligation or any other default. No right or remedy of either party hereunder or covenant, duty, or obligation of any party hereunder shall be deemed waived by the other party unless such waiver is in writing, signed by the other party or the other party’s duly authorized agent.

ARTICLE 27.
RULES AND REGULATIONS

27.1 Such reasonable rules and regulations applying to all lessees in the Project for the safety, care, and cleanliness of the Project and the preservation of good order thereon are hereby made a part hereof as Exhibit D, and Tenant agrees to comply with all such rules and regulations. Landlord agrees not to enforce the Rules and Regulations in a manner that discriminates against Tenant. Landlord shall have the right at all times to change such rules and regulations or to amend them in any reasonable and non-discriminatory manner as may be deemed advisable by Landlord, all of which changes and amendments shall be sent by Landlord to Tenant in writing and shall be thereafter carried out and observed by Tenant. Landlord shall not have any liability to Tenant for any failure of any other lessees of the Project to comply with such rules and regulations.

ARTICLE 28.
ASSIGNMENT BY LANDLORD; RIGHT TO LEASE

28.1 Landlord shall have the right to transfer or assign, in whole or in part, all its rights and obligations hereunder and in the Premises and the Project. In such event, no liability or obligation shall accrue or be charged to Landlord with respect to the period from and after such transfer or assignment and assumption of Landlord's obligations by the transferee or assignee; provided that any successor pursuant to a voluntary transfer (but not as part of an involuntary transfer resulting from a foreclosure or deed in lieu thereof) shall have assumed Landlord's obligations under this Lease.

28.2 Landlord reserves the absolute right to effect such other tenancies in the Project as Landlord in the exercise of its sole business judgment shall determine to best promote the interests of the Buildings or Project. Tenant does not rely on the fact, nor does Landlord represent, that any specific tenant or type or number of tenants shall, during the Term, occupy any space in the Buildings or Project.

ARTICLE 29.
LIABILITY OF LANDLORD

29.1 It is expressly understood and agreed that the obligations of Landlord under this Lease shall be binding upon Landlord and its successors and assigns and any future owner of the Project only with respect to events occurring during its and their respective ownership of the Project. In addition, Tenant agrees to look solely to Landlord's interest in the Project for recovery of any judgment against Landlord arising in connection with this Lease, it being agreed that neither Landlord nor any successor or assign of Landlord nor any future owner of the Project, nor any partner, shareholder, member, or officer of any of the foregoing shall ever be personally liable for any such judgment. For purposes hereof, "the interest of Landlord in the Building" shall include rents due from tenants, proceeds from any sale of the Project, insurance proceeds, and proceeds from condemnation or eminent domain proceedings (prior to the distribution of same to any member, partner or shareholder of Landlord or any other third party). The limitations of liability contained in this Section 29.1 shall inure to the benefit of Landlord's and the Landlord Parties' present and future partners, beneficiaries, officers, directors, trustees, shareholders, agents and employees, and their respective partners, heirs, successors and assigns. Under no circumstances shall any present or future partner of Landlord (if Landlord is a partnership), or trustee or beneficiary (if Landlord or any partner of Landlord is a trust), have any personal liability for the performance of Landlord's obligations under this Lease. Notwithstanding any contrary provision herein, neither Landlord nor the Landlord Parties shall be liable under any circumstances for any indirect or consequential damages or any injury or damage to, or interference with, Tenant's business, including but not limited to, loss of profits, loss of rents or other revenues, loss of business opportunity, loss of goodwill or loss of use, in each case, however occurring.

ARTICLE 30.
SUBORDINATION AND ATTORNMENT

30.1 This Lease, at Landlord's option, shall be subordinate to any present or future mortgage, ground lease or, subject to Section 3.3, declaration of covenants regarding maintenance and use of any areas contained in any portion of the Building, and to any and all advances made under any present or future mortgage and to all renewals, modifications, consolidations, replacements, and extensions of any or all of same. Tenant agrees, with respect to any of the foregoing documents, that no documentation other than this Lease shall be required to evidence such subordination. If any holder of a mortgage (each, a "Mortgagee") shall elect for this Lease to be superior to the lien of its mortgage and shall give written notice thereof to Tenant, then this Lease shall automatically be deemed prior to such mortgage whether this Lease is dated earlier or later than the date of said mortgage or the date of recording thereof. Within fifteen (15) days after delivery to Tenant of written request therefor by Landlord, Tenant agrees to execute such commercially reasonable documents as may be further required to evidence such subordination or to make this Lease prior to the lien of any mortgage or deed of trust, as the case may be, and by failing to do so within five (5) business days after a second written demand, shall be an Event of Default. Tenant hereby attorns to all successor owners of the Building, whether or not such ownership is acquired as a result of a sale through foreclosure or otherwise.

30.2 Landlord's interest herein may be assigned as security at any time to any Mortgagee. Notwithstanding the foregoing or anything to the contrary herein, no Mortgagee succeeding to the interest of Landlord hereunder shall be (i) liable in any way to Tenant for any act or omission, neglect or default on the part of Landlord under this Lease, unless (x) such default under the Lease continues uncured after the date Mortgagee succeeds to the interest of Landlord under the Lease and such default is reasonably susceptible of cure by Mortgagee, in which case Mortgagee shall be obligated to cure such default, and/or (y) such act or omission or neglect causing damage or loss to Tenant constitutes a default under the Lease, continues uncured after the date Mortgagee succeeds to the interest of Landlord under the Lease and such default is reasonably susceptible of cure by Mortgagee, in which case Mortgagee shall be obligated to cure such default, (ii) responsible for any monies owing by or on deposit with Landlord to the credit of Tenant (except to the extent any such deposit is actually received by or credited to such Mortgagee), (iii) subject to any counterclaim or setoff which theretofore accrued to Tenant against Landlord, (iv) bound by any amendment or modification of this Lease subsequent to such mortgage (except those (x) made solely for purposes of documenting the exercise of rights expressly set forth in this Lease, or (y) that Landlord is entitled to enter into without the consent of Mortgagee pursuant to the terms of the Mortgage or any other loan documents, or (2) termination or surrender of the Lease made without the written consent of Lender, except any termination or surrender of the Lease by Tenant made or effected pursuant to the express terms of the Lease, or by any previous prepayment of Rent for more than one (1) month, which was not approved in writing by the Mortgagee, (v) liable beyond such Mortgagee's interest in the Project, or (vi) responsible for the payment or performance of any work to be done by Landlord under this Lease to render the Premises ready for occupancy by Tenant or for the payment of any tenant improvement allowances. Nothing in clause (i), above, shall be deemed to relieve any Mortgagee succeeding to the interest of Landlord hereunder of its obligation to comply with the obligations of Landlord under this Lease from and after the date of such succession.

30.3 No Mortgagee shall, either by virtue of the mortgage or any assignment of leases executed by Landlord for the benefit of such Mortgagee, be or become a mortgagee in possession or be or become subject to any liability or obligation under the Lease or otherwise until such Mortgagee shall have acquired the interest of Landlord in the Project, by foreclosure or otherwise, or in fact have taken possession of the Project as a mortgagee in possession and then such liability or obligation of Mortgagee under the Lease shall extend only to those liability or obligations accruing subsequent to the date that such Mortgagee has acquired the interest of Landlord in the Premises, or in fact taken possession of the Project as a mortgagee in possession.

30.4 Tenant shall, at such time or times as Landlord may request, upon not less than fifteen (15) days' prior written request by Landlord, sign and deliver to Landlord an estoppel certificate, which shall be substantially in the form of Exhibit E, attached hereto (or such other commercially reasonable form as may be required by any prospective mortgagee or purchaser of the Project, or any portion thereof), indicating therein any exceptions thereto that may exist at that time, and shall also contain such other information and agreements as may be reasonably requested, it being intended that any such statement delivered pursuant to this Article may be relied upon by Landlord and by any prospective purchaser of all or any portion of the Project, or a holder or prospective holder of any mortgage encumbering the Project, or any portion thereof. Notwithstanding anything to the contrary in Section 22.1(b) above, Tenant's failure to deliver such statement within five (5) business days after Landlord's second written request therefor shall, if Landlord so elects, constitute an Event of Default (as that term is defined elsewhere in this Lease) and shall conclusively be deemed to be an admission by Tenant of the matters set forth in the request for an estoppel certificate.

30.5 Tenant shall deliver to Landlord prior to the execution of this Lease and thereafter at any time upon Landlord's request, Tenant's current audited financial statements, including a balance sheet and profit and loss statement for the most recent prior year (collectively, the "Statements"), which Statements shall accurately and completely reflect the financial condition of Tenant as of the date of the applicable Financial Statements. If audited financial statements are not then available, Tenant may instead provide unaudited financial statements certified by an officer, member, manager, partner or other authorized representative of Tenant as accurately and completely reflecting the financial condition of Tenant. Landlord agrees not to request copies of financial statements more often than once in every twelve-month period, unless required in connection with a proposed sale or financing. Landlord shall have the right to deliver the same to any proposed purchaser of the Building or the Project, and to any encumbrancer of all or any portion of the Building or the Project, but Landlord shall require that such proposed purchaser or encumbrancer, as the case may be, that receives such Statement(s) keep the same in strict confidence except to the extent required by law or court order to disclose any information in such Statements. Tenant's obligation to deliver such Statements to Landlord shall not apply if Tenant's is a publicly traded company.

30.6 Tenant acknowledges that Landlord is relying on the Statements in its determination to enter into this Lease, and Tenant represents to Landlord, which representation shall be deemed made on the date of this Lease, that no material change in the financial condition of Tenant, as reflected in the Statements, has occurred since the date Tenant delivered the Statements to Landlord. The Statements are represented and warranted by Tenant to be correct and to accurately and fully reflect Tenant's true financial condition as of the date of submission of any Statements to Landlord.

30.7 Concurrently with Tenant's execution of this Lease, Tenant shall execute a non-disturbance, subordination and attornment agreement with the lender ("Lender") set forth on the Subordination, Non-Disturbance & Attornment Agreement ("SNDA") substantially in the form attached to this Lease as Exhibit L and return the same to Landlord. Landlord agrees to use commercially reasonable efforts to have the SNDA signed by Landlord's existing lender and then deliver a fully signed copy thereof to Tenant. "Commercially reasonable efforts" of Landlord shall not require Landlord to incur any cost, expense or liability to obtain such agreement. Landlord's failure to obtain the SNDA for Tenant shall have no effect on the rights, obligations and liabilities of Landlord and Tenant or be considered to be a default by Landlord hereunder unless Landlord does not use commercially reasonable efforts to have the SNDA signed by Landlord's existing lender and then delivered to Tenant.

30.8 Landlord agrees to use commercially reasonable efforts to deliver to Tenant from any future mortgagee or beneficiary a written subordination and non-disturbance agreement in a commercially reasonable and recordable form acceptable to such mortgagee or beneficiary in its sole discretion and Tenant providing that so long as Tenant performs all of the terms of this Lease, Tenant's possession and rights under this Lease shall not be disturbed and Tenant shall not be joined by the holder of any mortgage or deed of trust in any action or proceeding to foreclose thereunder, except where such is necessary for jurisdictional or procedural reasons. Tenant shall be responsible for any fee or review costs charged by such mortgagee or beneficiary. Landlord's failure to obtain a non-disturbance, subordination and attornment agreement for Tenant shall have no effect on the rights, obligations and liabilities of Landlord and Tenant or be considered to be a default by Landlord hereunder.

ARTICLE 31.
HOLDING OVER

31.1 In the event Tenant, or any party claiming under Tenant, retains possession of the Premises after the Expiration Date or Termination Date, such possession shall be that of a tenant at sufferance and an unlawful detainer. No tenancy or interest shall result from such possession, and such parties shall be subject to immediate eviction and removal. Tenant or any such party shall pay Landlord, as Base Rent for the period of such holdover, a monthly amount equal to one hundred fifty percent (150%) of (a) the Base Rent for the last period prior to the date of such termination plus (b) Additional Rent attributable to Operating Expenses and Taxes as provided in Article 5 of this Lease during the time of holdover, together with all other Additional Rent and other amounts payable pursuant to the terms of this Lease. Such tenancy at sufferance shall be subject to every other applicable term, covenant and agreement contained herein. Tenant shall also be liable for any and all damages sustained by Landlord as a result of such holdover after the date that is the earlier of (a) the date that is thirty (30) days after the expiration or earlier termination of the Term of this Lease, or (b) the date that is thirty (30) days after Landlord has notified Tenant that Landlord has executed a letter of intent or lease with another tenant for all or any portion of the Premises. Tenant shall vacate the Premises and deliver same to Landlord immediately upon Tenant's receipt of notice from Landlord to so vacate. The Rent during such holdover period shall be payable to Landlord on demand. Landlord's acceptance of Rent if and after Tenant holds over shall not convert Tenant's tenancy at sufferance to any other form of tenancy or result in a renewal or extension of the Term of this Lease, unless otherwise specified by notice from Landlord to Tenant.

ARTICLE 32.
SIGNS

32.1 No sign, symbol, or identifying marks shall be put upon the Project, Building, in the halls, elevators, staircases, entrances, parking areas, or upon the doors or walls, without the prior written approval of Landlord in its sole discretion. Should such approval ever be granted, all signs or lettering shall conform in all respects to the sign and/or lettering criteria established by Landlord and comply with all Applicable Laws. Landlord, at Landlord's sole cost and expense, reserves the right to change the door plaques as Landlord deems reasonably desirable.

32.2 Landlord shall, at Tenant's sole cost and expense, install one line of signage (the "Monument Signage") on the Building monument sign identifying Tenant's name. The graphics, materials, color, design, lettering, size and specifications of Tenant's Monument Signage shall be subject to the reasonable approval of Landlord and all applicable governmental authorities and shall conform to Landlord's approved sign plan for the Building. At the expiration or earlier termination of this Lease or termination of Tenant's sign rights as provided below, Landlord shall, at Tenant's sole cost and expense, cause the Monument Signage to be removed and the area of the monument sign affected by the Monument Signage to be restored to the condition existing prior to the installation of Tenant's Monument Signage. The right to Monument Signage is personal to the initially named Tenant in this Lease.

32.3 Landlord shall, at Tenant's sole cost and expense, install signage at the top of the Building (the "Building-top Signage") identifying only Tenant's name and logo. The graphics, materials, color, design, lettering, size and specifications of Tenant's Building-top Signage shall be subject to the reasonable approval of Landlord and all applicable governmental authorities and shall conform to Landlord's approved sign plan for the Building. The costs of the actual signs comprising the Building-top Signage and the installation, design, construction, and any and all other costs associated with the Building-top Signage including, without limitation, utility charges and hook-up fees, permits, and maintenance and repairs, shall be the sole responsibility of Tenant. Should the Building-top Signage require repairs and/or maintenance, as determined in Landlord's reasonable judgment, Landlord shall have the right to provide notice thereof to Tenant and Tenant shall cause such repairs and/or maintenance to be performed within thirty (30) days after receipt of such notice from Landlord, at Tenant's sole cost and expense; provided, however, if such repairs and/or maintenance are reasonably expected to require longer than thirty (30) days to perform or if permits are needed to perform such maintenance and repairs, Tenant shall commence such repairs and/or maintenance within such thirty (30) day period or promptly following the date such permits are obtained, subject to extension on a day for day basis based on any Force Majeure Delays, and shall diligently prosecute such repairs and maintenance to completion. Should Tenant fail to perform such repairs and/or maintenance within the periods described in the immediately preceding sentence, Landlord shall, upon the delivery of an additional five (5) business days' prior written notice, have the right to cause such work to be performed and to charge Tenant as Additional Rent for the reasonable cost of such

work. At the expiration or earlier termination of this Lease or termination of Tenant's sign rights as provided below, Landlord shall, at Tenant's sole cost and expense, cause the Building-top Signage to be removed and the area of the top of the Building affected by the Building-top Signage to be restored to the condition existing prior to the installation of Tenant's Building-top Signage. The right to Building-top Signage is personal to the initial Tenant named in this Lease (the "Original Tenant") and any Permitted Transferee of the Original Tenant who is an assignee of that Original Tenant's entire interest in this Lease. To the extent Tenant desires to change the name and/or logo set forth on the Building-top Signage, such name and/or logo shall not have a name which relates to an entity which is of a character or reputation, or is associated with a political faction or orientation, which is inconsistent with the quality of the Project, or which would otherwise reasonably offend a landlord of the Comparable Buildings. All of Tenant's rights to install and maintain the Building-top Signage at the top of the Building in accordance with this Section 32.3 shall permanently terminate upon notice from Landlord following the date upon which Tenant or a Permitted Transferee ceases to occupy at least 25,000 rentable square feet within the Building.

32.4 Landlord, at Tenant's sole cost and expense, shall provide Tenant with Building standard lobby and suite signage.

ARTICLE 33.
HAZARDOUS MATERIALS

33.1 Tenant's Obligations.

33.1.1 As a material inducement to Landlord to enter into this Lease with Tenant, Tenant has fully and accurately completed Landlord's Pre-Leasing Environmental Exposure Questionnaire (the "Environmental Questionnaire"), which is attached as Exhibit I. Tenant hereby represents, warrants and covenants that except for those chemicals or materials, and their respective quantities, specifically listed on the Environmental Questionnaire and any updates thereto, neither Tenant nor Tenant's subtenants or assigns, or any of their respective employees, contractors and subcontractors of any tier, entities with a contractual relationship with such parties (other than Landlord), or any entity acting as an agent or sub-agent of such parties or any of the foregoing (collectively, "Tenant Parties") will produce, use, store or generate any "Hazardous Materials", as that term is defined below, on, under or about the Premises, nor cause or permit any Hazardous Material to be brought upon, placed, stored, manufactured, generated, blended, handled, recycled, used or "Released", as that term is defined below, on, in, under or about the Premises or Project. If any information provided to Landlord by Tenant on the Environmental Questionnaire, or otherwise relating to information concerning Hazardous Materials is knowingly false, materially incomplete, or misleading in any material respect, the same shall be deemed a default by Tenant under this Lease. Upon Landlord's request, or in the event of any material change in Tenant's use of Hazardous Materials at the Premises, Tenant shall deliver to Landlord an updated Environmental Questionnaire. Landlord's prior written consent shall be required for any Hazardous Materials use for the Premises not described on the initial Environmental Questionnaire, such consent not to be unreasonably withheld, conditioned or delayed it being understood and agreed that any Hazardous Materials used in connection with the operation of Tenant's business shall be deemed approved by Landlord so long as such Hazardous Materials are used and stored in compliance with applicable

Environmental Laws; provided that if Landlord determines in good faith, with support from its environmental consultant, that any Hazardous Material, or quantities thereof, Tenant is using or proposes to use at the Premises or any activity involving Hazardous Materials presents an unreasonable risk at the Premises or is suspected to be in violation of applicable Environmental Law, then Tenant shall cease using such Hazardous Material or cease such activity until Tenant presents a plan that satisfies Landlord's concerns to Landlord's reasonable satisfaction. Tenant shall not install or permit any underground storage tank on the Premises. In addition, Tenant agrees that it: (i) shall not cause or suffer to occur, the Release (as defined below) of any Hazardous Materials at, upon, under or within the Premises or any contiguous or adjacent premises; and (ii) shall not engage in activities at the Premises that give rise to, or lead to the imposition of, liability upon Tenant or Landlord or the creation of an environmental lien or use restriction upon the Premises. For purposes of this Lease, "Hazardous Materials" means all flammable explosives, petroleum and petroleum products, oil, radon, radioactive materials, toxic pollutants, asbestos, polychlorinated biphenyls ("PCBs"), medical waste, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances or related materials, including without limitation any chemical, element, compound, mixture, solution, substance, object, waste or any combination thereof, which is or may hereafter be determined to be hazardous to human health, safety or to the environment due to its radioactivity, ignitability, corrosiveness, reactivity, explosiveness, toxicity, carcinogenicity, infectiousness or other harmful or potentially harmful properties or effects, or defined as, regulated as or included in, the definition of "hazardous substances", "hazardous wastes", "hazardous materials", or "toxic substances" under any Environmental Laws. The term "Hazardous Materials" for purposes of this Lease shall also include any mold, fungus or spores, whether or not the same is defined, listed, or otherwise classified as a "hazardous material" under any Environmental Laws, if such mold, fungus or spores may pose a risk to human health or the environment or negatively impact the value of the Premises. Hazardous Materials shall also include any "biohazardous waste," "medical waste," or other waste under California Health and Safety Code Division 20, Chapter 6.1 (Medical Waste Management Act). For purposes of this Lease, "Release" or "Released" or "Releases" shall mean any release, deposit, discharge, emission, leaking, spilling, seeping, migrating, injecting, pumping, pouring, emptying, escaping, dumping, disposing, or other movement of Hazardous Materials into the environment.

Any use or storage of Hazardous Materials by Tenant permitted pursuant to this Article 33 shall not exceed Tenant's proportionate share (measured on a per floor basis) of similarly classed Hazardous Materials. Notwithstanding anything contained herein to the contrary, in no event shall Tenant or anyone claiming by through or under Tenant perform work in the Premises at or above the risk category Biosafety Level 2 as established by the Department of Health and Human Services ("DHHS") and as further described in the DHHS publication Biosafety in Microbiological and Biomedical Laboratories (5th Edition) (as it may be or may have been further revised, the "BMBL"). Tenant shall comply with all applicable provisions of the standards of the BMBL to the extent applicable to Tenant's operations in the Premises.

33.1.2 Unless Tenant is required by Applicable Laws to give earlier notice to Landlord, Tenant shall notify Landlord in writing as soon as possible but in no event later than five (5) days after (i) Tenant becomes aware of the occurrence of any actual, alleged or threatened Release of any Hazardous Material in, on, under, from, about or in the vicinity of the Premises (whether past or present), regardless of the source or quantity of any such Release, or

(ii) Tenant becomes aware of any regulatory actions, inquiries, inspections, investigations, directives, or any cleanup, compliance, enforcement or abatement proceedings (including any threatened or contemplated investigations or proceedings) relating to or potentially affecting the Premises, or (iii) Tenant becomes aware of any claims by any person or entity relating to any Hazardous Materials in, on, under, from, about or in the vicinity of the Premises, whether relating to damage, contribution, cost recovery, compensation, loss or injury. Collectively, the matters set forth in clauses (i), (ii) and (iii) above are hereinafter referred to as "Hazardous Materials Claims". Tenant shall promptly forward to Landlord copies of all orders, notices, permits, applications and other communications and reports in connection with any Hazardous Materials Claims. Additionally, Tenant shall promptly advise Landlord in writing of Tenant's discovery of any occurrence or condition on, in, under or about the Premises that could subject Tenant or Landlord to any liability, or restrictions on ownership, occupancy, transferability or use of the Premises under any "Environmental Laws", as that term is defined below. Tenant shall not enter into any legal proceeding or other action, settlement, consent decree or other compromise with respect to any Hazardous Materials Claims without first notifying Landlord of Tenant's intention to do so and affording Landlord the opportunity to join and participate, as a party if Landlord so elects, in such proceedings and in no event shall Tenant enter into any agreements which are binding on Landlord or the Project without Landlord's prior written consent (which shall not be unreasonably withheld, conditioned or delayed). Landlord shall have the right to appear at and participate in, any and all legal or other administrative proceedings concerning any Hazardous Materials Claim. For purposes of this Lease, "Environmental Laws" means all applicable present and future laws relating to the protection of human health, safety, wildlife or the environment, including, without limitation, (i) all requirements pertaining to reporting, licensing, permitting, investigation and/or remediation of emissions, discharges, Releases, or threatened Releases of Hazardous Materials, whether solid, liquid, or gaseous in nature, into the air, surface water, groundwater, or land, or relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport, or handling of Hazardous Materials; and (ii) all requirements pertaining to the health and safety of employees or the public. Environmental Laws include, but are not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, 42 USC § 9601, et seq., the Hazardous Materials Transportation Authorization Act of 1994, 49 USC § 5101, et seq., the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act of 1976, and Hazardous and Solid Waste Amendments of 1984, 42 USC § 6901, et seq., the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, 33 USC § 1251, et seq., the Clean Air Act of 1966, 42 USC § 7401, et seq., the Toxic Substances Control Act of 1976, 15 USC § 2601, et seq., the Safe Drinking Water Act of 1974, 42 USC §§ 300f through 300j, the Occupational Safety and Health Act of 1970, as amended, 29 USC § 651 et seq., the Oil Pollution Act of 1990, 33 USC § 2701 et seq., the Emergency Planning and Community Right-To-Know Act of 1986, 42 USC § 11001 et seq., the National Environmental Policy Act of 1969, 42 USC § 4321 et seq., the Federal Insecticide, Fungicide and Rodenticide Act of 1947, 7 USC § 136 et seq., and any other state or local law counterparts, as amended, as such Environmental Laws, are in effect as of the Commencement Date, or thereafter adopted, published or promulgated.

33.1.3 If any Release of any Hazardous Material in, on, under, from or about the Premises shall occur at any time during the Lease and/or if any other Hazardous Material condition exists at the Premises or Building, and each case to the extent due to the acts or omissions of Tenant or any Tenant Parties that requires response actions of any kind, in addition to notifying Landlord as specified above, Tenant, at its own sole cost and expense, shall (i) promptly comply with any and all reporting requirements imposed pursuant to any and all applicable Environmental Laws, (ii) provide a written certification to Landlord indicating that Tenant has complied with all applicable reporting requirements, (iii) take any and all necessary investigation, corrective, remedial and other Clean-up action in accordance with any and all applicable Environmental Laws, utilizing an environmental consultant reasonably approved by Landlord, all in accordance with the provisions and requirements of this Article 33, including, without limitation, Section 33.4, and (iv) take any such additional investigative, remedial and corrective actions as Landlord shall in its reasonable discretion deem necessary such that the Premises and Project are remediated to a condition allowing use of the Premises for the Permitted Uses (i.e., to a level that will allow such Permitted Uses without any engineering controls or deed restrictions), all in accordance with the provisions and requirements of this Article 33. Landlord may, as required by any and all Environmental Laws, report the Release of any Hazardous Material in or from the Premises to the appropriate governmental authority, identifying Tenant as the responsible party. Tenant shall deliver to Landlord copies of all administrative orders, notices, demands, directives or other communications directed to Tenant from any governmental authority with respect to any Release of Hazardous Materials in, on, under, from, or about the Premises, together with copies of all investigation, assessment, and remediation plans and reports prepared by or on behalf of Tenant in response to any such regulatory order or directive.

33.1.4 Indemnification.

(a) Without limiting in any way Tenant's obligations under any other provision of this Lease, Tenant shall be solely responsible for and shall protect, defend, indemnify and hold Landlord and the Landlord Parties harmless from and against any and all claims, judgments, losses, damages, costs, expenses, penalties, enforcement actions, taxes, fines, remedial actions, liabilities (including, without limitation, actual attorneys' fees, litigation, arbitration and administrative proceeding costs, expert and consultant fees and laboratory costs) including, without limitation, consequential damages and sums paid in settlement of claims, which arise during or after the Term, whether foreseeable or unforeseeable, directly or indirectly, to the extent arising out of or caused by the presence, use, generation, manufacture, treatment, handling, refining, production, processing, storage, Release or presence of Hazardous Materials in, on, under or about the Premises or Project by Tenant or any Tenant Party, except to the extent such liabilities result from the negligence or willful misconduct of Landlord or any of its agents, employees, affiliates, contractors, subcontractors or other Landlord Parties following the Commencement Date. The foregoing obligations of Tenant shall include, without limitation: (i) the costs of any required or necessary removal, repair, cleanup or remediation of the Premises and Project, and the preparation and implementation of any closure, removal, remedial or other required plans; (ii) judgments for personal injury or property damages; and (iii) all costs and expenses incurred by Landlord in connection therewith. It is the express intention of the parties to this Lease that Tenant assumes all such liabilities, and holds Landlord harmless from all such liabilities, to the extent arising from or caused by the presence, use, generation, manufacture, treatment, handling, refining, production, processing, storage, Release or presence of Hazardous Materials in violation of applicable Environmental Laws in, on, under or about the Premises or Project by Tenant or any Tenant Party.

(b) Notwithstanding anything in this Section 33.1.4 to the contrary, Tenant's indemnity of Landlord shall not be applicable to claims based upon Existing Hazardous Materials except to the extent that Tenant's construction activities and/or Tenant's negligent acts or omissions cause or exacerbate the subject claim. "Existing Hazardous Materials" shall mean Hazardous Materials located on the Project in violation of applicable Environmental Laws as of the date of this Lease. Subject to the terms of the immediately preceding sentence, Tenant's indemnity of Landlord also shall not apply to claims based upon Hazardous Materials that arise out of or are caused by the presence, use, generation, manufacture, treatment, handling, refining, production, processing, storage, Release or presence of Hazardous Materials in, on, under or about the Premises or Project by Landlord or any Landlord Parties or any third party or parties outside of the Premises.

33.1.5 Without limiting the generality of Tenant's obligation to comply with Applicable Laws as otherwise provided in this Lease, Tenant shall, at its sole cost and expense, comply with all Environmental Laws. Tenant shall obtain and maintain any and all necessary permits, licenses, certifications and approvals appropriate or required for the use, handling, storage, and disposal of any Hazardous Materials used, stored, generated, transported, handled, blended, or recycled by Tenant on the Premises. Landlord shall have a continuing right, without obligation, to require Tenant to obtain, and to review and inspect any and all such permits, licenses, certifications and approvals, together with copies of any and all Hazardous Materials management plans and programs, any and all Hazardous Materials risk management and pollution prevention programs, and any and all Hazardous Materials emergency response and employee training programs respecting Tenant's use of Hazardous Materials. Upon request of Landlord, Tenant shall deliver to Landlord a narrative description explaining the nature and scope of Tenant's activities involving Hazardous Materials and showing to Landlord's reasonable satisfaction compliance with all Environmental Laws and the terms of this Lease.

33.2 Assurance of Performance.

33.2.1 Landlord may, but shall not be required to, engage from time to time such contractors as Landlord determines to be appropriate to perform "Environmental Assessments", as that term is defined below, to ensure Tenant's compliance with the requirements of this Lease with respect to Hazardous Materials. For purposes of this Lease, "Environmental Assessment" means an assessment including, without limitation: (i) an environmental site assessment conducted in accordance with the then-current standards of the American Society for Testing and Materials and meeting the requirements for satisfying the "all appropriate inquiries" requirements; and (ii) sampling and testing of the Premises based upon potential recognized environmental conditions or areas of concern or inquiry identified by the environmental site assessment.

33.2.2 All costs and expenses incurred by Landlord in connection with any such Environmental Assessment initially shall be paid by Landlord; provided that if any such Environmental Assessment shows that Tenant has breached its obligation to comply with the provisions of this Article 33 applicable to Tenant, then all of the reasonable costs and expenses of such Environmental Assessment shall be reimbursed by Tenant as Additional Rent within thirty (30) days after receipt of written demand therefor.

33.3 Tenant's Obligations upon Surrender. At the expiration or earlier termination of the Term, Tenant, at Tenant's sole cost and expense, shall: (i) cause an Environmental Assessment of the Premises to be conducted in accordance with Section 33.9; (ii) cause all Hazardous Materials (other than Existing Hazardous Materials or any Hazardous Materials placed in the Premises by Landlord or Landlord's agents, employees or contractors) to be removed from the Premises and disposed of in accordance with all applicable Environmental Laws and as necessary to allow the Premises to be used for the Permitted Uses; and (iii) cause to be removed all containers installed or used by Tenant or any Tenant Parties to store any Hazardous Materials on the Premises, and cause to be repaired any damage to the Premises caused by such removal.

33.4 Clean-up.

33.4.1 If any written report, including any report containing results of any Environmental Assessment (an "Environmental Report") shall indicate (i) the presence of any Hazardous Materials as to which Tenant has a removal or remediation obligation under this Article 33, and (ii) that as a result of same, the investigation, characterization, monitoring, assessment, repair, closure, remediation, removal, or other clean-up (the "Clean-up") of any Hazardous Materials is required, Tenant shall immediately prepare and submit to Landlord within thirty (30) days after receipt of the Environmental Report a comprehensive plan, subject to Landlord's written approval (which approval shall not be unreasonably withheld, conditioned or delayed), specifying the actions to be taken by Tenant to perform the Clean-up so that the Premises are restored to the conditions required by this Lease. Upon Landlord's approval of the Clean-up plan, Tenant shall, at Tenant's sole cost and expense, without limitation of any rights and remedies of Landlord under this Lease, immediately implement such plan with a consultant reasonably acceptable to Landlord and proceed to Clean-Up Hazardous Materials in accordance with all applicable laws and as required by such plan and this Lease. If, within thirty (30) days after receiving a copy of such Environmental Report, Tenant fails either (a) to complete such Clean-up, or (b) with respect to any Clean-up that cannot be completed within such 30-day period, fails to proceed with diligence to prepare the Clean-up plan and complete the Clean-up as promptly as practicable, then Landlord shall have the right, but not the obligation, and without waiving any other rights under this Lease, to carry out any Clean-up recommended by the Environmental Report or required by any governmental authority having jurisdiction over the Premises, and recover all of the reasonable costs and expenses thereof from Tenant as Additional Rent, payable within thirty (30) days after receipt of written demand therefor.

33.4.2 No Rent Abatement. Tenant shall continue to pay all Rent due or accruing under this Lease during any Clean-up of the Premises required to be performed by Tenant pursuant to the terms of this Article 33, and shall not be entitled to any reduction, offset or deferral of any Base Rent or Additional Rent due or accruing under this Lease during any such Clean-up.

33.4.3 Surrender of Premises. Tenant shall complete any Clean-up prior to surrender of the Premises upon the expiration or earlier termination of this Lease, and shall fully comply with all Environmental Laws and requirements of any governmental authority with respect to such completion, including, without limitation, fully comply with any requirement to file a risk assessment, mitigation plan or other information with any such governmental authority in conjunction with the Clean-up prior to such surrender. Tenant shall obtain and deliver to Landlord a letter or other written determination from the overseeing governmental authority confirming that the Clean-up has been completed in accordance with all requirements of such governmental authority and that no further response action of any kind is required for the Permitted Use of the Premises ("Closure Letter"). Upon the expiration or earlier termination of this Lease, Tenant shall also be obligated to close all permits obtained in connection with Hazardous Materials in accordance with Applicable Laws.

33.4.4 Failure to Timely Clean-Up. Should any Clean-up for which Tenant is responsible not be completed, or should any Clean-up be required of Tenant by any governmental authority and Tenant not receive the Closure Letter and any governmental approvals required under Environmental Laws in conjunction with such Clean-up prior to the expiration or earlier termination of this Lease, and Tenant's failure to receive the Closure Letter is prohibiting Landlord from leasing the Premises or any part thereof to a third party, or prevents the occupancy or use of the Premises or any part thereof by a third party, then Tenant shall be liable to Landlord all damages arising therefrom, including without limitation the reasonable rental value of the Premises.

33.5 Unless compelled to do so by applicable law, court order or subpoena, Tenant agrees that Tenant shall not disclose, discuss, disseminate or copy any information, data, findings, communications, conclusions and reports regarding the environmental condition of the Premises to any person (other than Tenant's consultants, attorneys, property managers and employees that have a need to know such information), including any governmental authority, without the prior written consent of Landlord. In the event Tenant reasonably believes that disclosure is compelled by Applicable Laws, it shall provide Landlord ten (10) days' advance notice of disclosure of confidential information so that Landlord may attempt to obtain a protective order. Tenant may additionally release such information to bona fide prospective purchasers or lenders, subject to any such parties' written agreement to be bound by the terms of this Article 33.

33.6 Within thirty (30) days of receipt thereof, Tenant shall provide Landlord, without representation or warranty, with a copy of any and all environmental assessments, audits, studies and reports regarding Tenant's activities with respect to the Premises, or ground water beneath the Project, or the environmental condition or Clean-up thereof. Tenant shall be obligated to provide Landlord, without representation or warranty, with a copy of such materials without regard to whether such materials are generated by Tenant or prepared for Tenant, or how Tenant comes into possession of such materials.

33.7 Tenant shall be responsible for posting on the Premises any signs required under applicable Environmental Laws. Tenant shall also complete and file any business response plans or inventories required by any applicable Environmental Laws. Tenant shall concurrently file a copy of any such business response plan or inventory with Landlord.

33.8 Each covenant, agreement, representation, warranty and indemnification made by Tenant set forth in this Article 33 shall survive the expiration or earlier termination of this Lease and shall remain effective until all of Tenant's obligations under this Article 33 have been completely performed and satisfied.

33.9 Prior to the expiration of the Lease (or within thirty (30) days after any earlier termination), Tenant shall clean and otherwise decommission all interior surfaces (including floors, walls, ceilings, and counters), piping, supply lines, waste lines and plumbing in or serving the Premises, and all exhaust or other ductwork in or serving the Premises, in each case that has carried, released or otherwise been exposed to any Hazardous Materials due to Tenant's use or occupancy of the Premises, and shall otherwise clean the Premises so as to permit the Environmental Assessment called for by this Section 33.9 to be issued. Prior to the expiration of this Lease (or within thirty (30) days after any earlier termination), Tenant, at Tenant's expense, shall obtain for Landlord an Environmental Assessment addressed to Landlord (and, at Tenant's election, Tenant) by a reputable licensed environmental engineer or industrial hygienist that is designated by Tenant and acceptable to Landlord in Landlord's reasonable discretion, which report shall be based on the environmental engineer's inspection of the Premises and shall state, to Landlord's reasonable satisfaction, that (a) the Hazardous Materials described in the first sentence of this paragraph, to the extent, if any, existing prior to such decommissioning, have been removed in accordance with Applicable Laws; (b) all Hazardous Materials described in the first sentence of this paragraph, if any, have been removed in accordance with Applicable Laws from the interior surfaces of the Premises (including floors, walls, ceilings, and counters), piping, supply lines, waste lines and plumbing, and all such exhaust or other ductwork in the Premises, may be reused by a subsequent tenant or disposed of in compliance with Applicable Laws without incurring special costs or undertaking special procedures for demolition, disposal, investigation, assessment, cleaning or removal of such Hazardous Materials and without giving notice in connection with such Hazardous Materials; and (c) the Premises may be reoccupied for office, research and development, or laboratory use, demolished or renovated without incurring special costs or undertaking special procedures for disposal, investigation, assessment, cleaning or removal of Hazardous Materials described in the first sentence of this paragraph and without giving notice in connection with Hazardous Materials. Further, for purposes of clauses (b) and (c), "special costs" or "special procedures" shall mean costs or procedures, as the case may be, that would not be incurred but for the nature of the Hazardous Materials as Hazardous Materials instead of non-hazardous materials. The report shall also include reasonable detail concerning the clean-up measures taken, the clean-up locations, the tests run and the analytic results. Tenant shall submit to Landlord the identity of the applicable consultants and the scope of the proposed Environmental Assessment for Landlord's reasonable review and approval at least 30 days prior to commencing the work described therein or at least 60 days prior to the expiration of the Term, whichever is earlier.

If Tenant fails to perform its obligations under this Section 33.9, without limiting any other right or remedy, Landlord may, on ten (10) business days' prior written notice to Tenant perform such obligations at Tenant's expense if Tenant has not commenced to do so within said ten (10) business day period, and Tenant shall within 30 days of written demand reimburse Landlord for all reasonable out-of-pocket costs and expenses incurred by Landlord in connection with such work. Tenant's obligations under this Section 33.9 shall survive the expiration or earlier termination of this Lease. In addition, at Landlord's election, Landlord may inspect the

Premises and/or the Project for Hazardous Materials at Landlord's cost and expense within sixty (60) days of Tenant's surrender of the Premises at the expiration or earlier termination of this Lease. Tenant shall pay for all such costs and expenses reasonably incurred by Landlord in connection with such inspection if such inspection reveals that a release or legitimate threat of release of Hazardous Materials exists at the Project or Premises as a result of the affirmative acts or omissions (where there is duty on Tenant to act) of Tenant, its officers, employees, contractors, and agents (except to the extent resulting from (i) Hazardous Materials existing in the Premises as at the delivery of possession to Tenant (in which event Landlord shall be responsible for any Clean-up, as provided in this Lease), or (ii) the acts or omissions of Landlord or Landlord's agents, employees or contractors).

33.10 Landlord hereby informs Tenant, and Tenant hereby acknowledges, that the Premises and adjacent properties overlie a former solid waste landfill site commonly known as the Westport Landfill ("Former Landfill"). Landlord further informs Tenant, and Tenant hereby acknowledges, that (i) prior testing has detected the presence of low levels of certain volatile and semi-volatile organic compounds and other contaminants in the groundwater, in the leachate from the landfilled solid waste, and/or in certain surface waters of the Project, as more fully described in the California Regional Water Quality Control Board, San Francisco Bay Region's ("Regional Board") Order No. R2-2003-0074 (Updated Waste Discharge Requirements and Rescission of Order No. 94-181) ("Order"), (ii) methane gas is or may be generated by the landfilled solid waste (item "i" immediately preceding and this item "ii" are hereafter collectively referred to as the "Landfill Contamination"), and (iii) the Premises and the Former Landfill are subject to the Order. The Order is attached hereto as Exhibit H. Tenant acknowledges that Landlord has provided Tenant with copies of the Order, and Tenant acknowledges that Tenant and Tenant's experts (if any) have had ample opportunity to review the Order and that Tenant has satisfied itself as to the environmental conditions of the Project and the suitability of such conditions for Tenant's intended use of the Project. Additional environmental reports are available for Tenant's review at Landlord's offices. Promptly following request therefor from Tenant and delivery to Landlord by Tenant of a form of confidentiality agreement reasonably acceptable to Landlord, Landlord shall provide to Tenant copies of all future environmental assessments, test results and monitoring results received or submitted to Landlord related to the Former Landfill, the Order and/or the Landfill Contamination. In the event the Regional Board determines that a majority of the laboratory area of the Premises and/or the majority of the Premises cannot be occupied for a period in excess of thirty (30) days due to any Hazardous Materials conditions related to the Landfill Contamination, then, provided Tenant has not caused and/or negligently or willfully contributed to the incident responsible for said occupancy restriction, Tenant may terminate this Lease provided Tenant gives Landlord written notice of such termination within thirty (30) days of Tenant's receipt of the Regional Board's notice referred to above. In the event said notice is received by Landlord as required herein and the majority of the laboratory area of the Premises or majority of the Premises cannot be occupied as referenced above, this Lease shall thereafter terminate on the date of termination referenced in said Tenant notice (which date shall not be less than thirty (30) days from the date the majority of the laboratory area of the Premises or majority of the Premises are deemed un-occupiable). Tenant agrees to reasonably cooperate and provide Landlord and the Regional Board or their authorized representatives, upon presentation of credentials, during normal business hours, immediate entry upon the Premises to assess any and all aspects of the environmental condition of the Project and its use, including, but not limited to, conducting any environmental assessment or audit, taking samples of soil, groundwater or other water, air or building materials, the inspection of treatment equipment, monitoring equipment or monitoring methods, or sampling of any discharge governed by the Order.

ARTICLE 34.
COMPLIANCE WITH LAWS AND OTHER REGULATIONS

34.1 Tenant, at its sole cost and expense, shall promptly comply with all laws, statutes, ordinances, and governmental rules, regulations, or requirements now in force or which may hereafter become in force, of federal, state, county, and municipal authorities, including without limitation the ADA and the California Energy Code, Title 24, with the requirements of any board of fire underwriters or other similar body now or hereafter constituted, and with any occupancy certificate issued pursuant to any law by any public officer or officers, which impose, any duty upon Landlord or Tenant, insofar as any thereof relate to or affect the condition, use, alteration, or occupancy of the Premises, including without limitation any governmental requirements or executive orders that Tenant temporarily or indefinitely cease its operations and/or prohibit or reduce Tenant's use of the Premises. Landlord's approval of Tenant's plans for any improvements shall create no responsibility or liability on the part of Landlord for their completeness, design sufficiency, or compliance with all laws, rules, and regulations of governmental agencies or authorities, including, but not limited to, the ADA. Nothing in this Section 34.1 shall limit Landlord's obligations under Section 34.2 below or under Section 1.2 of the Tenant Work Letter. The provisions of this Section shall survive the expiration or earlier termination of this Lease.

34.2 Landlord, at Landlord's cost and not as an Operating Expenses, shall comply with all ADA and path of travel related requirements that impose any obligation with respect to the Common Area, but only to the extent (i) the same are applicable to Landlord and the Building, (ii) Landlord is required by the applicable governmental authority to take such action, (iii) such action is not the result of a "Trigger Event" (as defined below), and (iv) Landlord's failure to comply therewith would prohibit Tenant from obtaining or maintaining a certificate of occupancy (or its legal equivalent) for the Premises, or obtaining any building permit, or would affect the safety of Tenant's employees or create a health hazard for Tenant's employees or otherwise materially and adversely affect Tenant's use or occupancy of the Premises. As used herein, the term "Trigger Event" means one or more of the following events or circumstances: (a) Tenant's particular use of the Premises (other than normal office uses and other permitted uses of the Premises); (b) the manner of conduct of Tenant's business or operation of its installations, equipment or other property outside of Tenant's permitted uses; (c) the performance of any improvements or alterations or the installation of any Tenant systems Tenant or any Tenant Parties that are materially different from those improvements and systems generally existing in the Project at that time; (d) the breach of any of Tenant's obligations under this Lease, or (e) any CASp inspection conducted by or at the request of Tenant.

34.3 Tenant certifies, represents, warrants and covenants to Landlord that: (i) it is not, and shall not during the Lease Term become, a person or entity with whom Landlord is restricted from doing business under the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, H. R. 3162, Public Law 107-56 (commonly known as the "USA Patriot Act") and Executive Order Number 13224

on Terrorism Financing, effective September 24, 2001 and regulations promulgated pursuant thereto (collectively, "Anti-Terrorism Laws"), including, without limitation, persons and entities named on the Office of Foreign Assets Control Specially Designated Nationals and Blocked Persons List (collectively, "Prohibited Persons"); (ii) to the best of its knowledge, it is not currently engaged in any transactions, provision of services to, or dealings with, or otherwise associated with, any Prohibited Persons, nor otherwise engaged in any activity that would violate Anti-Terrorism Laws in connection with the use or occupancy of the Premises or the Building; and (iii) it will not, during the Lease Term, engage in any transactions, provide services to, deal with, or be otherwise associated with, any Prohibited Persons, nor will it engage in any other activity that would violate Anti-Terrorism Laws in connection with the use or occupancy of the Premises or the Building.

34.4 Tenant certifies, represents, warrants and covenants to Landlord that it shall not during the Lease Term engage in activities that would violate the provisions of the U.S. Foreign Corrupt Practices Act and the anti-bribery laws of other nations generally. Accordingly, (i) Tenant has not, and shall not, in connection with its performance under this Lease, or in connection with any other business transactions involving Landlord or the Premises, made, promised, or offered to make any payment or transfer of anything of value, directly or indirectly to any US or non-US government official or to an intermediary for payment to any such government official; and, (ii) Tenant has not, and shall not, in connection with its performance under this Lease, or in connection with any other business transactions involving Landlord or the Premises, made, promised, or offered to make any payments or transfers of value that have the purpose or effect of public or commercial bribery, or acceptance of or acquiescence in extortion, kickbacks, or other unlawful or improper means of obtaining business.

34.5 Tenant certifies, represents, warrants and covenants to Landlord that it shall not during the Lease Term engage in activities that would violate the provisions of the US Bank Secrecy Act as amended by the USA Patriot Act ("AML Laws"). In this regard Tenant will not engage in, facilitate or permit the Premises or the Building to be used in connection with transactions that in any way involve the proceeds of crime under US law or are related to the financing of terrorist activities. Further, Tenant will not use proceeds of crime to pay its obligations under the Lease.

34.6 If at any time after the date hereof Tenant becomes a Prohibited Person or is accused by The Office of Foreign Assets Control or other Federal Authorities of being associated with a person designated as a Prohibited Person, then it shall notify Landlord within five (5) business days after becoming aware of such designation. If at any time after the date hereof Tenant becomes a Prohibited Person or Tenant otherwise breaches any certification, representation, warranty or covenant set forth in Sections 34.3, 34.4, 34.5 or 34.6, then such event shall constitute an Event of Default hereunder, entitling Landlord to any and all remedies under the Lease or at law or in equity (including the right to terminate this Lease), without affording Tenant any notice or cure period. Tenant hereby agrees to defend (with counsel reasonably acceptable to Landlord), indemnify, and hold harmless Landlord from and against any and all claims arising from or related to any such breach of the foregoing certifications, representations, warranties and covenants in Sections 34.3, 34.4, 34.5 and 34.6. Tenant's indemnification obligations in this Section 34.6 shall survive the expiration or earlier termination of this Lease.

34.7 Pursuant to California Civil Code Section 1938, Tenant is hereby notified that, as of the date hereof, the Project has not undergone an inspection by a "Certified Access Specialist" and except to the extent expressly set forth in this Lease, Landlord shall have no liability or responsibility to make any repairs or modifications to the Premises or the Project in order to comply with accessibility standards. The following disclosure is hereby made pursuant to applicable California law: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises." Any CASp inspection shall be conducted in compliance with reasonable rules in effect at the Building with regard to such inspections and shall be subject to Landlord's prior written consent.

ARTICLE 35.
CHOICE OF LAW; SEVERABILITY

35.1 This Lease shall be construed in accordance with the laws of the State of California. If any clause or provision of this Lease is illegal, invalid, or unenforceable under present or future laws effective during the Term, then it is the intention of the parties hereto that the remainder of this Lease shall not be affected thereby. It is also the intention of both parties that in lieu of each clause or provision that is illegal, or unenforceable, there is added as a part of this Lease a clause or provision as similar in terms to such illegal, invalid, or unenforceable clause or provision as may be possible and still be legal, valid, and enforceable.

ARTICLE 36.
NOTICES

36.1 All notices, demands, designations, approvals or other communications (collectively, "Notices") given or required to be given by either party to the other hereunder or by law shall be in writing, shall be (i) sent by United States certified or registered mail, postage prepaid, return receipt requested ("Mail"), (ii) transmitted by telecopy, if such telecopy is promptly followed by a Notice sent by Mail, (iii) delivered by a nationally recognized overnight courier, or (iv) delivered personally. Any Notice shall be sent, transmitted, or delivered, as the case may be, to Tenant at the appropriate address set forth in the Basic Lease Information, or to such other place as Tenant may from time to time designate in a Notice to Landlord, or to Landlord at the addresses set forth in the Basic Lease Information, or to such other places as Landlord may from time to time designate in a Notice to Tenant. Any Notice will be deemed given (A) three (3) days after the date it is posted if sent by Mail, (B) the date the telecopy is transmitted, (C) the date the overnight courier delivery is made, or (D) the date personal delivery is made. Any Notice given by an attorney on behalf of Landlord or by Landlord's managing agent shall be considered as given by Landlord and shall be fully effective.

ARTICLE 37.
OBLIGATIONS OF, SUCCESSORS, PLURALITY, GENDER

37.1 Landlord and Tenant agree that all the provisions hereof are to be construed as covenants and agreements as though the words imparting such covenants were used in each paragraph hereof, and that, except as restricted by the provisions hereof, shall bind and inure to the benefit of the parties hereto, their respective heirs, legal representatives, successors, and assigns. If the rights of Tenant hereunder are owned by two or more parties, or two or more parties are designated herein as Tenant, then all such parties shall be jointly and severally liable for the obligations of Tenant hereunder. Whenever the singular or plural number, masculine or feminine or neuter gender is used herein, it shall equally include the other.

ARTICLE 38.
ENTIRE AGREEMENT

38.1 This Lease and any attached addenda or exhibits constitute the entire agreement between Landlord and Tenant. No prior or contemporaneous written or oral leases or representations shall be binding. This Lease shall not be amended, changed, or extended except by written instrument signed by Landlord and Tenant.

38.2 THE SUBMISSION OF THIS LEASE BY LANDLORD, ITS AGENT OR REPRESENTATIVE FOR EXAMINATION OR EXECUTION BY TENANT DOES NOT CONSTITUTE AN OPTION OR OFFER TO LEASE THE PREMISES UPON THE TERMS AND CONDITIONS CONTAINED HEREIN OR A RESERVATION OF THE PREMISES IN FAVOR OF TENANT, IT BEING INTENDED HEREBY THAT THIS LEASE SHALL ONLY BECOME EFFECTIVE UPON THE EXECUTION HEREOF BY LANDLORD AND DELIVERY OF A FULLY EXECUTED LEASE TO TENANT.

ARTICLE 39.
CONSTRUCTION AND INTERPRETATIONS

39.1 The words “Landlord” and “Tenant” include the plural as well as the singular. If there is more than one person comprising Tenant, the obligations under this Lease imposed on Tenant are joint and several. References to a party or parties refer to Landlord or Tenant, or both, as the context may require. The captions preceding the Articles, Sections and subsections of this Lease are inserted solely for convenience of reference and shall have no effect upon, and shall be disregarded in connection with, the construction and interpretation of this Lease. Use in this Lease of the words “including,” “such as,” or words of similar import, when following a general matter, shall not be construed to limit such matter to the enumerated items or matters whether or not language of non-limitation (such as “without limitation”) is used with reference thereto. All provisions of this Lease have been negotiated at arm’s length between the parties and after advice by counsel and other representatives chosen by each party and the parties are fully informed with respect thereto. Therefore, this Lease shall not be construed for or against either party by reason of the authorship or alleged authorship of any provision hereof, or by reason of the status of the parties as Landlord or Tenant, and the provisions of this Lease and the Exhibits hereto shall be construed as a whole according to their common meaning in order to effectuate the intent of the parties under the terms of this Lease.

ARTICLE 40.
MODIFICATION OF LEASE

40.1 Should any mortgagee require a modification of this Lease, which modification will not bring about any increased cost or expense to Tenant or in any other way materially and adversely change the rights and obligations of Tenant hereunder, or impair Tenant's use or occupancy of the Premises, then and in such event Tenant agrees that this Lease may be so modified and agrees to execute whatever documents which are reasonably required therefor and are in form and substance reasonably acceptable to Tenant, and to deliver the same to Landlord within ten (10) business days following a request therefor.

40.2 Tenant acknowledges that the Company, an affiliate of Landlord, elects to be taxed as a real estate investment trust (a "REIT") under the Code. Tenant hereby agrees to modifications of this Lease required to retain or clarify the Company's status as a REIT, provided such modifications: (a) are reasonable, (b) do not adversely affect in a material manner Tenant's use of the Premises or Tenant's parking rights as herein permitted, and (c) do not increase the Base Rent, Additional Rent and other sums to be paid by Tenant or Tenant's other obligations pursuant to this Lease, or reduce any rights of Tenant under this Lease, then Landlord may submit to Tenant an amendment to this Lease incorporating such required modifications, and Tenant shall execute, acknowledge and deliver such amendment to Landlord within ten (10) days after Tenant's receipt thereof.

ARTICLE 41.
AUTHORITY

41.1 All rights and remedies of Landlord under this Lease, or those which may be provided by law, may be exercised by Landlord in its own name individually, or in its name by its agent, and all legal proceedings for the enforcement of any such rights or remedies, including distress for Rent, unlawful detainer, and any other legal or equitable proceedings may be commenced and prosecuted to final judgment and be executed by Landlord in its own name individually or in its name by its agent. Landlord and Tenant each represent to the other that each has full power and authority to execute this Lease and to make and perform the agreements herein contained, and Tenant expressly stipulates that any rights or remedies available to Landlord, either by the provisions of this Lease or otherwise, may be enforced by Landlord in its own name individually or in its name by its agent or principal.

ARTICLE 42.
BROKERAGE

42.1 Tenant represents and warrants to Landlord that it has dealt only with Tenant's Broker and Landlord's Broker, in negotiation of this Lease. Landlord shall make payment of the brokerage fee due the Landlord's Broker pursuant to and in accordance with a separate agreement between Landlord and Landlord's Broker. Landlord's Broker shall pay a portion of its commission to Tenant's Broker pursuant to a separate agreement between Landlord's Broker and Tenant's Broker. Except for amounts owing to Landlord's Broker and Tenant's Broker, each party hereby agrees to indemnify and hold the other party harmless of and from any and all damages, losses, costs, or expenses (including, without limitation, all attorneys'

fees and disbursements) by reason of any claim of or liability to any other broker or other person claiming through the indemnifying party and arising out of or in connection with the negotiation, execution, and delivery of this Lease. Landlord may elect to pay Tenant's Broker directly pursuant to a separate agreement between Landlord and Tenant's Broker. Additionally, except as may be otherwise expressly agreed upon by Landlord in writing, Tenant acknowledges and agrees that Landlord and/or Landlord's agent shall have no obligation for payment of any brokerage fee or similar compensation to any person with whom Tenant has dealt or may in the future deal with respect to leasing of any additional or expansion space in the Building or renewals or extensions of this Lease unless the separate commission agreement between Landlord and that broker provides for payment of a commission on additional or expansion space under this Lease and Tenant in writing designates that broker as Tenant's sole and exclusive broker in connection with the leasing of that additional or expansion space.

ARTICLE 43.
EXHIBITS

43.1 Exhibits A through K are attached hereto and incorporated herein for all purposes and are hereby acknowledged by both parties to this Lease.

ARTICLE 44.
APPURTENANCES; PROJECT CONTROL

44.1 The Premises include the nonexclusive right of ingress and egress thereto and therefrom. Neither this Lease nor any use by Tenant of the Building or any passage, door, tunnel, concourse, plaza or any other area connecting the garages or other buildings with the Building, shall give Tenant any right or easement of such use and the use thereof may, without notice to Tenant, be regulated or discontinued at any time and from time to time by Landlord without liability of any kind to Tenant and without affecting the obligations of Tenant under this Lease provided that such discontinuation may not materially interfere with Tenant's use of, or access to, the Premises.

44.2 Landlord reserves full control over the Building and the Project to the extent not inconsistent with Tenant's enjoyment of the Premises and other rights of Tenant as provided by this Lease. This reservation includes Landlord's right to subdivide the Project; convert the Building to condominium units; change the size of the Project by selling all or a portion of the Project or adding real property and any improvements thereon to the Project; grant assessments and licenses to third parties; maintain or establish ownership of the Building separate from fee title to the Project; make additions to or reconstruct portions of the Building and the Project; install, use, maintain, repair, replace and relocate for service to the Premises and other parts of the Building or the Project pipes, ducts, conduits, wires and appurtenant fixtures, wherever located in the Premises, the Building or elsewhere at the Project; and alter or relocate any other Common Area or facility, including private drives, lobbies and entrances. Landlord's right pursuant to this Section 44.2, including without limitation the rights to construct, maintain, relocate, alter, improve, or adjust the Building or the Project shall be subject to the condition that (i) the exercise of any of such rights shall not materially and adversely interfere with Tenant's use of the Premises or materially decrease the number of or use of Tenant's parking spaces, (ii) Landlord shall provide reasonable prior notice to Tenant before exercising any such rights which

may materially and adversely interfere with Tenant's use of the Premises, provided that such use of the Premises is in accordance with the Permitted Use, and (iii) Landlord shall use reasonable efforts to minimize to the extent possible any interference with Tenant's business, provided that such business is in accordance with the Permitted Use, including, when reasonable, scheduling such work after business hours or on weekends. Possession of areas of the Premises necessary for utilities, services, safety and operation of the Building is reserved to Landlord. Notwithstanding the foregoing, Landlord shall provide Tenant reasonable prior notice of required access to the Premises for such activities.

44.3 Notwithstanding anything to the contrary in Section 44.2, during the initial Term of this Lease, Landlord shall cause the Project to include fitness and collaboration facilities and amenities that are available to Tenant; provided that (a) Tenant's use of such fitness and collaboration facilities and amenities shall be on a non-exclusive basis and shall be subject to reasonable and nondiscriminatory rules and regulations established by Landlord for use of such facilities and amenities from time to time, and (b) the specific scope and location of the fitness and collaboration facilities and amenities shall be determined by Landlord in its reasonable discretion and may be modified and relocated from time to time by Landlord in its reasonable discretion.

ARTICLE 45.
PREJUDGMENT REMEDY, REDEMPTION, COUNTERCLAIM, AND JURY

45.1 Tenant, for itself and for all persons claiming through or under it, hereby expressly waives any and all rights which are, or in the future may be, conferred upon Tenant by any present or future law to redeem the Premises, or to any new trial in any action for ejection under any provisions of law, after reentry thereupon, or upon any part thereof, by Landlord, or after any warrant to dispossess or judgment in ejection. If Landlord shall acquire possession of the Premises by summary proceedings, or in any other lawful manner without judicial proceedings, it shall be deemed a reentry within the meaning of that word as used in this Lease. In the event that Landlord commences any summary proceedings or action for nonpayment of Rent or other charges provided for in this Lease, Tenant shall not interpose any counterclaim of any nature or description in any such proceeding or action unless the same is a compulsory counterclaim. Tenant and Landlord both waive a trial by jury of any or all issues arising in any action or proceeding between the parties hereto or their successors, under or connected with this Lease, or any of its provisions.

ARTICLE 46.
RECORDING

46.1 Tenant shall not record this Lease but will, at the request of Landlord, execute a memorandum or notice thereof in recordable form satisfactory to both Landlord and Tenant specifying the date of commencement and expiration of the Term of this Lease and other information required by statute. Either Landlord or Tenant may then record said memorandum or notice of lease at the cost of the recording party.

ARTICLE 47.
MORTGAGEE PROTECTION

47.1 Tenant agrees to give any mortgagees and/or trust deed holders having a lien on Landlord's interest in the Project, by registered mail, a copy of any notice of default served upon Landlord, provided that prior to such notice Tenant has been notified, in writing of the name and address of such mortgagees and/or trust deed holders. Tenant further agrees that if Landlord shall have failed to cure such default within the time provided for in this Lease, then such mortgagees and/or trust deed holders shall have an additional thirty (30) days within which to cure such default or if such default cannot be cured within that time, then such additional time as may be necessary to cure such default (including but not limited to commencement of foreclosure proceedings, if necessary to effect such cure) in which event this Lease shall not be terminated while such remedies are being so diligently pursued.

ARTICLE 48.
OTHER LANDLORD CONSTRUCTION

48.1 Tenant acknowledges that portions of the Project may be under construction following Tenant's occupancy of the Premises, and that such construction may result in levels of noise, dust, odor, obstruction of access, etc. which are in excess of that present in a fully constructed project. Tenant hereby waives any and all rent offsets or claims of constructive eviction which may arise in connection with such construction. If any excavation or construction is made adjacent to, upon or within the Building, or any part thereof, Tenant shall afford to any and all persons causing or authorized to cause such excavation or construction license to enter upon the Premises for the purpose of doing such work as such persons shall deem necessary to preserve the Building or any portion thereof from injury or damage and to support the same by proper foundations, braces and supports, without any claim for damages or indemnity or abatement of Rent (subject to the express provisions of this Lease), or of a constructive or actual eviction of Tenant.

48.2 It is specifically understood and agreed that Landlord has no obligation and has made no promises to alter, remodel, improve, renovate, repair or decorate the Premises, the Building, or any part thereof and that no representations respecting the condition of the Premises or the Building have been made by Landlord to Tenant except as specifically set forth herein or in the Tenant Work Letter. However, Tenant hereby acknowledges that Landlord is currently renovating or may during the Term of this Lease renovate, improve, alter, or modify (collectively, the "Renovations") the Project, the Building and/or the Premises, including without limitation the Parking Facilities (as defined below), the Common Areas, and the systems and equipment, roof and structural portions of the same. Tenant hereby agrees that such Renovations and Landlord's actions in connection with such Renovations shall in no way constitute a constructive eviction of Tenant nor entitle Tenant to any abatement of Rent. Landlord shall have no responsibility and shall not be liable to Tenant for any direct or indirect injury to or interference with Tenant's business arising from the Renovations, nor shall Tenant be entitled to any compensation or damages from Landlord for loss of the use of the whole or any part of the Premises or of Tenant's personal property or improvements resulting from the Renovations, or for any inconvenience or annoyance occasioned by such Renovations for Landlord's actions in connection with such Renovations, or for any inconvenience or annoyance occasioned by such Renovations or Landlord's actions in connection with such Renovations..

48.3 In exercising its rights under this Article 48, Landlord shall make commercially reasonable efforts to minimize the disruption to Tenant's business operations during standard business hours.

ARTICLE 49.
PARKING

49.1 The use by Tenant, its employees and invitees, of the parking facilities of the Project (the "Parking Facilities") shall be on the terms and conditions set forth in Exhibit D-1 attached hereto and by this reference incorporated herein and shall be subject to such other agreement between Landlord and Tenant as may hereinafter be established and to such other rules and regulations as Landlord may establish. Tenant, its employees and invitees shall use no more than the Maximum Parking Allocation. There shall be no additional cost, charge or rental payable in connection with Tenant and its employees' and invitees' non-exclusive right to use the Parking Facilities (not to exceed the Maximum Parking Allocation) other than the inclusion of costs incurred in connection with the parking areas in Operating Expenses and Taxes as provided in Article 5. Tenant's use of the parking spaces shall be confined to the Project. If, in Landlord's reasonable business judgment, it becomes necessary, Landlord shall exercise due diligence to cause the creation of cross-parking easements and such other agreements as are necessary to permit Tenant, its employees and invitees to use parking spaces on properties and buildings which are separate legal parcels from the Project. Tenant acknowledges that other tenants of the Project and the tenants of the other buildings, their employees and invitees, may be given the right to park at the Project; however, tenants of other buildings that are not within the Project shall not have superior rights as to Tenant and its employees and invitees in the parking spaces situated in the Project. Landlord reserves the right to change any existing or future parking area, roads, or driveways, or increase or decrease the size thereof and make any repairs or alterations it deems necessary to the parking area, roads and driveways and Landlord agrees to use commercially reasonable efforts to minimize any interference with Tenant's parking in the course of such repairs or alterations.

49.2 Landlord shall mark five (5) parking spaces at the location shown on Exhibit K attached hereto as "Visitor Parking". Landlord shall have no obligation to police or control the use of those marked parking spaces.

ARTICLE 50.
ELECTRICAL CAPACITY

Tenant covenants and agrees that at all times, its use of electric energy shall never exceed the capacity of the existing feeders to the Building or the risers of wiring installation. Any riser or risers to supply Tenant's electrical requirements upon written request of Tenant shall be installed by Landlord at the sole cost and expense of Tenant, if, in Landlord's sole judgment, the same are necessary and will not cause or create a dangerous or hazardous condition or entail excess or unreasonable alterations, repairs or expense or interfere with or disrupt other tenants or occupants. In addition to the installation of such riser or risers, Landlord will also, at the sole cost and expense of Tenant, install all other equipment proper and necessary in connection therewith subject to the aforesaid terms and conditions.

ARTICLE 51.
OPTIONS TO EXTEND LEASE

51.1 First Extension Option. Tenant shall have the option to extend this Lease (the "First Extension Option") for one additional term of five (5) years (the "First Extension Period"), upon the terms and conditions hereinafter set forth:

(a) If the First Extension Option is exercised, then the Base Rent per annum for such First Extension Period (the "First Option Rent") shall be an amount equal to the Fair Market Rental Value (as defined hereinafter) for the Premises as of the commencement of the First Extension Option for such First Extension Period.

(b) The First Extension Option must be exercised by Tenant, if at all, only at the time and in the manner provided in this Section 51.1(b).

(i) If Tenant wishes to exercise the First Extension Option, Tenant must, on or before the date occurring twelve (12) months before the expiration of the initial Term (but not before the date that is fifteen (15) months before the expiration of the initial Term), exercise the First Extension Option by delivering written notice (the "First Exercise Notice") to Landlord. If Tenant timely and properly exercises its First Extension Option, the Term shall be extended for the First Extension Period upon all of the terms and conditions set forth in the Lease, as amended, except that the Base Rent for the First Extension Period shall be as provided in Section 51.1(a) and Tenant shall have no further options to extend the Term except for the Second Extension Option.

(ii) If Tenant fails to deliver a timely First Exercise Notice, Tenant shall be considered to have elected not to exercise the First Extension Option..

(c) It is understood and agreed that the First Extension Option hereby granted is personal to the initially named Tenant and is not transferable except to a Permitted Transferee in connection with an assignment of Tenant's entire interest in this Lease. In the event of any assignment or subletting of the Premises or any part thereof (other than to a Permitted Transferee), the First Extension Option shall automatically terminate and shall thereafter be null and void.

(d) Tenant's exercise of the First Extension Option shall, if Landlord so elects in its absolute discretion, be ineffective in the event that (i) an Event of Default by Tenant remains uncured at the time of delivery of the First Exercise Notice or at the commencement of the First Extension Period, or (ii) Tenant shall have reduced the size of the Premises below the size of the initial Premises by written agreement with Landlord.

51.2 Second Extension Option. Tenant shall have the option to extend this Lease (the "Second Extension Option") for one additional term of five (5) years (the "Second Extension Period"), upon the terms and conditions hereinafter set forth:

(a) If the Second Extension Option is exercised, then the Base Rent per annum for such Second Extension Period (the "Second Option Rent") shall be an amount equal to the Fair Market Rental Value for the Premises as of the commencement of the Second Extension Option for such Second Extension Period.

(b) The Second Extension Option must be exercised by Tenant, if at all, only at the time and in the manner provided in this Section 51.2(b).

(i) If Tenant wishes to exercise the Second Extension Option, Tenant must, on or before the date occurring twelve (12) months before the expiration of the First Extension Period (but not before the date that is fifteen (15) months before the expiration of the First Extension Period), exercise the Second Extension Option by delivering written notice (the "Second Exercise Notice") to Landlord. If Tenant timely and properly exercises its Second Extension Option, the Term shall be extended for the Second Extension Period upon all of the terms and conditions set forth in the Lease, as amended, except that the Base Rent for the Second Extension Period shall be as provided in Section 51.2(a) and Tenant shall have no further options to extend the Term.

(ii) If Tenant fails to deliver a timely Second Exercise Notice, Tenant shall be considered to have elected not to exercise the Second Extension Option.

(c) It is understood and agreed that the Second Extension Option hereby granted is personal to the initially named Tenant and is not transferable except to a Permitted Transferee in connection with an assignment of Tenant's entire interest in this Lease. In the event of any assignment or subletting of the Premises or any part thereof (other than to a Permitted Transferee), the Second Extension Option shall automatically terminate and shall thereafter be null and void.

(d) Tenant's exercise of the Second Extension Option shall, if Landlord so elects in its absolute discretion, be ineffective in the event that (i) an Event of Default by Tenant remains uncured at the time of delivery of the Second Exercise Notice or at the commencement of the Second Extension Period or (ii) Tenant shall have reduced the size of the Premises below the size of the initial Premises by written agreement with Landlord.

(e) The Second Extension Option shall terminate and shall thereafter be null and void in the event Tenant does not exercise the First Extension Option or for any reason Tenant's exercise of the First Extension Option is ineffective.

51.3 Fair Market Rental Value. The provisions of this Section shall apply in any instance in which this Lease provides that the Fair Market Rental Value is to apply.

(a) “Fair Market Rental Value” means the annual amount per square foot that a willing tenant would pay and a willing landlord would accept in arm’s length negotiations, without any additional inducements, for a lease of the applicable non-sublease, non-equity, unencumbered space on the applicable terms and conditions for the applicable period of time (other than Base Year, which shall be the calendar year in which the first day of the applicable Extension Period falls). Fair Market Rental Value shall be determined by Landlord considering the most recent new direct leases (and market renewals, extensions and expansions, if applicable) in the Building and in Comparable Buildings owned or managed by Landlord in the Market Area. If there are no such direct leases (or market renewals, extensions or expansions, if applicable) that are recent, consideration shall be given to the most recent new direct leases (and market renewals, extensions and expansions, if applicable) in other Comparable Buildings in the Market Area.

(b) In determining the rental rate of comparable space, the parties shall include all escalations and take into consideration the following concessions:

(i) Rental abatement concessions, if any, being granted to tenants in connection with the comparable space;

(ii) Tenant improvements or allowances provided or to be provided for the comparable space, taking into account the value of the existing improvements in the Premises, based on the age, quality, and layout of the improvements.

(c) If in determining the Fair Market Rental Value the parties determine that the economic terms of leases of comparable space include a tenant improvement allowance, Landlord may, at Landlord’s sole option, elect to do the following:

(i) Grant some or all of the value of the tenant improvement allowance as an allowance for the refurbishment of the Premises; and

(ii) Reduce the Base Rent component of the Fair Market Rental Value to be an effective rental rate that takes into consideration the total dollar value of that portion of the tenant improvement allowance that Landlord has elected not to grant to Tenant (in which case that portion of the tenant improvement allowance evidenced in the effective rental rate shall not be granted to Tenant).

51.4 Determination of Fair Market Rental Value. The determination of Fair Market Rental Value shall be as provided in this Section 51.3.

(a) Negotiated Agreement. In the event Tenant timely and appropriately exercises the applicable Extension Option, Landlord shall notify Tenant of Landlord’s determination of the Option Rent for the applicable Extension Period no later than the date that is five (5) months prior to the date upon which the applicable Extension Period is to commence. If Tenant, on or before the date which is ten (10) business days following the date upon which Tenant receives Landlord’s determination of the Option Rent for the applicable Extension Period, in good faith objects to Landlord’s determination of the Option Rent, then Landlord and Tenant shall attempt to agree upon the Option Rent for the applicable Extension Period using their best good-faith efforts.

(b) Parties' Separate Determinations. If Landlord and Tenant fail to reach agreement on or before the date that is ten (10) business days following Tenant's objection to the Option Rent for the applicable Extension Period (the "Outside Agreement Date"), then Landlord and Tenant shall each make a separate determination of the Fair Market Rental Value and notify the other party of this determination within ten (10) days after the Outside Agreement Date.

(i) Two Determinations. If each party makes a timely determination of the Fair Market Rental Value, those determinations shall be submitted to arbitration in accordance with subsection (c).

(ii) One Determination. If Landlord or Tenant fails to make a determination of the Fair Market Rental Value within the ten-day period, that failure shall be conclusively considered to be that party's approval of the Fair Market Rental Value submitted within the ten-day period by the other party.

(c) Arbitration. If both parties make timely individual determinations of the Fair Market Rental Value under subsection (b), the Fair Market Rental Value shall be determined by arbitration under this subsection (c).

(i) Scope of Arbitration. The determination of the arbitrators shall be limited to the sole issue of whether Landlord's or Tenant's submitted Fair Market Rental Value is the closest to the actual Fair Market Rental Value as determined by the arbitrators, taking into account the requirements of Section 51.3.

(ii) Qualifications of Arbitrator(s). The arbitrators must be licensed real estate brokers who have been active in the leasing of commercial multi-story properties in the Market Area over the five-year period ending on the date of their appointment as arbitrator(s).

(iii) Parties' Appointment of Arbitrators. Within twenty (20) days after the applicable Outside Agreement Date, Landlord and Tenant shall each appoint one arbitrator and notify the other party of the arbitrator's name and business address.

(iv) Appointment of Third Arbitrator. If each party timely appoints an arbitrator, the two (2) arbitrators shall, within ten (10) days after the appointment of the second arbitrator, agree on and appoint a third arbitrator (who shall be qualified under the same criteria set forth above for qualification of the initial two (2) arbitrators) and provide notice to Landlord and Tenant of the arbitrator's name and business address.

(v) Arbitrators' Decision. Within thirty (30) days after the appointment of the third arbitrator, the three (3) arbitrators shall decide whether the parties will use Landlord's or Tenant's submitted Fair Market Rental Value and shall notify Landlord and Tenant of their decision. The decision of the majority the three (3) arbitrators shall be binding on Landlord and Tenant.

(vi) If Only One Arbitrator is Appointed. If either Landlord or Tenant fails to appoint an arbitrator within twenty (20) days after the Outside Agreement Date, the arbitrator timely appointed by one of them shall reach a decision and notify Landlord and Tenant of that decision within thirty (30) days after the arbitrator's appointment. The arbitrator's decision shall be binding on Landlord and Tenant.

(vii) If Only Two Arbitrators Are Appointed. If each party appoints an arbitrator in a timely manner, but the two (2) arbitrators fail to agree on and appoint a third arbitrator within the required period, the arbitrators shall be dismissed without delay and the issue of Fair Market Rental Value shall be submitted to binding arbitration under the real estate arbitration rules of JAMS, subject to the provisions of this section.

(viii) If No Arbitrator Is Appointed. If Landlord and Tenant each fail to appoint an arbitrator in a timely manner, the matter to be decided shall be submitted without delay to binding arbitration under the real estate arbitration rules of JAMS subject the provisions of this Section 51.4(c).

(ix) Rent Pending Determination. In the event that the applicable Option Rent shall not have been determined pursuant to the terms hereof prior to the commencement of the applicable Extension Period, Tenant shall be required to pay the applicable Option Rent initially provided by Landlord to Tenant, and upon the final determination of the applicable Option Rent, the payments made by Tenant shall be reconciled with the actual amounts of applicable Option Rent due, and the appropriate party shall make any corresponding payment to the other party.

(x) Cost of Arbitration. Each party shall bear the cost of the arbitrator appointed by it. The cost of the third arbitrator and any other costs of the arbitration shall be paid by the party whose submitted Fair Market Rental Value is not selected by the arbitrators.

ARTICLE 52.
TELECOMMUNICATIONS LINES AND EQUIPMENT

52.1 Tenant may install, maintain, replace, remove or use any electrical, communications or computer wires and cables (collectively, the "Lines") at the Building in or serving solely the Premises, provided that (i) Tenant shall obtain Landlord's prior written consent (which shall not be unreasonably withheld, conditioned or delayed), use an experienced and qualified contractor reasonably approved in writing by Landlord, and comply with all of the other provisions of Articles 8 and 15 of this Lease, (ii) an acceptable number of spare Lines and space for additional Lines shall be maintained for existing and future occupants of the Building, as determined in Landlord's reasonable opinion, (iii) the Lines therefor (including riser cables) shall be appropriately insulated to prevent excessive electromagnetic fields or radiation, and shall be surrounded by a protective conduit reasonably acceptable to Landlord, (iv) any new or existing Lines servicing the Premises shall comply with all applicable governmental laws and regulations, and (v) Tenant shall pay all costs in connection therewith. Landlord reserves the right to require that Tenant remove any Lines located in or serving the Premises which are installed by or on behalf of Tenant in violation of these provisions, or which are installed by or on behalf of Tenant and are at any time in violation of any laws or represent a dangerous or potentially dangerous condition. Landlord further reserves the right to require that Tenant remove any and all Lines located in or serving the Premises that have been installed by or on behalf of Tenant upon the expiration of the Term or upon any earlier termination of this Lease.

ARTICLE 53.
ERISA

53.1 Tenant represents, warrants and covenants to Landlord that, as of the date hereof and throughout the term of this Lease, Tenant is not, and is not entering into this Lease on behalf of, (i) an employee benefit plan, (ii) a trust holding assets of such a plan or (iii) an entity holding assets of such a plan. Notwithstanding any terms to the contrary in this Lease, in no event may Tenant assign or transfer its interest under this Lease to a third party who is, or is entering into this Lease on behalf of, (i) an employee benefit plan, (ii) a trust holding assets of such a plan or (iii) an entity holding assets of such a plan if such transfer would could cause Landlord to incur any prohibited transaction excise tax penalties or other materially adverse consequences under the Employee Retirement Income Security Act of 1974, as amended, Section 4975 of the Internal Revenue Code of 1986, as amended or similar law. Tenant represents and warrants to Landlord that (i) neither Tenant nor any of its "affiliates" has the authority (A) to appoint or terminate PGIM, Inc. ("PGIM") as investment manager of the PRISA II fund, (B) to negotiate the terms of a management agreement between PGIM and the PRISA II fund or (C) to cause an investment in or withdrawal from PRISA II fund and (ii) Tenant is not "related" to PGIM (within the meaning of Part VI(h) of Department of Labor Prohibited Transaction Exemption 84-14).

ARTICLE 54.
GENERATOR

54.1 Subject to the terms and conditions set forth below, Tenant shall have the right to install in a location approved by Landlord adjacent to the Building, at Tenant's sole expense, one back-up generator and related fuel storage, cabling and equipment (collectively, a "UPS") to provide uninterrupted power to certain equipment in the Premises, provided that the UPS (i) does not adversely affect the safety of the Building or any warranty relating to the Building or adversely affect in any material respect any structural component of the Building, (ii) does not adversely affect any electrical, mechanical or any other system of the Building or the functioning thereof; (iii) does not materially interfere with the operation of the Building or the provision of services or utilities to the Building; (iv) complies with all Laws, and (v) is otherwise approved by Landlord in writing (which approval shall not be unreasonably, withheld, conditioned or delayed), including approval by Landlord of the exact location, type, style, dimensions, weight, plans and installation procedures for the UPS and the characteristics and type of fuel powering such UPS. Notwithstanding the foregoing, no UPS powered by any source other than a battery shall be permitted in the Premises (it being expressly understood that there shall be no fuel storage or any UPS powered by fuel permitted in the Premises). Prior to the installation of the UPS by Tenant: (i) Tenant shall obtain Landlord's approval (not to be unreasonably withheld, conditioned or delayed0 of the contractor which shall undertake such installation; (ii) Tenant shall obtain all permits and governmental approvals required for the installation of the UPS; (iii) Tenant and the contractor reasonably approved by Landlord to undertake such installation shall obtain such insurance coverages as Landlord may reasonably

require and, if requested by Landlord, cause Landlord to be named as an insured under such insurance policies; and (iv) Tenant shall submit to Landlord for approval in its reasonable discretion, plans for the installation of the UPS, prepared by qualified engineers, showing all aesthetic, structural, mechanical and electrical details of the UPS, as well as all associated conduit and related equipment, all in accordance with all Laws, including without limitation all Environmental Laws. Tenant shall ensure that the UPS does not materially interfere with any other equipment serving the Building or any portion thereof. At Tenant's sole cost, the UPS shall be fully screened from view and sound in a manner reasonably directed by Landlord which may include without limitation the installation of an additional screening wall and sound baffling. Throughout the Term, Tenant shall (A) ensure that the UPS complies with all Applicable Laws, including any Environmental Laws; (B) cause engineers, including environmental engineers, reasonably acceptable to Landlord to inspect the UPS at least twice yearly to insure that such equipment is functioning properly and that no Hazardous Materials are emanating therefrom; (C) maintain the UPS in good order and repair; (D) maintain insurance coverages with respect thereto as are reasonably required by Landlord from time to time; (E) maintain all permits and governmental approvals necessary for the operation of the UPS. Tenant shall immediately report to Landlord if Tenant determines that the UPS is not functioning properly, is leaking or is in violation of any Laws. At the end of the Term, if requested by Landlord, Tenant, at Tenant's sole cost and expense, shall remove the UPS and restore the area in which it was located to its condition immediately prior to the installation of the UPS. Tenant shall obtain at Tenant's expense all permits and governmental approvals necessary for such removal.

ARTICLE 55.
MISCELLANEOUS

55.1 Confidentiality. Tenant acknowledges that the content of this Lease and any information regarding the Building or Project received from Landlord (provided such information is identified is confidential at the time it is delivered) are confidential information. Tenant shall keep such confidential information strictly confidential and shall not disclose such confidential information to any person or entity other than Tenant's financial, legal, and space planning consultants, contractors, architect, employees and accountants on a 'need to know' basis, provided that such other parties are made aware of Tenant's obligations under this Section 55.1 and Tenant shall be responsible for any disclosure by such parties in violation of this Section. Tenant also shall have the right to disclose the contents of this Lease to the extent required by any regulatory and/or any SEC requirements applicable to Tenant or required by law, court order or subpoena or to enforce any rights of Tenant hereunder.

55.2 No Violation. Tenant hereby warrants and represents that neither its execution of nor performance under this Lease shall cause Tenant to be in violation of any agreement, instrument, contract, law, rule or regulation by which Tenant is bound, and Tenant shall protect, defend, indemnify and hold Landlord harmless against any claims, demands, losses, damages, liabilities, costs and expenses, including, without limitation, reasonable attorneys' fees and costs, arising from Tenant's breach of this warranty and representation.

55.3 No Air Rights. No rights to any view or to light or air over any property, whether belonging to Landlord or any other person, are granted to Tenant by this Lease. If at any time any windows of the Premises are temporarily darkened or the light or view therefrom is obstructed by reason of any repairs, improvements, maintenance or cleaning in or about the Project, the same shall be without liability to Landlord and without any reduction or diminution of Tenant's obligations under this Lease.

55.4 Landlord's Title. Landlord's title is and always shall be paramount to the title of Tenant. Nothing herein contained shall empower Tenant to do any act which can, shall or may encumber the title of Landlord.

55.5 Relationship of Parties. Nothing contained in this Lease shall be deemed or construed by the parties hereto or by any third party to create the relationship of principal and agent, partnership, joint venturer or any association between Landlord and Tenant.

55.6 No Warranty. In executing and delivering this Lease, Tenant has not relied on any representations, including, but not limited to, any representation as to the amount of any item comprising Additional Rent or the amount of the Additional Rent in the aggregate or that Landlord is furnishing the same services to other tenants, at all, on the same level or on the same basis, or any warranty or any statement of Landlord which is not expressly set forth herein.

55.7 Counterparts. This Lease may be executed in counterparts with the same effect as if both parties hereto had executed the same document. Both counterparts shall be construed together and shall constitute a single lease. Delivery by fax or by electronic mail file attachment of any executed counterpart to this Lease will be deemed the equivalent of the delivery of the original executed instrument.

55.8 Relocation. Landlord shall not have the right to relocate Tenant without Tenant's consent which may be given or withheld in Tenant's sole discretion.

55.9 Permitted Dogs. Notwithstanding anything to the contrary herein or in the Rules and Regulation, except to the extent prohibited by Applicable Law, Landlord hereby permits Tenant and its employees and officer, subject to the terms of this Section 55.9, to bring to the Building fully domesticated, fully vaccinated, trained dogs (hereinafter referred to individually as a "Permitted Dog", and collectively as the "Permitted Dogs"). Tenant agrees that all Permitted Dogs shall be less than eighty (80) pounds in weight each. Tenant represents and warrants that no Permitted Dog will be of the following breeds of dog (or a mix comprised of one or more of the following): Pit Bull, Chow Chow, Alaskan Malamutes, Rottweiler, Doberman, Husky, Rhodesian Ridgeback or Presa Canario. Permitted Dogs shall be pre-registered by Landlord and shall be strictly controlled and supervised at all times by Tenant's employees or Permitted Tenant Parties (including, without limitation, by keeping Permitted Dogs on leashes at all times while in the Common Areas). Within thirty (30) days following Tenant's receipt of Landlord's request therefor, Tenant shall provide Landlord with satisfactory evidence showing that all current vaccinations, flea treatments, and training certifications (if any) have been received by the Permitted Dogs. In the event a Permitted Dog becomes ill or contracts a disease that could potentially threaten the health or wellbeing of any occupants or invitees of the Building (which diseases may include, but shall not be limited to, rabies, leptospirosis and lyme disease), such Permitted Dog shall be excluded from the Premises until said Permitted Dog is free of such disease as evidenced by appropriate veterinarian records. Tenant shall not permit any reasonably objectionable dog related noises or odors to emanate from the Premises, and in

no event shall Permitted Dogs be kept in the Building overnight. Landlord may designate a specific entrance into the Building and path of travel to the Premises for Permitted Dogs, and Permitted Dogs shall not be permitted to enter into any Common Area bathrooms in the Building or any other building in the Project at any time. Permitted Dogs shall not bark excessively or otherwise create a nuisance at the Building. All bodily waste generated by the Permitted Dogs in or about the Building or the Common Areas outside the Building shall be immediately removed and disposed of in trash receptacles designated by Landlord, and any areas of the Building affected by such waste shall be cleaned and otherwise sanitized to a condition consistent with Landlord's commercially reasonable standards applicable thereto. No Permitted Dogs may disturb, threaten, or injure any other tenant or occupant of the Project or such tenant's or occupant's employees, agents, contractors, licensees or guests (each, a "Dog Incident"). Tenant must act reasonably and in good faith to take all actions to prevent Dog Incidents from occurring. If a particular dog is the cause of one (1) Dog Incident, Landlord may rescind its agreement to permit the subject dog in the Building. In such case, such banned dog shall not enter the Building and Tenant must use good faith efforts to enforce such expulsion. Notwithstanding anything to the contrary contained herein, Landlord may in its sole discretion, on at least ten (10) days prior written notice, terminate Tenant's right for Tenant and Tenant's employees and officers to bring Permitted Dogs to the Premises.

ARTICLE 56.
TENANT'S RIGHT OF FIRST OFFER

56.1 As used herein, (a) "3200 Bridge Offer Space" means any space in the building in the Project known as 3200 Bridge Parkway (the "3200 Bridge Building"), (b) "First Floor Offer Space" means any space on the first floor of the Building that is not part of the Premises, and (c) "Offer Space" means, collectively, the 3200 Bridge Offer Space and the First Floor Offer Space. During the initial Term, Landlord shall provide Tenant with written notice (the "Availability Notice") from time to time when Landlord determines that the particular Offer Space (the "Specific Offer Space") will become Available (as defined below) and Landlord then intends to market the Specific Offer Space for lease to third parties. Landlord shall endeavor to provide the Availability Notice to Tenant on the later of the date that is thirty (30) days after the date on which Landlord determines that the Specific Offer Space will become Available or the date that is one hundred eighty (180) days before the Specific Offer Space will be Available, but not later than the date first markets the Specific Offer Space for lease to third parties. As used herein, "Available" means that the space (i) is not part of the Premises, (ii) is not then subject to a lease, (iii) is not then subject to any Superior Rights (as defined below) unless such Superior Rights lapse without being timely exercised or are waived, and (iv) is not then subject to any lease extension negotiations between Landlord and an existing tenant of the Specific Offer Space. As used herein, the term "Superior Rights" means all rights of Shutterfly, Inc., (or its successors or assigns) with respect to the 3200 Bridge Offer Space under its lease existing as of the date hereof and of tenants under leases of the First Floor Offer Space entered into by Landlord after the date of this Lease in accordance with the terms of this Article 56, each including any renewal, extension, expansion, first offer, first negotiation and other similar rights, regardless of whether such rights are executed strictly in accordance with their respective terms or pursuant to lease amendments or new leases.

56.2 The location and configuration of the Offer Space shall be determined by Landlord in its reasonable discretion; provided that Landlord shall have no obligations to designate Specific Offer Space that would result in any space not included in the Specific Offer Space being not Configured For Leasing (as defined below). For purposes of this Lease, "Configured For Leasing" means the applicable space must have convenient access to the central corridor on the applicable floor and must have a size and configuration that complies with all applicable building codes and other laws and is such that Landlord judges, in its reasonable discretion, that Landlord will be able to lease such space to a third party. The Availability Notice shall:

(a) Describe the particular Specific Offer Space (including rentable area, usable area and location);

(b) Include an attached floor plan identifying such space;

(c) State the date (the "Specific Offer Space Delivery Date") the space will be available for delivery to Tenant; and

(d) Specify the Base Rent for the Specific Offer Space.

(e) Specify any tenant improvement allowance being made available with respect to the Specific Offer Space.

(f) Specify the increase in the security deposit that will apply to reflect the addition of the Specific Offer Space to the Premises.

(g) If the Specific Offer Space Delivery Date is after the date (the "Minimum ROFO Term Threshold Date") that is three (3) years prior to the then scheduled Expiration Date, specify the length of the term of the leasing of the Specific Offer Space that will be available (the "Specific Offer Space Term").

(h) Notwithstanding the foregoing, if the Specific Offer Space is First Floor Offer Space and the Specific Offer Space Delivery Date for such space is on or before the date (the "Six Month Anniversary") that is six (6) months after the Commencement Date, then (i) the Base Rent for the Specific Offer Space shall be the same on a per square foot basis as the Base Rent for the initial Premises, (ii) the Specific Offer Space Term shall be coterminous with the Term of this Lease, (iii) Tenant shall receive Base Rent abatement for the period commencing on the Specific Offer Delivery Date and ending on the Sixth Month Anniversary, (iv) the amount of the tenant improvement allowance applicable to the Specific Offer Space shall be $195.00 per rentable square foot, and (v) the Security Deposit and the amounts to which the Security Deposit may be reduced as provided in Section 4.3 shall be increased in proportion to the increase in Base Rent resulting from the addition of the Specific Offer Space to the Premises.

56.3 If Tenant wishes to exercise Tenant's rights set forth in this Article 56 with respect to the Specific Offer Space that is part of the 3200 Bridge Offer Space, then within five (5) business days of delivery of the Availability Notice to Tenant, Tenant shall deliver irrevocable notice to Landlord (the "First Offer Exercise Notice") offering to lease the Specific Offer Space on the terms and conditions as may be specified by Landlord in the Availability Notice. Notwithstanding anything to the contrary contained herein, Tenant must elect to exercise its first offer right, if at all, only with respect to all the Specific Offer Space offered by Landlord to Tenant at any particular time, and Tenant may not elect to lease a portion of that space.

56.4 If Tenant wishes to exercise Tenant's rights set forth in this Article 56 with respect to the Specific Offer Space that is part of the First Floor Offer Space, then within thirty (30) days of delivery of the Availability Notice to Tenant, Tenant shall deliver irrevocable notice to Landlord (the "First Offer Exercise Notice") offering to lease the Specific Offer Space on the terms and conditions as may be specified by Landlord in the Availability Notice; provided, however, that prior to delivering a First Offer Exercise Notice pursuant to this Section 56.4, Tenant may deliver notice to Landlord offering to lease the Specific Offer Space included in the Availability Notice under this Section 56.4 on the terms and conditions as may be mutually negotiated between Landlord and Tenant in their respective sole discretion within thirty (30) days of delivery of the Availability Notice to Tenant. If Landlord and Tenant are not able to reach agreement on those mutually negotiated terms within thirty (30) days of delivery of the Availability Notice, Tenant may give a First Exercise Notice as provided in this Section 56.4. If Landlord and Tenant reach agreement on those mutually negotiated terms, Tenant shall lease that Specific Offer Space on those mutually negotiated terms in lieu of application of the other provisions of this Article 56. In no event shall rent or other terms applicable to the Specific Offer Space be determined by arbitration or litigation. Notwithstanding anything to the contrary contained herein, Tenant must elect to exercise its first offer right, if at all, only with respect to all the Specific Offer Space offered by Landlord to Tenant at any particular time, and Tenant may not elect to lease a portion of that space.

56.5 In the event Tenant fails to give a First Offer Exercise Notice in response to any Availability Notice that has a Specific Offer Space Delivery Date that falls on or prior to the sixth anniversary of the Commencement Date, then Landlord shall be free to lease the Specific Offer Space described in such Availability Notice to anyone to whom Landlord desires on any terms Landlord desires; provided, however, that (a) if the net present value of the economic terms of Landlord's proposed lease to such third party are more than five percent (5%) more favorable to the third party (determined using an eight percent (8%) discount rate) than the net present value of the economic terms proposed by Landlord in the Availability Notice (determined using an eight percent (8%) discount rate), then before entering into such third party lease Landlord shall notify Tenant of such materially more favorable economic terms and Tenant shall have the right to lease the Specific Offer Space upon such materially more favorable economic terms by delivering written notice thereof to Landlord within five (5) business days after Tenant's receipt of Landlord's notice, and (b) with respect to the First Floor Offer Space only, in the event Landlord fails to lease such Specific Offer Space that is First Floor Offer Space within one hundred eighty (180) days following Landlord's delivery of the Availability Notice for such space, Landlord shall not lease that space to a third party without giving Tenant an Availability Notice as required by this Article 56. Furthermore, for avoidance of doubt, Landlord and Tenant acknowledge and agree that, subject to the "Superior Rights" of Shutterfly, Inc., (or its successors or assigns) with respect to the 3200 Bridge Offer Space under its lease existing as of the date hereof, for the initial six (6) years of the initial Term of this Lease, Tenant's right of first offer with respect to the 3200 Bridge Offer Space that becomes Available for lease is a continuing right not a one-time right.

56.6 In the event Tenant fails to give a First Offer Exercise Notice in response to any Availability Notice that has a Specific Offer Space Delivery Date that falls after the sixth anniversary of the Commencement Date, Tenant shall have no further rights to receive an Availability Notice with respect to that Specific Offer Space and Tenant's rights under this Article 56 shall terminate and Landlord shall be free to lease the Offer Space to anyone on any terms at any time during the Term, without any obligation to provide Tenant with any further right to lease that space; provided, however, that with respect to the first time after such Availability Notice that Landlord reaches an agreement with a third party on the terms of a proposed lease of that space, if the net present value of the economic terms of Landlord's proposed lease to such third party are more than five percent (5%) more favorable to the third party (determined using an eight percent (8%) discount rate) than the net present value of the economic terms proposed by Landlord in the Availability Notice (determined using an eight percent (8%) discount rate), then before entering into such third party lease Landlord shall notify Tenant of such materially more favorable economic terms and Tenant shall have the right to lease the Specific Offer Space upon such materially more favorable economic terms by delivering written notice thereof to Landlord within five (5) business days after Tenant's receipt of Landlord's notice.

56.7 If Tenant timely and validly gives the First Offer Exercise Notice, then beginning on the Specific Offer Space Delivery Date and continuing (i) if the Specific Offer Space Delivery Date is on or before the Minimum ROFO Term Threshold Date, for the balance of the Term (including any extensions), or (ii) if the Specific Offer Space Delivery Date is after the Minimum ROFO Term Threshold Date, for the Specific Offer Space Term:

(a) The Specific Offer Space shall be part of the Premises under this Lease (so that the term "Premises" in this Lease shall refer to the space in the Premises immediately before the Specific Offer Space Delivery Date plus the Specific Offer Space);

(b) With respect to Specific Offer Space that is First Floor Offer Space, Tenant's Building Percentage shall be adjusted to reflect the increased rentable area of the Premises.

(c) With respect to Specific Offer Space that is 3200 Bridge Offer Space, Tenant's Building Percentage shall be equal to the rentable area of the Specific Offer Space divided by the rentable area of the 3200 Bridge Building.

(d) Base Rent for the Specific Offer Space shall be as specified in the Availability Notice (subject to Section 56.2(h) above).

(e) The security deposit Tenant must provide shall be increased by the amounts, if any, specified in the Availability Notice.

(f) Tenant's lease of the Specific Offer Space shall be on the same terms and conditions as affect the original Premises from time to time, except as

otherwise provided in this section. Tenant's obligation to pay Rent with respect to the Specific Offer Space shall begin on the Specific Offer Space Delivery Date unless a later date is otherwise provided in the Availability Notice. The Specific Offer Space shall be leased to Tenant in its "as-is" condition and Landlord shall not be required to construct improvements in, or contribute any tenant improvement allowance for, the Specific Offer Space, except to the extent provided in the Availability Notice. Tenant's construction of any improvements in the Specific Offer Space shall comply with the terms of this Lease concerning alterations.

(g) If requested by Landlord, Landlord and Tenant shall confirm in writing the addition of the Specific Offer Space to the Premises on the terms and conditions set forth in this section, but Tenant's failure to execute or deliver such written confirmation shall not affect the enforceability of the First Offer Exercise Notice.

56.8 If Tenant exercises of its rights under this Article 56 to lease space in the 3400 Building, then the following shall apply so long as Tenant is leasing space in both the Building as originally defined in this Lease (the "3400 Bridge Building") and the 3200 Building:

(a) All references to the "Building" in the Lease shall refer to the 3400 Bridge Building or the 3200 Bridge Building, individually or collectively, as the context requires.

(b) Amounts payable under Article 5 of this Lease shall be determined independently for the space leased in the 3400 Bridge Building and the space leased in the 3200 Bridge Building.

(c) Tenant's rights to Building-top Signage in Section 32.3, rights to marked "Visitor Parking" spaces in Section 49.2, and rights to use the roof in Article 57 shall apply only with respect to the 3400 Bridge Building unless otherwise set forth in the Availability Notice.

56.9 Tenant's rights and Landlord's obligations under this Article 56 are expressly subject to and conditioned upon there not existing an Event of Default by Tenant under this Lease, either at the time of delivery of the First Offer Exercise Notice or at the time the Specific Offer Space is to be added to the Premises.

56.10 It is understood and agreed that Tenant's rights under this Article 56 are personal to Tenant and not transferable except to a Permitted Transferee in connection with an assignment of Tenant's entire interest in this Lease. In the event of any assignment or subletting of the Premises or any part thereof (other than to a Permitted Transferee), this expansion right shall automatically terminate and shall thereafter be null and void.

ARTICLE 57.
ROOFTOP RIGHTS

57.1 Right to Install and Maintain Rooftop Equipment. During the Lease Term and subject to the terms of this Article 57, Tenant may install on the roof of the Building telecommunications antennae, microwave dishes or other communication equipment, and/or a

small roof top unit to serve Tenant's dehumidifier unit, as necessary for the operation of Tenant's business within the Premises, including any cabling or wiring necessary to connect this rooftop equipment to the Premises (collectively, the "Rooftop Equipment"). If Tenant wishes to install any Rooftop Equipment, Tenant shall first notify Landlord in writing, which notice shall fully describe the Rooftop Equipment, including, without limitation, its purpose, weight, size and desired location on the roof of the Building and its intended method of connection to the Premises. All of Tenant's Rooftop Equipment must be located within a total aggregate area not to exceed ten (10) square feet, at locations reasonably approved by Landlord prior to any installation. Landlord hereby consents to the installation of Rooftop Equipment consisting of one (1) antennae or satellite dish (the "Initial Rooftop Equipment"). Landlord also reserves the right to restrict the number and size of dishes, antennae and other Rooftop Equipment in addition to the Initial Rooftop Equipment installed on the roof of the Building in its sole discretion. The costs of purchase and installation of such Initial Rooftop Equipment may be paid for out of the undisbursed proceeds of the Tenant Improvement Allowance referred to in Exhibit C to this Lease.

57.2 Additional Charges for Rooftop Equipment. Tenant will be solely responsible, at Tenant's sole expense, for the installation, maintenance, repair and removal of the Rooftop Equipment, and Tenant shall at all times maintain the Rooftop Equipment in good condition and repair. Landlord agrees that the named Tenant hereunder (and any Permitted Transferee) shall not pay any rental charge for Tenant's use of the rooftop pursuant to the terms of this Article 57 for the Initial Rooftop Equipment, provided, however, if any successor to the named Tenant (other than a Permitted Transferee) wishes to utilize rooftop space or if Tenant seeks to use rooftop space for Rooftop Equipment in addition to the Initial Rooftop Equipment and located outside of the ten (10) square foot area referred to in Section 57.1 above, Landlord reserves the right to impose a charge for such use, which shall be consistent with market rates.

57.3 Conditions of Installation. The installation of the Rooftop Equipment shall constitute an alteration and shall be performed in accordance with and subject to the provisions of Article 15 of this Lease. Tenant shall comply with all applicable laws, CC&R's, rules and regulations relating to the installation, maintenance and operation of Rooftop Equipment at the Building (including, without limitation, all construction rules and regulations) and will pay all costs and expenses relating to such Rooftop Equipment, including the cost of obtaining and maintaining any necessary permits or approvals for the installation, operation and maintenance thereof in compliance with applicable laws, rules and regulations. The installation, operation and maintenance of the Rooftop Equipment at the Building shall not adversely affect the structure or operating systems of the Building or the business operations of any other tenant or occupant at the Building. Landlord may require that the Rooftop Equipment be screened and/or painted as Landlord may reasonably determine from time-to-time. For purposes of determining Landlord's and Tenant's respective rights and obligations with respect to the use of the roof, the portion of the roof affected by the Rooftop Equipment shall be deemed to be a portion of the Premises (provided that such portion shall not be measured for purposes of determining the area of the Premises); consequently, all of the provisions of this Lease respecting Tenant's obligations hereunder shall apply to the installation, use and maintenance of the Rooftop Equipment, including without limitation provisions relating to compliance with requirements as to insurance, indemnity, repairs and maintenance. Tenant may install cabling and wiring through the Building interior conduits, risers, and pathways of the Building in accordance with Article 52 in order to connect Rooftop Equipment with the Premises.

57.4 Non-Exclusive Right. Tenant's right to install and maintain Rooftop Equipment is non-exclusive and is subject to termination or revocation as set forth herein, including pursuant to Section 22.2(b) of this Lease. Landlord shall be entitled to all revenue from use of the roof other than revenue from the Rooftop Equipment installed by Tenant. Subject to the terms set forth below in this Section 57.4, Landlord at its election may require the relocation, reconfiguration or removal of the Rooftop Equipment, if in Landlord's reasonable judgment the Rooftop Equipment is materially interfering with the use of the rooftop for Building operations (including without limitation maintenance, repairs and replacements of the roof) or the business operations of other currently existing tenants or occupants of the Building, causing damage to the Building or if Tenant otherwise fails to comply with the terms of this Article 57. If relocation or reconfiguration becomes necessary due to interference difficulties, Landlord and Tenant will reasonably cooperate in good faith to agree upon an alternative location or configuration that will permit the operation of the Rooftop Equipment for Tenant's business at the Premises without interfering with other operations at the Building or communications uses of other existing tenants or occupants. If removal is required due to any Event of Default by Tenant under the terms of this Article 57, Tenant shall remove the Rooftop Equipment upon thirty (30) days' written notice from Landlord. Any relocation, removal or reconfiguration of the Rooftop Equipment as provided above shall be at Tenant's sole cost and expense. In addition to the other rights of relocation and removal as set forth herein, Landlord reserves the right to require relocation of Tenant's Rooftop Equipment at any time at its election at Landlord's cost (but not more frequently than once per year) so long as Tenant is able to continue operating its Rooftop Equipment in substantially the same manner as it was operated prior to its relocation. In connection with any relocation of Tenant's Rooftop Equipment at the request of or required by Landlord (other than in the case of a default by Tenant hereunder), Landlord shall provide Tenant with at least thirty (30) days' prior written notice of the required relocation and will conduct the relocation in a commercially reasonable manner and in such a way that will, to the extent reasonably possible, prevent interference with the normal operation of Tenant's Rooftop Equipment. In connection with any relocation, Landlord further agrees to work with Tenant in good faith to relocate Tenant's Rooftop Equipment to a location that will permit its normal operation for Tenant's business operations. Landlord acknowledges that relocation of Tenant's Rooftop Equipment may be disruptive to Tenant's business and, without limiting its rights to require such removal, confirms that it will not exercise its rights hereunder in a bad faith manner or for the purpose of harassing or causing a hardship to Tenant.

57.5 Costs and Expenses. If Tenant fails to comply with the terms of this Article 57 within thirty (30) days following written notice by Landlord (or such longer period as may be reasonably required to comply so long as Tenant is diligently attempting to comply), Landlord may take such action as may be necessary to comply with these requirements. In such event, Tenant agrees to reimburse Landlord for all costs reasonably incurred by Landlord to effect any such maintenance, removal or other compliance subject to the terms of this Article 57, including interest on all such amounts incurred at the rate provided for in Section 4.5, accruing from the date which is ten (10) days after the date of Landlord's delivery to Tenant of a demand until the date paid in full by Tenant, with all such amounts being Additional Rent under this Lease.

57.6 Indemnification; Removal. Tenant agrees to indemnify Landlord, its partners, agents, officers, directors, employees and representatives from and against any and all liability, expense, loss or damage of any kind or nature from any suits, claims or demands, including reasonable attorneys' fees, arising out of Tenant's installation, operation, maintenance, repair, relocation or removal of the Rooftop Equipment, except to the extent any such liability, expense, loss or damage results from the gross negligence or intentional misconduct of Landlord or its agents, partners, officers, directors, employees, contractors or representatives. At the expiration or earlier termination of the Lease, Tenant may and, upon request by Landlord, shall remove all of the Rooftop Equipment, including any wiring or cabling relating thereto, at Tenant's sole cost and expense and will repair at Tenant's cost any damage resulting from such removal. If Landlord does not require such removal, any Rooftop Equipment remaining at the Building after the expiration or earlier termination of this Lease which is not removed by Tenant shall be deemed abandoned and shall become the property of Landlord.

57.7 Roof Access; Rules and Regulations. Subject to compliance with the construction rules for the Building and Landlord's reasonable and nondiscriminatory rules and regulations regarding access to the roof and, upon receipt of Landlord's prior written consent to such activity (which shall not be unreasonably withheld, conditioned or delayed), Tenant and its representatives shall have access to and the right to go upon the roof of the Building, on a seven (7) day per week, twenty-four (24) hour basis, to exercise its rights and perform its obligations under this Article 53. Tenant acknowledges that, except in the case of an emergency or when a Building engineer is not made available to Tenant in sufficient time to allow Tenant to avoid or minimize interruption of use of the Rooftop Equipment, advance notice is required and a Building engineer must accompany all persons gaining access to the rooftop. Tenant may install Rooftop Equipment at the Building only in connection with its business operations at the Premises, and may not lease or license any rights or equipment to third parties or allow the use of any rooftop equipment by any party other than Tenant and any Permitted Transferee. Tenant acknowledges that Landlord has made no representation or warranty as to Tenant's ability to operate Rooftop Equipment at the Building and Tenant acknowledges that helicopters, other equipment installations and other structures and activities at or around the Building may result in interference with Tenant's Rooftop Equipment. Except as set forth in this Article 57, Landlord shall have no obligation to prevent, minimize or in any way limit or control any existing or future interference with Tenant's Rooftop Equipment.

IN WITNESS WHEREOF, Landlord and Tenant, acting herein through duly authorized individuals, have caused these presents to be executed as of the date first above written.

TENANT:

TALIS BIOMEDICAL CORPORATION, a Delaware corporation

By: /s/ J. Roger Moody, Jr.

J. Roger Moody, Jr. – Chief Financial Officer
[Printed Name and Title]

By: _____

_____
[Printed Name and Title]

If Tenant is a corporation, this instrument must be executed by the chairman of the board, the president or any vice president and the secretary, any assistant secretary, the chief financial officer or any assistant financial officer or any assistant treasurer of such corporation, unless the bylaws or a resolution of the board of directors shall otherwise provide, in which case the bylaws or a certified copy of the resolution, as the case may be, must be attached to this instrument.

Tenant's NAICS Code: 541714

LANDLORD:

WESTPORT OFFICE PARK, LLC, a Delaware limited liability company

By: /s/ Adam Sichol
Name: Adam Sichol
Title: Authorized Signatory

EXHIBIT A

THE PROJECT

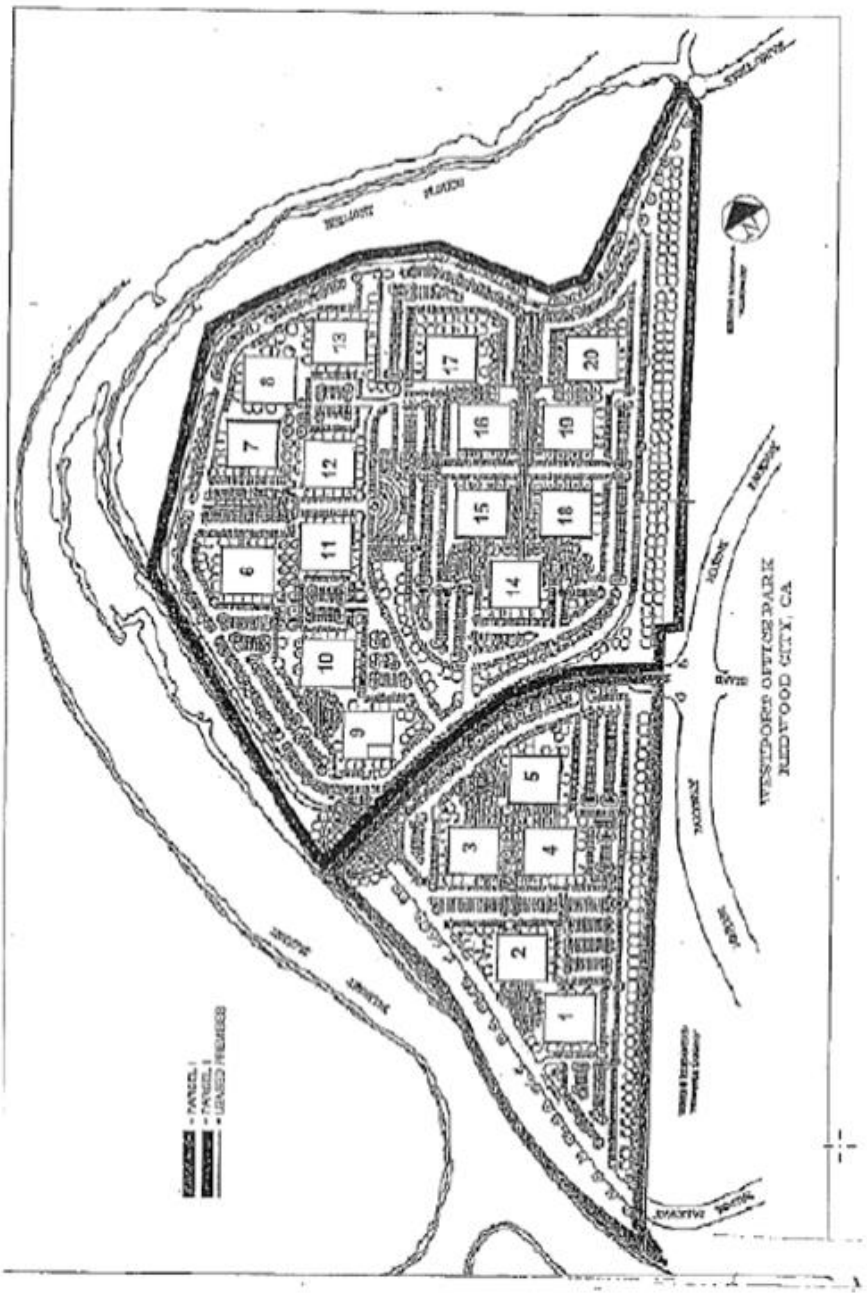
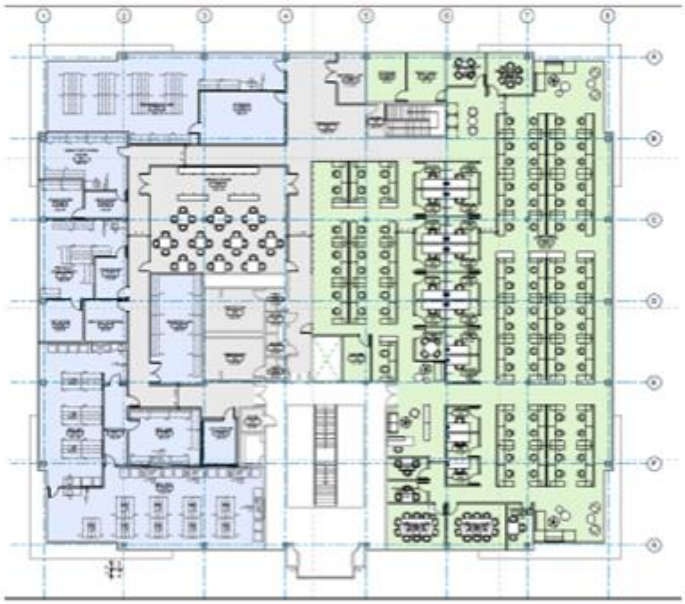


EXHIBIT B

PREMISES

Second Floor:



Landlord and Tenant acknowledge that the portion of this Exhibit B showing the demising within the first floor of the Building is intended only as a general indication of the location of that portion of the Premises and that upon Landlord's approval of the Space Plan for the Premises pursuant to Exhibit C, the portion of this Exhibit B showing the portion of the Premises within the first floor of the Building shall be modified to conform to the approved Space Plan. Promptly after Landlord's approval of the Space Plan, Landlord shall prepare and Landlord and Tenant shall enter into an amendment to this Lease confirming the modification of this Exhibit B to conform to the approved Space Plan. The size and location of the portion of the Premises on the first floor the Building shall not be materially different from that initially shown on this Exhibit B unless approved by Landlord in its sole and absolute discretion.

First Floor:

EXHIBIT C

TENANT WORK LETTER

This Tenant Work Letter ("Tenant Work Letter") sets forth the terms and conditions relating to the construction of improvements for the Premises. All references in this Tenant Work Letter to "the Lease" shall mean the relevant portions of the Lease to which this Tenant Work Letter is attached as Exhibit B.

SECTION 1

BASE, SHELL AND CORE

1.1 Base, Shell and Core. Landlord has previously constructed the base, shell, and core (i) of the Premises and (ii) of the floor(s) of the Building on which the Premises are located (collectively, the "Base, Shell, and Core"), and Tenant shall accept, subject to the terms of this Lease, the Base, Shell and Core in its current "As-Is" condition existing as of the date of the Lease and the Commencement Date. Landlord shall install in the Premises certain "Tenant Improvements" (as defined below) pursuant to the provisions of this Tenant Work Letter. Except for the Tenant Improvement work described in this Tenant Work Letter, Landlord's Share of Demising Costs, the Landlord Work (as defined below) and for the Tenant Improvement Allowance set forth below, Landlord shall not be obligated to make or pay for any alterations or improvements to the Premises, the Building or the Project; however, the foregoing shall not excuse Landlord from any of its maintenance, repair or replacement obligations under the Lease. Landlord shall be responsible for 50% of the cost of demising the Premises from the balance of the space in the Building ("Landlord's Share of Demising Costs").

1.2. Landlord Work. Notwithstanding anything to the contrary contained herein, Landlord covenants to correct any failure of the exterior path of travel for the Premises to comply with the Americans with Disabilities Act, in effect on the date of this Lease, to the extent such correction is necessary in order for Tenant to obtain a building permit or a certificate of occupancy for the Tenant Improvements in the Premises for general office and lab purposes; provided that nothing contained herein shall be deemed to prohibit Landlord from obtaining a variance or relying upon a grandfathered right in order to achieve compliance with those codes. Notwithstanding the foregoing, Landlord shall have the right to contest any alleged violation in good faith, including, without limitation, the right to apply for and obtain a waiver or deferment of compliance, the right to assert any and all defenses allowed by law, and the right to appeal any decisions, judgments or rulings to the fullest extent permitted by law, and Landlord's obligation to perform work or take such other action to cure a violation under this Section shall apply after the exhaustion of any and all rights to appeal or contest. In addition, Landlord, at Landlord's cost, shall install the following base building equipment for the Premises: (i) DAS/ECRSS system for fire code and (ii) low-pressure backflow preventers for fire and domestic water lines. Work to be performed by Landlord under this Section 1.2 is referred to herein collectively as the "Landlord Work".

SECTION 2

TENANT IMPROVEMENTS

2.1 Tenant Improvement Allowance. Tenant shall be entitled to a one-time tenant improvement allowance (the "Tenant Improvement Allowance") in the amount of up to, but not exceeding $195.00 per rentable square foot of the Premises, for the costs relating to the design, permitting and construction of Tenant's improvements which are permanently affixed to the Premises (the "Tenant Improvements"). In no event shall Landlord be obligated to make disbursements pursuant to this Tenant Work Letter for the Tenant Improvements in a total amount which exceeds the Tenant Improvement Allowance. Tenant shall not be entitled to receive any cash payment or credit against Rent or otherwise for any portion of the Tenant Improvement Allowance which is not used to pay for the Tenant Improvement Allowance Items (as such term is defined below). In no event shall the Tenant Improvement Allowance be used for purposes of constructing improvements in the Premises for purposes of offering space for sublease or for the benefit of a subtenant. Notwithstanding anything to the contrary in this Tenant Work Letter, Tenant shall expend the Tenant Improvement Allowance for the improvement of the entire Premises to a level of improvement representing the expenditure of at least $100.00 per rentable square foot throughout the Premises.

2.2 Disbursement of the Tenant Improvement Allowance. Except as otherwise set forth in this Tenant Work Letter, the Tenant Improvement Allowance shall be disbursed by Landlord (each of which disbursement shall be made pursuant to Landlord's standard disbursement process), only for the following items and costs (collectively, the "Tenant Improvement Allowance Items"):

2.2.1 Payment of the fees of the "Architect" and the "Engineers," as those terms are defined in Section 3.1 of this Tenant Work Letter and payment of the fees incurred by, and the cost of documents and materials supplied by, Landlord and Landlord's consultants in connection with the preparation and review of the "Construction Drawings," as that term is defined in Section 3.1 of this Tenant Work Letter;

2.2.2 The payment of plan check, permit and license fees relating to construction of the Tenant Improvements;

2.2.3 The cost of construction of the Tenant Improvements, including, without limitation, contractors' fees and general conditions, testing and inspection costs, costs of utilities, trash removal, parking and hoists, and the costs of after-hours freight elevator usage;

2.2.4 The cost of any changes in the Base, Shell and Core when such changes are required by the Construction Drawings (including if such changes are due to the fact that such work is prepared on an unoccupied basis), such cost to include all direct architectural and/or engineering fees and expenses incurred in connection therewith;

2.2.5 The cost of any changes to the Construction Drawings or Tenant Improvements required by any applicable laws;

2.2.6 Sales and use taxes and Title 24 fees;

2.2.7 “Landlord’s Supervision Fee,” as that term is defined in Section 4.3.2 of this Tenant Work Letter;

2.2.8 The costs and expenses associated with complying with all national, state and local codes, including California Energy Code, Title 24, including, without limitation, all costs associated with any lighting or HVAC retrofits required thereby; and

2.2.9 All other costs to be expended by Landlord in connection with the construction of the Tenant Improvements.

2.3 Specifications for Building Standard Components. Landlord has established specifications as generally described in the Basis of Design (BOD) MEPFP Systems dated October 8, 2020 (the “ MEPFP Standards”), for certain Building standard components to be used in the construction of the Tenant Improvements in the Premises (the “Specifications”), which Specifications have been received by Tenant. Tenant acknowledges that the Specifications are not an all-inclusive list of specifications and the specifications of items not specifically addressed in the MEPFP Standards are subject to Landlord’s approval. Unless otherwise agreed to by Landlord, the Tenant Improvements shall comply with the Specifications. Landlord may make reasonable changes to the Specifications from time to time that do not have an impact on the timing, substance or cost of construction of the Tenant Improvements. Changes to Specifications mandated by Applicable Law shall be deemed reasonable..

SECTION 3

CONSTRUCTION DRAWINGS

3.1 Selection of Architect/Construction Drawings. Landlord shall retain CAC Architects or another architect approved by Tenant (the “Architect”) to prepare the “Construction Drawings,” as that term is defined in this Section 3.1. Landlord shall retain Landlord’s engineering consultants (the “Engineers”) to prepare all plans and engineering working drawings relating to the structural, mechanical, electrical, plumbing, HVAC, lifesafety, and sprinkler work in the Premises. The plans and drawings to be prepared by Architect and the Engineers hereunder shall be known collectively as the “Construction Drawings.” Notwithstanding that any Construction Drawings are reviewed by Landlord or prepared by its Architect, Engineers and consultants, and notwithstanding any advice or assistance which may be rendered to Tenant by Landlord or Landlord’s Architect, Engineers, and consultants, Landlord shall have no liability whatsoever in connection therewith and shall not be responsible for any omissions or errors contained in the Construction Drawings. Subject to Landlord’s approval of the plans and specifications therefor (which approval shall not be unreasonably withheld, conditioned or delayed), the Tenant Improvements may include (and Tenant shall be entitled to use if installed) a chemical pit-less dumbwaiter system if Tenant elects to include that system in the Tenant Improvements.

3.2 Final Space Plan. Within three (3) days of the full execution and delivery of the Lease by Landlord and Tenant, Tenant shall meet with Landlord's Architect and provide Landlord's Architect with information regarding the preliminary layout and designation of all proposed offices, rooms and other partitioning, and their intended use and equipment to be contained therein (the "Information"). Landlord and Architect shall, based on such Information (subject to changes reasonably required by Landlord), prepare the final space plan for Tenant Improvements in the Premises (collectively, the "Final Space Plan"), which Final Space Plan shall include a layout and designation of all offices, rooms labs, and other partitioning, their intended use, and equipment to be contained therein, and shall deliver the Final Space Plan to Tenant for Tenant's approval. Tenant shall approve or reasonably disapprove the Final Space Plan or any revisions thereto within five (5) business days after Landlord delivers the Final Space Plan or such revisions to Tenant; provided, however, that Tenant may only disapprove the Final Space Plan elements that were materially addressed in the Information provided by Tenant to Architect to the extent the same are not (subject to changes reasonably required by Landlord) in substantial conformance with the Information provided by Tenant to Architect ("Space Plan Design Problem"); provided that Tenant may not disapprove the Final Space Plan as a means to cause a material change in the scope of the work described in the Information. Tenant's failure to disapprove the Final Space Plan for any Space Plan Design Problem or any revisions thereto by written notice to Landlord (which notice shall specify in detail the reasonable reasons for Tenant's disapproval pertaining to any Space Plan Design Problem) within said five (5) business day period shall be deemed to constitute Tenant's approval of the Final Space Plan or such revisions.

3.3 Final Working Drawings. Based on the Final Space Plan, Landlord shall cause the Architect and the Engineers to complete the architectural and engineering drawings for the Premises, and Architect shall compile a fully coordinated set of architectural, structural, mechanical, electrical and plumbing working drawings in a form which is complete to allow subcontractors to bid on the work and to obtain all applicable permits (collectively, the "Final Working Drawings") and shall submit the same to Tenant for Tenant's approval. The Final Working Drawings shall incorporate modifications to the Final Space Plan as necessary to comply with the floor load and other structural and system requirements of the Building. To the extent that the finishes and specifications are not completely set forth in the Final Space Plan for any portion of the Tenant Improvements depicted thereon, the actual specifications and finish work shall be in accordance with the Specifications. Tenant shall approve or reasonably disapprove the Final Working Drawings or any revisions thereto within five (5) business days after Landlord delivers the Final Working Drawings or any revisions thereto to Tenant; provided, however, that Tenant may only disapprove the Final Working Drawings to the extent the same are not (subject to changes reasonably required by Landlord) in substantial conformance with the Final Space Plan ("Working Drawing Design Problem"). Tenant's failure to reasonably disapprove the Final Working Drawings or any revisions thereto by written notice to Landlord (which notice shall specify in detail the reasonable reasons for Tenant's disapproval pertaining to any Working Drawing Design Problem) within said five (5) business day period shall be deemed to constitute Tenant's approval of the Final Working Drawings or such revisions.

3.4 Approved Working Drawings. The Final Working Drawings shall be approved or deemed approved by Tenant (the "Approved Working Drawings") prior to the commencement of the construction of the Tenant Improvements. Landlord shall cause the Architect to submit the Approved Working Drawing to the applicable local governmental agency for all applicable building permits necessary to allow "Contractor," as that term is defined in Section 4.1 of this Tenant Work Letter, to commence and fully complete the construction of the Tenant Improvements (the "Permits"). No changes, modifications or alterations in the Approved

Working Drawings may be made without the prior written consent of Landlord (which approval shall not be unreasonably withheld, conditioned or delayed), provided that Landlord may withhold its consent, in its sole discretion, to any change in the Approved Working Drawings, if such change would directly or indirectly materially delay the Substantial Completion of the Premises.

3.5 Time Deadlines. Tenant shall use its best efforts to cooperate with Architect, the Engineers, and Landlord to complete all phases of the Construction Drawings and the permitting process and to receive the Permits, and with Contractor, for approval of the "Cost Proposal," as that term is defined in Section 4.2 below as soon as possible after the execution of the Lease and, in this regard, to the extent Landlord considers such meeting(s) to be reasonably necessary, Tenant shall meet with Landlord on a weekly basis to discuss Tenant's progress in connection with the same.

3.6 Design Problem. Notwithstanding anything to the contrary in this Tenant Work Letter, Landlord shall be deemed to have acted reasonably in disapproving plans or designs if Landlord determines in good faith that the matter disapproved constitutes or would create a Design Problem (as defined below). As used herein, a "Design Problem" shall mean (i) adverse effect on the structural integrity of the Building; (ii) possible damage to the Building's systems; (iii) non-compliance with applicable codes; (iv) adverse effect on the exterior appearance of the Building; (v) creation of the potential for unusual expenses to be incurred upon the removal of the alteration or improvement and the restoration of the Premises upon termination of this Lease, unless Tenant agrees to pay for the incremental removal costs caused by the non-typical alterations; (vi) creation of the potential for unusual expenses to be incurred in connection with the maintenance by Landlord of the alteration or improvement, unless Tenant agrees to pay for the incremental maintenance costs caused by the non-typical alterations, (vii) a material effect any other tenant or occupant of the Building, (viii) creation of an obligation to make other alterations, additions or improvements to the Premises or Common Areas in order to comply with applicable laws (including, without limitation, the Americans with Disabilities Act) or (ix) adverse effect on the LEED rating of the Building.

SECTION 4

CONSTRUCTION OF THE TENANT IMPROVEMENTS

`4.1 Bidding Contractors. As used in this Tenant Work Letter, the term "Bidding Contractors" means: GCI General Contractors, Coby Brock, and Dome Construction.

4.2 Cost Proposal. After the Approved Working Drawings are signed by Landlord and Tenant, Landlord shall solicit bids from the Bidding Contractors for the construction of the Tenant Improvements in accordance with the Approved Working Drawings, applicable specifications and all Applicable Laws for a fixed or guaranteed maximum price. Landlord shall provide Tenant with copies of the cost proposals from all of the Bidding Contractors and consult with Tenant as to the selection of the Bidding Contractor for a period of five (5) business days after receipt of the cost proposals from all of the Bidding Contractors. The Bidding Contractor selected by Landlord is referred to herein as the "Contractor." The cost proposal of the Contractor is referred to herein as the "Cost Proposal." The Cost Proposal shall be submitted to

Tenant for Tenant's approval no later than the date that is the second business day after Landlord gives Tenant notice of the selection of the Contractor. Tenant shall approve and deliver the Cost Proposal to Landlord within five (5) business days of the receipt of the same; provided, however, if Tenant elects to engage in the Value Engineering Process referred to below, then Tenant shall approve and deliver the Cost Proposal, as such Cost Proposal may be revised as part of or following the Value Engineering Process, no later than ten (10) business days following Tenant's receipt of the original Cost Proposal. The date by which Tenant must approve and deliver the Cost Proposal shall be known hereafter as the "Cost Proposal Delivery Date." Within two (2) business days after receipt of the original Cost Proposal, Tenant may propose modifications to the Approved Working Drawings to reduce the cost of Tenant Improvements, approval of which by Landlord shall not be unreasonably withheld and upon such approval Landlord shall submit a revised Cost Proposal; provided that in no event shall the Tenant Improvements be modified so as to be lesser in scope or quality than Building standard improvements. The process of Tenant proposing modifications of the Approved Working Drawings, Landlord's review and approval or disapproval of those modifications and any resulting revisions to the Construction Drawings, re-bidding and modification of a Cost Proposal is referred to herein as the "Value Engineering Process."

4.3 Construction of Tenant Improvements by Landlord's Contractor under the Supervision of Landlord.

4.3.1 Over-Allowance Amount. Within two (2) business days following the Cost Proposal Delivery Date, Tenant shall deliver to Landlord cash in an amount (the "Over-Allowance Amount") equal to the difference between (i) the amount of the Cost Proposal and (ii) the amount of the Tenant Improvement Allowance (less any portion thereof already disbursed by Landlord, or in the process of being disbursed by Landlord, on or before the Cost Proposal Delivery Date). To the extent reasonably practicable, the Over-Allowance Amount and the Tenant Improvement Allowance shall be disbursed by Landlord pro rata, with Landlord's Percentage Share (as defined below) of each disbursement being funded from the Tenant Improvement Allowance and the balance of each disbursement being funded from the Over-Allowance Amount. For purposes of this Work Letter, "Landlord's Percentage Share" shall be calculated by dividing the amount of the Tenant Improvement Allowance by the estimated budget for the Tenant Improvements (including any change orders) as reasonably determined by Landlord from time to time, and shall in no event exceed one hundred percent (100%). In the event that, after the Cost Proposal Delivery Date, any revisions, changes, or substitutions shall be made to the Construction Drawings or the Tenant Improvements, any additional costs which arise in connection with such revisions, changes or substitutions shall be added to the Cost Proposal and shall be paid by Tenant to Landlord immediately upon Landlord's request to the extent such additional costs increase any existing Over-Allowance Amount or result in an Over-Allowance Amount. Following completion of the Tenant Improvements, Landlord shall deliver to Tenant a final cost statement which shall indicate the final costs of the Tenant Improvement Allowance Items, and if such cost statement indicates that Tenant has underpaid or overpaid the Over-Allowance Amount, then within ten (10) business days after receipt of such statement, Tenant shall deliver to Landlord the amount of such underpayment or Landlord shall return to Tenant the amount of such overpayment, as the case may be.

4.3.2 Landlord Supervision. After Landlord selects the Contractor, Landlord shall independently retain Contractor to construct the Tenant Improvements in accordance with the Approved Working Drawings and the Cost Proposal and Landlord shall supervise the construction by Contractor, and Tenant shall pay a construction supervision and management fee (the "Landlord's Supervision Fee") to Landlord in an amount equal to the product of (i) three percent (3%) and (ii) an amount equal to the Tenant Improvement Allowance plus the Over-Allowance Amount actually disbursed by Landlord for the Tenant Improvements (as such Over-Allowance Amount may increase pursuant to the terms of this Tenant Work Letter), but not to exceed $250,000.00. All construction administration, budgeting, Tenant Improvement Allowance submittal and reimbursement, management of construction schedule, vendor selection and project management work by Landlord shall be included in the Landlord's construction management fee scope of work.

4.3.3 Contractor's Warranties and Guaranties. Landlord hereby assigns to Tenant all warranties and guaranties by Contractor relating to the Tenant Improvements, which assignment shall be on a non-exclusive basis such that the warranties and guarantees may be enforced by Landlord and/or Tenant, and Tenant hereby waives all claims against Landlord relating to, or arising out of the construction of, the Tenant Improvements. Landlord's contract with Contractor shall provide an industry standard warranty from the Contractor to correct defects in labor and materials for a period of one (1) year following Substantial Completion of the Tenant Improvements (unless an industry standard period would be shorter than one (1) year).

SECTION 5

SUBSTANTIAL COMPLETION;

LEASE COMMENCEMENT DATE

5.1 Substantial Completion; Punch List. For purposes of the Lease, including for purposes of determining the Commencement Date "Substantial Completion" of the Premises shall occur upon the completion of construction of the Tenant Improvements in the Premises pursuant to the Approved Working Drawings, with the exception of any punchlist items and any tenant fixtures, work-stations, built-in furniture, or equipment to be installed by Tenant. When Architect determines that the construction of the Tenant Improvements has reached Substantial Completion with the exception of minor details of construction, installation, decoration, or mechanical adjustments, Landlord shall schedule a walk-through of the Premises to be attended by Contractor, Architect, Landlord and Tenant. Landlord and Tenant shall agree upon, and Architect shall prepare, a "Punch List" within thirty (30) days identifying the corrective work of the type commonly found on an architectural Punch List with respect to the Tenant Improvements, which list shall be in accordance with industry standards and shall be based on whether such items were required by the approved Construction Drawings and Specifications. In the event a dispute arises as to whether an item is substantially completed, the parties shall abide by the decision made by Architect. If Tenant refuses to inspect the Premises with Landlord within twenty (20) days after Landlord's notice that the Premises is ready for the Punch List walk-through, Tenant is deemed to have accepted the Premises as delivered. Immediately after delivery of the Punch List, Landlord shall cause Contractor to commence the correction of Punch List items and diligently pursue such work to completion. The Punch List procedure to be followed by Landlord and Tenant shall in no way limit Tenant's obligation to pay Rent as provided under the Lease.

5.2 Tenant Delays. If there shall be a delay or there are delays in the Substantial Completion of the Premises as a direct, indirect, partial, or total result of any of the following (collectively, "Tenant Delays"):

5.2.1 Tenant's failure to timely approve any matter requiring Tenant's approval, including a Partial Cost Proposal or the Cost Proposal and/or Tenant's failure to timely perform any other obligation or act required of Tenant hereunder;

5.2.2 a breach by Tenant of the terms of this Tenant Work Letter or the Lease;

5.2.3 Tenant's request for changes in the Construction Drawings;

5.2.4 Tenant's requirement for materials, components, finishes or improvements which are not available in a reasonable time (based upon the anticipated date of the Commencement Date) or which are different from, or not included in, the Specifications;

5.2.5 changes to the Base, Shell and Core required by the Approved Working Drawings;

5.2.6 any delays resulting from the Value Engineering Process;

5.2.7 any changes in the Construction Drawings and/or the Tenant Improvements required by applicable laws if such changes are directly attributable to Tenant's use of the Premises (other than for general office and/or lab use) or Tenant's specialized tenant improvement(s) (as reasonably determined by Landlord); or

5.2.8 any other acts or omissions of Tenant, or its agents, or employees;

then, notwithstanding anything to the contrary set forth in the Lease and regardless of the actual date of the Substantial Completion of the Premises, the Commencement Date shall be deemed to be the date the Commencement Date would have occurred if no Tenant Delays, as set forth above, had occurred.

SECTION 6

MISCELLANEOUS

6.1 Tenant's Entry Into the Premises Prior to Substantial Completion. Subject to the terms hereof and provided that Tenant and its agents do not unreasonably interfere with, or unreasonably delay, Contractor's work in the Building and the Premises, at Landlord's reasonable discretion, Contractor shall allow Tenant access to the Premises four (4) weeks prior to the Substantial Completion of the Premises for the purpose of Tenant installing furniture, furnishings, equipment and/or fixtures (including Tenant's data, cabling and telephone equipment) in the Premises. Prior to Tenant's entry into the Premises as permitted by the terms

of this Section 6.1, Tenant shall submit a schedule to Landlord and Contractor, for their approval, which schedule shall detail the timing and purpose of Tenant's entry. In connection with any such entry, Tenant acknowledges and agrees that Tenant's employees, agents, contractors, consultants, workmen, mechanics, suppliers and invitees shall reasonably cooperate, work in harmony and not, in any manner, unreasonably interfere with Landlord or Landlord's Contractor, agents or representatives in performing work in the Building and the Premises, or interfere with the general operation of the Building and/or the Project. If at any time any such person representing Tenant shall not be cooperative or shall otherwise cause or threaten to cause any such disharmony or unreasonable interference, including, without limitation, labor disharmony, and Tenant fails to immediately institute and maintain corrective actions as directed by Landlord, then Landlord may revoke Tenant's entry rights upon twenty-four (24) hours' prior written notice to Tenant. Tenant acknowledges and agrees that any such entry into and occupancy of the Premises or any portion thereof by Tenant or any person or entity working for or on behalf of Tenant shall be deemed to be subject to all of the terms, covenants, conditions and provisions of the Lease, excluding only the covenant to pay Rent (until the occurrence of the Commencement Date). Tenant further acknowledges and agrees that, except in the event of the gross negligence or willful misconduct of Landlord or any of Landlord's agents, employees, contractors, consultants, workmen, mechanics and suppliers, Landlord shall not be liable for any injury, loss or damage which may occur to any of Tenant's work made in or about the Premises in connection with such entry or to any property placed therein prior to the Commencement Date, the same being at Tenant's sole risk and liability. Subject to the provisions of Section 13.4 below, Tenant shall be liable to Landlord (to the extent not covered by Landlord's insurance) for any damage to any portion of the Premises, including the Tenant Improvement work, caused by Tenant or any of Tenant's employees, agents, contractors, consultants, workmen, mechanics, suppliers and invitees. In the event that the performance of Tenant's work in connection with such entry causes extra costs to be incurred by Landlord or requires the use of any Building services not otherwise being used by Landlord in connection with the performance of Landlord's Work, Tenant shall promptly reimburse Landlord for such extra costs and/or shall pay Landlord for such Building services at Landlord's standard rates then in effect. In addition, Tenant shall hold Landlord harmless from and indemnify, protect and defend Landlord against any injury to any persons caused by Tenant's actions pursuant to this Section 6.1. During Tenant's entry into the Premises pursuant to this Section 6.1, Tenant shall be permitted to use the Building elevator for transport of Tenant's materials and supplies, subject to such reasonable rules and regulations as Landlord may establish to protect the elevator and maintain the cleanliness thereof.

6.2 Tenant's Representative. Tenant has designated Sayeed Andeshmand as its sole representative with respect to the matters set forth in this Tenant Work Letter, who shall have full authority and responsibility to act on behalf of the Tenant as required in this Tenant Work Letter.

6.3 Landlord's Representative. Landlord has designated Eric Giles as its sole representative with respect to the matters set forth in this Tenant Work Letter, who, until further notice to Tenant, shall have full authority and responsibility to act on behalf of the Landlord as required in this Tenant Work Letter.

6.4 Time of the Essence in This Tenant Work Letter. Unless otherwise indicated, all references herein to a "number of days" shall mean and refer to calendar days. In all instances where Tenant is required to approve or deliver an item, if no written notice of approval is given or the item is not delivered within the stated time period, at Landlord's sole option, at the end of said period the item shall automatically be deemed approved or delivered by Tenant and the next succeeding time period shall commence.

6.5 Tenant's Lease Default. Notwithstanding any provision to the contrary contained in the Lease, if an Event of Default by Tenant under the Lease or any default by Tenant under this Tenant Work Letter has occurred at any time on or before the Substantial Completion of the Premises, then (i) in addition to all other rights and remedies granted to Landlord pursuant to the Lease, at law and/or in equity, Landlord shall have the right to withhold payment of all or any portion of the Tenant Improvement Allowance and/or Landlord may cause Contractor to cease the construction of the Premises (in which case, Tenant shall be responsible for any delay in the Substantial Completion of the Premises caused by such work stoppage as set forth in Section 5.2 of this Tenant Work Letter), and (ii) all other obligations of Landlord under the terms of this Tenant Work Letter shall be forgiven until such time as such default is cured pursuant to the terms of the Lease (in which case, Tenant shall be responsible for any delay in the Substantial Completion of the Premises caused by such inaction by Landlord). In addition, if the Lease is terminated prior to the Commencement Date, for any reason due to an Event of Default by Tenant under the Lease or a default under this Tenant Work Letter, in addition to any other remedies available to Landlord under the Lease, at law and/or in equity, Tenant shall pay to Landlord, as Additional Rent under the Lease, within thirty (30) days of receipt of a statement therefor, any and all costs incurred by Landlord (excluding, however, the amount of any portion of the Tenant Improvement Allowance disbursed by Landlord) and not reimbursed or otherwise paid by Tenant through the date of such termination in connection with the Tenant Improvements to the extent planned, installed and/or constructed as of such date of termination, including, but not limited to, any costs actually paid or incurred by Landlord in removing all or any portion of the Tenant Improvements and restoration costs related thereto.

6.6 Space Planning Allowance. Landlord shall provide Tenant a space planning allowance of up to $0.25 per rentable square foot of the Premises (the "Space Planning Allowance"), which may be used only for the costs to prepare preliminary space plans for, and to assist Tenant in its evaluation of, the Premises and/or test-fit services. Landlord shall pay the Space Planning Allowance to Tenant's architect directly within thirty (30) days after Landlord's receipt of an invoice from Tenant's space planner. Landlord shall be entitled to copies of all plans created utilizing the Space Planning Allowance.

EXHIBIT D

RULES AND REGULATIONS

Tenant shall faithfully observe and comply with the following Rules and Regulations:

1. Except in connection with Tenant's work (if any) under Exhibit C, Tenant shall not alter any locks or install any new or additional locks or bolts on any doors or windows of the Premises without obtaining Landlord's prior written consent. Tenant shall bear the cost of any lock changes or repairs required by Tenant and Tenant shall promptly deliver any new keys to Landlord.

2. All doors opening to public corridors shall be kept closed at all times except for normal ingress and egress to the Premises. Tenant shall assume any and all responsibility for protecting the Premises from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Premises closed.

3. Tenant, its employees and agents must be sure that the entry doors to the Premises are securely closed and locked when leaving the Premises if it is after the normal hours of business of the Project. Tenant, its employees, agents or any other persons entering or leaving the Project at any time when it is so locked, or any time when it is considered to be after normal business hours for the Project, may be required to sign the Project register. Access to the Project may be refused unless the person seeking access has proper identification or has a previously received authorization for access to the Project. Landlord and its agents shall in no case be liable for damages for any error with regard to the admission to or exclusion from the Project of any person. In case of invasion, mob, riot, public excitement, or other commotion, Landlord reserves the right to prevent access to the Project during the continuance thereof by any means it deems appropriate for the safety and protection of life and property.

4. Landlord reserves the right, in the event of an emergency in Landlord's reasonable discretion, to close or limit access to the Project and/or the Premises, from time to time, due to damage to the Project and/or the Premises, to ensure the safety of persons or property or due to government order or directive, and Tenant agrees to immediately comply with any such reasonable decision by Landlord. If Landlord closes or limits access to the Project and/or the Premises for the reasons described above, Landlord's actions shall not constitute a breach of the Lease.

5. Tenant shall not disturb, solicit, or canvass any occupant of the Project and shall cooperate with Landlord and its agents to prevent the same. Tenant, its employees and agents shall not loiter in or on the entrances, corridors, sidewalks, lobbies, halls, stairways, elevators, or any Common Areas for the purposes of smoking tobacco products or for any other purpose, nor in any way obstruct such areas, and shall use them only as a means of ingress and egress for the Premises. Smoking shall not be permitted in the Common Areas.

6. The toilet rooms, urinals and wash bowls shall not be used for any purpose other than that for which they were constructed, and no foreign substance of any kind whatsoever shall be thrown therein. The expense of any breakage, stoppage or damage resulting from the violation of this rule shall be borne by the tenants who, or whose employees or agents, shall have caused it.

7. Except for food, soft drink or other vending machines intended for the sole use of Tenant's employees and invitees, no vending machine or machines other than fractional horsepower office machines shall be installed, maintained or operated upon the Premises without the written consent of Landlord. All vendors or other persons visiting the Premises shall be subject to the reasonable control of Landlord. Tenant shall not permit its vendors or other persons visiting the Premises to solicit other tenants of the Project.

8. Tenant shall not use or keep in or on the Premises or the Project any kerosene, gasoline or other inflammable or combustible fluid or material, except as otherwise permitted in the Lease. Tenant shall not bring into or keep within the Premises or the Project any animals (other than guide, signal or service dogs as permitted below in this rule or Permitted Dogs permitted pursuant to the provisions of the Lease), birds or vehicles (other than passenger vehicles, forklifts or bicycles). Tenant and employees of Tenant who wish to bring a guide, signal or service dog into the Building must first register the guide, signal or service dog with Landlord, which registration shall include (i) a representation that the employee is the owner or trainer of the dog and that the dog is licensed as, qualified as, and identified as, a guide, signal, or service dog, as defined in subdivisions (d), (e), and (f) of §365.5 of the California Penal Code and paragraph (6) of subdivision (b) of §54.1 of the California Civil Code, and (ii) the agreement of Tenant and such employee to comply with Landlord's additional reasonable rules and regulations with respect to the presence of dogs in the Building.

9. Tenant shall not use, keep or permit to be used or kept, any noxious gas or substance in or on the Premises or permit or allow the Premises to be occupied or used in a manner reasonably and in good faith determined by Landlord to be offensive or objectionable to Landlord or other occupants of the Project by reason of noise, odors, or vibrations, or to otherwise unreasonably interfere with the use of the Project by other tenants.

10. No cooking shall be done or permitted on the Premises nor shall the Premises be used for the storage of merchandise, for loading or for any improper, objectionable or immoral purposes. Notwithstanding the foregoing, Underwriters' Laboratory approved equipment and microwave ovens may be used in the Premises for heating food and brewing coffee, tea, hot chocolate and similar beverages for employees and visitors of Tenant, provided that such use is in accordance with all applicable federal, state and city laws, codes, ordinances, rules and regulations; and provided further that such cooking does not result in odors escaping from the Premises.

11. Landlord reserves the right to exclude or expel from the Project any person who, in the good faith judgment of Landlord, is intoxicated or under the influence of liquor or drugs, or who shall in any manner do any act in violation of any of these Rules and Regulations.

12. No material shall be placed in the trash boxes or receptacles if such material is of such nature that it may not be disposed of in the ordinary and customary manner of removing and disposing of trash in the vicinity of the Project without violation of any law or ordinance governing such disposal. All trash, garbage and refuse disposal shall be made only through entry-ways and elevators provided for such purposes at such times as Landlord shall designate.

13. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.

14. Tenant acknowledges that the local fire department has previously required Landlord to participate in a fire and emergency preparedness program or may require Landlord and/or Tenant to participate in such a program in the future. Tenant agrees to take all actions reasonably necessary to comply with the requirements of such a program including, but not limited to, designating certain employees as “fire wardens” and requiring them to attend any necessary classes and meetings and to perform any required functions.

15. Tenant and its employees shall comply with all federal, state and local recycling and/or resource conservation laws and shall take all actions reasonably requested by Landlord in order to comply with such laws. Tenant shall comply with and participate in any program for metering or otherwise measuring the use of utilities and services, including, without limitation, programs requiring the disclosure or reporting of the use of any utilities or services. Tenant shall also cooperate and comply with, participate in, and assist in the implementation of (and take no action that is inconsistent with, or which would result in Landlord, the Building and/or the Project failing to comply with the requirements of) any conservation, sustainability, recycling, energy efficiency, and waste reduction programs, environmental protection efforts and/or other programs that are in place and/or implemented from time to time at the Building and/or the Project, including, without limitation, any required reporting, disclosure, rating or compliance system or program (including, but not limited to any LEED ([Leadership in Energy and Environmental Design] rating or compliance system, including those currently coordinated through the U.S. Green Building Council).

16. Smoking (including vaping) is prohibited in the Premises, the Building and all enclosed Common Areas of the Project, including all lobbies, all hallways, all elevators and all lavatories. Without limiting the foregoing, Tenant must comply with the State of California “No-Smoking” law set forth in California Labor Code Section 6404.5, and any local “No-Smoking” ordinance which may be in effect from time to time and which is not superseded by such State law.

17. The Premises shall not be used as an employment agency, a public stenographer or typist, a labor union office, a physician’s or dentist’s office, a dance or music studio, a school, a beauty salon, or barber shop, the business of photographic, multilith or multigraph reproductions or offset printing (not precluding using any part of the Premises for photographic, multilith or multigraph reproductions solely in connection with Tenant’s own business and/or activities), a restaurant or bar, an establishment for the sale of confectionery, soda, beverages, sandwiches, ice cream or baked goods, an establishment for preparing, dispensing or consumption of food or beverages of any kind in any manner whatsoever (subject to Rule 10 above), or news or cigar stand, or a radio, television or recording studio, theatre or exhibition-hall, or manufacturing, or the storage or sale of merchandise, goods, services or property of any kind at wholesale, retail or auction.

18. Tenant hereby acknowledges that Landlord shall have no obligation to provide guard service or other security measures for the benefit of the Premises, the Building or the Project. Tenant hereby assumes all responsibility for the protection of Tenant and its agents, employees, contractors, invitees and guests, and the property thereof, from acts of third parties, including keeping doors locked and other means of entry to the Premises closed, whether or not Landlord, at its option, elects to provide security protection for the Project or any portion thereof. Tenant further assumes the risk that any safety and security devices, services and programs which Landlord elects, in its sole discretion, to provide may not be effective, or may malfunction or be circumvented by an unauthorized third party, and Tenant shall, in addition to its other insurance obligations under this Lease, obtain its own insurance coverage to the extent Tenant desires protection against losses related to such occurrences. Tenant shall cooperate in any reasonable safety or security program developed by Landlord or required by law.

19. No furniture, packages, supplies, inventory, equipment or merchandise will be carried up or down in the elevators, except between such hours by such personnel as shall be reasonably designated by Landlord from time-to-time.

20. Tenant shall at all times comply with, and shall cause its employees, agents and invitees to comply with such orders, laws, programs, procedures and protocols as may be implemented from time to time at or with respect to the Building in order to address any events or circumstances that may pose a danger or risk to persons or property, including, without limitation, community health emergencies, including any epidemic, quarantine, or any infectious disease-related outbreak. Such cooperation and compliance may include compliance with Building shutdown orders and reduced access to use of Common Areas, parking facilities, elevators and other Building systems and amenities, and may also include participation in screening programs intended to identify those persons who may present a risk of contagion of infectious diseases and conditions. Tenant shall also immediately notify Landlord or Landlord's property manager of any persons entering the Building who have a contagious condition or who may otherwise present a risk of contagion or infection of others. In the event Tenant becomes aware that a person entering the Building or Tenant's Premises has contracted a contagious condition, Tenant shall immediately notify Landlord and the Building's property manager, and shall follow (and shall cause its employees and invitees to follow) County Health and CDC Guidelines with regard to quarantine and isolation of all persons coming into contact with the infected person(s).

21. Tenant shall establish and maintain an "Emergency Preparedness Plan" setting forth the steps to be taken by Tenant in the event of an emergency situation that affects access to and use of the Building and the Premises, including plans for business continuity in such a situation. Tenant shall upon request provide Landlord, Landlord's insurer and Landlord's lender with a copy of Tenant's Emergency Preparedness Plan, which shall include, without limitation, mobile phone numbers of at least two (2) representatives of Tenant who are able to contact all persons who are customarily or anticipated to be present in the Premises. Tenant shall update those mobile phone numbers from time to time as necessary to assure that Landlord may at any time contact those representatives. If Landlord so requests at any time, Tenant's representatives shall immediately notify all persons who are customarily or anticipated to be present in the Premises that access to the Premises, Building, and the Project has been suspended or limited by Landlord in response to an emergency condition as well as such additional information concerning that emergency condition as provided by Landlord, and Tenant shall require that all such persons comply with any measures as may be implemented by Landlord to address any emergency conditions from time to time.

Landlord reserves the right at any time to reasonably change or rescind any one or more of these Rules and Regulations, or to make such other and further reasonable Rules and Regulations as in Landlord's judgment may from time to time be necessary for the management, safety, care and cleanliness of the Premises, Building, the Common Areas and the Project, and for the preservation of good order therein, as well as for the convenience of other occupants and tenants therein. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenants, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant, nor prevent Landlord from thereafter enforcing any such Rules or Regulations against any or all tenants of the Project. Landlord agrees not to enforce the Rules and Regulations in a manner that discriminates against Tenant. Tenant shall be deemed to have read these Rules and Regulations and to have agreed to abide by them as a condition of its occupancy of the Premises.

EXHIBIT D-1

PARKING RULES

1. Parking areas shall be used only for parking by vehicles no longer than full size, passenger automobiles, pickup trucks and sport utility vehicles. Tenant and its employees shall park automobiles within the lines of the parking spaces.

2. Tenant shall not permit or allow any vehicles that belong to or are controlled by Tenant or Tenant's employees, suppliers, shippers, customers, or invitees to be loaded, unloaded, or parked in areas other than those designated by Landlord for such activities. Users of the parking area will obey all posted signs and park only in the areas designated for vehicle parking.

3. Parking stickers and parking cards, if any, shall be the property of Landlord and shall be returned to Landlord by the holder thereof upon termination of the holder's parking privileges. Tenant will pay such replacement charges as is reasonably established by Landlord for the loss of such devices. Loss or theft of parking identification stickers or devices from automobiles must be reported to the parking operator immediately. Any parking identification stickers reported lost or stolen found on any unauthorized car will be confiscated and the illegal holder will be subject to prosecution.

4. Unless otherwise instructed, every person using the parking area is required to park and, lock his own vehicle. Landlord will not be responsible for any damage to vehicles, injury to persons or loss of property, all of which risks are assumed by the party using the parking area.

5. The maintenance, washing, waxing or cleaning of vehicles in the parking structure or Common Areas is prohibited.

6. Tenant shall be responsible for seeing that all of its employees, agents and invitees comply with the applicable parking rules, regulations, laws, and agreements. Parking area managers or attendants, if any, are not authorized to make or allow any exceptions to these Parking Rules and Regulations. Landlord reserves the right to terminate parking rights for any person or entity that willfully refuses to comply with these rules and regulations.

7. Every driver is required to park his or her own car. Tenant agrees that all responsibility for damage to cars or the theft of or from cars is assumed by the driver, and further agrees that Tenant will hold Landlord harmless for any such damages or theft.

8. No vehicles shall be parked in the parking areas overnight without the prior written consent of Landlord. The parking area shall only be used for daily parking and no vehicle or other property shall be stored in a parking space.

9. Any vehicle parked by Tenant, its employees, contractors or visitors in a reserved parking space or in any area of the parking area that is not designated for the parking of such a vehicle may, at Landlord's option, and without notice or demand, be towed away by any towing company selected by Landlord, and the cost of such towing shall be paid for by the driver of said vehicle.

Landlord reserves the right at any time to reasonably change or rescind any one or more of these Rules and Regulations, or to make such other and further reasonable and nondiscriminatory Rules and Regulations as in Landlord's judgment may from time to time be necessary for the management, safety, care and cleanliness of the Project, and for the preservation of good order therein, as well as for the convenience of other occupants and tenants therein. Landlord may waive any one or more of these Rules and Regulations for the benefit of any particular tenant, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of any other tenant, nor prevent Landlord from thereafter enforcing any such Rules or Regulations against any or all tenants of the Project. Landlord, however, shall apply such Rules and Regulations in a nondiscriminatory manner. Tenant shall be deemed to have read these Rules and Regulations and to have agreed to abide by them.

EXHIBIT E

FORM OF TENANT'S ESTOPPEL CERTIFICATE

The undersigned, as Tenant under that certain Office Lease (the "Lease") made and entered into as of _____, 201__ by and between _____, as Landlord, and the undersigned, as Tenant, for Premises on the _____ floor(s) of the office building _____ located at _____, certifies as follows:

1. Attached hereto as Exhibit A is a true and correct copy of the Lease and all amendments and modifications thereto. The documents contained in Exhibit A represent the entire agreement between the parties as to the Premises.

2. The undersigned currently occupies the Premises described in the Lease, the Term commenced on _____, and the Term expires on _____, and the undersigned has no option to terminate or cancel the Lease or to purchase all or any part of the Premises, the Building and/or the Project.

3. Base Rent became payable on _____.

4. The Lease is in full force and effect and has not been modified, supplemented or amended in any way except as provided in Exhibit A.

5. Tenant has not transferred, assigned, or sublet any portion of the Premises nor entered into any license or concession agreements with respect thereto except as follows:

6. Except for any modification or amendment of the Lease that is expressly permitted under the Lease without the necessity of obtaining Landlord's prior consent, Tenant shall not modify the documents contained in Exhibit A without the prior written consent of Landlord's mortgagee.

7. All monthly installments of Base Rent, all Additional Rent and all monthly installments of estimated Additional Rent have been paid when due through _____. The current monthly installment of Base Rent is $_____.

8. All conditions of the Lease to be performed by Landlord necessary to the enforceability of the Lease have been satisfied and, to Tenant's current, actual knowledge, Landlord is not in default thereunder. In addition, the undersigned has not delivered any notice to Landlord regarding a default by Landlord thereunder.

9. No rental has been paid more than thirty (30) days in advance and no security has been deposited with Landlord except the Security Deposit in the amount of $_____ as provided in the Lease.

10. As of the date hereof, to the undersigned's knowledge, there are no existing defenses or offsets or claims or any basis for a claim, that the undersigned has against Landlord.

11. If Tenant is a corporation, limited liability company, partnership or limited liability partnership, each individual executing this Estoppel Certificate on behalf of Tenant hereby represents and warrants that Tenant is a duly formed and existing entity qualified to do business in California and that Tenant has full right and authority to execute and deliver this Estoppel Certificate and that each person signing on behalf of Tenant is authorized to do so.

12. There are no actions pending against the undersigned under the bankruptcy or similar laws of the United States or any state.

13. Other than in compliance with all applicable laws and incidental to the ordinary course of the use of the Premises, the undersigned has not used or stored any hazardous substances in the Premises.

14. All tenant improvement work to be performed by Landlord under the Lease has been completed in accordance with the Lease and has been accepted by the undersigned and all reimbursements and allowances due to the undersigned under the Lease in connection with any tenant improvement work have been paid in full, except _____ (if none, then insert "NONE").

The undersigned acknowledges that this Estoppel Certificate may be delivered to Landlord or to a prospective mortgagee or prospective purchaser, and acknowledges that said prospective mortgagee or prospective purchaser will be relying upon the statements contained herein in making the loan or acquiring the property of which the Premises are a part and that receipt by it of this certificate is a condition of making such loan or acquiring such property.

Executed at _____ on the ____ day of _____, 20__.

"Tenant":

_____,
a _____

By: _____

Its: _____

By: _____

Its: _____

EXHIBIT F

COMMENCEMENT DATE MEMORANDUM

With respect to that certain lease ("Lease") dated _____, 20___ between WESTPORT OFFICE PARK, LLC, a Delaware limited liability company ("Landlord"), and _____ ("Tenant"), whereby Landlord leased to Tenant and Tenant leased from Landlord approximately _____ rentable square feet of that certain office building located at _____, California ("Premises"), Tenant hereby acknowledges and certifies to Landlord as follows:

(1) Landlord delivered possession of the Premises to Tenant substantially complete on _____;

(2) The Lease commenced on _____ ("Commencement Date") and Tenant's obligation to pay Rent commenced on _____;

(3) The Expiration Date of the Lease is _____;

(4) The Premises contain approximately _____ rentable square feet of space; and

(5) Tenant has accepted and is currently in possession of the Premises and the Premises are acceptable for Tenant's use.

(6) Tenant's Building Percentage is _____

(7) Base Rent schedule for the currently existing Term of the Lease is as follows: _____

IN WITNESS WHEREOF, this Commencement Date Memorandum is executed this day of _____

"Tenant":

_____

_____

By: _____

Its: _____

By: _____

Its: _____

EXHIBIT G

STANDARDS FOR UTILITIES AND SERVICES

The following Standards for Utilities and Services are in effect. Landlord reserves the right to adopt nondiscriminatory modifications and additions hereto:

As long as Tenant is not in default under any of the terms, covenants, conditions, provisions, or agreements of this Lease, Landlord shall:

(a) On Monday through Friday, except holidays, from 8 A.M. to 6 P.M. (and other times for a reasonable additional charge to be estimated and fixed by Landlord, without markup), ventilate the Premises and furnish air conditioning or heating on such days and hours, when in the reasonable and good faith judgment of Landlord it may be required for the comfortable occupancy of the Premises. The air conditioning system achieves maximum cooling when the window coverings are closed. Landlord shall not be responsible for room temperatures if Tenant does not keep all window coverings in the Premises closed whenever the system is in operation. Tenant agrees to cooperate fully at all times with Landlord, and to abide by all regulations and requirements which Landlord may reasonably prescribe for the proper function and protection of said air conditioning system. Except as otherwise provided in Section 9.3 of the Lease, Tenant agrees not to connect any apparatus, device, conduit or pipe to the Building chilled and hot water air conditioning supply lines. Tenant further agrees that neither Tenant nor its servants, employees, agents, visitors, licensees or contractors shall at any time enter mechanical installations or facilities of the Building or adjust, tamper with, touch or otherwise in any manner affect said installations or facilities. The cost of maintenance and service calls to adjust and regulate the air conditioning system shall be charged to Tenant if the need for maintenance work results from either Tenant's adjustment of room thermostats or Tenant's failure to comply with its obligations under this section, including keeping window coverings closed as needed. Such work shall be charged at hourly rates equal to then current journeymen's wages for air conditioning mechanics.

(b) Landlord reserves the right to charge Tenant for the cost to Landlord, without mark-up, of providing such after-hours heating and air-conditioning. Landlord agrees to furnish or make available to Tenant after-hours heating and air-conditioning to the extent desired by Tenant.

(c) Landlord shall furnish to the Premises, during the usual business hours on business days and after normal business hours if desired by Tenant, electric current sufficient for normal office and lab use. Tenant shall have the right to the Tenant's Building Share of the Building's existing capacity (which is 2000 Amps at 480/277 Volts). Tenant agrees, should its electrical installation or electrical consumption be in excess of the aforesaid quantity or extend beyond normal business hours, to reimburse Landlord monthly for the measured consumption at the average cost per kilowatt hour charged to the Building during the period. Tenant shall install submeters for electrical service to the Premises as part of the Tenant Improvements. Tenant agrees not to use any apparatus or device in, or upon, or about the Premises which may in any way increase the amount of such services usually furnished or supplied to said Premises, and Tenant further agrees not to connect any apparatus or device with wires, conduits or pipes, or

other means by which such services are supplied, for the purpose of using additional or unusual amounts of such services without written consent of Landlord. Should Tenant use the same to excess, the refusal on the part of Tenant to pay upon demand of Landlord the amount established by Landlord for such excess charge shall constitute a breach of the obligation to pay Rent under this Lease and shall entitle Landlord to the rights therein granted for such breach. At all times Tenant's use of electric current shall never exceed the capacity of the feeders to the Building or the risers or wiring installation. If Tenant is billed directly by a public utility with respect to Tenant's electrical usage at the Premises, upon request from time to time, Tenant shall provide monthly electrical utility usage for the Premises to Landlord for the period of time requested by Landlord (in electronic or paper format) or, at Landlord's option, provide any written authorization or other documentation required for Landlord to request information regarding Tenant's electricity usage with respect to the Premises directly from the applicable utility company.

(d) Water will be available in public areas for drinking and lavatory purposes only, but if Tenant requires, uses or consumes water for any purposes in addition to ordinary drinking and lavatory purposes of which fact Tenant constitutes Landlord to be the sole judge, Landlord may install a water meter and thereby measure Tenant's water consumption for all purposes. Tenant shall pay Landlord for the cost of the meter and the cost of the installation thereof and throughout the duration of Tenant's occupancy. Tenant shall keep said meter and installation equipment in good working order and repair at Tenant's own cost and expense, in default of which Landlord may cause such meter and equipment to be replaced or repaired and collect the cost thereof reasonably incurred by Landlord from Tenant. Tenant agrees to pay for water consumed in the Premises, as shown on said meter, as and when bills are rendered, and on default in making such payment, Landlord may pay such charges and collect the same from Tenant. Any such costs or expenses reasonably incurred, or payments reasonably made by Landlord for any of the reasons or purposes hereinabove stated shall be deemed to be additional rent payable by Tenant and collectible by Landlord as such.

(e) Landlord reserves the right to temporarily stop service of the elevator, plumbing, ventilation, air conditioning and electric systems, when necessary, by reason of accident or emergency or for repairs, alterations or improvements, in the judgment of Landlord desirable or necessary to be made, until said repairs, alterations or improvements shall have been completed, and shall further have no responsibility or liability for failure to supply elevator facilities, plumbing, ventilating, air conditioning or electric service, when prevented from so doing by strike or accident or by any cause beyond Landlord's reasonable control, or by laws, rules, orders, ordinances, directions, regulations or requirements of any federal, state, county or municipal authority or failure of gas, oil or other suitable fuel supply or inability by exercise of reasonable diligence to obtain gas, oil or other suitable fuel. If Landlord is unable to supply or furnish any service or utility referred to in this paragraph for any of the reasons set forth in this paragraph, Landlord shall exercise commercially reasonable and diligent efforts to restore such services and/or utilities that have been suspended, curtailed, prevented or stopped as soon as practicable under the circumstances. It is expressly understood and agreed that any covenants on Landlord's part to furnish any service pursuant to any of the terms, covenants, conditions, provisions or agreements of this Lease, or to perform any act or thing for the benefit of Tenant, shall not be deemed breached if Landlord is unable to furnish or perform the same by virtue of a strike or labor trouble or any other cause whatsoever beyond Landlord's reasonable control.

EXHIBIT H

COPY OF ORDER

(See Attached.)

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
SAN FRANCISCO BAY REGION

ORDER NO. R2-2003-0074
UPDATED WASTE DISCHARGE REQUIREMENTS
AND RESCISSION OF ORDER NO. 94-181 FOR:

WESTPORT LANDFILL
JOHN ARRILLAGA SURVIVOR'S TRUST, THE PEERY PRIVATE
INVESTMENT COMPANY, PEERY PUBLIC INVESTMENT COMPANY
REDWOOD CITY, SAN MATEO COUNTY

The California Regional Water Quality Control Board, San Francisco Bay Region, (hereinafter called the Board), finds that:

SITE OWNER AND LOCATION

1. The legal owners of the site are the John Arrillaga Survivor's Trust, The Peery Private Investment Company, and the Peery Public Investment Company and are hereinafter referred to as the Dischargers. The unlined landfill site, as shown in Figure 1, is located adjacent to Belmont Slough in Redwood City. A commercial business park including twenty (20) two-story buildings and associated site improvements has been constructed at the site (Figure 2).

PURPOSE OF ORDER UPDATE

2. The primary purposes of this Order are 1) to update the existing Waste Discharge Requirements (WDRs) to reflect recent site development and current facility conditions and 2) to assure compliance with the appropriate portions of Title 27 of the California Code Of Regulations (formerly known as Chapter 15, Title 23), referred to hereinafter as Title 27. The "appropriate portions" of Title 27 are hereby defined as the relevant sections pertaining to post-closure maintenance and water quality monitoring.

SITE DESCRIPTION

3. The site was tidal marshlands until approximately 1910, at which time the area was diked and portions used for pastureland and for a hog farm. The landfill area was used as a refuse disposal site from about 1948 to its closing in about 1970. Disposal in the southeastern portion of the site (referred to as the Panhandle area) reportedly ceased in about 1963, while disposal in the northeastern portion of the site (the Mound area) continued until about 1970.

4. The Westport Landfill is a closed 45-acre unlined site located approximately one-mile east of Highway 101, and is bordered by Belmont Slough to the north and west, and by existing residential developments and Marine World Parkway to the east and south. The landfill covers the majority of two contiguous parcels that have been developed as a commercial business park called Westport Office Park.

5. The site currently includes a commercial business park with twenty (20) two-story office and research buildings totaling approximately 968,000 leasable square feet. The site (Figure 2) is currently covered by approximately 522,000 square feet of building footprints (14.2% of entire area), 1,522,100 square feet of asphalt and concrete pavement (41.4% of entire area), and 1,631,400 square feet of landscaped area (44.4% of entire area).

REGULATORY HISTORY

6. On July 20, 1976 Waste Discharge Requirements were adopted for the site in Board Order No. 76-77. In that Order Parkwood 101, Limited (the previous landfill owner), was required to place “a final cover of at least four-feet of compacted inert fill material” over the waste disposal areas. Board Order No. 76-77 was subsequently revised on October 18, 1977 by Order No. 77-134, wherein a revised time schedule was adopted for compliance with site closure specifications. Closure activities at the site included placement of additional cover material over the waste disposal areas and grading to eliminate ponding.

7. On December 14, 1994, the Board adopted Order No. 94-181, rescinding Order Nos. 76-77 and 77-134. Among other activities in response to the requirements of Order No. 94-181, and in conjunction with the reconstructed cap and site development, the lateral extent of refuse was determined using historical aerial photos taken throughout the operational period of the landfill and through organized trenching. Based on the results of these studies a perimeter cut-off wall was installed consisting of a vertical clay barrier with a minimum width of two-feet connecting the overlying low permeability cover layer with the underlying young Bay Mud, completing the containment envelope. The vertical extent of the refuse as depicted in various geotechnical studies was confirmed by a deep boring program and by pile driving observations.

LANDFILL HISTORY

8. Approximately 45 acres of the project site were used for landfill disposal of municipal solid waste and incinerator ash from about 1948 to about 1970. Approximately 650,000 cubic yards of fill material was disposed of at the site on the existing unlined Bay Mud. The waste material reportedly disposed at the site consists of non-hazardous material including: municipal solid waste, construction debris paper, glass, plastic, wood, rock fragments, and incinerator ashes.

9. The landfill can be divided into three areas. Refuse is present primarily in the southern and eastern portions of the site and forms two elevated areas, referred to as (1) the Mound (35 acres) in the eastern portion of the site, and (2) the Panhandle (an elongated area of 10 acres) along the southeastern property boundary. The third area (40 acres), located between the refuse fill and the levees, is a low-lying area where unplanned sporadic refuse disposal occurred. Limited refuse disposal activities occurred outside the current property boundary as indicated by small pockets of discontinuous refuse identified during the installation of underground utilities and a perimeter leachate collection system. The site's surface soils are currently composed largely of fill that has been used to: establish a cap over the refuse fill area; to fill low-lying elevations; to construct building pads; to serve as a base for site paving; and, to provide topsoil for landscaped areas.

LANDFILL INVESTIGATIONS AND WORK

10. During the 1970's several possible real estate developments were proposed and various site investigations were performed. Until Westport Office Park, no proposed project continued beyond the preliminary stage. In conjunction with the planning and design of Westport Office Park, additional site investigations were performed and substantial information was developed and recorded.

11. Preliminary Soil and Groundwater Investigation- 1988: In 1988, a preliminary soil and groundwater investigation was conducted by Kaldveer Associates. Kaldveer installed five monitoring wells in the western portion of the site to evaluate shallow groundwater quality adjacent to the refuse fill area.

12. SWAT- 1988 to 1989: In 1988 and 1989, Levine-Fricke conducted a Solid Waste Assessment Test (SWAT) to determine the landfill's potential to have adverse effects on water quality. Levine-Fricke installed seven shallow groundwater monitoring wells outside the primary refuse areas, seven monitoring wells within the primary refuse areas, and three deeper wells.

13. Addendum to SWAT- 1992 and 1993: Levine-Fricke conducted groundwater monitoring activities to complete the SWAT.

14. Removal and Replacement of Lead-Affected Soils and Landfill Materials- 1994: Levine-Fricke investigated and remediated lead-affected soil in three locations at the site. In order to complete the removal activities, two monitoring wells were abandoned. (P-1A and P-5)

15. On March 2, 1994, United Soil Engineering, Inc., (USE) conducted an investigation to determine the thickness of the landfill cover. A total of 77 borings were advanced to a depth of 6 feet. USE's investigation revealed that some portions of the landfill cover did not meet the four-foot cover requirement as specified in Order No. 76-77 and as revised by Order No. 77-134. USE's investigations revealed that an additional one to two feet of clay or low permeability soil was required to achieve the minimum required thickness for most of the landfill cover.

16. Provision C.10 of WDR Order No. 94-181 required the Dischargers to reconstruct those portions of the landfill cap that did not meet the requirements of Section 2581 of Article 8, Chapter 15 (e.g., a cap containing a minimum of two feet of foundation material, one foot low permeability layer with a hydraulic conductivity of less than or equal to 10^{-6} cm/sec, and a one foot layer for erosion protection). The Dischargers submitted a Cap Reconstruction Plan dated February 14, 1995. The Cap Reconstruction is now complete in conformance with the Cap Reconstruction Plan.

17. Deep Boring Program — 1995: Geomatrix performed a subsurface study to determine the physical characteristics of the soil by advancing 13 deep borings to approximately 140 feet BGS.

18. Additional Well Installation — 1996-1998: Geomatrix installed four new monitoring wells to provide additional monitoring points for the landfill, as required by Board Order No. 94-181. (MW3-1R, MW3-2, MW-4, and P5-1)

19. Ammonia Investigation — 1998: Geomatrix conducted an assessment of ammonia in soil and groundwater in the vicinity of the former pig farm and found that these conditions may not be related to the landfill. Soil and grab groundwater samples were collected from 11 borings.

20. Acetone Investigation — 1999: Following the detection of acetone in a groundwater sample collected during a semi-annual monitoring event, an investigation was conducted by Geomatrix to assess the lateral extent of the acetone. Grab groundwater samples were collected from borings placed in the vicinity of the well where acetone had been detected.

21. Concurrent with site and building approval and construction (most of which took place in the late 1990s), landfill gas (LFG) venting and monitoring systems were approved and installed and meet regulatory requirements.

SITE GEOLOGIC SETTING

22. The site is domed in the northeast, central, and southeast portions of the site where refuse was placed and is relatively flat in the northwest and west portions. Elevations at the site currently range from 104.5 to 133.5 feet where City of Redwood City datum 100.0 equals mean sea level. The fill at the site overlies estuarine deposits referred to as Bay Mud. The Bay Mud deposits surround San Francisco Bay and generally consist of very low permeability plastic silty clays with high organic content. Stiff to very stiff sandy clay/clayey sand has been encountered below the Bay Mud extending to a depth of approximately 200 feet below ground surface (bgs). It has been reported that a moderately permeable sequence of clay, sand, and gravel underlies the stiff clays, beginning at a depth of 200 feet bgs. Franciscan bedrock was reported to exist at a depth of approximately 300 feet bgs along the western side of the site and 500 feet bgs along the eastern side of the site

SITE HYDROGEOLOGIC SETTING

23. Hydrogeologic investigations have shown that, within the former landfill, the groundwater movement is radially away from the Mound area (eastern portion of site). As part of corrective action at the site groundwater collection trenches were installed along the northern and southeastern margins of the Mound and the Panhandle to assist with containment and removal of leachate-impacted groundwater adjacent to the primary refuse disposal areas.

24. The direction of deeper groundwater flow cannot be established with a high level of certainty because of the relatively discontinuous nature of the water bearing zones in the low permeability clay layer beneath the younger Bay Mud. However, it has been reported that regional hydrogeologic conditions suggest that deeper groundwater flows in an easterly direction towards San Francisco Bay.

25. Comparisons of shallow and deep groundwater levels have indicated the existence of both upward and downward vertical hydraulic gradients across the site.

26. Confined regional aquifer zones of moderate permeability are present at a depth of approximately 190 to 200 feet bgs. These aquifer zones are an extension of the major artesian basin of the south Bay and Santa Clara Valley and consists chiefly of unconsolidated Quaternary Alluvium.

GROUND WATER CONTAMINATION AND WATER QUALITY

27. Groundwater within the landfill refuse has been shown to contain volatile organic compounds (VOCs), semi-volatile organic compounds (SVOCs), polychlorinated biphenyls (PCBs), and ammonia.

28. Shallow and deep groundwater around the perimeter and/or beneath the landfill, outside the refuse limit, has had sporadic detections of low levels of VOCs and SVOCs at the following maximum concentrations: benzene at 7.2 micrograms per liter (µg/L), ethyl-benzene at 5 µg/L, acetone at 120 µg/L, toluene at 6 µg/L, trichloroethylene at 33 µg/L, carbon tetra-chloride at 5 µg/L, 1,1,1-trichloroethane at 7 µg/L, chloroform at 1 µg/L, 4-methyl-2-pentanone at 43 µg/L, phenol at 54 µg/L, bis (2-ethylhexyl) phthalate at 81 µg/L. Elevated concentrations of ammonia are present along the western edge of the landfill where a pig farm operated during the 1940’s and 1950’s and is the suspected ammonia source.

LEACHATE COLLECTION AND REMOVAL SYSTEM (LCRS)

29. The leachate collection system at the site was expanded and upgraded in 1998, concurrent with site development and consists of three groundwater collection trenches. The trenches were excavated to depths of 8 to 13 feet bgs and intercept the full thickness of the refuse-containing fill layer. The collection trenches are filled with permeable material to allow leachate to flow into perforated collection pipes. The trenches are capped with low-permeability clay. The locations of the leachate control trenches are shown in Figure 2. The northern leachate collection and removal trench is 1,400 feet long and is fitted with a sensor-activated automatic pumping system that periodically pumps leachate from manhole No. 3 to a connection with the sanitary sewer lateral where the leachate then flows by gravity to the South Bayside System Authority (SBSA) publicly operated treatment works (POTW) plant.. The two southeastern leachate collection and removal trenches total 2,800 feet in length. To remove leachate-impacted groundwater from these trenches, sensor activated automatic pumping systems have been installed in manhole No.'s 1 and 2; leachate-impacted groundwater is automatically pumped from manhole No. 2 and from manhole No. 1 to the sanitary sewer lateral where the leachate then flows by gravity to the SBSA POTW plant.

30. Leachate is discharged under a permit issued by the SBSA. The SBSA does random sampling and testing of the leachate discharge. All repeat test results forwarded by the SBSA have shown that the leachate discharge meets the SBSA criteria for discharge to the SBSA system without treatment.

LANDFILL GAS MANAGEMENT

31. Concurrently with site and building approval and construction, landfill gas (LFG) venting and monitoring systems for each building were approved and installed. A trench network was excavated under each building. A perforated high-density polyethylene (HDPE) pipe was embedded in rounded rock backfill in these trenches. The perforated pipes were extended beyond the building perimeter where they were manifolded together. The LFG pipe manifolds are connected to vertical LFG vent risers that allow the LFG to be vented to, and dissipated in, the atmosphere. The LFG vent risers and their immediate vicinity are monitored at a minimum of monthly to insure that dangerous concentrations of gas do not exist.

32. A continuous 60 mil HDPE membrane was installed on the underside of each first floor building slab to prevent LFG penetration into each building. Each building has a system of ten LFG sensors that are continuously monitored by an offsite life safety monitoring company. The LFG sensors are calibrated quarterly. The LFG detection alarm system and the LFG sensor calibration records are inspected annually by the San Mateo County Health Services Agency.

33. The LCRS trenches described above also act as a LFG cut-off wall. There are 13 LFG vent risers connected to the vadose zone in the permeable material above the leachate. They serve to collect the LFG intercepted by the leachate trenches and to vent this gas to the atmosphere before the LFG migrates to the property line.

These LFG vent risers are monitored and inspected not less frequently then once per month.

CURRENT AND FUTURE LAND USES

34. In accordance with plans submitted to, and approved by, the City of Redwood City and the San Mateo County Health Services Agency, the former landfill site has been developed, occupied, and maintained as a commercial business park.

35. The parcels are zoned for commercial use by the City of Redwood City. Permits for additional development and/or modifications to the existing developments may be applied for in the future.

POST CLOSURE MONITORING AND MAINTENANCE

36. The Dischargers submitted Utility Inspection, Maintenance, and Settlement Monitoring programs for different portions of the site to the City of Redwood City as part of the site's post-closure activities. This program includes providing surveyed permanent benchmarks on the property, surveyed utility alignments, and detailed periodic observations and records of settlement of the water facilities and the sanitary sewer force main.

MONITORING PROGRAMS

37. Title 27 requires that the Dischargers maintain a groundwater-monitoring program designed to detect the presence of waste constituents in groundwater outside of the waste management unit (WMU). The required monitoring is included in the Discharge Monitoring Program (Attachment A) and consists of a list of constituents of concern (COCs), sampling frequency, approved analytical methods, reporting requirements, the point of compliance, and an approved evaluation method to determine compliance consistent with Title 27.

38. **Groundwater Monitoring** - Board Order No. 94-181 required the Dischargers to document the installation of four additional monitoring wells to be included in the Discharge Monitoring Program (Attachment A). A report documenting completion of these wells, or their equivalent monitoring points, was submitted to the Board in a letter dated June 28, 1996. (MW3-1R, MW3-2, MW-4, and P5-1)

39. **Groundwater Monitoring** - There are 12 shallow (4 feet to 32 feet bgs) groundwater monitoring wells and piezometers at the site. These are shown on **Figure 2** and include P3-R, P-7, P-8, MW-4, MW-4P, K-4, P5-1R, MW-3, MW3- 2R, UPG-1, UPG-2, and K-1. There are three deeper (35 feet to 72 feet bgs) groundwater-monitoring wells and piezometers at the site. These are shown on Figure 2 and include DW-1, DW-2 and DW-3. Groundwater-monitoring is detailed in the Discharge Monitoring Program attached to this Order (Attachment A). The Dischargers are required to analyze according to the monitoring parameters presented in Attachment A of this Order.

40. **Leachate Monitoring** — There are 17 leachate monitoring wells/piezometers at the site. These are shown on Figure 2 and include S-2, S-3A, S-4A, S-5, P-2A, P3-PZ, P-4, P5-1-PZ, P-6, K3-R, K3-PZ, MW3-1R, PZ-2, PZ-2P, PZ-3A, PZ-3B, and PZ-3C. The Leachate Monitoring Program is detailed in the Discharge Monitoring Program attached to this Order (Attachment A).

41. **Vadose Zone Monitoring** — Vadose zone monitoring is conducted as part of the landfill gas venting and monitoring program and has been integrated into the commercial development of the site.

BASIN PLAN

42. The Regional Board adopted a revised Water Quality Plan for the San Francisco Bay Basin (Basin Plan) in June 21, 1995. This updated and consolidated plan represents the Board's master water quality control planning document. The State Water Resource Control Board and the Office of the Administrative Law approved the revised Basin Plan on July 20 and November 13, respectively, of 1995. A summary of regulatory provisions is contained in Title 23 of the California Code of Regulations, Section 3912. The Basin Plan defines beneficial uses and water quality objectives for waters of the State, including surface waters and groundwater.

43. State Board Resolution No. 89-39, "Sources of Drinking Water," defines potential sources of drinking water to include all groundwater in the region, with limited exceptions for areas containing high TDS, high background contaminant levels, or those areas with a low-yield. Shallow and deeper (33-75 feet bgs) groundwater at the site is not considered a potential drinking water source as it exceeds electrical conductivities of 5,000 microseimens per centimeter (uS/cm). There is no current use of the site's shallow or deep groundwater, nor any anticipated plans for its use. However, any groundwater at the site meeting Resolution 89-39 requirements of TDS concentrations below 3000 mg/L, electrical conductivities below 5,000 uS/cm, and with production yields greater that 200 gallons per day will be considered a potential drinking water source.

BENEFICIAL USES

44. The beneficial uses of Belmont Slough, and South San Francisco Bay as contained in the Basin Plan are as follows:

    a. Wildlife habitat;

    b. Brackish and salt water marshes;

    c. Water contact recreation;

    d. Non-water contact recreation;

    e. Commercial and sport fishing;

f. Preservation of rare and endangered species;

g. Estuarine habitat;

h. Fish migration and spawning;

i. Industrial process supply; and,

j. Industrial service supply.

45. The present and potential beneficial uses of the groundwater are as follows:

a. Domestic and municipal water supply;

b. Freshwater replenishment; and,

c. Agricultural supply.

STORM WATER POLLUTION PREVENTION

46. Board Order No. 94-181 required the Dischargers to prepare, implement and submit a Storm Water Pollution Prevention Plan (SWPPP) in accordance with requirements specified in State Water Resources Control Board General Permit for Storm Water Discharges Associated with Industrial Activities (NPDES Permit No. CAS000001). The Dischargers prepared and submitted a SWPPP dated March 24, 1995, in accordance with requirements specified in State Water Resources Control Board General Permit for Storm Water Discharges Associated with Construction Activities (NPDES Permit No. CAS000002). The SWPPP was implemented at the site during the construction phase. The NPDES General Permit requires the Dischargers to submit annual reports. The Dischargers implemented the SWPPP and submitted annual reports. With the completion of the construction phase, the Dischargers have filed a Notice of Termination for the site.

CONTINGENCY PLAN

47. Board Order No. 94-181 required the Dischargers to submit a Contingency Plan that would be implemented in the event of a leak or spill from the leachate collection facilities. An acceptable Contingency Plan was submitted to the Board on March 15, 1995. The Contingency Plan provides for immediate notice to the Board, the Local Enforcement Agency, and the California Department of Toxic Substances Control. The Contingency Plan also provides for the implementation of a corrective action plan to stop and contain the migration of pollutants from the site.

POST-EARTHQUAKE INSPECTION AND CORRECTIVE ACTION PLAN

48. Board Order No. 94-181 required the Dischargers to submit a detailed Post-Earthquake Inspection and Corrective Action Plan to be implemented in the event of an earthquake generating ground shaking of Richter Magnitude 7 or greater at, or within 30 miles of, the landfill. The Dischargers submitted an acceptable Plan dated March 14, 1995. The Plan describes containment features and groundwater monitoring and leachate control facilities potentially impacted by the static and seismic deformations of the landfill. The Plan provides for reporting results of the post earthquake inspection to the Board within 72 hours of the occurrence of an appropriate earthquake. Immediately after an earthquake event causing damage to the landfill structures, the Plan includes the implementation of the corrective action plan and includes providing notification of any damage to the Board.

CALIFORNIA ENVIRONMENTAL QUALITY ACT

49. The Dischargers have completed a Final Environmental Impact Report, a Supplemental Environmental Impact Report, a Health Risk Assessment, and a Technical Addendum for development at the site that resulted in the filing of Notice of Determination 108639 Appendix H by the Redwood City Planning Division on March 3, 1995 stating that the findings were pursuant to California Environmental Quality Act (CEQA).

50. This action is exempted from the provision of CEQA pursuant to Section 15301, Title 14, of the California Code of Regulations.

PUBLIC NOTICE

51 The Board has notified the Dischargers and interested agencies and persons of its intent to issue waste discharge requirements for the Dischargers and has provided them with an opportunity for a public hearing and an opportunity to submit their written views and recommendations.

PUBLIC MEETING

52 The Board in a public meeting heard and considered all comments pertaining to the discharge.

IT IS HEREBY ORDERED that the Dischargers, their agents, successors and assigns are to conduct post-closure maintenance and monitoring and shall meet the applicable provisions contained in Title 27, Division 2, Subdivision 1 of the California Code of Regulations and Division 7 of the California Water Code and shall comply with the following:

A. PROHIBITIONS

1. Waste shall not be in contact with ponded water from any source whatsoever.

2. The site is regulated as a closed facility. Therefore, no further waste shall be deposited or stored at this site.

3. Leachate from waste and ponded water containing leachate or in contact with solid wastes shall not be discharged to the waters of the State or the United States.

4. Neither the treatment nor the discharge of waste shall create a condition of pollution, contamination or nuisance, as defined by Section 13050 of the California Water Code (CWC). (H & SC Section 5411, CWC Section 13263)

5. The Dischargers, or any future site owner or operator of the site, shall not cause the following conditions to exist in waters of the State at any place outside the waste management facility:

   a. Surface Waters

      1) Floating, suspended, or deposited macroscopic particulate matter or foam.

      2) Bottom deposits or aquatic growths;

      3) Alteration of temperature, turbidity, or apparent color beyond natural background levels;

      4) Visible, floating, suspended or deposited oil or other products of petroleum origin; and,

      5) Toxic or other deleterious substances to be present in concentrations or quantities which may cause deleterious effects on aquatic biota, wildlife or waterfowl, or which render any of these unfit for human consumption either at levels created in the receiving waters or as a result of biological concentrations.

   b. Groundwater

      1) Groundwater shall not be degraded as a result of the waste maintained at this facility.

B. SPECIFICATIONS

1. All reports pursuant to this order shall be prepared under the supervision of a registered civil engineer, California registered geologist or certified engineering geologist.

2. The final cover system shall be maintained to promote lateral runoff and prevent ponding and infiltration of water.

3. Surface drainage from tributary areas and internal site drainage from surface sources shall not contact or percolate through wastes during the life of the site.

4. The site shall be protected from any washout or erosion of wastes or covering material and from inundation which could occur as a result of a 100-year, 24-hour precipitation event, or as the result of flooding with a return frequency of 100 years.

5. The existing LCRS shall be inspected monthly or more frequently as necessary and any excess accumulated fluid shall be removed.

6. The existing containment, drainage, landfill gas, leachate collection, and monitoring systems at the facility, shall be operated and/or maintained as long as leachate or landfill gas is present and either or both pose a threat to water quality. In the event these existing features are found to be ineffective at resolving impairments to groundwater, the Dischargers may be required to take additional corrective actions.

7. The Dischargers shall assure that the foundation of the site, the solid waste fill, and the structures (including future site structures) which control leachate, surface drainage, erosion, and gas are maintained to relevant engineering criteria, including the ability to withstand conditions generated during the maximum probable earthquake. Furthermore, new structures shall be constructed and maintained in compliance with approved engineering criteria.

8. The Dischargers shall analyze the samples from the specified groundwater wells as outlined in the Discharge Monitoring Program (Attachment A).

9. The Dischargers shall install any reasonable additional groundwater and leachate monitoring devices required to fulfill the terms of any future Discharge Monitoring Program issued by the Executive Officer.

10. Landfill gases shall be adequately vented, removed from the landfill, or otherwise controlled to minimize the danger of explosion, adverse health effects, nuisance conditions, or the impairment of beneficial uses of water.

11. The Dischargers are subject to performance standards adopted by the California Integrated Waste Management Board for post-closure land use, which specify that the devices and features installed in accordance with this Order are designed, maintained, and continue to operate as intended without significant interruption.

12. The Dischargers shall maintain a minimum of two surveyed permanent monuments installed by a licensed land surveyor near the landfill from which the location and elevation of wastes, containment structures, and monitoring facilities can be determined throughout the operation and post-closure maintenance period.

13. The Regional Board shall be notified immediately of any failure occurring in the waste management unit. Any failure that threatens the integrity of containment features or the landfill shall be promptly corrected after approval of the method and schedule by the Executive Officer.

14. The Dischargers shall maintain the facility so as to prevent a statistically significant increase in the concentrations of indicator parameters or constituents of concern at groundwater monitoring points as provided in Section 20415 (e) (7) of Title 27. The Dischargers shall maintain the facility so as not to exceed the "Water Quality Protection Standard" (WQPS) of the Discharge Monitoring Program (Attachment A).

15. In the event of a release of a constituent of concern from the WMU beyond the Point of Compliance (Section 20405, Title 27), the site begins a Compliance Period (Section 20410, Title 27). During the Compliance Period, the Dischargers shall perform an Evaluation Monitoring Program and, depending on the findings, prepare an Optional Demonstration Report or Feasibility Study and Corrective Action Program, as appropriate. The Point of Compliance is defined as the vertical surface located along the hydraulically downgradient limit of the waste management unit and extending through the uppermost aquifer underlying the unit.

16. The Dischargers shall comply with all applicable provisions of Title 27 of the California Code of Regulations not specifically referred to in this Order.

C. PROVISIONS

1. The Dischargers shall comply with all Prohibitions, Specifications and Provisions of this Order. All required submittals must be acceptable to the Executive Officer. The Dischargers must also comply with all conditions of these Waste Discharge Requirements. Violations may result in enforcement actions, including Regional Board orders or court orders requiring corrective action or imposing civil monetary liability, or in modification or revocation of these waste discharge requirements by the Regional Board. (CWC Section 13261, 13263, 13265, 13267, 13268, 13300, 13301, 13304, 13340, 13350).

2. All technical and monitoring reports submitted in accordance to this Order are being requested pursuant to Section 13267 of the California Water Code. Failure to submit reports in accordance with schedules established by this Order or failure to submit a report of sufficient technical quality to be acceptable to the Executive Officer may subject the Dischargers to enforcement action pursuant to Section 13268 of the California Water Code.

3. In addition to printed submittals, all reports submitted pursuant to this Order must be submitted as electronic files in PDF format. The Regional Board has implemented a document imaging system, which is ultimately intended to reduce the need for printed report storage space and streamline the public file review process. Documents in the imaging system may be viewed, and print copies made, by the public, during file reviews conducted at the Regional Board's office. PDF files can be created by converting the original electronic files format (e.g., Microsoft Word) and/or by scanning printed text, figures, and tables. Data tables

containing water level measurements, sample analytical results, coordinates, elevations and other monitoring information shall also be provided electronically in Microsoft Excel® or similar spreadsheet format to provide an easy to review summary, and to facilitate data computations and/or plotting that Regional Board staff may undertake during their review. Data tables submitted in electronic spreadsheet format will not be included in the case file for public review. All electronic files must be submitted on CD or diskette and included with the print report.

4. The Dischargers shall file with the Regional Board, Discharger Monitoring Reports, performed according to the attached Discharge Monitoring Program issued by the Executive Officer. The Executive Officer may amend the Discharge Monitoring Program at any time, as water quality conditions warrant.

5. The Dischargers shall submit an **Annual Monitoring Report**, acceptable to the Executive Officer, by January 31 of each year in accordance with the attached Discharge Monitoring Program (Attachment A). The annual report to the Board shall cover the previous calendar year as described in Part A of the Discharge Monitoring Program. In addition to the requirements outlined in Attachment A, this report shall also include the following: location and operational condition of all leachate and groundwater monitoring wells; groundwater and leachate potentiometric contours for each monitoring event; and tabulation of monthly leachate volumes discharged to the sanitary district along with any tabulated analytical results (if collected by the Dischargers). Furthermore, the Dischargers shall submit **Semi-Annual Monitoring Reports**, in accordance with the Discharge Monitoring Program (Attachment A), no later than January 31 and July 31 of each year; the January 31 semi-annual report may be combined with the annual report. The semi-annual report shall document any proposed maintenance activities for the upcoming monitoring period.

REPORT DUE DATES:

SEMI-ANNUAL AND ANNUAL REPORTS:

ANNUAL REPORT—January 31 (Each Year)

SEMI-ANNUAL REPORT — January 31 and July 31 (Each Year)

6. The Dischargers shall immediately notify the Board of any flooding, equipment failure, slope failure, or other change in site conditions that could impair the integrity of waste or leachate containment facilities or precipitation and drainage control structures.

REPORT DUE DATE:

Verbally Report Immediately (Written Report to follow within 5 Days)

7. The Dischargers shall prepare and submit a Development Proposal, acceptable to the Executive Officer, for any proposed additional development at the landfill.

COMPLIANCE DUE DATE:

120 days prior to commencement of construction

8. The Discharge Monitoring Program accompanying this Order (Attachment A) does not require the installation of any new wells. However, for any new wells required and installed as part of any future revised Discharge Monitoring Program, the Dischargers shall submit a Well Installation Report, acceptable to the Executive Officer, that provides all well construction details, geologic boring logs, and well development logs for these new wells.

COMPLIANCE DUE DATE:

45 days following completion of well installation activities

9. The Dischargers shall maintain a copy of these waste discharge requirements and these requirements shall be available to site personnel at the facility office at all times. (CWC Section 13263).

10. The Board considers the property owner(s) to have continuing responsibility for correcting any problems that arise in the future as a result of waste discharged or related activities.

11. The Dischargers shall permit the Regional Board or its authorized representative, upon presentation of credentials, during normal business hours:

    a. Immediate entry upon the premises on which wastes are located or in which any required records are kept;

    b. Access to copy any records required to be kept under the terms and conditions of this order;

    c. Inspection of any treatment equipment, monitoring equipment, or monitoring methods required by this order or by any other California State Agency; and,

    d. Sampling of any discharge or groundwater governed by this order.

12. The Dischargers shall notify the succeeding owners or operators of this Order by letter in the event of any change in control, ownership of land, or waste discharge facilities presently owned or controlled by the Dischargers. The Dischargers must notify the Executive Officer, in writing at least 30 days in advance of any proposed transfer of this Order's responsibility and coverage to a new discharger. The notice must include a written agreement between the existing Dischargers and the new dischargers-containing a specific date for the transfer of this order's responsibility and coverage between the current Dischargers and the new dischargers. This agreement shall include an acknowledgment that the existing Dischargers are liable for violations up to the transfer date and that the new

dischargers are liable from the transfer date on. (CWC Sections 13267 and 13263). The request must contain the requesting entity's full legal name, and the address and telephone number of the persons responsible for contact with the Board. Failure to submit the request shall be considered a discharge without requirements, a violation of the California Water Code.

13. This Order is subject to Board review and updating, as necessary, to comply with changing State and Federal laws, regulations, policies, or guidelines; changes in the Board's Basin Plan; or changes in the discharge characteristics (CWC Section 13263).

14. Where the Dischargers becomes aware that they failed to submit any relevant facts in a Report of Waste Discharge or submitted incorrect information in a Report of Waste Discharge or in any report to the Regional Board, it shall promptly submit such facts or information (CWC Sections 13260 and 13267).

15. This Order does not convey any property rights of any sort or any exclusive privileges. The requirements prescribed herein do not authorize the commission of any act causing injury to persons or property, do not protect the Dischargers from liability under Federal, State or local laws, nor do they create a vested right for the Dischargers to continue waste discharge [CWC Section 13263(g)].

16. Provisions of these waste discharge requirements are severable. If any provision of these requirements is found invalid, the remainder of these requirements shall not be affected.

17. The Dischargers shall, at all times, properly operate and maintain all facilities and systems of treatment and control (and related appurtenances) which are installed or used by the Dischargers to achieve compliance with conditions of this Order. Proper operation and maintenance includes effective performance, adequate funding, adequate operator staffing and training, and adequate laboratory and process controls including appropriate quality assurance procedures. This provision requires the operation of backup or auxiliary facilities or similar systems only when necessary to achieve compliance with the conditions of this order [CWC Section 13263(f)].

18. Except for a discharge which is in compliance with these waste discharge requirements, any person who, without regard to intent or negligence, causes or permits any hazardous substance or sewage to be discharged in or on any waters of the State, or discharged or deposited where it is, or probably will be, discharged in or on any waters of the State, shall, as soon as (a) that person has knowledge of the discharge, (b) notification is possible, and (c) notification can be provided without substantially impeding cleanup or other emergency measures, immediately notify the Office of Emergency Services of the discharge in accordance with the spill reporting provision of the state toxic disaster contingency plan adopted pursuant to Article 3.7 (commencing with Section

8574.7) of Chapter 7 of Division 1 of Title 2 of the Government Code, and immediately notify the State Board or the appropriate Regional Board of the discharge. This provision does not require reporting of any discharge of less than a reportable quantity as provided for under subdivisions (f) and (g) of Section 13271 of the Water Code unless the Dischargers are in violation of a prohibition in the applicable Water Quality Control Plan [CWC Section 13271(a)].

19. The Dischargers shall report any noncompliance that may endanger health or the environment. Any such information shall be provided orally to the Executive officer within 24 hours from the time the Dischargers becomes aware of the circumstances. A written submission shall also be provided within five days of the time the Dischargers becomes aware of the circumstances. The written submission shall contain a description of the noncompliance and its cause; the period of noncompliance, including exact dates and times, and if the noncompliance has not been corrected; the anticipated time it is expected to continue and steps taken or planned to reduce, eliminate, and prevent recurrence of the noncompliance. The Executive Officer, or an authorized representative, may waive the written report on a case-by-case basis if the oral report has been received within 24 hours [CWC Sections 13263 and 13267].

20. All monitoring instruments and devices used by the Dischargers to fulfill the prescribed Discharge Monitoring Program (Attachment A) shall be properly maintained and calibrated as necessary to ensure their continued accuracy.

21. Unless otherwise permitted by the Regional Board Executive officer, all analyses shall be conducted at a laboratory certified for such analyses by the State Department of Health Services. The Executive Officer may allow use of an uncertified laboratory under exceptional circumstances, such as when the closest laboratory to the monitoring location is outside the State boundaries and therefore not subject to certification. All analyses shall be required to be conducted in accordance with the latest edition of “Guidelines Establishing Test Procedures for Analysis of Pollutants” (40 CFR, Part 1360) promulgated by the U.S. Environmental Protection Agency (CCR Title 23, Section 2230).

22. This Board’s Order No. 94-181 is hereby rescinded.

I, Loretta K. Barsamian, Executive Officer, do hereby certify that the foregoing is a full, complete, and correct copy of an Order adopted by the California Regional Water Quality Control Board, San Francisco Bay Region, on August 20, 2003.

Loretta K. Barsamian
Executive Officer

Figures: Figure 1 - Site Location Map
Figure 2 - Site Plan

Attachment: Attachment A - Discharge Monitoring Program

Base map from *The Thomas Guide, San Mateo County, 1993 Edition*. Reproduced with permission granted by THOMAS BROS. MAPS®. This map is copyrighted by THOMAS BROS. MAPS®. It is unlawful to copy or reproduce all or any part thereof, whether for personal use or resale, without permission. *All rights reserved.*

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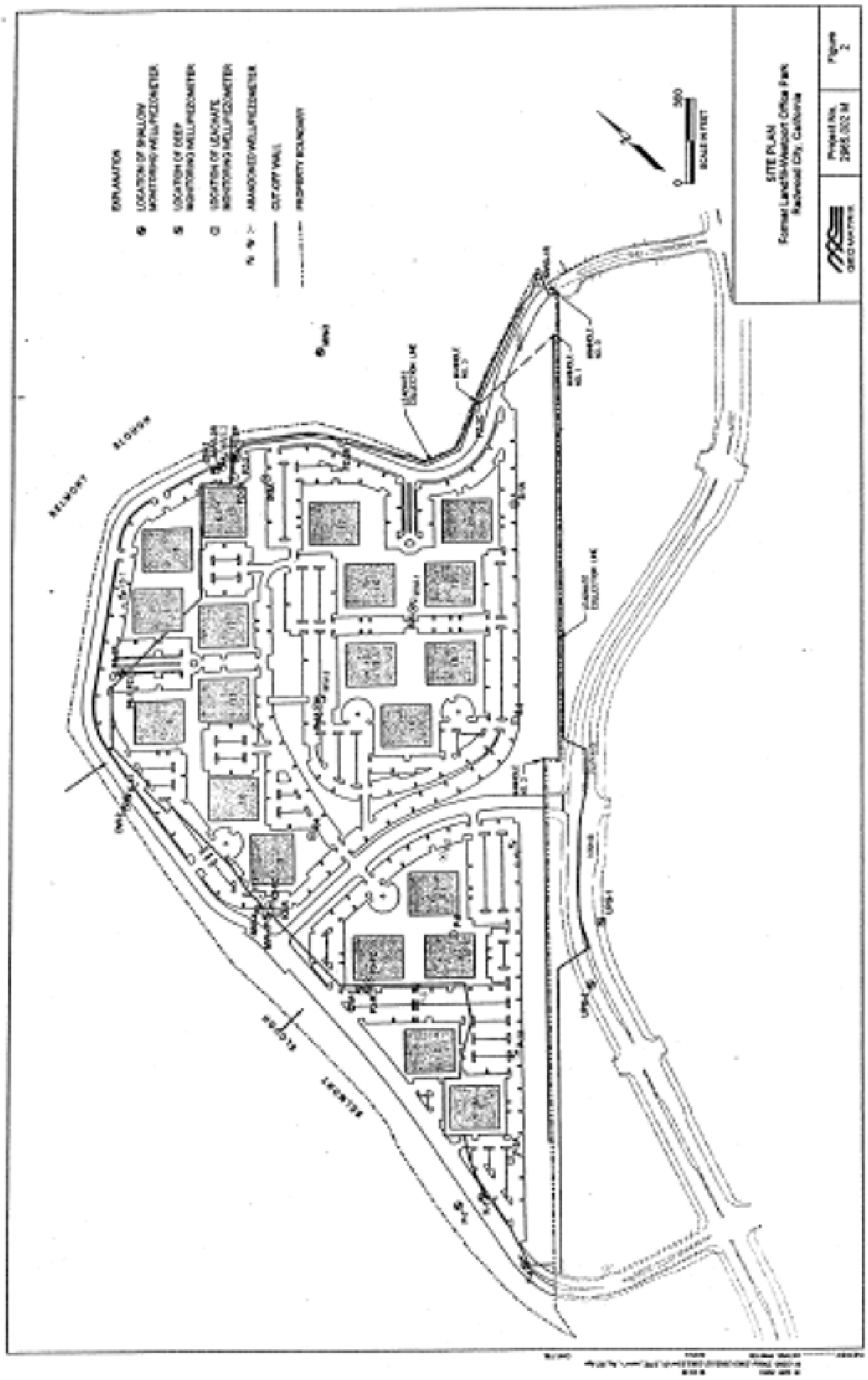
0 2200 Feet

GEOMATRIX

SITE LOCATION MAP
Former Landfill-Westport Office Park
Redwood City, California

Project No.
2965.02M

Figure
1


SITE PLAN
Figure 2

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD SAN FRANCISCO BAY REGION

DISCHARGE MONITORING PROGRAM
FOR

WESTPORT LANDFILL
JOHN ARRILLAGA SURVIVOR'S TRUST, PEERY PRIVATE INVESTMENT COMPANY, AND THE PEERY PUBLIC INVESTMENT COMPANY

REDWOOD CITY, SAN MATEO COUNTY

ORDER NO. R2-2003-0074

CONSISTS OF
PART A
AND
PART B

PART A

A. GENERAL

Reporting responsibilities of waste dischargers are specified in Sections 13225(a), 13267(b), 13383, and 13387(b) of the California Water Code and this Regional Board's Resolution No.73-16. This Discharge Monitoring Program is issued in accordance with Provision C.3 of Regional Board Order No. R2-2003-0074

The principal purposes of a discharge-monitoring program are:

(1) to document compliance with waste discharge requirements and prohibitions established by the Board,

(2) to facilitate self-policing by the Dischargers in the prevention and abatement of pollution arising from waste discharge,

(3) to develop or assist in the development of standards of performance and toxicity standards, and

(4) to assist the Dischargers in complying with the requirements of Title 27.

B. SAMPLING AND ANALYTICAL METHODS

Sample collection, storage, and analyses shall be performed according to the most recent version of EPA Standard Methods and in accordance with an approved sampling and analysis plan.

Water and waste analysis shall be performed by a laboratory approved for these analyses by the State of California. The director of the laboratory whose name appears on the certification shall supervise all analytical work in his/her laboratory and shall sign all reports of such work submitted to the Regional Board.

All monitoring instruments and equipment shall be properly calibrated and maintained to ensure accuracy of measurements.

C. DEFINITION OF TERMS

1. A grab sample is a discrete sample collected at any time.

2. Receiving waters refers to any surface water, which actually or potentially receives surface or groundwater which passes over, through, or under waste materials or contaminated soils. In this case, the groundwater adjacent to the landfill areas and the surface runoff from the site are considered receiving waters.

3. Standard observations refer to:

a. Receiving Waters:

1) Floating and suspended materials of waste origin: presence or absence, source, and size of affected area;

2) Discoloration and turbidity: description of color, source, and size of affected area;

3) Evidence of odors, presence or absence, characterization, source, and distance of travel from source;

4) Evidence of beneficial use: presence of water associated wildlife;

5) Flow rate; and,

6) Weather conditions: wind direction and estimated velocity, total precipitation during the previous five days and on the day of observation.

b. Perimeter of the Waste Management Unit:

1) Evidence of liquid leaving or entering the waste management unit, estimated size of affected area and flow rate. (Show affected area on map);

2) Evidence of odors, presence or absence, characterization, source, and distance of travel from source; and,

3) Evidence of erosion and/or daylighted refuse.

c. The Waste Management Unit:.

1) Evidence of ponded water at any point on the waste management facility;

2) Evidence of odors, presence or absence, characterization, source, and distance of travel from source;

3) Evidence of erosion, slope movement, ground movement, and/or daylighted refuse; and,

4) Standard Analysis (SA) and measurements are listed on Part B, 1., A., Table A (attached)

D. SAMPLING, ANALYSIS, AND OBSERVATIONS

The Dischargers are required to perform sampling, analyses, and observations in the following media:

1. Groundwater per Section 20415 and

2. Surface water per Section 20415 and per the general requirements specified in Section 20415 of Title 27 is not required. Due to the extensive Bay Mud flats surrounding the site and the hazards associated with traversing them, sampling this medium is not feasible. Shallow groundwater is considered receiving waters at this site.

3. Vadose zone per Section 2550.7(d) which is accomplished by sampling, analyzing, and recording the landfill gas concentrations at gas vent risers located at each building and at the east and southeast boundary of the site.

E. RECORDS TO BE MAINTAINED

Written reports shall be maintained by the Dischargers or laboratory, and shall be retained for a minimum of five years. This period of retention shall be extended during the course of any unresolved litigation regarding this discharge or when requested by the Board. Such records shall show the following for each sample:

1. Identity of sample and sample station number;
2. Date and time of sampling;
3. Date and time that analyses are started and completed, and name of the personnel performing the analyses;
4. Complete procedure used, including method of preserving the sample, and the identity and volumes of reagents used;
5. Calculation of results; and,
6. Results of analyses, and detection limits for each analysis.

F. REPORTS TO BE FILED WITH THE BOARD

1. MONITORING REPORTS

Written discharge monitoring reports shall be filed by the 31st day of the month following the reporting period (the reporting period is specified in Part B of this program). In addition an annual report shall be filed as indicated in F.3 below. The reports shall comprise the following:

a. Letter of Transmittal

A letter transmitting the essential points in each report should accompany each report. Such a letter shall include a discussion of any requirement violations found during the last report period, and actions taken or planned for correcting the violations. If the Dischargers have previously submitted a detailed time schedule for correcting requirement violations, a reference to the correspondence transmitting such schedule will be satisfactory. If no violations have occurred in the last report period this shall be stated in the letter of transmittal. Monitoring reports and the letter transmitting the monitoring reports shall be signed by a principal executive officer at the level of vice president or his duly authorized representative, if such representative is responsible for the overall operation of the facility from which the discharge originates. The letter shall contain a statement by the official, under penalty of perjury, that to the best of the signer’s knowledge the report is true, complete, and correct.

b. Each monitoring report shall include a compliance evaluation summary. The summary shall contain:

1) Concentration Limits for the Westport Landfill for all constituents of concern except ammonia, are “laboratory non-detect” based upon laboratory non-detect results for background concentrations of the listed COCs. As such, a non-statistical method is appropriate to determine whether a measurably significant release has occurred from the Westport Landfill. Therefore, any reported laboratory detection at a point of compliance monitoring well is considered a potential release. For ammonia, a statistically significant increase shall be evaluated using a statistical method acceptable to the Regional Board staff. Any potential release must be evaluated through additional monitoring and analyses acceptable to the Executive Officer.

2) A graphic description of the direction of groundwater flow under/around the waste management unit, based upon the water level elevations obtained during the monitoring period and pertinent visual observations.

3) The method and time of water level measurement, the type of pump used for purging, pump placement in the well; method of purging, pumping rate, equipment and methods used to monitor field pH, temperature, and conductivity during purging, calibration of the field equipment, results of pH, temperature, and conductivity testing, and the method of disposing of the purge water.

4) Type of pump used, pump placement for sampling, a detailed description of the sampling procedure; number and description of equipment, field and travel blanks; number and description of duplicate samples; type of sample containers and preservatives used, the date and time of sampling, the name and qualifications of the person actually taking the samples, and any other observations.

c. A map or aerial photograph shall accompany each report showing observation and monitoring station locations.

d. Laboratory statements of results of analyses specified in Part B, Table A must be included in each report. The director of the laboratory whose name appears on the laboratory certification shall supervise all analytical work in his/her laboratory and shall sign all reports of such work submitted to the Board.

1) The methods of analyses and detection limits must be appropriate for the expected concentrations. Specific methods of analyses must be identified. If methods other than EPA approved methods or Standard Methods are used, the exact methodology must be submitted for review and approved by the Executive Officer prior to use.

2) In addition to the results of the analyses, laboratory quality assurance/quality control (QA/QC) information must be included in the monitoring report. The laboratory QA/QC information should include the method, equipment and analytical detection limits; the recovery rates; an explanation for any recovery rate that is less than 80% of the specific laboratory recovery limits; the results of equipment and method blanks; the results of spiked and surrogate samples; the frequency of quality control analysis; and the name and qualifications of the person(s) performing the analyses.

e. An evaluation of the effectiveness of the leachate monitoring or control facilities, which includes an evaluation of leachate buildup within the disposal units, a potentiometric surface map, a summary of leachate volumes removed from the units, and a discussion of the leachate disposal methods utilized.

f. A summary and certification of completion of all standard observations for the waste management unit, the perimeter of the waste management unit, and the receiving waters.

2. CONTINGENCY REPORTING

A report shall be made by telephone of any seepage from the disposal area immediately after it is discovered. A written report shall be filed with the Board within five working days thereafter. This report shall contain the following information:

1) A map showing the location(s) of discharge;

2) Approximate flow rate;

3) Nature of effects; i.e. all pertinent observations and analyses; and

4) Corrective measures underway, proposed, or as specified in the Waste Discharge Requirements.

3. REPORTING

By January 31 of each year the Dischargers shall submit an annual report to the Board covering the previous calendar year. This report shall contain:

a. Tabular summaries of the historical and recent monitoring data obtained during the previous year; the report should be accompanied by a compact disk (CD), MS-EXCEL format, tabulating the year’s data.

b. A comprehensive discussion of the compliance record, and the corrective -actions taken or planned which may be needed to bring the Dischargers into full compliance with the waste discharge requirements.

c. A written summary of the groundwater analyses indicating any change in the quality of the groundwater.

d. An evaluation of the effectiveness of the leachate monitoring/ control facilities, which includes an evaluation of leachate buildup within the disposal units, a summary of leachate volumes removed from the units, and a discussion of the leachate disposal methods utilized.

4. WELL LOGS

Although no new wells are required at the time of the adoption of this Order, if future conditions require the installation of additional monitoring wells, a boring log and a monitoring well construction log shall be submitted for each new sampling well established for this monitoring program, as well as a report of inspection or certification that each well has been constructed in accordance with the construction standards of the Department of Water Resources. These shall be submitted within 45 days after well installation.

PART B

1. DESCRIPTIONS OF OBSERVATION STATIONS AND SCHEDULE OF OBSERVATIONS.

A. GROUNDWATER AND LEACHATE MONITORING

Report Semi-annually

i. Groundwater: Groundwater samples shall be analyzed as outlined in Table A (Attached). Groundwater elevations shall be recorded quarterly and reported semi-annually in the July and January semi-annual monitoring reports.

Monitoring Points:

Groundwater	P-8, P-7, P3-R, MW-4, MW-4P, K-4, P5-1R, MW3-2R, MW-3, DW-1, DW-2, DW-3, UPG-1, UPG-2

MW-4 and MW-4P are in close proximity, therefore only one well needs to be monitored for the parameters listed in Table A. The other well (MW-4P) is intended as a piezometer well and shall be monitored for water elevation only. MW-4 is considered a POC well.

Wells UPG-1, UPG-2, and MW-3 shall be monitored for water elevation only.

ii. Leachate samples shall be analyzed once every five years (First leachate chemical analysis due for the January through July 2003 semi-annual monitoring event) for the parameters outlined in Table A (Attached). Leachate water elevations shall be recorded quarterly and reported semi-annually in the July and January semi-annual monitoring reports.

Monitoring Points:

Leachate-Impacted Groundwater	S-2, S-3A, S-4A, S-5, P-2A, P3-PZ, P-4, P5-1-PZ, P-6, K3-R, K3-PZ*, MW3-1R, PZ-2*, PZ-2P, PZ-3A*, PZ-3B*, PZ-3C

All wells shall be monitoring for water elevation. All wells shall be monitored for chemical constituents outlined in Table A (Attached) once every 5 Years. Wells denoted with an asterisk (*) shall be monitored for leachate elevations only.

B. FACILITIES MONITORING

The Dischargers shall inspect all facilities to ensure proper and safe operation once per quarter and report semi-annually.

Operation once per quarter and report semi-annually.

MONITORING REPORT SCHEDULE

Reports shall be due on the following schedule:

First semi-annual report:	**July 31 of each year**
Second semi-annual Report:	**January 31 of each year**
Annual Report:	**Combined with the second semi-annual report, due January 31 of each year**

I, Loretta K. Barsamian, Executive Officer, hereby certify that the foregoing Self-Monitoring Program:

1. Has been developed in accordance with the procedures set forth in this Board's Resolution No. 73-16 in order to obtain data and document compliance with waste discharge requirements established in this Board's Order No. R2-2003-0074
2. Is effective on the date shown below.
3. May be reviewed or modified at any time subsequent to the effective date, upon written notice from the Executive Officer.

/s/ Loretta K. Baramian

Loretta K. Barsamian
Executive Officer

Date Ordered: August 20, 2003

Attachment: Table A — Schedule for Sampling, Measurement, and Analysis

Table A - Discharge Monitoring Program, List of Analytical Parameters-Leachate and Groundwater

Field/Inorganic Parameters	Method[1]	Frequency
pH	Field	Semi-Annual
Electrical conductivity	Field	Semi-Annual
Groundwater Elevations	Field	Quarterly [2]
Leachate Elevations	Field	Quarterly [2]
Total Ammonia	350.3	Semi-Annual
Ammonia (un-ionized)	350.1	Semi-Annual

Organics/ PCBs	Method[1]	Frequency
Volatile Organic Compounds (including MTBE)	8260	Semi-Annual [3,4]
Semi-Volatile Organic Compounds	8270	Semi-Annual [3,4]
PCBs	8082	Semi-Annual [3,4]

Notes:

1. Test methods per Methods for Chemical Analysis of Water and Waste, USEPA 600/4/79/029, revised March 1983, or Test Methods for Evaluating Solid Wastes: Physical/Chemical Methods, USEPA SW-846, 3rd edition, November 1986 and revisions. Board staff may consider alternative EPA and/or Standard Methods, with comparable MDLs and PQLs, for use at the Westport Landfill.
2. Analyzed quarterly and reported semi-annually.
3. Analysis of groundwater (wells located outside the waste management unit) shall be conducted during the 2003 calendar year. Any identified impacted groundwater monitoring wells shall be analyzed semi-annually thereafter. All other groundwater-monitoring wells shall be sampled annually, thereafter.
4. Analysis of existing leachate-impacted groundwater wells within the WMU shall be conducted during the 2003 calendar year and once every 5 years, thereafter.

EXHIBIT I

WESTPORT OFFICE PARK

ENVIRONMENTAL QUESTIONNAIRE

ENVIRONMENTAL QUESTIONNAIRE
FOR COMMERCIAL AND INDUSTRIAL PROPERTIES

Property Name: Westport Office Park

Property Address: 3400 Bridge Parkway, Redwood City, CA 94065

Instructions: The following questionnaire is to be completed by the Tenant representative with knowledge of the planned operations for the specified building/location. Please print clearly and attach additional sheets as necessary.

1.0 PROCESS INFORMATION

Describe planned use, and include brief description of manufacturing processes employed.

Research and development space for diagnostics equipment, and pilot production manufacturing.

2.0 HAZARDOUS MATERIALS

Are hazardous materials used or stored? If so, continue with the next question. If not, go to Section 3.0.

2.1 Are any of the following materials handled on the Property? Yes No

(A material is handled if it is used, generated, processed, produced, packaged, treated, stored, emitted, discharged, or disposed.) If so, complete this section. If this question is not applicable, skip this section and go on to Section 5.0.

Explosives	Fuels	Oils
Solvents	Oxidizers	Organics/Inorganics
Acids	Bases	Pesticides
Gases	PCBs	Radioactive Materials
Other (please specify)		

2.2. If any of the groups of materials are checked in Section 2.1, please list the specific material(s), use(s), and quantity of each chemical used or stored on the site in the table below. If convenient, you may substitute a chemical inventory and list the uses of each of the chemicals in each category separately.

Material	Physical State (Solid, Liquid, or Gas)	Usage	Container Size	Number of Containers	Total Quantity
Hexane	L	Occasional	500 ml	1	500 ml
Heptane	L	Occasional	500 ml	1	500 ml
Methonal	L	Occasional	500 ml	1	500 ml
Methylpiperazine	L	Occasional	500 ml	1	500 ml
Tetradecane	L	Occasional	500 ml	1	500 ml
Mercaptoethanol	L	Occasional	500 ml	1	500 ml
Clyclohexane	L	Occasional	500 ml	1	500 ml
Dichloromethane	L	Occasional	500 ml	1	500 ml
Acetonitrile	L	Occasional	500 ml	1	500 ml
Hexamethyldisiloxane	L	Occasional	500 ml	1	500 ml

Material	Physical State (Solid, Liquid, or Gas)	Usage	Container Size	Number of Containers	Total Quantity
Dimethylformarmide	L	Occasional	500 ml	1	500 ml
Methylpiperazine	L	Occasional	500 ml	1	500 ml
Butanol	L	Occasional	500 ml	1	500 ml
Chloroform	L	Occasional	500 ml	1	500 ml
Polydemthysiloxane, Trimethysiloxy	L	Occasional	500 ml	1	500 ml
Ethanol	L	Occasional	Liter	10	10L
Sulfaric acid	L	Occasional	500 ml	1	500 ml
Chromium Etchant	L	Occasional	Gallon	1	1 Gallon
Fluoride-Bifluoride-hydrofluric acid	L	Occasional	500 ml	1	500 ml
Acetic acid	L	Occasional	500 ml	1	500 ml
Hydrogen peroxide	L	Occasional	Gallon	1	1 Gallon
Hydrolchloric acid	L	Occasional	500 ml	1	500 ml

2.3. Describe the planned storage area location(s) for these materials. Please include site maps and drawings as appropriate.

The locations of storage is still in the planning process, but these material will be stored in a chemical cabinet

3.0 HAZARDOUS WASTES

Are hazardous wastes generated? Yes No

If yes, continue with the next question. If not, skip this section and go to Section 4.0.

3.1 Are any of the following wastes generated, handled, or disposed of (where applicable) on the Property?

Hazardous wastes	Industrial Wastewater
Waste oils	PCBs
Air emissions	Sludges
Regulated Wastes	Other (please specify)

3.2. List and quantify the materials identified in Question 3.1 of this section.

Waste Generated	RCRA listed Waste?	Source	Approximate Monthly Quantity	Waste Characterization	Disposition

3.3. Please include name, location, and permit number (e.g. EPA ID No.) for transporter and disposal facility, if applicable. Attach separate pages as necessary.

Transporter/Disposal Facility Name	Facility Location	Transporter (T) or Disposal (D) Facility	Permit Number
InGenium	Inglewood, CA	Transporter	CAR000179747

3.4. Are pollution controls or monitoring employed in the process to prevent or minimize the release of wastes into the environment? Yes No

3.5. If so, please describe.

4.0 USTS/ASTS

4.1 Are underground storage tanks (USTs), aboveground storage tanks (ASTs), or associated pipelines used for the storage of petroleum products, chemicals, or liquid wastes present on site (lease renewals) or required for planned operations (new tenants)? Yes ☐ No ☒

If not, continue with Section 5.0. If yes, please describe capacity, contents, age, type of the USTs or ASTs, as well any associated leak detection/spill prevention measures. Please attach additional pages if necessary.

Capacity	Contents	Year Installed	Type (Steel, Fiberglass, etc.)	Associated Leak Detection / Spill Prevention Measures*

* Note: The following are examples of leak detection / spill prevention measures:

Integrity testing	Inventory reconciliation	Leak detection system
Overfill spill protection	Secondary containment	Cathodic protection

4.2. Please provide copies of written tank integrity test results and/or monitoring documentation, if available.

4.3. Is the UST/AST registered and permitted with the appropriate regulatory agencies? Yes No
If so, please attach a copy of the required permits.

4.4. If this Questionnaire is being completed for a lease renewal, and if any of the USTs/ASTs have leaked, please state the substance released, the media(s) impacted (e.g., soil, water, asphalt, etc.), the actions taken, and all remedial responses to the incident.

Not applicable.

4.5. If this Questionnaire is being completed for a lease renewal, have USTs/ASTs been removed from the Property? Yes No N/A

If yes, please provide any official closure letters or reports and supporting documentation (e.g., analytical test results, remediation report results, etc.).

4.6. For Lease renewals, are there any above or below ground pipelines on site used to transfer chemicals or wastes? Yes No N/A

For new tenants, are installations of this type required for the planned operations? Yes No

If yes to either question, please describe.

5.0 ASBESTOS CONTAINING BUILDING MATERIALS

Please be advised that an asbestos survey may have been performed at the Property. If provided, please review the information that identifies the locations of known asbestos containing material or presumed asbestos containing material. All personnel and appropriate subcontractors should be notified of the presence of these materials, and informed not to disturb these materials. Any activity that involves the disturbance or removal of these materials must be done by an appropriately trained individual/contractor.

6.0 REGULATORY

6.1. Does the operation have or require a National Pollutant Discharge Elimination System (NPDES) or equivalent permit? Yes No
If so, please attach a copy of this permit.

6.2. Has a Hazardous Materials Business Plan been developed for the site? Yes No
If so, please attach a copy.

CERTIFICATION

I am familiar with the real property described in this questionnaire. By signing below, I represent and warrant that the answers to the above questions are complete and accurate to the best of my knowledge. I also understand that Landlord will rely on the completeness and accuracy of my answers in assessing any environmental liability risks associated with the property.

Signature: */s/ Sayeed Andeshmand*
Name: Sayeed Andeshmand
Title: Facilities Manager
Date: 1/15/21
Telephone: 510.676.9343

EXHIBIT J

MEASUREMENT STANDARD

Building rentable area

The rentable area of the building is measured by determining the area enclosed by the measure line. Such measure line shall follow the outermost structural or architectural element of the building. Each full floor rentable area is measured and added together to obtain the gross building rentable area. Gross building rentable area also includes:

- Covered recessed loading dock areas;
- Covered recessed exit doors, stairwell doors or other exit/entrance areas of the buildings;
- Rooftop decks, balconies; and
- Mechanical mezzanine and support areas and void areas required by the buildings' construction.

Building Common Area

The Building Common Area includes all of the areas of a building that are used to provide services to building tenants, plus all vertical penetrations and their enclosing walls (i.e., vertical ducts, flues, pipe shafts, balconies, stairwells, elevator core and other similar columns and projections). These areas are not included in the exclusive area of any specific tenant. The Building Common Area also includes any other common areas and amenities. Rentable square feet reflecting the Building Common Areas are added to the floor rentable area of a tenant suite to calculate the total rentable area of a tenant's premises using a building R/U ratio. The building R/U ratio reflects the building rentable area divided by the building usable area.

EXHIBIT K

LOCATION OF VISITOR PARKING STALLS

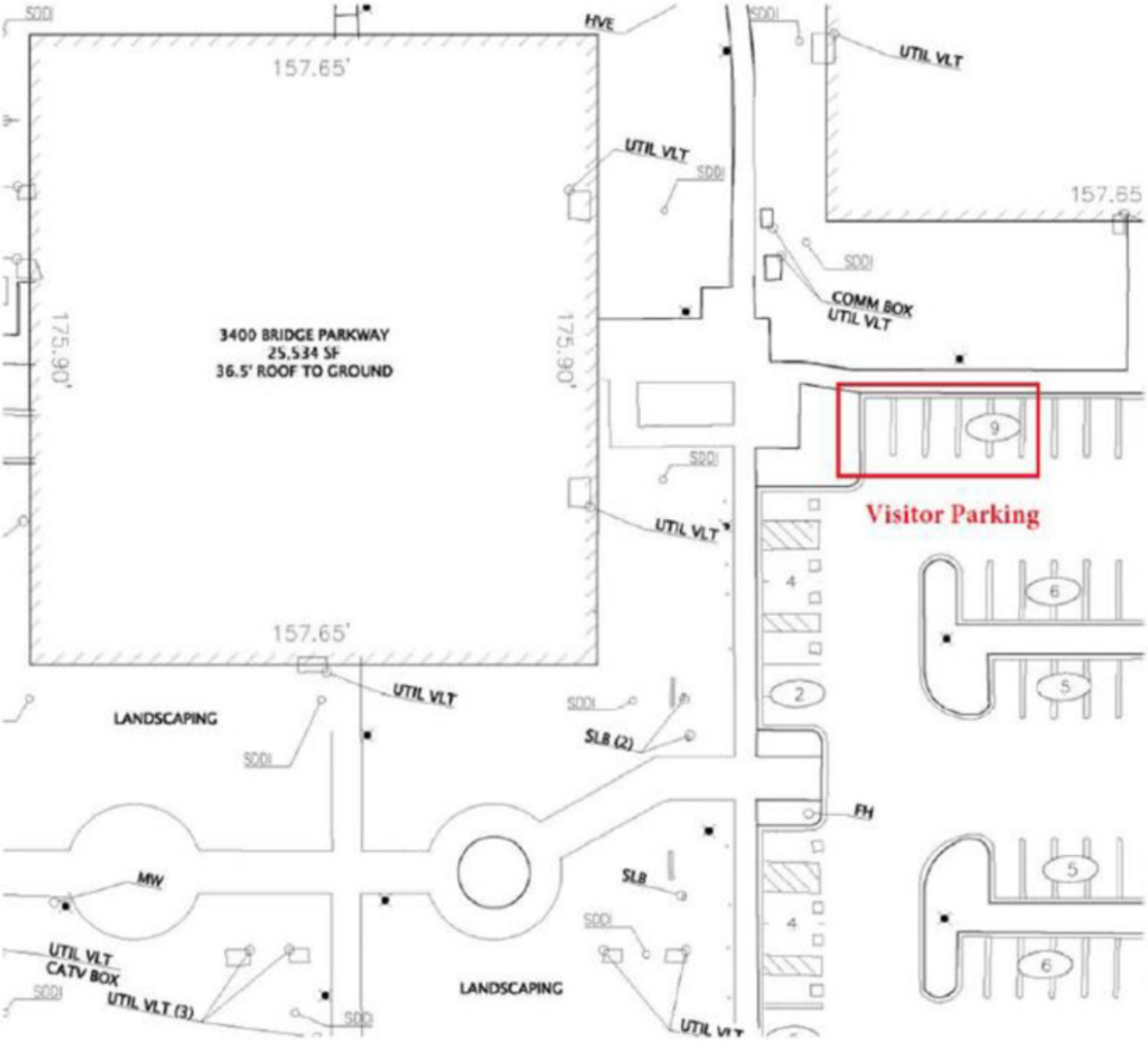


EXHIBIT L

SNDA

(See Attached)

JPMORGAN CHASE BANK, N.A.
(Mortgagee)

- and -

_____
(Tenant)

- and -

WESTPORT OFFICE PARK, LLC
(Landlord)

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

Dated: as of _____, 2021

Location: _____

Section:
Block:
Lot:
County:

PREPARED BY AND UPON
RECORDATION RETURN TO:

Dentons US LLP
233 S. Wacker Drive, Suite 5900
Chicago, Illinois 60606
Attention: Steven R. Davidson, Esq.

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement") is made and entered into as of the __ day of _____, 2021, by and among JPMORGAN CHASE BANK, N.A., a national banking association, as Administrative Agent for itself and various other lending institutions (defined below) ("Mortgagee"), TALIS BIOMEDICAL CORPORATION, a Delaware corporation ("Tenant"), and WESTPORT OFFICE PARK, LLC, a Delaware limited liability company and its successors and assigns ("Landlord").

RECITALS:

A. Landlord owns, leases or controls (or will be acquiring) the land ("Land") described in Exhibit A attached hereto and the building and related improvements located thereon (the "Building"; the Land and Building are collectively referred to as the "Property").

B. Under the terms of a certain lease (the "Lease") dated _____, between Tenant and Landlord, or Landlord's predecessor in title, Tenant has leased a portion of the Building, as more particularly described in the Lease (the "Demised Premises").

C. Landlord has executed, or will be executing, a mortgage or deed of trust in favor of Mortgagee (the "Mortgage") pursuant to which Landlord has encumbered or will encumber Landlord's interest in the Land, Building and Lease to secure, among other things, the payment of certain indebtedness owing by Landlord to one or more lenders (the "Lenders") as described therein and in all other documents evidencing, securing or guaranteeing such indebtedness (the "Loan Documents").

D. The parties hereto desire to have the Lease be subordinate to the Mortgage and the lien thereof, to establish certain rights of non-disturbance for the benefit of Tenant under the Lease, and further to define the terms, covenants and conditions precedent for such rights.

AGREEMENT:

NOW, THEREFORE, for good and valuable consideration, the parties hereto mutually agree as follows:

1. Subordination. The Lease, as the same may hereafter be modified, amended or extended, and all of the terms, covenants and provisions thereof and all rights, remedies and options of Tenant thereunder are and shall at all times continue to be subject and subordinate in all respects to the Mortgage, including without limitation, all renewals, increases, modifications, consolidations, extensions and amendments thereof with the same force and effect as if the Mortgage and the other Loan Documents had been executed, delivered and (in the case of the Mortgage) recorded prior to the execution and delivery of the Lease.

2. Non-Disturbance. In the event of foreclosure of the Mortgage or conveyance in lieu of foreclosure, which foreclosure or conveyance occurs prior to the expiration of the term of the Lease, including any extensions and renewals of such term now provided thereunder, and so long as Tenant is not in default under any of the terms, covenants and conditions of the Lease beyond any applicable notice and cure periods, Mortgagee agrees on behalf of itself, its successors and assigns, including any purchaser at such foreclosure (each being referred to herein as an "Acquiring Party"), that Tenant shall not be named as a party therein unless such joinder shall be required by law, provided, however, such joinder and such event of foreclosure or conveyance in lieu of foreclosure shall not result in the termination of the Lease or disturb the Tenant's possession, quiet enjoyment or use of the Demised Premises, or diminish any of the rights of Tenant under the Lease, or increase any of Tenant's obligations under the Lease, and the sale of the Property in any such action or proceeding and the exercise by Mortgagee of any of its other rights under the Mortgage shall be made subject to all rights of Tenant under the Lease (subject to the terms of this Agreement); provided, further, however, that Mortgagee and Tenant agree that the following provisions of the Lease (if any) shall not be binding on Mortgagee or Acquiring Party: any option to purchase or any right of first refusal to purchase with respect to the Property, and any provision regarding the use of insurance proceeds or condemnation proceeds with respect to the Property which is inconsistent with the terms of the Mortgage.

3. Attornment. In the event of foreclosure of the Mortgage or conveyance in lieu of foreclosure, which foreclosure or conveyance occurs prior to the expiration date of the term of the Lease, including any extensions and renewals of such term now provided thereunder, Tenant shall, at the election of the Acquiring Party, either: (i) attorn to and recognize the Acquiring Party as the new landlord under the Lease (and Acquiring Party shall assume all of the obligations of the Landlord under the Lease, except as set forth in Section 4 below), which Lease shall thereupon become a direct lease between Tenant and the Acquiring Party for the remainder of the term of the Lease (including all extension periods which have been or are hereafter exercised) upon the same terms and conditions as are set forth in the Lease (subject to the terms of this Agreement); or (ii) if any Landlord default under the Lease is not susceptible to cure and results in the termination of the Lease, or the Lease is terminated for any other reason, including, without limitation, as a result of rejection in a bankruptcy or similar proceeding, then upon receiving the written request of the Acquiring Party, Tenant shall enter into a new lease of the Demised Premises with the Acquiring Party (a "New Lease"), which New Lease shall be upon substantially the same terms, covenants and conditions as are set forth in the Lease (subject to the terms of this Agreement) for the remainder of the term of the Lease (including all extension periods which have been or are hereafter exercised). In either such event described in the preceding clauses (i) or (ii) of this Section 3, Tenant hereby agrees to pay and perform all of the obligations of Tenant pursuant to the Lease (or the New Lease, as applicable) as provided under the Lease (or New Lease, as applicable) for the benefit of the Acquiring Party. For all purposes of this Agreement, the word "Lease" shall be deemed to mean the Lease or any such New Lease, as applicable.

4. Limitation of Liability. Notwithstanding anything to the contrary contained herein or in the Lease, in the event of foreclosure of the Mortgage or conveyance in lieu of foreclosure, which foreclosure or conveyance occurs prior to the expiration date of the term of the Lease, including any extensions and renewals of such term now provided thereunder, the liability of Mortgagee, its successors and assigns, or Acquiring Party, as the case may be, shall be limited to its interest in the Property; provided, however, that Mortgagee or Acquiring Party, as the case may be, and their respective successors and assigns, shall in no event and to no extent:

(a) be liable to Tenant for any past act, omission or default on the part of any prior landlord (including Landlord) and Tenant shall have no right to assert the same or any damages arising therefrom as an offset, defense or deficiency against Mortgagee, Acquiring Party or the successors or assigns of either of them, unless such default continues uncured after the date Mortgagee or Acquiring Party succeeds to the interest of Landlord under the Lease and such default is reasonably susceptible of cure by Mortgagee or Acquiring Party, as the case may be, in which case Mortgagee or Acquiring Party, as the case may be, shall be obligated to cure such default.

(b) be liable for or subject to any offsets or defenses which Tenant might have against any prior landlord (including Landlord); provided, however, that Mortgagee or Acquiring Party, as the case may be, shall be subject to any offsets and abatement rights expressly provided in the Lease and/or any claims or defenses which Tenant may have against Mortgagee or Acquiring Party, as the case may be, arising from any default by Mortgagee or Acquiring Party, as the case may be, with respect to its obligations as landlord under the Lease after the date that it takes title to the Property. The foregoing shall not waive, limit or impair in any manner or form any offset rights, abatement rights and/or self-help rights in favor of Tenant under the Lease and the foregoing shall in no event be interpreted to waive any offset or defense which Tenant may have, to the extent the same may arise in connection with circumstances arising or continuing after the date of Mortgagee or Acquiring Party's succession to the interest of Landlord;

(c) be liable for any payment of rent or additional rent which Tenant might have paid for more than one month in advance of the due date thereof or any deposit, rental security or any other sums deposited with any prior landlord (including Landlord), except to the extent such monies are actually received by or credited to Mortgagee or Acquiring Party, as applicable;

(d) be bound by any amendment, modification or termination of the Lease, or by any waiver or forbearance on the part of any prior landlord (including Landlord), in either case to the extent the same is made or given without the prior written consent of Mortgagee; except those (i) made or effected pursuant to the express terms of the Lease, (ii) made solely for purposes of documenting the exercise of rights expressly set forth in the Lease, or (iii) that Landlord is entitled to enter into without the consent of Mortgagee pursuant to the terms of the Mortgage or any other Loan Documents;. Anything herein to the contrary notwithstanding, Tenant may terminate or surrender the Lease pursuant to the express terms of the Lease.

(e) be bound by any warranty, representation or indemnity of any nature whatsoever made by any prior landlord (including Landlord) under the Lease including any warranties, representations or indemnities regarding any work required to be performed under the Lease, use, compliance with zoning, hazardous wastes or environmental laws, habitability, fitness for purpose, title or possession; or

(f) be liable to Tenant for construction or restoration, or delays in construction or restoration, of the Building or the Demised Premises, or for the obligations of any prior landlord (including Landlord) to reimburse Tenant for or indemnify Tenant against any costs, expenses or damages arising from such construction or any delay in Tenant's occupancy of the Demised Premises; provided, however, if Mortgagee or Acquiring Party succeeds to the interest of Landlord under the Lease, then Mortgagee or Acquiring Party, as the case may be, shall be bound by the provisions of Article 19 of the Lease and obligated to perform Landlord's restoration obligations, if applicable, in such Article 19.

5. Rent. Tenant hereby agrees to and with Mortgagee that, upon receipt from Mortgagee of a notice of any default by Landlord under the Mortgage, Tenant will pay to Mortgagee directly all rents, additional rents and other sums then or thereafter due under the Lease. In the event of the foregoing, Landlord hereby authorizes Tenant to pay to Mortgagee directly all rents, additional rents and other sums then or thereafter due under the Lease. Any and all payments made by Tenant to Mortgagee pursuant to a payment request made by Mortgagee to Tenant as provided above shall be deemed proper payment by Tenant of such sum pursuant to the Lease and shall be credited against Tenant's rental obligations under the Lease. In addition, Landlord hereby indemnifies and holds Tenant harmless from and against any and all claims, causes of actions, demands, liabilities and losses of any kind or nature, including but not limited, to attorney's fees and expenses, sustained by Tenant as a result of any and all claims by third parties claiming through Landlord all or any portion of the rent, additional rents, and other sums due under the Lease which are paid by Tenant directly to Mortgagee in accordance with the terms and conditions hereof.

6. No Amendment. Landlord and Tenant each agree not to amend, modify or terminate the Lease in any manner without the prior written consent of Mortgagee; except that Landlord and Tenant may amend, modify or terminate the Lease without the consent of Mortgagee to the extent such amendment, modification or termination is (i) made or effected pursuant to the express terms of the Lease, or (ii) made solely for purposes of documenting the exercise of rights expressly set forth in the Lease, and (iii) Landlord may enter into any such amendment, modification or termination to the extent that Landlord is entitled to enter into the same without the consent of Mortgagee pursuant to the terms of the Mortgage or any other Loan Documents;

7. Further Documents. The foregoing provisions shall be self-operative and effective without the execution of any further instruments on the part of any party hereto. Tenant agrees, however, to execute and deliver to Mortgagee or Acquiring Party, as the case may be, or such other person to whom Tenant herein agrees to attorn such other instruments as such party shall reasonably request in order to effectuate said provisions.

8. Notice and Cure. Tenant agrees that if there occurs a default by Landlord under the Lease:

(a) A copy of each notice given to Landlord pursuant to the Lease shall also be given simultaneously to Mortgagee, and no such notice shall be effective for any purpose under the Lease unless so given to Mortgagee; and

(b) If Landlord shall fail to cure any default within the time prescribed by the Lease, Mortgagee shall have the right (but not the obligation) to remedy any Landlord default under the Lease, or to cause any default of Landlord under the Lease to be remedied and shall be allowed such additional time as may be reasonably necessary to cure such default or institute and complete foreclosure proceedings (or otherwise acquire title to the Building), and so long as Mortgagee shall be proceeding diligently to cure the defaults that are reasonably susceptible of cure or proceeding diligently to foreclosure the Mortgage, no such default shall operate or permit Tenant to terminate the Lease.

9. Notices. All notices, demands, approvals and requests given or required to be given hereunder shall be in writing and shall be deemed to have been properly given upon receipt when personally served or sent by overnight delivery service or upon the third (3rd) business day after mailing if sent by U. S. registered or certified mail, postage prepaid, addressed as follows:

Mortgagee:

JPMorgan Chase Bank, N.A., as Administrative Agent
10 South Dearborn Avenue, 19th Floor
Mail Code IL1-0958
Chicago, Illinois 60603
Attention: Dan Polacek

with a copy to:

Dentons US LLP
233 South Wacker Drive, Suite 5900
Chicago, Illinois 60606
Attention: Steven R. Davidson, Esq.

Landlord:

Westport Office Park, LLC
c/o Longfellow Real Estate Partners
260 Franklin Street, Suite 1920
Boston, MA 02110
Attention: Asset Management

With a copy to:

Westport Office Park, LLC
c/o Longfellow Real Estate Partners
1300 Island Drive, Suite 100
Redwood City, CA. 94065
Attention: Property Manager

Tenant:

Talis Biomedical Corporation
230 Constitution Drive
Menlo Park, CA 94025
Attention: Legal Department

with a copy to:

Talis Biomedical Corporation
1253 S. Clark Street, 12th Floor
Chicago, IL 60603
Attention: CEO

or to such other address in the United States as such party may from time to time designate by written notice to the other parties.

10. Binding Effect. The terms, covenants and conditions hereof shall be binding upon and inure to the benefit of Mortgagee (for the benefit of the Lenders), Acquiring Party(ies), Landlord and Tenant and their respective heirs, executors, administrators, successors and assigns.

11. No Oral Modifications. This Agreement may not be modified in any manner or terminated except by an instrument in writing executed by all the parties hereto or their respective successors in interest.

12. Governing Law. This Agreement shall be governed, construed, applied and enforced in accordance with the laws of the State of California.

13. Counterparts. This Agreement may be signed in counterparts, each of which shall be deemed an original and all of which together shall constitute one document.

14. Inapplicable Provisions. If any term, covenant or condition of this Agreement is held to be invalid, illegal or unenforceable in any respect by a court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to be enforceable, or if such modification is not practicable, such provision shall be deemed deleted from this Agreement, and the other provisions of this Agreement shall remain in full force and effect.

15. Authority. Each of the undersigned parties further represents and warrants to the other parties hereto that the person executing this Agreement on behalf of each such party hereto has been duly authorized to so execute this Agreement and to cause this Agreement to be binding upon such party and its successors and assigns.

16. Tenant's Personal Property. It is expressly agreed to between Mortgagee, Landlord and Tenant that in no event shall the Mortgage cover or encumber (and shall not be construed as subjecting in any manner to the lien thereof) any of Tenant's moveable trade fixtures, business equipment, furniture, signs or other personal property at any time placed in, on or about the Property.

17. Subsequent Transfer. If any Acquiring Party, by succeeding to the interest of Landlord under the Lease, should become obligated to perform the covenants of Landlord thereunder, then, upon any transfer of Landlord's interest by such Acquiring Party, all obligations under the Lease first accruing after the transfer of Landlord's interest by such Acquiring Party shall terminate as to such Acquiring Party.

18. Judicial Reference. IN THE EVENT ANY LEGAL PROCEEDING IS FILED IN A COURT OF THE STATE OF CALIFORNIA (THE "COURT") BY OR AGAINST ANY PARTY HERETO IN CONNECTION WITH ANY CONTROVERSY, DISPUTE OR CLAIM DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY) (EACH, A "CLAIM") THE PARTIES HERETO AGREE AS FOLLOWS:

(a) WITH THE EXCEPTION OF THE MATTERS SPECIFIED IN SUBPARAGRAPH (b) BELOW, ANY CLAIM WILL BE DETERMINED BY A GENERAL REFERENCE PROCEEDING IN ACCORDANCE WITH THE PROVISIONS OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTIONS 638 THROUGH 645.1. THE PARTIES INTEND THIS GENERAL REFERENCE AGREEMENT TO BE SPECIFICALLY ENFORCEABLE IN ACCORDANCE WITH CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638. EXCEPT AS OTHERWISE PROVIDED IN THE LOAN DOCUMENTS, VENUE FOR THE REFERENCE PROCEEDING WILL BE IN THE STATE OR FEDERAL COURT IN THE COUNTY OR DISTRICT WHERE VENUE IS OTHERWISE APPROPRIATE UNDER APPLICABLE LAW.

(b) THE FOLLOWING MATTERS SHALL NOT BE SUBJECT TO A GENERAL REFERENCE PROCEEDING: (A) NON-JUDICIAL FORECLOSURE OF ANY SECURITY INTERESTS IN REAL OR PERSONAL PROPERTY, (B) EXERCISE OF SELF-HELP REMEDIES (INCLUDING, WITHOUT LIMITATION, SET-OFF), (C) APPOINTMENT OF A RECEIVER AND (D) TEMPORARY, PROVISIONAL OR ANCILLARY

REMEDIES (INCLUDING, WITHOUT LIMITATION, WRITS OF ATTACHMENT, WRITS OF POSSESSION, TEMPORARY RESTRAINING ORDERS OR PRELIMINARY INJUNCTIONS). THIS AGREEMENT DOES NOT LIMIT THE RIGHT OF ANY PARTY TO EXERCISE OR OPPOSE ANY OF THE RIGHTS AND REMEDIES DESCRIBED IN CLAUSES (A)—(D) AND ANY SUCH EXERCISE OR OPPOSITION DOES NOT WAIVE THE RIGHT OF ANY PARTY TO A REFERENCE PROCEEDING PURSUANT TO THIS AGREEMENT.

(c) UPON THE WRITTEN REQUEST OF ANY PARTY, THE PARTIES SHALL SELECT A SINGLE REFEREE, WHO SHALL BE A RETIRED JUDGE OR JUSTICE. IF THE PARTIES DO NOT AGREE UPON A REFEREE WITHIN TEN (10) DAYS OF SUCH WRITTEN REQUEST, THEN, ANY PARTY MAY REQUEST THE COURT TO APPOINT A REFEREE PURSUANT TO CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 640(B).

(d) ALL PROCEEDINGS AND HEARINGS CONDUCTED BEFORE THE REFEREE, EXCEPT FOR TRIAL, SHALL BE CONDUCTED WITHOUT A COURT REPORTER, EXCEPT WHEN ANY PARTY SO REQUESTS, A COURT REPORTER WILL BE USED AND THE REFEREE WILL BE PROVIDED A COURTESY COPY OF THE TRANSCRIPT. THE PARTY MAKING SUCH REQUEST SHALL HAVE THE OBLIGATION TO ARRANGE FOR AND PAY COSTS OF THE COURT REPORTER, PROVIDED THAT SUCH COSTS, ALONG WITH THE REFEREE'S FEES, SHALL ULTIMATELY BE BORNE BY THE PARTY WHO DOES NOT PREVAIL, AS DETERMINED BY THE REFEREE.

(e) THE REFEREE MAY REQUIRE ONE OR MORE PREHEARING CONFERENCES. THE PARTIES HERETO SHALL BE ENTITLED TO DISCOVERY, AND THE REFEREE SHALL OVERSEE DISCOVERY IN ACCORDANCE WITH THE RULES OF DISCOVERY, AND MAY ENFORCE ALL DISCOVERY ORDERS IN THE SAME MANNER AS ANY TRIAL COURT JUDGE IN PROCEEDINGS AT LAW IN THE STATE OF CALIFORNIA. THE REFEREE SHALL APPLY THE RULES OF EVIDENCE APPLICABLE TO PROCEEDINGS AT LAW IN THE STATE OF CALIFORNIA AND SHALL DETERMINE ALL ISSUES IN ACCORDANCE WITH APPLICABLE STATE AND FEDERAL LAW. THE REFEREE SHALL BE EMPOWERED TO ENTER EQUITABLE AS WELL AS LEGAL RELIEF AND RULE ON ANY MOTION WHICH WOULD BE AUTHORIZED IN A TRIAL, INCLUDING, WITHOUT LIMITATION, MOTIONS FOR DEFAULT JUDGMENT OR SUMMARY JUDGMENT. THE REFEREE SHALL REPORT HIS DECISION, WHICH REPORT SHALL ALSO INCLUDE FINDINGS OF FACT AND CONCLUSIONS OF LAW.

(f) THE PARTIES RECOGNIZE AND AGREE THAT ALL CLAIMS RESOLVED IN A GENERAL REFERENCE PROCEEDING PURSUANT HERETO WILL BE DECIDED BY A REFEREE AND NOT BY A JURY.

19. Number and Gender. Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa.

[REMAINDER OF PAGE LEFT INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

MORTGAGEE:

JPMORGAN CHASE BANK, N.A.

By: _____
Name: _____
Title: _____

[Signature Page to Subordination, Non-Disturbance and Attornment Agreement]

TENANT:

TALIS BIOMEDICAL CORPORATION,
a Delaware corporation

By: _____
Name: _____
Title: _____

[Signature Page to Subordination, Non-Disturbance and Attornment Agreement]

LANDLORD:

WESTPORT OFFICE PARK,
a Delaware limited liability company

By: _____
Name: _____
Title: _____

ACKNOWLEDGMENTS

STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

On _____, 2021, before me, _____ a Notary Public in and for said State, personally appeared _____ , of **JPMorgan Chase Bank, N.A.**, a national banking association, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, of the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal

_____
Notary Public
My Commission Expires: _____

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA

ss

COUNTY OF _____

On _____, before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

_____ (Seal)

(Signature)

STATE OF _____)
) ss
COUNTY OF COOK _____)

On _____, 2020, before me, _____ a Notary Public in and for said State, personally appeared _____, the _____ of _____ _____, a _____, which is the _____ of **Westport Office Park, LLC,** a Delaware limited liability company, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he/she executed the same in his/her authorized capacity, and that by his/her signature on the instrument the person, of the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal

_____
Notary Public
My Commission Expires: _____

EXHIBIT A

LEGAL DESCRIPTION

Real property in the City of Redwood City, County of San Mateo, State of California, described as follows: PARCEL ONE:

A PORTION OF PARCEL A AS SHOWN ON THAT CERTAIN MAP ENTITLED “PARCEL MAP 84-6, BEING A SUBDIVISION OF PATENT PARCEL II AS SHOWN ON THE RECORD OF SURVEY RECORDED IN VOLUME 8 OF MAPS, PAGE 123, SAN MATEO COUNTY RECORDS AND LYING ENTIRELY WITHIN THE CITY OF REDWOOD CITY, CALIFORNIA”, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA ON JUNE 28, 1984 IN VOLUME 54 OF PARCEL MAPS, PAGES 72 AND 73, SAID REAL PROPERTY BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE WESTERLY TERMINATION OF THE COMMON PROPERTY LINE BETWEEN PARCEL A AND PARCEL B, BEING ON THE WESTERLY BOUNDARY OF PARCEL B AS SHOWN ON SAID MAP; THENCE SOUTH 09° 11’ 27” WEST 28.76 FEET; THENCE SOUTH 03° 33’ 33” EAST 47.59 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 87° 56’ 50” EAST 584.22 FEET; THENCE NORTH 02° 03’ 10” EAST 6.00 FEET; THENCE ALONG THE ARC OF A 706.00 FOOT RADIUS CURVE TO THE RIGHT FROM A RADIAL BEARING OF NORTH 02° 03’ 10” EAST THROUGH A CENTRAL ANGLE OF 15°40’36” AN ARC LENGTH OF 193.17 FEET TO A POINT OF COMPOUND CURVATURE; THENCE ALONG THE ARC OF A 800.00 FOOT RADIUS TANGENT CURVE TO THE RIGHT THROUGH A CENTRAL ANGLE OF 28° 31’ 14” AN ARC LENGTH OF 398.22 FEET; THENCE TANGENT TO LAST SAID CURVE SOUTH 43° 45’ 00” EAST 106.55 FEET TO THE SOUTHEASTERLY BOUNDARY LINE OF PARCEL A; THENCE ALONG LAST SAID LINE SOUTH 44° 02’ 34” WEST 1778.87 FEET; SOUTH 09° 02’ 48” WEST 125.54 FEET; THENCE NORTH 18° 14’ 14” WEST 53.68 FEET; THENCE NORTH 11° 10’ 03” WEST 142.02 FEET; THENCE NORTH 03° 29’ 04” WEST 89.70 FEET; THENCE NORTH 1° 45’ 48” EAST 201.66 FEET; THENCE NORTH 08° 18’ 38” EAST 195.10 FEET; THENCE NORTH 10° 54’ 35” EAST 235.12 FEET; THENCE NORTH 18° 58’ 38” EAST 108.75 FEET; THENCE NORTH 07° 11’ 20” EAST 102.36 FEET; THENCE NORTH 00° 55’ 54” EAST 463.17 FEET; THENCE NORTH 03° 33’ 33” WEST 163.93 FEET TO THE TRUE POINT OF BEGINNING.

BEING THE PARCEL DESIGNATED AS WESTPORT-LOT 1 ON THAT CERTAIN LOT LINE ADJUSTMENT RECORDED OCTOBER 28, 1997, AS INSTRUMENT NO. 97-139320, OFFICIAL RECORDS.

PARCEL TWO:

A PORTION OF PARCEL A AND ALL OF PARCEL B AS SHOWN ON THAT CERTAIN MAP ENTITLED “PARCEL MAP 84-6, BEING A SUBDIVISION OF PATENT PARCEL II AS SHOWN ON THE RECORD OF SURVEY RECORDED IN VOLUME 8 OF MAPS, PAGE 123, SAN MATEO COUNTY RECORDS AND LYING ENTIRELY WITHIN THE CITY OF REDWOOD CITY, CALIFORNIA”, FILED IN THE OFFICE OF THE COUNTY RECORDER OF SAN MATEO COUNTY, STATE OF CALIFORNIA ON JUNE 28, 1984 IN VOLUME 54 OF PARCEL MAPS, PAGES 72 AND 73, SAID REAL PROPERTY BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE WESTERLY TERMINATION OF THE COMMON PROPERTY LINE BETWEEN PARCEL A AND PARCEL B, BEING ON THE WESTERLY BOUNDARY OF PARCEL B AS SHOWN ON SAID MAP; THENCE NORTH 09° 11’ 27” EAST 185.88 FEET; THENCE NORTH 07° 56’ 53” EAST 198.21 FEET; THENCE NORTH 10° 25’ 00” EAST 611.71 FEET; THENCE NORTH 54° 14’ 48” EAST 508.08 FEET; THENCE NORTH 57° 25’ 25” EAST 255.96 FEET; THENCE NORTH 78° 48’ 18” EAST 88.61 FEET; THENCE SOUTH 79° 04’ 11” EAST 109.12 FEET; THENCE SOUTH 70° 53’ 05” EAST 364.54 FEET; THENCE SOUTH 52° 05’ 07” EAST 267.81 FEET; THENCE SOUTH 28° 34’ 01” EAST 185.68 FEET; THENCE SOUTH 23° 00’ 30” EAST 227.22 FEET; THENCE SOUTH 67° 37’ 53” EAST 113.99 FEET; THENCE NORTH 67° 30’ 28” EAST 298.26 FEET; THENCE NORTH 71° 37’ 24” EAST 403.31 FEET; THENCE SOUTH 06° 08’ 10” EAST 10.69 FEET;

THENCE SOUTH 09° 32’ 04” WEST 97.07 FEET; THENCE SOUTH 44° 02’ 34” WEST 1659.89 FEET; NORTH 45° 57’ 26” WEST 55.00 FEET; THENCE SOUTH 44° 02’ 34” WEST 142.02 FEET; THENCE NORTH 43° 45’ 00” WEST 106.55 FEET; THENCE ALONG THE ARC OF A 800.00 FOOT RADIUS TANGENT CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 28° 31’ 14” AN ARC LENGTH OF 398.22 FEET TO A POINT OF COMPOUND CURVATURE; THENCE ALONG THE ARC OF A 706.00 FOOT RADIUS TANGENT CURVE TO THE LEFT THROUGH A CENTRAL ANGLE OF 15° 40’ 36” AN ARC LENGTH OF 193.17 FEET; THENCE SOUTH 02° 03’ 10” WEST 6.00 FEET; THENCE NORTH 87° 56’ 50” WEST 584.22 FEET; THENCE NORTH 03° 33’ 33” WEST 47.59 FEET; THENCE NORTH 09° 11’ 27” EAST 28.76 FEET TO THE WESTERLY BOUNDARY LINE OF PARCEL B AS SHOWN ON SAID MAP, ALSO BEING THE POINT OF BEGINNING.

BEING THE PARCEL DESIGNATED AS WESTPORT-LOT 2 ON THAT CERTAIN LOT LINE ADJUSTMENT RECORDED OCTOBER 28, 1997, AS INSTRUMENT NO. 97-139320, OFFICIAL RECORDS.

APN(S):

095-012-150 (AFFECTS PORTION OF PARCEL TWO)
095-012-220 (AFFECTS PORTION OF PARCEL ONE)
095-012-450 (AFFECTS PORTION OF PARCEL ONE)
095-012-460 (AFFECTS PORTION OF PARCEL TWO)

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption “Experts” and to the use of our report dated October 15, 2020 (except for paragraphs five through six of Note 1, the fourth paragraph of Note 2 and paragraphs six through eight, and twelve through eighteen of Note 15, as to which the date is February 8, 2021), in Amendment No. 1 to the Registration Statement (Form S-1 No. 333-252360) and related Prospectus of Talis Biomedical Corporation dated February 8, 2021.

/s/ Ernst & Young LLP

Redwood City, California
February 8, 2021