

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM S-1  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933**

**Rapport Therapeutics, Inc.**  
(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**2834**  
(Primary Standard Industrial  
Classification Code Number)

**88-0724208**  
(I.R.S. Employer  
Identification Number)

**Rapport Therapeutics, Inc.**  
**1325 Boylston Street, Suite 401**  
**Boston, MA 02215**  
**(857) 321-8020**

(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

**Abraham N. Ceesay, M.B.A.**  
**Chief Executive Officer**  
**1325 Boylston Street, Suite 401**  
**Boston, MA 02215**  
**(857) 321-8020**

(Name, address, including zip code, and telephone number, including area code, of agent for service)

*Copies to:*

**Kingsley L. Taft**  
**Stephanie A. Richards**  
**Justin S. Platt**  
**Goodwin Procter LLP**  
**100 Northern Avenue**  
**Boston, MA 02210**  
**(617) 570-1000**

**Troy Ignelzi**  
**Chief Financial Officer**  
**1325 Boylston Street,**  
**Suite 401**  
**Boston, MA 02215**  
**(857) 321-8020**

**Richard Segal**  
**Divakar Gupta**  
**Darah Protas**  
**Ryan Sansom**  
**Cooley LLP**  
**55 Hudson Yards**  
**New York, NY 10001**  
**(212) 479-6000**

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

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, please 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

Non-accelerated filer

Accelerated filer

Smaller reporting company

Emerging growth company

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

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

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The information in this preliminary 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 preliminary prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state or other jurisdiction where the offer or sale is not permitted.

Subject to Completion, Dated \_\_\_\_\_, 2024

Shares



## Common Stock

This is an initial public offering of shares of common stock of Rapport Therapeutics, Inc. We are offering \_\_\_\_\_ shares of our common stock.

Prior to this offering, there has been no public market for our common stock. It is currently estimated that the initial public offering price per share will be between \$ \_\_\_\_\_ and \$ \_\_\_\_\_. We intend to apply to list our common stock on the Nasdaq Global Market under the symbol "RAPP." We believe that upon the completion of this offering, we will meet the standards for listing on Nasdaq, and the completion of this offering is contingent upon such listing.

We are an "emerging growth company" and "smaller reporting company" as defined under the U.S. federal securities laws and, as such, we have elected to comply with certain reduced public company reporting requirements in this prospectus and future filings.

**See the section titled "Risk Factors" beginning on page 14 to read about factors you should consider before deciding to invest in shares of our common stock.**

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

	Per Share	Total
Initial public offering price	\$ _____	\$ _____
Underwriting discounts and commissions (1)	\$ _____	\$ _____
Proceeds, before expenses, to Rapport Therapeutics, Inc.	\$ _____	\$ _____

(1) See the section titled "Underwriting" for additional information regarding compensation payable to the underwriters.

To the extent that the underwriters sell more than \_\_\_\_\_ shares of common stock, the underwriters have the option to purchase up to an additional \_\_\_\_\_ shares of common stock from us, at the initial public offering price, less the underwriting discounts and commissions.

The underwriters expect to deliver the shares against payment on or about \_\_\_\_\_, 2024.

**Goldman Sachs & Co. LLC**

**Jefferies**

**TD Cowen**

**Stifel**

Prospectus dated \_\_\_\_\_, 2024

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Through and including \_\_\_\_\_, 2024 (the 25<sup>th</sup> day after the date of this prospectus), all dealers effecting transactions in our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

Neither we nor the underwriters have authorized anyone to provide you any information or 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 and the underwriters take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We and the underwriters are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing 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.

For investors outside of 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 the United States. Persons outside of 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 our common stock and the distribution of this prospectus outside of the United States.

We own, have applied for or have rights to use one or more registered and common law trademarks, service marks and/or trade names in connection with our business in the United States, which may be used throughout this prospectus. This prospectus also includes trademarks, tradenames, and service marks of third-parties which are the property of their respective owners. Our use or display of third-parties' trademarks, service marks, tradenames or products in this prospectus and our other public filings is not intended to, and does not imply a relationship with, or endorsement or sponsorship by us. Solely for convenience, the trademarks, service marks,

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logos and trade names referred to in this prospectus and our other public filings may appear without the ®, TM or SM symbols, but the omission of such references is not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable owner of or licensor to these trademarks, service marks and trade names.

### **Market, Industry and Other Data**

The market data and certain other statistical information used throughout this prospectus are based on independent industry publications, governmental publications, reports by market research firms, or other independent sources that we believe to be reliable sources. 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. We are responsible for all of the disclosures contained in this prospectus, and we believe that these sources are reliable; however, we have not independently verified the information contained in such publications. While we are not aware of any misstatements regarding any third-party information presented in this prospectus, their estimates, in particular, as they relate to projections, involve numerous assumptions, are subject to risks and uncertainties, and are subject to change based on various factors, including those discussed under the section titled “*Risk Factors*” and elsewhere in this prospectus. Some data are also based on our good faith estimates.

## PROSPECTUS SUMMARY

*This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our common stock. You should read this entire prospectus carefully, including the sections of this prospectus titled “Risk Factors,” “Special Note Regarding Forward-Looking Statements,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the related notes included elsewhere in this prospectus, before making an investment decision. Unless otherwise indicated, all references in this prospectus to “Rapport,” the “company,” “we,” “our,” “us” or similar terms refer to Rapport Therapeutics, Inc. and its wholly owned subsidiary, or either or both of them as the context may require.*

### Company Overview

We are a clinical-stage biopharmaceutical company focused on discovery and development of transformational small molecule medicines for patients suffering from central nervous system (“CNS”) disorders. Neuronal receptors are complex assemblies of proteins, comprising receptor principal subunits and their receptor associated proteins (“RAPs”), the latter of which play crucial roles in regulating receptor expression and function. Our founders have made pioneering discoveries related to RAP function to form the basis of our RAP technology platform. We believe that our deep expertise in RAP biology provides an opportunity for us to interrogate previously inaccessible targets and develop CNS drugs that are specific for receptor variants and neuroanatomical regions associated with certain diseases. RAP-219, our most advanced product candidate, is an AMPA receptor (“AMPA”) negative allosteric modulator (“NAM”). RAP-219 is designed to achieve neuroanatomical specificity through its selective targeting of a RAP known as TARPg8, which is associated with the neuronal AMPAR, a clinically validated target for epilepsy. Whereas AMPARs are distributed widely in the CNS, TARPg8 is expressed only in discrete regions, including the hippocampus, a key site involved in focal epilepsy. We completed our Phase 1 trials in healthy adults to assess the safety and tolerability of RAP-219, and we intend to initiate a Phase 2a proof-of-concept trial in adult patients with drug-resistant focal epilepsy in \_\_\_\_\_, with topline results expected in \_\_\_\_\_. We believe RAP-219 also has therapeutic potential in peripheral neuropathic pain and bipolar disorder, and we intend to initiate Phase 2a trials in these indications in \_\_\_\_\_ and in \_\_\_\_\_, respectively. We have also identified another TARPg8 targeted molecule with differentiated chemical and pharmacokinetic properties, RAP-199, for which we expect to initiate a Phase 1 trial in \_\_\_\_\_.

Beyond TARPg8, we have two advanced discovery-stage nicotinic acetylcholine receptor (“nAChR”) programs stemming from our RAP technology platform. Our first discovery-stage nAChR program comprises modulators of  $\alpha 6$  nAChRs that we are developing for the treatment of chronic pain. Our second discovery-stage nAChR program comprises modulators of  $\alpha 9\alpha 10$  nAChRs that we are developing for the treatment of hearing disorders. We continue to leverage our RAP technology platform to discover additional product candidates.

Rapport was formed in February 2022, with founding support from Third Rock Ventures and Johnson & Johnson Innovation-JJDC. Our scientific founder and Chief Scientific Officer, David Bredt, M.D., Ph.D., pioneered the discovery of RAPs and their targeting by small molecules while serving as Global Head of Neuroscience Discovery at Janssen Pharmaceutica NV (“Janssen”) and prior to that as Vice President of Neuroscience at Eli Lilly and Company and as a Professor of Physiology at the University of California, San Francisco. Dr. Bredt was subsequently joined at Rapport by additional scientists who previously worked on the RAP platform at Janssen.

In August 2022, we entered into a license agreement with Janssen (the “Janssen License”) for the research, development and commercialization of certain TARPg8 products, including RAP-219 and RAP-199, and nAChR products created by Dr. Bredt and his colleagues at Janssen. All discovery and development efforts related to our pipeline programs are herein referred to as “ours,” although some of these preclinical efforts were completed at

Janssen prior to the Janssen License. In many cases, these efforts were made by certain of the same personnel who have since joined Rapport.

**Our Pipeline**

Our current portfolio of programs from our RAP technology platform is summarized in the pipeline chart below:

Category	Program	Discovery	Preclinical	Phase 1	Phase 2	Phase 3
TAR $\gamma$ 8 AMPA	RAP-219 <i>Focal Epilepsy*</i>	[Progress bar]				
	RAP-219 <i>Peripheral Neuropathic Pain*</i>	[Progress bar]				
	RAP-219 <i>Bipolar Disorder*</i>	[Progress bar]				
	RAP-199 <i>Indications To Be Announced</i>	[Progress bar]				
nAChR Discovery Programs	$\alpha$ 6 <i>Chronic Pain</i>	[Progress bar]				
	$\alpha$ 9 $\alpha$ 10 <i>Hearing Disorders</i>	[Progress bar]				

\* We have conducted two Phase 1 trials supportive of multiple RAP-219 indications.

**Introduction to RAP-219**

RAP-219 is an investigational small molecule that is designed to inhibit TAR $\gamma$ 8-containing AMPARs with picomolar (“pM”) affinity, which implies tight binding. Given RAP-219’s mechanism of action, neuroanatomical specificity and target potency observed to date in preclinical studies, we believe it has the potential to be a differentiated therapy for focal epilepsy and other CNS disorders, including peripheral neuropathic pain and bipolar disorder.

Epilepsy is estimated to affect 50 million people worldwide, including approximately 3.0 million adults in the United States. In 2022, the total branded market for epilepsy was approximately \$2.8 billion, and this is expected to grow to approximately \$3.6 billion by 2028. There are an estimated 1.8 million people in the United States who suffer from focal epilepsy, accounting for approximately 60 percent of patients with epilepsy. Focal epilepsy is characterized by seizures caused by intermittent abnormal electrical activity originating in specific areas of the brain.

Epilepsy has profound negative impacts on a patient’s quality of life, including limitations on social engagement, physical activity and independence. Despite there being more than 20 antiseizure medications (“ASMs”) approved by the U.S. Food and Drug Administration (“FDA”), 30 to 40 percent of patients with epilepsy continue to experience recurring seizures despite taking two or more ASMs, termed “drug-resistant epilepsy.” In addition to providing sub-optimal efficacy, ASMs are commonly associated with risks of intolerable and debilitating adverse events (“AEs”). These AEs often lead to dosing adjustments and patient nonadherence, both of which can limit efficacy. We believe tolerability, adherence, and clinical benefit can be improved with RAP-219, an investigational therapy that is designed to precisely modulate only diseased brain regions.

AMPA inhibition is a clinically validated approach for the treatment of epilepsy, with perampanel (marketed as FYCOMPA) approved by the FDA in 2012 for the treatment of both focal and generalized epilepsy. TAR $\gamma$ 8, an AMPA RAP, is expressed in specific brain regions, being most enriched in the hippocampus and

other forebrain structures, which are key sites associated with focal onset seizures. As brain regions with TARPg8 expression closely overlay with the brain sites most often involved with the pathophysiology of focal epilepsy, we believe that RAP-219, which binds to TARPg8, has potential to provide a differentiated profile. Furthermore, TARPg8 has minimal or no expression in certain other areas that are critical for normal brain functions, including the cerebellum and brainstem. In contrast to the precision mechanism of RAP-219, the majority of ASMs, including perampanel, bind their target receptors throughout the brain, and we believe this lack of anatomical specificity may contribute to their side effect profiles. We believe that RAP-219, as compared to currently available ASMs, has the potential to have a greater therapeutic index, meaning a wider range of doses at which it is likely to be effective without causing unacceptable AEs. If RAP-219 is approved, this could have important clinical utility for the management of focal epilepsy.

We have completed two Phase 1 trials evaluating RAP-219 in healthy adult volunteers to assess its safety, tolerability and pharmacokinetics. We observed RAP-219 to be generally well tolerated in these trials. The plasma concentrations of RAP-219 measured during those trials suggested that once-daily oral administration with a simple dosing schedule could achieve our targeted therapeutic exposures. For our Phase 2a proof-of-concept trial, we plan to enroll adult patients with drug-resistant focal epilepsy who have an implanted responsive neurostimulation (“RNS”) system, an FDA approved device for refractory focal onset epilepsy. The RNS system includes an electrode that continually monitors intracranial brain waves and detects the magnitude, duration and frequency of electrographic activity, which are recorded as intracranial electroencephalography (“iEEG”) data. We plan to use these iEEG data as the biomarker-based primary endpoint in our proof-of-concept trial. We believe these data could be translatable to a clinical seizure endpoint in future registrational trials. We intend to initiate this Phase 2a proof-of-concept trial in focal epilepsy in \_\_\_\_\_, with topline results expected in \_\_\_\_\_.

In addition to treating seizures, we believe RAP-219 has the potential to provide therapeutic benefit in additional CNS indications such as peripheral neuropathic pain and bipolar disorder. We intend to initiate Phase 2a trials of RAP-219 in peripheral neuropathic pain and bipolar disorder in \_\_\_\_\_ and in \_\_\_\_\_, respectively.

### **Introduction to Our Discovery-Stage Nicotinic Acetylcholine Receptor Programs**

In addition to RAP-219, we have two discovery-stage programs stemming from our RAP technology platform. Our  $\alpha 6$  nAChR and  $\alpha 9\alpha 10$  nAChR programs were both enabled by our discovery of RAPs that drive the assembly of functional versions of these receptors in cell lines. Based on third-party genetic data, we believe the  $\alpha 6$  and  $\alpha 9\alpha 10$  nAChR subtypes could be attractive drug targets in the treatment of chronic pain and hearing disorders, respectively. However, it was not until our identification of these RAPs that it became possible to create cell lines for *in vitro* compound screening and optimization against these important targets.

We are optimizing molecules in our nAChR programs, in anticipation of selecting candidates to advance into the clinic.

### **Our RAP Technology Platform**

Our founders are pioneers of RAP biology who have made key discoveries related to RAP function. Their findings form the basis of our RAP technology platform, which can potentially provide a differentiated approach to generate precision small molecule product candidates and to overcome many limitations of conventional neurology drug discovery. Using two distinct strategies, we are leveraging our expertise in RAP biology to develop a portfolio of precision neuroscience product candidates that we believe will transform the treatment of many CNS disorders. One strategy uses a RAP as a direct target, which can be more precise than drugging a receptor itself. RAP-219 exemplifies this, as it binds to an AMPA RAP, TARPg8, which is enriched in brain



regions that initiate or perpetuate seizures in focal epilepsy. A second strategy uses RAPs to “unlock” receptors for potentially first-in-class drug discovery programs. Many receptors cannot function without their RAPs, and such receptors have therefore been inaccessible to study *in vitro*. This second strategy enabled our discovery stage nAChR programs, which focus on  $\alpha 6$  and  $\alpha 9\alpha 10$ . We continue to leverage our RAP technology platform to discover additional product candidates.

### **Our Strategy**

Leveraging our RAP technology platform, we strive to become a leader in precision neuroscience through the discovery and development of transformational small molecule medicines for patients suffering from CNS disorders. As key elements of our strategy, we intend to:

- Advance RAP-219 clinical development for the treatment of focal epilepsy;
- Expand the potential of RAP-219 in additional neurological indications;
- Extend the life cycle of RAP-219 and expand the TARPg8 franchise;
- Advance development of our RAP-enabled nAChR programs;
- Fortify our leadership position in RAP-enabled drug discovery to expand our pipeline of transformative precision neuroscience therapies for patients; and
- Pursue strategic partnerships opportunistically.

### **Our Team**

We have a seasoned leadership team with deep expertise in building novel therapeutic platforms, bringing therapeutics to market and supporting the growth of public biopharmaceutical companies. Abraham N. Ceesay, M.B.A., our Chief Executive Officer and a member of our board of directors, has extensive biopharmaceutical leadership experience, most recently as President of Cerevel Therapeutics Holdings, Inc. and prior to that as Chief Executive Officer of Tiburio Therapeutics, Inc. Bradley S. Galer, M.D., our Chief Medical Officer, has over twenty years of experience leading and building global drug development and medical affairs teams in epilepsy and pain, including as Executive Vice President and Chief Medical Officer at Zogenix, Inc. Dr. Galer was involved in the clinical development of fenfluramine (Fintepla), lidocaine patch (Lidoderm), gabapentin (Neurontin) and pregabalin (Lyrica) and previously acted as an academic key opinion leader in neuropathic pain. Troy Ignelzi, our Chief Financial Officer, has served in a similar role for several biopharmaceutical companies, most recently as Chief Financial Officer at Karuna Therapeutics, Inc. (“Karuna”). Cheryl Gault, our Chief Operating Officer, has over twenty years of biopharmaceutical experience, most recently serving as Chief Operating Officer at Cycleron Therapeutics, Inc. Swamy Yeleswaram, Ph.D., our Chief Development Officer was a founding scientist at Incyte Corporation, most recently serving as Group Vice President of Drug Metabolism, Pharmacokinetics and Clinical Pharmacology. Kathy Wilkinson, our Chief People Officer, has previously served in similar roles at public companies, including 2seventy bio, Inc. and bluebird bio, Inc. Karina Chmielewski, our Chief Information Officer, previously served as Vice President, Platform Operations at Third Rock Ventures.

Our board of directors is composed of accomplished leaders in the life sciences industry, including board chair Steven M. Paul, M.D., former President and Chief Executive Officer of Karuna. We have also assembled a scientific advisory board, composed of leading experts in the fields of neuroscience, pain and pharmaceutical chemistry. Our scientific advisory board includes co-chairs David Julius, Ph.D., Chair of Physiology at the University of California San Francisco and 2021 Nobel Prize laureate in physiology or medicine, and Sir David MacMillan, Ph.D., Professor of Chemistry at Princeton University and 2021 Nobel Prize laureate in chemistry.

### **Risks Associated With Our Business**

Our business is subject to a number of risks of which you should be aware before making an investment decision. These risks include, but are not limited to, the following:

- We are a clinical-stage biopharmaceutical company with a limited operating history, which may make it difficult to evaluate our current business and predict our future success and viability. We have incurred significant financial losses since our inception and anticipate that we will continue to incur significant financial losses for the foreseeable future.
- Even if this offering is successful, we will require additional funding in order to finance operations. If we are unable to raise capital when needed, or on acceptable terms, we could be forced to delay, reduce or eliminate our product development programs or commercialization efforts.
- Our business is highly dependent on the success of our product candidates, particularly RAP-219 for focal epilepsy. If we are unable to successfully complete clinical development, obtain regulatory approval for or commercialize one or more of our product candidates, or if we experience delays in doing so, our business will be materially harmed.
- The successful development of pharmaceutical products involves a lengthy and expensive process and is highly uncertain.
- Due to the significant resources required for the development of our pipeline, and depending on our ability to access capital, we must prioritize the development of certain product candidates over others. Moreover, we may fail to expend our limited resources on product candidates or indications that may have been more profitable or for which there is a greater likelihood of success.
- The regulatory approval processes of the FDA, European Medicines Agency (“EMA”), and other comparable regulatory authorities are lengthy, time-consuming and inherently unpredictable, and if we are ultimately unable to obtain regulatory approval for our product candidates, our business will be substantially harmed.
- We are dependent on a third party having accurately generated, collected, interpreted and reported data from certain preclinical studies and clinical trials that were previously conducted for our product candidates.
- If our clinical trials fail to replicate positive results from earlier preclinical studies or clinical trials conducted by us or third parties, we may be unable to successfully develop, obtain regulatory approval for or commercialize our product candidates.
- If we do not achieve our projected development and commercialization goals in the timeframes we announce and expect, the development and commercialization of our product candidates may be delayed, and our business and results of operations may be harmed.
- Our product candidates may cause undesirable side effects or have other properties that could delay or prevent their regulatory approval, limit the commercial profile of an approved label, or result in significant negative consequences following regulatory approval, if obtained.
- We have concentrated our research and development efforts on the treatment of disorders of the brain and nervous system, a field that faces certain challenges in drug development.
- Even if any of our product candidates receives regulatory approval, it may fail to achieve the degree of market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success, in which case we may not generate significant revenues or become profitable.

- The number of patients with the diseases and disorders for which we are developing our product candidates has not been established with precision. If the actual number of patients with the diseases or disorders we elect to pursue with our product candidates is smaller than we anticipate, we may have difficulties in enrolling patients in our clinical trials, which may delay or prevent development of our product candidates. Even if such product candidates are successfully developed and approved, the markets for our product candidates may be smaller than we expect and our revenue potential and ability to achieve profitability may be materially adversely affected.
- We rely on third parties to assist in conducting our clinical trials. If they do not perform satisfactorily, we may not be able to obtain regulatory approval or commercialize our product candidates, or such approval or commercialization may be delayed, and our business could be substantially harmed.
- We depend on in-licensed intellectual property. If we fail to comply with our obligations under our intellectual property licenses with third parties, we could lose license rights that are important to our business.
- If we or our licensors are unable to obtain and maintain patent protection for our product candidates, or if the scope of the patent protection obtained is not sufficiently broad, our competitors could develop and commercialize products similar or identical to our product candidates, and our ability to successfully commercialize our product candidates may be adversely affected.

The summary risk factors described above should be read together with the text of the full risk factors in the section titled “*Risk Factors*” and the other information set forth in this prospectus, including our consolidated financial statements and the related notes, as well as in other documents that we file with the Securities and Exchange Commission (“SEC”). The risks summarized above or described in full elsewhere in this prospectus are not the only risks that we face. Additional risks and uncertainties not presently known to us, or that we currently deem to be immaterial may also materially adversely affect our business, financial condition, results of operations, and future, growth prospects.

### **Corporate information**

We were incorporated under the laws of the State of Delaware in February 2022 under the name Precision Neuroscience NewCo, Inc., and changed our name to Rapport Therapeutics, Inc. in October 2022. Our principal executive offices are located at 1325 Boylston Street, Suite 401, Boston, MA 02215, and our telephone number is (857) 321-8020. We have one subsidiary, Rapport Therapeutics Securities Corporation, formed in December 2022 under the laws of the Commonwealth of Massachusetts. Our website address is [www.rapportrx.com](http://www.rapportrx.com). The information contained in or accessible from our website is not incorporated into this prospectus, and you should not consider it part of this prospectus. We have included our website address in this prospectus solely as an inactive textual reference.

### **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 of 2012, as amended (“JOBS Act”). 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:

- being permitted to present only two years of audited financial statements, in addition to any required unaudited interim financial statements, with correspondingly reduced “Management’s Discussion and Analysis of Financial Condition and Results of Operations” disclosure in this prospectus;

- reduced disclosure about our executive compensation arrangements;
- not being required to hold advisory votes on executive compensation or to obtain stockholder approval of any golden parachute arrangements not previously approved;
- an exemption from the auditor attestation requirement in the assessment of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 (“Sarbanes-Oxley Act”); and
- an exemption from compliance with the requirements of the Public Company Accounting Oversight Board regarding the communication of critical audit matters in the auditor’s report on the financial statements.

We may take advantage of these exemptions for up to five years 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 (i) the last day of the fiscal year in which we have total annual gross revenues of \$1.235 billion or more; (ii) the last day of our fiscal year following the fifth anniversary of the date of the completion of this offering; (iii) the date on which we have issued more than \$1.0 billion in nonconvertible debt during the previous three years; or (iv) 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. We have taken advantage of reduced reporting requirements in this prospectus. Accordingly, the information contained herein may be different from the information you receive from other public companies in which you hold stock. Additionally, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to avail ourselves of this exemption and, therefore, while we are an emerging growth company we will not be subject to new or revised accounting standards at the same time that they become applicable to other public companies that are not emerging growth companies. As a result of this election, our financial statements may not be comparable to those of other public companies that comply with new or revised accounting pronouncements as of public company effective dates. We have in the past chosen and may in the future choose to early adopt any new or revised accounting standards whenever such early adoptions is permitted for private companies.

We are also a “smaller reporting company,” meaning that the market value of our shares held by non-affiliates plus the proposed aggregate amount of gross proceeds to us as a result of this offering is less than \$700 million and our annual revenue was less than \$100 million during the most recently completed fiscal year. We may continue to be a smaller reporting company after this offering if either (i) the market value of our shares held by non-affiliates is less than \$250 million or (ii) our annual revenue was less than \$100 million during the most recently completed fiscal year and the market value of our shares held by non-affiliates is less than \$700 million. If we are a smaller reporting company at the time we cease to be an emerging growth company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. Specifically, as a smaller reporting company, we may choose to present only the two most recent fiscal years of audited financial statements in our Annual Report on Form 10-K and, similar to emerging growth companies, smaller reporting companies have reduced disclosure obligations regarding executive compensation.

## THE OFFERING

Common stock offered by us	shares
Option to purchase additional shares of common stock offered by us	shares
Common stock to be outstanding immediately after this offering	shares (or shares if the underwriters exercise their option to purchase additional shares of common stock in full).
Use of proceeds	<p>We estimate that the net proceeds from the sale of our common stock in this offering will be approximately \$ million (or approximately \$ million if the underwriters exercise their option to purchase additional shares of common stock in full), based on the assumed initial public offering price of \$ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.</p> <p>We currently intend to use the net proceeds we receive from this offering, together with our existing cash, cash equivalents and short-term investments for and general corporate purposes, including additional development efforts, working capital and operating expenses. See the section titled “<i>Use of Proceeds</i>” for additional information.</p>
Risk factors	See the section titled “ <i>Risk Factors</i> ” for a discussion of factors you should carefully consider before deciding whether to invest in our common stock.
Proposed Nasdaq Global Market trading symbol	“RAPP”

The number of shares of our common stock that will be outstanding after this offering is based on 187,178,546 shares of common stock (which includes 19,144,717 shares of unvested restricted common stock) outstanding as of December 31, 2023, after giving effect to the automatic conversion of all outstanding shares of our convertible preferred stock into an aggregate of 151,456,144 shares of common stock immediately prior to the completion of this offering, and excludes:

- 11,790,429 shares of common stock issuable upon exercise of outstanding stock options as of December 31, 2023 under our 2022 Stock Option and Grant Plan, as amended (“2022 Plan”), with a weighted average exercise price of \$0.21 per share;
- 11,142,077 shares of common stock issuable upon exercise of outstanding stock options granted after December 31, 2023 pursuant to our 2022 Plan, with a weighted average exercise price of \$1.03 per share;
- 1,835,423 shares of common stock reserved for future issuance as of December 31, 2023 under the 2022 Plan, which will cease to be available for issuance at the time that our 2024 Stock Option and Incentive Plan (“2024 Plan”) becomes effective;

- shares of common stock reserved for future issuance under our 2024 Employee Stock Purchase Plan (“ESPP”), which will become effective on the date immediately prior to the effectiveness of the registration statement of which this prospectus forms a part, as well as any automatic increases in the number of shares of common stock reserved for future issuance under the ESPP; and
- shares of our common stock that will become available for future issuance under our 2024 Plan, which will become effective on the date immediately prior to the effectiveness of the registration statement of which this prospectus forms a part, as well as any automatic increases in the number of shares of common stock reserved for future issuance under the 2024 Plan and any shares underlying outstanding stock awards granted under the 2022 Plan that expire or are repurchased, forfeited, cancelled, or withheld.

Unless otherwise indicated, the information in this prospectus reflects or assumes the following:

- a 1-for- reverse stock split of our common stock, which will become effective prior to the completion of this offering;
- the automatic conversion of all outstanding shares of our convertible preferred stock into an aggregate of shares of common stock immediately prior to the completion of this offering;
- no exercise of the outstanding stock options described above after December 31, 2023;
- no exercise of the underwriters’ option to purchase up to an additional shares of common stock in this offering; and
- the filing and effectiveness of our third amended and restated certificate of incorporation immediately prior to the completion of this offering and the effectiveness of our amended and restated bylaws upon the effectiveness of the registration statement of which this prospectus forms a part.

## SUMMARY CONSOLIDATED FINANCIAL DATA

The following tables set forth our summary consolidated statements of operations for the period from February 10, 2022 (inception) to December 31, 2022 and for the year ended December 31, 2023 and our summary consolidated balance sheet data as of December 31, 2023. We have derived the consolidated statements of operations data for the period from February 10, 2022 (inception) to December 31, 2022 and the year ended December 31, 2023, and the consolidated balance sheet data as of December 31, 2023, from our audited consolidated financial statements included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be expected for any period in the future. You should read the following summary financial data together with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the related notes included elsewhere in this prospectus. The summary consolidated financial data included in this section are not intended to replace the consolidated financial statements and are qualified in their entirety by our consolidated financial statements and the related notes included elsewhere in this prospectus.

	For the period from February 10, 2022 (inception) to December 31, 2022 (in thousands, except share and per share data)	For the year ended December 31, 2023
<b>Consolidated Statement of Operations Data:</b>		
Operating expenses		
Related party acquired in-process research and development	\$ 5,000	\$ —
Research and development <sup>(1)</sup>	4,115	27,999
General and administrative <sup>(2)</sup>	1,252	8,180
Total operating expenses	<u>10,367</u>	<u>36,179</u>
Loss from operations	(10,367)	(36,179)
Other income (expense):		
Interest income	—	2,527
Interest expense	(285)	—
Change in fair value of preferred stock tranche right liability	—	(1,124)
Total other income (expense), net	<u>(285)</u>	<u>1,403</u>
Net loss before income taxes	(10,652)	(34,776)
Provision for income taxes	—	10
Net loss	<u>\$ (10,652)</u>	<u>\$ (34,786)</u>
Net loss per share attributable to common stockholders, basic and diluted <sup>(3)</sup>	<u>\$ (1.60)</u>	<u>\$ (2.70)</u>
Weighted-average common shares outstanding, basic and diluted <sup>(3)</sup>	<u>6,656,667</u>	<u>12,896,713</u>
Pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited) <sup>(4)</sup>		<u>\$ (0.21)</u>
Pro forma weighted-average common shares outstanding, basic and diluted (unaudited) <sup>(4)</sup>		<u>164,352,857</u>

(1) Includes related party amounts of \$1.6 million and \$0.7 million for the period from February 10, 2022 (inception) to December 31, 2022 and for the year ended December 31, 2023, respectively (see Note 13—“Related Party Transactions” to our consolidated financial statements included elsewhere in this prospectus).

- (2) Includes related party amount of \$0.6 million and \$0.9 million for the period from February 10, 2022 (inception) to December 31, 2022 and for the year ended December 31, 2023, respectively (see Note 13—“*Related Party Transactions*” to our consolidated financial statements included elsewhere in this prospectus).
- (3) See Note 15—“*Net Loss per Share*” to our consolidated financial statements included elsewhere in this prospectus for details on the calculation of basic and diluted net loss per share attributable to common stockholders.
- (4) Pro forma basic and diluted net loss per share attributable to common stockholders has been prepared to give effect to adjustments to our capital structure arising in connection with the completion of this offering and is calculated by dividing the pro forma net loss attributable to common stockholders by the pro forma weighted-average common shares outstanding for the period. Pro forma weighted-average common shares outstanding is computed by adjusting the weighted-average common shares outstanding to give pro forma effect to the automatic conversion of all shares of our convertible preferred stock outstanding as of December 31, 2023 into shares of common stock as if such conversion had occurred on January 1, 2023. Pro forma basic and diluted net loss per share attributable to common stockholders does not include the effect of the shares expected to be sold in this offering.

	As of December 31, 2023		
	Actual	Pro Forma <sup>(1)</sup> (in thousands)	Pro Forma As adjusted <sup>(2)</sup>
<b>Consolidated Balance Sheet Data</b>			
Cash and cash equivalents	\$ 70,169	\$ 70,169	\$
Working Capital <sup>(3)</sup>	142,069	142,069	
Total assets	155,423	155,423	
Total liabilities	14,479	14,479	
Convertible preferred stock	166,578	—	
Total stockholders’ (deficit) equity	(25,634)	140,944	

- (1) The pro forma consolidated balance sheet data give effect to the automatic conversion of all outstanding shares of our convertible preferred stock into an aggregate of 151,456,144 shares of our common stock immediately prior to the completion of this offering.
- (2) The pro forma as adjusted consolidated balance sheet data give effect to (i) the pro forma adjustments set forth in footnote (1) above and (ii) the issuance and sale of shares of our common stock in this offering at an assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Pro forma as adjusted balance sheet data is illustrative only and will change based on the actual initial public offering price and other terms of this offering determined at pricing. Each \$1.00 increase (decrease) in the assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the pro forma as adjusted amount of each of cash and cash equivalents, working capital, total assets and total stockholders’ equity by approximately \$ \_\_\_\_\_, 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 underwriting discounts and commissions and estimated offering expenses payable by us. Each 1,000,000 increase (decrease) in the number of shares offered by us, as set forth on the cover page of this prospectus, would increase or decrease the pro forma as adjusted amount of each of cash and cash equivalents, working capital, total assets and total stockholders’ equity by approximately \$ \_\_\_\_\_ million, assuming no change in the assumed initial offering price per share, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.
- (3) We define working capital as current assets less current liabilities.



## RISK FACTORS

*Investing in our common stock involves a high degree of risk. You should consider and read carefully all of the risks and uncertainties described below, as well as the other information in this prospectus, including our consolidated financial statements and the related notes appearing elsewhere in this prospectus and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” before deciding whether to invest in our common stock. The risks described below are not the only ones facing us. The following risks or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial could materially and adversely affect our business, financial condition, results of operations and growth prospects. In such an event, the trading price of our common stock could decline, and you may lose all or part of your investment.*

*This prospectus also contains forward-looking statements and estimates that involve risks and uncertainties not presently known to us or that we currently deem immaterial also may impair our business operations. Our actual results could differ materially from those anticipated in our forward-looking statements as a result of specific factors, including the risks and uncertainties described below.*

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

***We are a clinical-stage biopharmaceutical company with a limited operating history, which may make it difficult to evaluate our current business and predict our future success and viability. We have incurred significant financial losses since our inception and anticipate that we will continue to incur significant financial losses for the foreseeable future.***

We are a clinical-stage biopharmaceutical company with a limited operating history. We were formed in February 2022 and our operations to date have been limited to organizing and staffing our company, business planning, raising capital, developing our receptor associated protein (“RAP”) technology platform and technology, identifying potential product candidates, securing intellectual property rights, and planning and undertaking preclinical studies and clinical trials. Substantially all of our product candidates were initially developed by Janssen Pharmaceutica NV (“Janssen”), which we in-licensed pursuant to the option and license agreement with Janssen (the “Janssen License”), entered into shortly after our formation. We have not yet demonstrated an ability to generate revenues, obtain regulatory approvals, manufacture any product on a commercial scale or arrange for a third party to do so on our behalf or conduct sales and marketing activities necessary for successful product commercialization. Our limited operating history as a company makes any assessment of our future success and viability subject to significant uncertainty. We will encounter risks and difficulties frequently experienced by early-stage biopharmaceutical companies in rapidly evolving fields, and we have not yet demonstrated an ability to successfully overcome such risks and difficulties. If we do not address these risks and difficulties successfully, our business will suffer.

The success of our business depends primarily upon our ability to identify, develop, and commercialize product candidates based on our RAP technology platform. We do not know whether we will be able to develop any product candidates that succeed through preclinical and clinical development or products of commercial value. We have no products approved for commercial sale and have not generated any revenue from product sales to date. We will continue to incur significant research and development and other expenses related to our preclinical and clinical development and ongoing operations. As a result, we are not profitable and have incurred losses in each period since our inception. Net losses and negative cash flows have had, and will continue to have, an adverse effect on our stockholders’ equity and working capital. Our net losses totaled \$10.7 million and \$34.8 million for the period from February 10, 2022 (inception) to December 31, 2022 and for the year ended December 31, 2023, respectively. As of December 31, 2023, we have not yet generated revenues. We expect to continue to incur significant losses for the foreseeable future, and we expect these losses to increase as we continue our research and development of, and seek regulatory approvals for, our product candidates.

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We anticipate that our expenses will increase substantially if, and as, we:

- advance our product candidates through clinical development, including as we advance RAP-219 into later-stage clinical trials;
- seek regulatory approvals for our product candidates that successfully complete clinical trials;
- hire additional clinical, quality control, medical, scientific and other technical personnel to support the clinical development of our product candidates;
- experience an increase in headcount as we expand our research and development organization and market development and pre-commercial planning activities;
- undertake any pre-commercial or commercial activities to establish sales, marketing and distribution capabilities;
- advance our preclinical-stage product candidates into clinical development;
- seek to identify, acquire and develop additional product candidates using our RAP technology platform, including through business development efforts to invest in or in-license other technologies or product candidates;
- maintain, expand and protect our intellectual property portfolio;
- make milestone, royalty or other payments due under the Janssen License and any future in-license or collaboration agreements; and
- make milestone, royalty, interest or other payments due under any future financing or other arrangements with third parties.

Biopharmaceutical product development entails substantial upfront capital expenditures and significant risk that any potential product candidate will fail to demonstrate adequate efficacy or an acceptable safety profile, gain regulatory approval, secure market access and reimbursement and become commercially viable, and therefore any investment in us is highly speculative. Accordingly, before making an investment in us, you should consider our prospects, factoring in the costs, uncertainties, delays and difficulties frequently encountered by companies in clinical development, especially clinical-stage biopharmaceutical companies such as ours. Any predictions you make about our future success or viability may not be as accurate as they would otherwise be if we had a longer operating history or a history of successfully developing and commercializing pharmaceutical products. We may encounter unforeseen expenses, difficulties, complications, delays and other known or unknown factors in achieving our business objectives.

Additionally, our expenses could increase beyond our expectations if we are required by the U.S. Food and Drug Administration (“FDA”), European Medicines Agency (“EMA”), or other comparable regulatory authorities to perform clinical trials in addition to those that we currently expect, or if there are any delays in establishing appropriate manufacturing arrangements for or in completing our clinical trials or the development of any of our product candidates.

***Even if this offering is successful, we will require additional funding in order to finance operations. If we are unable to raise capital when needed, or on acceptable terms, we could be forced to delay, reduce or eliminate our product development programs or commercialization efforts.***

Developing biopharmaceutical products, including conducting preclinical studies and clinical trials, is a very time-consuming, expensive and uncertain process that takes years to complete. We expect our expenses to continue to increase in connection with our ongoing activities, particularly as we conduct clinical trials of, and seek regulatory and marketing approval for, our product candidates. Even if our current or future product candidates are approved for commercial sale, we anticipate incurring significant costs associated with commercializing any approved product candidate. To date, we have funded our operations principally through private financings. We expect our expenses to increase in connection with our ongoing activities, particularly as

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we continue the clinical and preclinical development of our product candidates, continue to identify additional targets using our RAP technology platform, commence additional preclinical studies and clinical trials, and continue to identify and develop additional product candidates either through internal development or through acquisitions or in-licensing product candidates.

As of December 31, 2023, we had \$147.5 million of cash, cash equivalents, and short-term investments, excluding restricted cash. Based upon our current operating plan, we believe that our existing cash, cash equivalents, and short-term investments, together with the net proceeds from this offering, will enable us to fund our operating expenses and capital expenditure requirements through . We have based this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we expect. We may also raise additional financing on an opportunistic basis in the future. For example, we may seek additional capital due to favorable market conditions or strategic considerations even if we believe we have sufficient funds for our current or future operating plans. Attempting to secure additional financing may divert our management from our day-to-day activities, which may adversely affect our ability to develop our product candidates. Our future capital requirements will depend on many factors, including but not limited to:

- the scope, timing, progress, costs and results of discovery, preclinical development and clinical trials for our current or future product candidates;
- the number of clinical trials required for regulatory approval of our current or future product candidates;
- the costs, timing and outcome of regulatory review of any of our current or future product candidates;
- the costs associated with acquiring or licensing additional product candidates, technologies or assets, including the timing and amount of any milestones, royalties or other payments due in connection with our acquisitions and licenses;
- the cost of manufacturing clinical and commercial supplies of our current or future product candidates;
- 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, including any claims by third parties that we are infringing upon their intellectual property rights;
- the effectiveness of our precision neuroscience approach at identifying target patient populations and utilizing our approach to enrich our patient population in our clinical trials;
- our ability to maintain existing, and establish new, strategic collaborations or other arrangements and the financial terms of any such agreements, including the timing and amount of any future milestone, royalty or other payments due under any such agreement;
- the costs and timing of future commercialization activities, including manufacturing, marketing, sales and distribution, for any of our product candidates for which we receive marketing approval;
- the revenue, if any, received from commercial sales of our product candidates for which we receive marketing approval;
- expenses to attract, hire and retain skilled personnel;
- the costs of operating as a public company;
- our ability to establish a commercially viable pricing structure and obtain approval for coverage and adequate reimbursement from third-party and government payors;
- the effect of macroeconomic trends including inflation and rising interest rates;
- addressing any potential supply chain interruptions or delays;
- the effect of competing technological and market developments; and
- the extent to which we acquire or invest in business, products and technologies.

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Because of the numerous risks and uncertainties associated with research and development of product candidates, we are unable to predict the timing or amount of our working capital requirements. In addition, if we obtain regulatory approval for our product candidates, we expect to incur significant commercialization expenses related to product manufacturing, marketing, sales and distribution which make it difficult to predict when or if we will be able to achieve or maintain profitability. Furthermore, upon the completion of this offering, we expect to incur additional costs associated with operating as a public company. Accordingly, we will need to obtain substantial additional funding in order to support our continuing operations. Our ability to raise additional funds will depend on financial, economic, political and market conditions and other factors, over which we may have no or limited control. Additional funds may not be available when we need them, on terms that are acceptable to us, or at all. If we fail to obtain necessary capital when needed on acceptable terms, or at all, it could force us to delay, limit, reduce or terminate our product development programs, future commercialization efforts or other operations.

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

Until such time, if ever, as we can generate substantial product revenue, we expect to finance our operations with our existing cash, cash equivalents and short-term investments, the net proceeds from this offering, any future equity or debt financings and upfront and milestone and royalty payments, if any, received under any future licenses or collaborations. If we raise additional capital through the sale of equity or convertible debt securities, or issue any equity or convertible debt securities in connection with a collaboration agreement or other contractual arrangement, your ownership interest will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect your rights as a holder of our common stock. In addition, the possibility of such issuance may cause the market price of our common stock to decline. Debt financing, if available, may result in increased fixed payment obligations and involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, declaring dividends or acquiring, selling or licensing intellectual property rights or assets, which could adversely impact our ability to conduct our business.

If we raise additional funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may have to relinquish valuable rights to our intellectual property, technologies, future revenue streams or product candidates or grant licenses on terms that may not be favorable to us. We could also be required to seek funds through arrangements with collaborators or others at an earlier stage than otherwise would be desirable. Any of these occurrences may have a material adverse effect on our business, operating results and prospects.

We maintain the majority of our cash and cash equivalents in accounts with major U.S. and multi-national financial institutions, and our deposits at certain of these institutions exceed insured limits. Market conditions and changes in financial regulations and policies can impact the viability of these institutions. In the event of failure of any of the financial institutions where we maintain our cash and cash equivalents, there can be no assurance that we would be able to access uninsured funds in a timely manner or at all. Any inability to access or delay in accessing these funds could adversely affect our business and financial position. In addition, changes in regulations governing financial institutions are beyond our control and difficult to predict; consequently, the impact of such changes on our business and results of operations is difficult to predict and may have an adverse effect on us.

***The obligations from our license agreement with Janssen may be a drain on our cash resources, or may cause us to incur debt obligations to satisfy the payment obligations.***

Under the terms of the Janssen License, Janssen is entitled to substantial contingent payments upon the occurrence of certain events. For example, we will be required to pay Janssen up to \$76.0 million in development milestone payments and up to \$40.0 million sales milestone payments for products containing RAP-219. See the

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section titled “*Business—License and Collaboration Agreements*” elsewhere in this prospectus for additional information regarding the Janssen Agreement. In order to satisfy our obligations to make these payments, if and when they are triggered, we may need to issue equity or convertible debt securities that may cause dilution to our stockholders, or we may use our existing cash and cash equivalents or incur debt obligations to satisfy the payment obligations in cash, which may adversely affect our financial position. In addition, these obligations may impede our ability to raise money in future public offerings of debt or equity securities or to obtain a third-party line of credit.

### **Risks Related to Our Business**

***Our business is highly dependent on the success of our product candidates, particularly RAP-219 for focal epilepsy. If we are unable to successfully complete clinical development, obtain regulatory approval for or commercialize one or more of our product candidates, or if we experience delays in doing so, our business will be materially harmed.***

To date, as an organization, we have not completed the development of any product candidates and nearly all of our candidates remain in early-stage clinical or preclinical development. Our future success and ability to generate revenue from our product candidates is dependent on our ability to successfully develop, obtain regulatory approval for and commercialize one or more of our product candidates. All of our product candidates will require substantial additional investment for clinical development, regulatory review and approval in one or more jurisdictions. If any of our product candidates, particularly RAP-219 for focal epilepsy, encounters safety or efficacy problems, development delays or regulatory issues or other problems, our development plans and business would be materially harmed.

We may not have the financial resources to continue development of our product candidates if we experience any issues that delay or prevent regulatory approval of, or our ability to commercialize, our product candidates, including:

- our inability to demonstrate to the satisfaction of the FDA, EMA, or other comparable regulatory authorities that our product candidates are safe and effective;
- insufficiency of our financial and other resources to complete the necessary clinical trials and preclinical studies;
- negative or inconclusive results from our clinical trials, preclinical studies or the clinical trials of others for product candidates similar to ours, leading to a decision or requirement to conduct additional clinical trials or preclinical studies or abandon a program;
- product-related adverse events (“AEs”) experienced by subjects in our clinical trials, including unexpected toxicity results, or by individuals using drugs or therapeutic biologics similar to our product candidates;
- delays in submitting an Investigational New Drug (“IND”) application or other regulatory submission to the FDA, EMA, or other comparable regulatory authorities, or delays or failure in obtaining the necessary approvals from regulators to commence a clinical trial or a suspension or termination, or hold, of a clinical trial once commenced;
- conditions imposed by the FDA, EMA, or other comparable regulatory authorities regarding the scope or design of our clinical trials;
- poor effectiveness of our product candidates during clinical trials;
- better than expected performance of control arms, such as placebo groups, which could lead to negative or inconclusive results from our clinical trials;
- delays in enrolling subjects in our clinical trials;

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- high drop-out rates of subjects from our clinical trials;
- inadequate supply or quality of product candidates or other materials necessary for the conduct of our clinical trials;
- higher than anticipated clinical trial or manufacturing costs;
- unfavorable FDA, EMA or comparable regulatory authority inspection and review of our clinical trial sites;
- failure of our third-party contractors or investigators to comply with regulatory requirements or the clinical trial protocol or otherwise meet their contractual obligations in a timely manner, or at all;
- delays and changes in regulatory requirements, policies and guidelines, including the imposition of additional regulatory oversight around clinical testing generally or with respect to our therapies in particular; or
- varying interpretations of data by the FDA, EMA, or other comparable regulatory authorities.

In addition, clinical trials conducted in one country may not be accepted by regulatory authorities in other countries, and regulatory approval in one country does not guarantee regulatory approval in any other country. We expect to conduct one or more of our clinical trials with one or more trial sites that are located outside the United States. Although the FDA may accept data from clinical trials conducted outside the United States, acceptance of this data is subject to conditions imposed by the FDA, and there can be no assurance that the FDA will accept data from trials conducted outside of the United States. If the FDA does not accept the data from any trial that we conduct outside the United States, it would likely result in the need for additional trials, which would be costly and time-consuming and could delay or permanently halt our development of the applicable product candidates.

### ***The successful development of pharmaceutical products involves a lengthy and expensive process and is highly uncertain.***

Successful development of pharmaceutical products involves a lengthy and expensive process, is highly uncertain, and is dependent on numerous factors, many of which are beyond our control. Product candidates that appear promising in the early phases of development may fail to reach the market for several reasons, including:

- clinical trial results may show the product candidates to be less effective than expected (for example, a clinical trial could fail to meet its primary or key secondary endpoint(s)) or have an unacceptable safety or tolerability profile;
- failure to receive the necessary regulatory approvals or a delay in receiving such approvals, which, among other things, may be caused by patients who fail the trial screening process, slow enrollment in clinical trials, patients dropping out of trials, patients lost to follow-up, length of time to achieve trial endpoints, additional time requirements for data analysis or New Drug Application (“NDA”) or similar foreign application preparation, discussions with the FDA, EMA, or other comparable regulatory authority an FDA, EMA, or other comparable regulatory request for additional preclinical or clinical data (such as long-term toxicology studies) or unexpected safety or manufacturing issues;
- preclinical study results may show the product candidate to be less effective than desired or to have harmful side effects;
- post-marketing approval requirements; or
- the proprietary rights of others and their competing products and technologies that may prevent our product candidates from being commercialized.

For example, in December, 2023, we withdrew the development of another TARPg8 targeted molecule (RAP-482) in-licensed from Janssen that received a full clinical hold from the FDA, in order to prioritize

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development of RAP-219 and our other product candidates and programs. Furthermore, the length of time necessary to complete clinical trials and submit an application for marketing approval for a final decision by a regulatory authority varies significantly from one product candidate to the next and from one country or jurisdiction to the next and may be difficult to predict.

Even if we are successful in obtaining marketing approval, commercial success of any approved products will also depend in large part on the availability of coverage and adequate reimbursement from third-party payors, including government payors such as the Medicare and Medicaid programs and managed care organizations in the United States or country-specific governmental organizations in foreign countries, which may be affected by existing and future healthcare reform measures designed to reduce the cost of healthcare. Third-party payors could require us to conduct additional studies, including post-marketing studies related to the cost effectiveness of a product, to qualify for reimbursement, which could be costly and divert our resources. If government and other healthcare payors were not to provide coverage and adequate reimbursement for our products once approved, market acceptance and commercial success would be reduced. Even if we are able to obtain coverage and adequate reimbursement for our products once approved, there may be features or characteristics of our products, such as dose preparation requirements, that prevent our products from achieving market acceptance by the healthcare or patient communities.

In addition, if any of our product candidates receive marketing approval, we will be subject to significant regulatory obligations regarding the submission of safety and other post-marketing information and reports and registration, and will need to continue to comply (or ensure that our third-party providers comply) with current Good Manufacturing Practices (“cGMPs”) and Good Clinical Practices (“GCPs”) for any clinical trials that we conduct post-approval. In addition, there is always the risk that we, a regulatory authority or a third party might identify previously unknown problems with a product post-approval, such as AEs of unanticipated severity or frequency. Compliance with these requirements is costly, and any failure to comply or other issues with our product candidates post-approval could adversely affect our business, financial condition and results of operations.

***Due to the significant resources required for the development of our pipeline, and depending on our ability to access capital, we must prioritize the development of certain product candidates over others. Moreover, we may fail to expend our limited resources on product candidates or indications that may have been more profitable or for which there is a greater likelihood of success.***

Our lead product candidate, RAP-219 for the treatment of focal epilepsy, is currently in Phase 1 clinical development, and our other product candidates and programs are at various stages of preclinical development. We seek to rapidly advance discovery and development of transformational small molecule medicines for patients suffering from central nervous system disorders.

Due to the significant resources required for the development of our product candidates, we must decide which product candidates and indications to pursue and advance and the amount of resources to allocate to each. Our decisions concerning the allocation of research, development, collaboration, management and financial resources toward particular product candidates, therapeutic areas or indications may not lead to the development of viable commercial products and may divert resources away from better opportunities. If we make incorrect determinations regarding the viability or market potential of any of our product candidates or misread trends in the pharmaceutical industry, in particular for disorders of the brain and nervous system, our business, financial condition and results of operations could be materially and adversely affected. As a result, we may fail to capitalize on viable commercial products or profitable market opportunities, be required to forego or delay pursuit of opportunities with other product candidates or other diseases and disease pathways that may later prove to have greater commercial potential than those we choose to pursue, or relinquish valuable rights to such product candidates through collaboration, licensing or royalty arrangements in cases in which it would have been advantageous for us to invest additional resources to retain sole development and commercialization rights.

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*We may seek to grow our business through acquisitions or investments in new or complementary businesses, products or technologies, through the licensing of products or technologies from third parties or other strategic alliances. The failure to manage acquisitions, investments, licenses or other strategic alliances, or the failure to integrate them with our existing business, could have a material adverse effect on our operating results, dilute our stockholders' ownership, increase our debt or cause us to incur significant expense.*

Our success depends on our ability to continually enhance and broaden our product offerings in response to changing clinician and patients' needs, competitive technologies and market pressures. Accordingly, from time to time we may consider opportunities to acquire, make investments in or license other technologies, products and businesses that may enhance our capabilities, complement our existing products and technologies or expand the breadth of our markets or customer base. Potential and completed acquisitions, strategic investments, licenses and other alliances involve numerous risks, including:

- difficulty assimilating or integrating acquired or licensed technologies, products, employees or business operations;
- issues maintaining uniform standards, procedures, controls and policies;
- unanticipated costs associated with acquisitions or strategic alliances, including the assumption of unknown or contingent liabilities and the incurrence of debt or future write-offs of intangible assets or goodwill;
- diversion of management's attention from our core business and disruption of ongoing operations;
- adverse effects on existing business relationships with suppliers, sales agents, health care facilities, surgeons and other health care providers;
- risks associated with entering new markets in which we have limited or no experience;
- potential losses related to investments in other companies;
- potential loss of key employees of acquired businesses; and
- increased legal and accounting compliance costs.

We do not know if we will be able to identify acquisitions or strategic relationships we deem suitable, whether we will be able to successfully complete any such transactions on favorable terms, if at all, or whether we will be able to successfully integrate any acquired business, product or technology into our business or retain any key personnel, suppliers, sales agent, health care facilities, physicians or other health care providers. Our ability to successfully grow through strategic transactions depends upon our ability to identify, negotiate, complete and integrate suitable target businesses, technologies or products and to obtain any necessary financing. These efforts could be expensive and time-consuming and may disrupt our ongoing business and prevent management from focusing on our operations.

To finance any acquisitions, investments or strategic alliances, we may choose to issue shares of our common stock as consideration, which could dilute the ownership of our stockholders. If the price of our common stock is low or volatile, we may be unable to consummate any acquisitions, investments or strategic alliances using our common stock as consideration. Additional funds may not be available on terms that are favorable to us, or at all.



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***We, our collaborators and our service providers are, or may become, subject to a variety of stringent and evolving privacy and data security laws, regulations, and rules, contractual obligations, industry standards, policies and other obligations related to privacy and data security. Any actual or perceived failure to comply with such obligations could expose us to significant fines or other penalties and otherwise harm our business and operations.***

In the ordinary course of our business, we and the third parties upon which we rely (such as our third party Contract Research Organizations (“CROs”) and other contractors and consultants) collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share (collectively, process) personal data and other sensitive information, including proprietary and confidential business data, trade secrets, intellectual property, sensitive third-party data, business plans, transactions, financial information and data we collect about trial participants in connection with clinical trials (collectively, sensitive data). Our data processing activities subject us to numerous evolving privacy and data security obligations, such as various laws, regulations, guidance, industry standards, external and internal privacy and security policies, contractual requirements, and other obligations relating to privacy and data security.

The legislative and regulatory framework for the processing of personal data worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. In the United States, numerous federal, state and local laws and regulations, including federal health information privacy laws, state information security and data breach notification laws, federal and state consumer protection laws (e.g., Section 5 of the Federal Trade Commission Act), and other similar laws (e.g., wiretapping laws) govern the processing of health-related and other personal data.

At the state level, numerous U.S. states—including California, Virginia, Colorado, Connecticut and Utah—have enacted comprehensive privacy laws that impose certain obligations on covered businesses, including providing specific disclosures in privacy notices and affording individuals certain rights concerning their personal data. Similar laws are being considered in several other states, as well as at the federal and local levels, and we expect more states to pass similar laws in the future. While these states exempt some data processed in the context of clinical trials, these developments may further complicate compliance efforts, and increase legal risk and compliance costs for us and the third parties upon whom we rely.

Additionally, we may be subject to new laws governing the privacy of consumer health data. For example, Washington’s My Health My Data Act broadly defines consumer health data, creates a private right of action to allow individuals to sue for violations of the law, imposes stringent consent requirements and grants consumers certain rights with respect to their health data, including to request deletion of their information. Connecticut and Nevada have also passed similar laws regulating consumer health data. These various privacy and data security laws may impact our business activities, including our identification of research subjects, relationships with business partners and ultimately the marketing and distribution of our products.

Outside the United States, an increasing number of laws, regulations, and industry standards may govern privacy and data security. For example, the European Union’s General Data Protection Regulation (“EU GDPR”) and the United Kingdom’s GDPR (“UK GDPR”) impose strict requirements for processing personal data.

The EU GDPR and the UK GDPR (together, “GDPR”) establish stringent requirements regarding the processing of personal data, including strict requirements relating to processing of sensitive data (such as health data), ensuring there is a legal basis or condition to justify the processing of personal data, where required strict requirements relating to obtaining consent of individuals, expanded disclosures about how personal data is to be used, limitations on retention of information, implementing safeguards to protect the security and confidentiality of personal data, where required providing notification of data breaches, maintaining records of processing activities and documenting data protection impact assessments where there is high risk processing and taking certain measures when engaging third-party processors.

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Under GDPR, companies may face temporary or definitive bans on data processing and other corrective activities, fines of up to €20 million (£17.5 million GBP) or 4% of annual global revenues, whichever is greater, and private litigation related to processing of personal data brought by classes of data subjects or consumer protection organizations authorized at law to represent their interests. Non-compliance could also result in a material adverse effect on our business, financial position and results of operations.

In addition, we may be unable to transfer personal data from Europe and other jurisdictions to the United States or other countries due to data localization requirements or limitations on cross-border data flows. Europe and other jurisdictions have enacted laws requiring data to be localized or limiting the transfer of personal data to other countries. In particular, the European Economic Area (“EEA”) and the United Kingdom (“UK”) have significantly restricted the transfer of personal data to the United States and other countries whose privacy laws it generally believes are inadequate. Other jurisdictions may adopt similarly stringent interpretations of their data localization and cross-border data transfer laws. Although there are currently various mechanisms that may be used to transfer personal data from the EEA and UK to the United States in compliance with law, such as the EEA’s standard contractual clauses, the UK’s International Data Transfer Agreement / Addendum, and the EU-U.S. Data Privacy Framework and the UK extension thereto (which allows for transfers to relevant U.S.-based organizations who self-certify compliance and participate in the Framework), these mechanisms are subject to legal challenges, and there is no assurance that we can satisfy or rely on these measures to lawfully transfer personal data to the United States. If there is no lawful manner for us to transfer personal data from the EEA, the UK, or other jurisdictions to the United States, or if the requirements for a legally-compliant transfer are too onerous, we could face significant adverse consequences, including the interruption or degradation of our operations, the need to relocate part of or all of our business or data processing activities to other jurisdictions (such as Europe) at significant expense, increased exposure to regulatory actions, substantial fines and penalties, the inability to transfer data and work with partners, vendors and other third parties, and injunctions against our processing or transferring of personal data necessary to operate our business. Additionally, companies that transfer personal data out of the EEA and UK to other jurisdictions, particularly to the United States, are subject to increased scrutiny from regulators, individual litigants, and activities activist groups. Some European regulators have ordered certain companies to suspend or permanently cease certain transfers of personal data out of Europe for allegedly violating the GDPR’s cross-border data transfer limitations.

In addition to privacy and data security laws, we are contractually subject to industry standards adopted by industry groups and may become subject to such obligations in the future. We are also bound by other contractual obligations related to privacy and data security, and our efforts to comply with such obligations may not be successful.

We publish privacy policies, and we may publish marketing materials, and other statements, such as compliance with certain certifications or self-regulatory principles, regarding privacy and data security. If these policies, materials or statements are found to be deficient, lacking in transparency, deceptive, unfair, or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators, or other adverse consequences.

Obligations related to privacy and data security (and consumers’ data privacy expectations) are quickly changing, becoming increasingly stringent, and creating uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. Preparing for and complying with these obligations requires us to devote significant resources and may necessitate changes to our services, information technologies, systems, and practices and to those of any third parties that process personal data on our behalf.

We may at times fail (or be perceived to have failed) in our efforts to comply with our privacy and data security obligations. Moreover, despite our efforts, our personnel or third parties on whom we rely may fail to comply with such obligations, which could negatively impact our business operations. If we or the third parties on which we rely fail, or are perceived to have failed, to address or comply with applicable privacy and data

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security obligations, we could face significant consequences, including but not limited to: government enforcement actions (e.g., investigations, fines, penalties, audits, inspections, and similar); litigation (including class-action claims) and mass arbitration demands; additional reporting requirements and/or oversight; bans on processing personal data; and orders to destroy or not use personal data. In particular, plaintiffs have become increasingly more active in bringing privacy-related claims against companies, including class claims and mass arbitration demands. Some of these claims allow for the recovery of statutory damages on a per violation basis, and, if viable, carry the potential for monumental statutory damages, depending on the volume of data and the number of violations. Any of these events could have a material adverse effect on our reputation, business, or financial condition, including but not limited to: loss of customers; interruptions or stoppages in our business operations (including, as relevant, clinical trials); inability to process personal data or to operate in certain jurisdictions; limited ability to develop or commercialize our products; expenditure of time and resources to defend any claim or inquiry; adverse publicity; or substantial changes to our business model or operations.

***Our information technology systems and infrastructure, or those of our collaborators and service providers, or our data, may be subject to cyber-attacks, security breaches, compromises or other incidents, which could result in additional costs, loss of revenue, significant liabilities, harm to our brand, material disruption of our development programs and operations, or other adverse consequences.***

In the ordinary course of our business, we and the third parties upon which we rely, process sensitive data, and, as a result, we and the third parties upon which we rely face a variety of evolving threats that could cause cyber-attacks, security breaches, compromises, or other incidents. Although we take steps to develop and maintain systems and controls designed to protect our sensitive data, systems and infrastructure, there can be no assurance that our internal technology systems and infrastructure, or those of third parties upon which we rely, will be sufficient to protect against a cyber-attack, security breach, compromise or other incident such as an industrial espionage attack, ransomware, or insider threat attack, which may compromise our system infrastructure or lead to the loss, destruction, alteration or dissemination of, or damage to, our sensitive data. Such threats are prevalent and continue to rise, are increasingly difficult to detect, and come from a variety of sources, including traditional computer “hackers,” threat actors, “hacktivists,” organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation states, and nation-state-supported actors.

The risk of a cyber-attack, security breach, compromise, or other incident has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. Such risks come from a variety of evolving threats, including but not limited to, social-engineering attacks (including through deep fakes, which may be increasingly more difficult to identify as fake, and phishing attacks), malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial-of-service attacks, credential stuffing, credential harvesting, personnel misconduct or error, ransomware attacks, supply-chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, adware, attacks enhanced or facilitated by AI, telecommunications failures, earthquakes, fires, floods, and other similar threats.

Individuals engage in and are expected to continue to engage in cyber-attacks, including without limitation nation-state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we and the third parties upon which we rely, may be vulnerable to a heightened risk of cyber-attacks, including retaliatory cyber-attacks, that could materially disrupt our systems and operations, supply chain, and ability to produce, sell and distribute our services.

We also face increased risks of a cyber-attack, security breach, compromise, or other incident due to our reliance on internet technology and the number of our employees who work on a hybrid basis at home, in the office, or other public spaces. This may create additional opportunities for cybercriminals to exploit vulnerabilities. Additionally, business transactions (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities’ systems and technologies that were not found during due diligence of such acquired or integrated entities.

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In addition, our reliance on third-party service providers could introduce new cybersecurity risks and vulnerabilities, including supply-chain attacks. We rely on third-party service providers and technologies to operate critical business systems to process sensitive data in a variety of contexts and our ability to monitor these third parties' information security practices is limited. These third parties may not have adequate information security measures in place and if our third-party service providers experience a cyber-attack, security breach, compromise or incident, or other interruption, we could experience adverse consequences. While we may be entitled to damages if our third-party service providers fail to satisfy their privacy or security-related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award.

We may be unable to detect vulnerabilities in our information technology systems and infrastructure on a timely basis or until after a cyber-attack, security breach, compromise, or other incident has occurred. Further, we may experience delays in developing and deploying remedial measures designed to adequately address any such identified vulnerabilities.

If we, or a third party upon whom we rely, experience a cyber-attack, security breach, compromise, or other incident, or are perceived to have experienced a cyber-attack, security breach, compromise, or other incident, we may experience adverse consequences, such as government enforcement actions (for example, investigations, fines, penalties, audits, and inspections); additional reporting requirements and/or oversight; restrictions on processing sensitive information (including personal data); litigation (including individual and group claims); indemnification obligations; negative publicity; reputational harm; monetary fund diversions; interruptions in our operations (including availability of data); financial loss; and other potentially significant harms. Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our privacy and data security obligations.

Further, applicable privacy and data security obligations may require us to notify relevant stakeholders of a cyber-attack, security breach, compromise, or other incident. Such disclosures are costly, and the disclosure or the failure to comply with such requirements could lead to adverse consequences. In addition, cyber-attacks, security breaches, compromises, or other incidents may cause stakeholders (including investors and potential customers) to stop supporting our business, deter new customers from using our products, and negatively impact our ability to grow and operate our business.

If we were to experience a cyber-attack, security breach, compromise, other incident that caused interruptions in our operations, it could result in a material disruption of our product development programs.

***The use of new and evolving technologies, such as artificial intelligence (“AI”) and machine learning (“ML”), in our operations, and the operations of third parties upon which we rely, may result in spending additional resources and present new risks and challenges that can impact our business including by posing security and other risks to our sensitive data, and as a result we may be exposed to reputational harm, other adverse consequences, and liability.***

The use of new and evolving technologies, such as AI/ML, in our operations, and the operations of third parties upon which we rely presents new risks and challenges that could negatively impact our business. The use of certain AI/ML technologies can give rise to intellectual property risks, including compromises to proprietary intellectual property and intellectual property infringement. Additionally, several jurisdictions around the globe, including Europe and certain U.S. states, have proposed, enacted, or are considering, laws governing the development and use of AI/ML, such as the European Union's AI Act. We expect other jurisdictions will adopt similar laws. Additionally, certain privacy laws extend rights to consumers (such as the right to delete certain personal data) and regulate automated decision making, which may be incompatible with our use of AI/ML. These obligations may make it harder for us to conduct our business using AI/ML, lead to regulatory fines or penalties, require us to change our business practices, retrain our AI/ML, or prevent or limit our use of AI/ML. For example, the Federal Trade Commission has required other companies to turn over (or disgorge) valuable

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insights or trainings generated through the use of AI/ML where they allege the company has violated privacy and consumer protection laws. If we cannot use AI/ML or that use is restricted, our business may be less efficient, or we may be at a competitive disadvantage.

The rapid evolution of AI/ML will require the application of significant resources to design, develop, test and maintain our products and services to help ensure that AI/ML is implemented in accordance with applicable law and regulation and in a socially responsible manner and to minimize any real or perceived unintended harmful impacts. Our vendors may in turn incorporate AI/ML tools into their own offerings, and the providers of these AI/ML tools may not meet existing or rapidly evolving regulatory or industry standards, including with respect to privacy and data security. Further, bad actors around the world use increasingly sophisticated methods, including the use of AI/ML, to engage in illegal activities involving the theft and misuse of sensitive data. Any of these effects could damage our reputation, result in the loss of valuable property and information, cause us to breach applicable laws and regulations, and adversely impact our business.

### **Risks Related to the Discovery and Development of Our Current or Future Product Candidates**

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

We are not permitted to commercialize, market, promote or sell any product candidate in the United States without obtaining regulatory approval from the FDA. Foreign regulatory authorities, such as the EMA, impose similar requirements. The time required to obtain approval by the FDA, EMA, or other comparable regulatory authorities is inherently unpredictable, but typically takes many years following the commencement of clinical trials and depends upon numerous factors, including substantial discretion of the regulatory authorities. In addition, approval policies, regulations, or the type and amount of clinical data necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions. For instance, jurisdictions outside of the United States, such as the European Union or Japan, may have different requirements for regulatory approval, which may require us to conduct additional clinical, nonclinical or chemistry, manufacturing and control studies. To date, we have not submitted an NDA to the FDA or similar drug approval submissions to comparable foreign regulatory authorities for any product candidate. We must complete additional preclinical studies and clinical trials to demonstrate the safety and efficacy of our product candidates in humans before we will be able to obtain these approvals.

Clinical testing is expensive, difficult to design and implement, can take many years to complete and is inherently uncertain as to outcome. We cannot guarantee that any clinical trials will be conducted as planned or completed on schedule, if at all. The clinical development of our initial and potential additional product candidates is susceptible to the risk of failure inherent at any stage of development, including failure to demonstrate efficacy in a clinical trial or across a broad population of patients, the occurrence of AEs that are severe or medically or commercially unacceptable, failure to comply with protocols or applicable regulatory requirements and determination by the FDA, EMA, or other comparable regulatory authorities that a product candidate may not continue development or is not approvable. It is possible that even if any of our product candidates have a beneficial effect, that effect will not be detected during clinical evaluation as a result of one or more of a variety of factors, including the size, duration, design, measurements, conduct or analysis of our clinical trials. Conversely, as a result of the same factors, our clinical trials may indicate an apparent positive effect of such product candidate that is greater than the actual positive effect, if any. Similarly, in our clinical trials we may fail to detect toxicity of, or intolerability caused by, such product candidate, or mistakenly believe that our product candidates are toxic or not well tolerated when that is not in fact the case. Serious AEs or other AEs, as well as tolerability issues, could hinder or prevent market acceptance of the product candidate at issue.

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

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

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

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

***The FDA, EMA or comparable regulatory authorities may disagree with our regulatory plan for our product candidates.***

The general approach for FDA approval of a new drug is dispositive data from two or more adequate and well-controlled clinical trials of the product candidate in the relevant patient population. Adequate and well-controlled clinical trials typically involve a large number of patients, have significant costs and take years to complete. The FDA, EMA or other comparable regulatory authorities may disagree with us about whether a clinical trial is adequate and well-controlled or may request that we conduct additional clinical trials prior to regulatory approval. In addition, there is no assurance that the doses, endpoints and trial designs that we intend to use for our planned clinical trials, including those that we have developed based on feedback from regulatory agencies or those that have been used for the approval of similar drugs, will be acceptable for future approvals. For instance, we may seek FDA regulatory flexibility and pursue marketing approval based on data from only

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one adequate and well-controlled clinical investigation. However, the FDA may be unwilling to apply regulatory flexibility and our clinical trial results may not support approval of our product candidates. In addition, our product candidates could fail to receive regulatory approval, or regulatory approval could be delayed, for many reasons, including the following:

- the FDA, EMA, or comparable regulatory authorities may not file or accept our NDA or marketing application for substantive review;
- the FDA, EMA, or comparable regulatory authorities may disagree with the dosing regimen, design or implementation of our clinical trials;
- the FDA, EMA, or comparable regulatory authorities may determine there is not substantial evidence of effectiveness to support approval;
- we may be unable to demonstrate to the satisfaction of the FDA, EMA, or comparable regulatory authorities that our product candidates are safe and effective for any of their proposed indications;
- the results of our clinical trials may not meet the level of statistical significance required by the FDA, EMA, or comparable regulatory authorities for approval;
- we may be unable to demonstrate that our product candidates' clinical and other benefits outweigh their safety risks;
- the FDA, EMA, or comparable regulatory authorities may disagree with our interpretation of data from preclinical studies or clinical trials;
- the data collected from clinical trials of our product candidates may not be sufficient to the satisfaction of the FDA, EMA, or comparable regulatory authorities to support the submission of an NDA or other comparable submission in foreign jurisdictions or to obtain regulatory approval in the United States or elsewhere;
- the FDA, EMA, or comparable regulatory authorities may find deficiencies with or fail to approve the manufacturing processes or facilities of third-party manufacturers with which we contract for clinical and commercial supplies; and
- the approval policies or regulations of the FDA, EMA, or comparable regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval.

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

Substantially all of our product candidates were initially developed by Janssen, which we in-licensed pursuant to the Janssen License shortly after our formation. We entered into this license on the basis of our interpretation of the medical and scientific meaningfulness of Janssen's initial data. Therefore, we are dependent on Janssen having designed certain preclinical studies and clinical trials; conducted its research and development in accordance with the applicable protocols, legal and regulatory requirements, and scientific standards; having accurately reported the results of all preclinical studies conducted with respect to such product candidates; and having correctly collected and interpreted the data from these studies and trials. These risks also apply to any additional product candidates that we may acquire or in-license in the future. If these activities were not compliant, accurate or correct, the clinical development, regulatory approval or commercialization of our product candidates will be adversely affected and the earlier-reported results may not support data that we generate in our own preclinical or clinical work with those product candidates.

***If our clinical trials fail to replicate positive results from earlier preclinical studies or clinical trials conducted by us or third parties, we may be unable to successfully develop, obtain regulatory approval for or commercialize our product candidates.***

The results observed from preclinical studies or early-stage clinical trials of our product candidates may not necessarily be predictive of the results of later-stage clinical trials that we conduct. Similarly, positive results



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from such preclinical studies or early-stage clinical trials may not be replicated in our subsequent preclinical studies or clinical trials. For instance, results seen in preclinical animal models of epilepsy or pain may not translate to similar results in patients, and results from our upcoming Phase 2a proof-of-concept trial in focal epilepsy may not translate to clinical seizures. Furthermore, our product candidates may not be able to demonstrate similar activity or adverse event profiles as other product candidates that we believe may have similar profiles.

In addition, in our planned future clinical trials, we may utilize clinical trial designs or dosing regimens that have not been tested in prior clinical trials. For instance, our upcoming Phase 2a proof-of-concept trial in focal epilepsy utilizes a novel study design due to the biomarker-based primary endpoint, intracranial electroencephalography (“iEEG”) data. Specifically, iEEG data will be recorded by an implanted responsive neurostimulation (“RNS”) system, which includes an electrode that monitors intracranial brain waves and detects the magnitude, duration and frequency of electrographic activity associated with clinical seizures. We are not aware of any other trials that have used iEEG data as a primary endpoint. Accordingly, the FDA, EMA, or other comparable regulatory authorities may have questions around the interpretability of this data.

There can be no assurance that any of our clinical trials will ultimately be successful or support further clinical development of any of our product candidates. There is a high failure rate for drugs proceeding through clinical trials. Many companies in the pharmaceutical and biotechnology industries have suffered significant setbacks in late-stage clinical trials after achieving positive results in early-stage development, and we cannot be certain that we will not face similar setbacks. These setbacks have been caused by, among other things, preclinical findings made while clinical trials were underway or safety or efficacy observations made in preclinical studies and clinical trials, including previously unreported adverse effects or AEs.

Additionally, we may utilize an “open-label” clinical trial design. An “open-label” clinical trial is one where both the patient and investigator know whether the patient is receiving the investigational product candidate or either an existing approved drug or placebo. Our upcoming Phase 2a proof-of-concept study in focal epilepsy will be an open label study. Most open-label clinical trials test only the investigational product candidate and sometimes may do so at different dose levels. Open-label clinical trials are subject to various limitations that may exaggerate any therapeutic effect as patients in open-label clinical trials are aware when they are receiving treatment. Open-label clinical trials may be subject to a “patient bias” where patients perceive their symptoms to have improved merely due to their awareness of receiving an experimental treatment. In addition, open-label clinical trials may be subject to an “investigator bias” where those assessing and reviewing the physiological outcomes of the clinical trials are aware of which patients have received treatment and may interpret the information of the treated group more favorably given this knowledge. The results from an open-label trial may not be predictive of future clinical trial results of a product candidate when studied in a controlled environment with a placebo or active control.

Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses and many companies that believed their product candidates performed satisfactorily in preclinical studies and clinical trials nonetheless failed to obtain FDA, EMA or comparable foreign regulatory authority approval.

***We may incur unexpected costs or experience delays in completing, or ultimately be unable to complete, the development and commercialization of our product candidates.***

To obtain the requisite regulatory approvals to commercialize any of our product candidates, we must demonstrate through extensive preclinical studies and clinical trials that our product candidates are safe and effective in humans. We may experience delays in completing our clinical trials or preclinical studies and initiating or completing additional clinical trials or preclinical studies, including as a result of regulators not allowing or delay in allowing clinical trials to proceed under an IND or similar foreign authorization, or not approving or delaying approval for any clinical trial grant or similar approval we need to initiate a clinical trial.



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We may also experience numerous unforeseen events during our clinical trials that could delay or prevent our ability to receive marketing approval or commercialize the product candidates we develop, including:

- regulators, institutional review boards (“IRBs”) 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 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;
- we may experience challenges or delays in recruiting principal investigators or study sites to lead our clinical trials;
- the number of subjects or patients required for clinical trials of our product candidates 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 our product candidates 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 may have to amend clinical trial protocols submitted to regulatory authorities or conduct additional studies to reflect changes in regulatory requirements or guidance, which may be required to resubmit to an IRB and regulatory authorities for re-examination;
- regulators or other reviewing bodies may find deficiencies with, fail to approve or subsequently find fault with the manufacturing processes or facilities of third-party manufacturers with which we enter into agreements for clinical and commercial supplies, or the supply or quality of any product candidate or other materials necessary to conduct clinical trials of our product candidates may be insufficient, inadequate or not available at an acceptable cost, or we may experience interruptions in supply; and
- the potential for approval policies or regulations of the FDA, EMA, or other comparable regulatory authorities to significantly change in a manner rendering our clinical data insufficient for approval.

Regulators or IRBs of the institutions in which clinical trials are being conducted may suspend, limit or terminate a clinical trial, or data monitoring committees may recommend that we suspend or terminate a clinical trial, due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA, EMA, or other comparable regulatory authorities resulting in the imposition of a clinical hold, safety issues or adverse side effects, failure to demonstrate a benefit from using a drug, changes in governmental regulations or administrative actions or lack of adequate funding to continue the clinical trial. Negative or inconclusive results from our clinical trials or preclinical studies could mandate repeated or additional clinical trials and, to the extent we choose to conduct clinical trials in other indications, could result in changes to or delays in clinical trials of our product candidates in such other indications. We do not know whether any clinical trials that we conduct will demonstrate adequate efficacy and safety to result in regulatory approval to market our product candidates for the indications that we are pursuing. If later-stage clinical trials do not produce favorable results, our ability to obtain regulatory approval for our product candidates will be adversely impacted.

Our failure to successfully initiate and complete clinical trials and to demonstrate the efficacy and safety necessary to obtain regulatory approval to market our product candidates would significantly harm our business. Our product candidate development costs will also increase if we experience delays in testing or regulatory approvals and we may be required to obtain additional funds to complete clinical trials. We cannot assure you that our clinical trials will begin as planned or be completed on schedule, if at all, or that we will not need to

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restructure or otherwise modify our trials after they have begun. Significant clinical trial delays also could shorten any periods during which we may have the exclusive right to commercialize our product candidates or allow our competitors to bring products to market before we do and impair our ability to successfully commercialize our product candidates, which may harm our business and results of operations. In addition, many of the factors that cause, or lead to, delays of clinical trials may ultimately lead to the denial of regulatory approval of our product candidates.

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

Undesirable side effects caused by any of our product candidates could cause us or regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label, the inclusion of a Risk Evaluation and Mitigation Strategy, or the delay or denial of regulatory approval by the FDA, EMA, or other comparable regulatory authorities.

We may observe safety or tolerability issues beyond those we anticipate with our product candidates in ongoing or future clinical trials. For example, while no Grade 3 or higher AEs have been observed, to date, RAP-219 has only been tested in healthy volunteers and has not yet been tested in patients, so it is possible that such events may occur in our ongoing RAP-219 clinical program or in our clinical programs for other product candidates. Additionally, it is possible that human subjects with focal epilepsy may experience greater side effects in our clinical program for RAP-219 than observed in healthy volunteers. We continue to learn more about our product candidates, and unfavorable pharmacology profiles, including extended half-lives, could lead to adverse outcomes or concerns by the FDA, EMA, or other comparable regulatory authorities.

Many compounds that initially showed promise in clinical or earlier-stage testing are later found to cause undesirable or unexpected side effects that prevented further development of the compound. Results of future clinical trials of our product candidates could reveal a high and unacceptable severity and prevalence of side effects or unexpected characteristics, despite a favorable tolerability profile observed in earlier-stage testing. At any time, we may decide to terminate or greatly narrow the target population for a clinical development program due to unacceptable side effects or safety concerns.

If unacceptable side effects arise in the development of our product candidates, we, the FDA, EMA, or other comparable regulatory authorities, the IRBs, or independent ethics committees at the institutions in which our trials are conducted, could suspend, limit or terminate our clinical trials, or the independent safety monitoring committee could recommend that we suspend, limit or terminate our trials, or the FDA, EMA, or other comparable regulatory authorities could order us to cease clinical trials or deny approval of our product candidates for any or all targeted indications. We may be unable to overcome any such suspensions or holds that are placed on our clinical trials. Treatment-emergent side effects that are deemed to be drug-related could delay recruitment of clinical trial subjects or may cause subjects that enroll in our clinical trials to discontinue participation in our clinical trials. In addition, these side effects may not be appropriately recognized or managed by the treating medical staff. We may need to train medical personnel using our product candidates to understand the side effect profiles for our clinical trials and upon any commercialization of any of our product candidates. Inadequate training in recognizing or managing the potential side effects of our product candidates could result in harm to patients that are administered our product candidates. Any of these occurrences may adversely affect our business, financial condition and prospects significantly.

Moreover, clinical trials of our product candidates are conducted in carefully defined sets of patients who have agreed to enter into clinical trials. Consequently, it is possible that our clinical trials may indicate an apparent positive effect of a product candidate that is greater than the actual positive effect, if any, or alternatively fail to identify undesirable side effects.

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

Any product candidate we develop and the activities associated with its development and commercialization, including its design, testing, manufacture, safety, efficacy, recordkeeping, labeling, storage, approval, advertising, promotion, sale, and distribution, are subject to comprehensive regulation by the FDA and other regulatory authorities in the United States, and by the EMA and other comparable regulatory authorities in other countries. Failure to obtain marketing approval for a product candidate will prevent us from commercializing the product candidate in a given jurisdiction. We have not received approval to market any product candidates from regulatory authorities in any jurisdiction and it is possible that none of the product candidates we are developing or may seek to develop in the future will ever obtain regulatory approval.

We have no experience in submitting and supporting the applications necessary to gain marketing approvals and expect to rely on third-party CROs or regulatory consultants to assist us in this process. Securing regulatory approval requires the submission of extensive preclinical and clinical data and supporting information to the various regulatory authorities for each therapeutic indication to establish the product candidate's safety and efficacy. Securing regulatory approval also requires the submission of information about the product manufacturing process to, and inspection of manufacturing facilities by, the relevant regulatory authority. Any product candidates we develop may not be effective, may be only moderately effective, or may prove to have undesirable or unintended side effects, toxicities or other characteristics that may preclude its obtaining marketing approval or prevent or limit commercial use.

The process of obtaining marketing approvals, both in the United States and abroad, is expensive, may take many years if additional clinical trials are required, if approval is obtained at all, and can vary substantially based upon a variety of factors, including the type, complexity, and novelty of the product candidates involved. Changes in marketing approval policies during the development period, changes in or the enactment of additional statutes or regulations, or changes in regulatory review for each submitted product application, may cause delays in the approval or rejection of an application. The FDA, EMA, and other comparable regulatory authorities have substantial discretion in the approval process and may refuse to accept any application or may decide that our data are insufficient for approval and require additional preclinical, clinical or other studies. In addition, varying interpretations of the data obtained from preclinical and clinical testing could delay, limit, or prevent marketing approval of a product candidate. Any marketing approval that we may ultimately obtain could be limited or subject to restrictions or post-approval commitments that render the approved product not commercially viable.

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

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

From time to time, we may publish interim, topline or preliminary data from our clinical trials. Interim data from clinical trials that we may complete are subject to the risk that one or more of the clinical outcomes may materially change as patient enrollment continues and more patient data become available. Preliminary or topline data also remain subject to audit and verification procedures that may result in the final data being materially different from the preliminary data we previously published. As a result, interim and preliminary data should be viewed with caution until the final data are available. Adverse differences between preliminary or interim data and final data could significantly harm our reputation and business prospects.

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***If we do not achieve our projected development and commercialization goals in the timeframes we announce and expect, the development and commercialization of our product candidates may be delayed, and our business and results of operations may be harmed.***

For planning purposes, we sometimes estimate the timing of the accomplishment of various scientific, clinical, regulatory and other product development objectives. These milestones may include our expectations regarding the commencement or completion of scientific studies and clinical trials, the submission of regulatory filings or commercialization objectives. From time to time, we may publicly announce the expected timing of some of these milestones, such as the completion of an ongoing clinical trial, the initiation of other clinical programs, receipt of marketing approval or a commercial launch of a product. The achievement of many of these milestones may be outside of our control. All of these milestones are based on a variety of assumptions which, if not realized as expected, may cause the timing of achievement of the milestones to vary considerably from our estimates, including:

- our available capital resources or capital constraints we experience;
- the rate of progress, costs and results of our clinical trials and research and development activities, including the extent of scheduling conflicts with participating clinicians and collaborators;
- our ability to identify and enroll patients who meet clinical trial eligibility criteria;
- our receipt of approvals by the FDA, EMA, and other comparable regulatory authorities and the timing thereof;
- other actions, decisions or rules issued by regulators;
- our ability to access sufficient, reliable and affordable supplies of materials used to manufacture our product candidates;
- the efforts of our collaborators with respect to the commercialization of our product candidates; and
- the securing of, costs related to, and timing issues associated with, product manufacturing as well as sales and marketing activities.

If we fail to achieve announced milestones in the timeframes we expect, the development and commercialization of our product candidates may be delayed, and our business and results of operations may be harmed.

***We have concentrated our research and development efforts on the treatment of disorders of the brain and nervous system, a field that faces certain challenges in drug development.***

We have focused our research and development efforts on addressing disorders of the brain and nervous system. Efforts by pharmaceutical companies in this field have faced certain challenges in drug development. In particular, many neurological disorders, such as focal epilepsy, neuropathic pain and bipolar disorder, rely on subjective patient-reported outcomes as key endpoints. This makes them more difficult to evaluate than indications with more objective endpoints. Furthermore, these indications are often subject to a placebo effect, which may make it more challenging to isolate the effects of our product candidates. There can be no guarantee that we will successfully overcome these challenges with RAP-219, even with the use of the RNS system from NeuroPace Inc. (“NeuroPace”) in our Phase 2a proof-of-concept trial in focal epilepsy, or our other product candidates or that we will not encounter other challenges in the development of our product candidates. Moreover, given the history of clinical failures in this field, future clinical or regulatory failures by us or others may have result in further negative perception of the likelihood of success in this field, which may significantly and adversely affect the market price of our common stock.

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*We may be subject to additional risks because we intend to evaluate our product candidates in combination with the standard of care for the indications that we are pursuing.*

We intend to evaluate our product candidates in combination with other compounds, specifically the standard of care for the indications that we are pursuing. The use of our product candidates in combination with such other compounds may subject us to risks that we would not face if our product candidates were being administered as a monotherapy. The outcome and cost of developing a product candidate to be used with other compounds is difficult to predict and dependent on a number of factors that are outside our control. If we experience efficacy or safety issues in our clinical trials in which our product candidates are being administered with other compounds, we may not receive regulatory approval for our product candidates, which could prevent us from ever generating revenue or achieving profitability.

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

We may experience difficulties in patient enrollment in our clinical trials for a variety of reasons. The timely completion of clinical trials in accordance with our protocols depends, among other things, on our ability to enroll a sufficient number of patients who remain in the study until its conclusion.

Patient enrollment is affected by many factors, including:

- the patient eligibility criteria defined in the protocol;
- the size of the patient population required for analysis of the trial's primary endpoints;
- the severity of the disease under investigation;
- the proximity of patients to study sites;
- the design of the trial;
- our ability to recruit clinical trial investigators with the appropriate competencies and experience;
- patients that enroll in our clinical trials may misrepresent their eligibility or may otherwise not comply with the clinical trial protocol, resulting in the need to drop such patients from the clinical trial, increase the needed enrollment size for the clinical trial or extend the clinical trial's duration;
- approval of new indications for existing therapies or approval of new therapies in general;
- competing clinical trials and clinicians' and patients' perceptions as to the potential advantages and risks of the product candidate being studied in relation to other available therapies, including any new drugs that may be approved for the indications that we are investigating;
- our ability to obtain and maintain patient consents; and
- the risk that patients enrolled in our clinical trials will drop out of the trials before completion.

We may experience challenges in recruiting principal investigators and patients to participate in ongoing and future clinical trials for such product candidates if we are unable to sufficiently demonstrate the potential of such product candidates to them. In addition, our clinical trials may compete with other clinical trials for product candidates that are in the same therapeutic areas as our product candidates, and this competition will reduce the number and types of patients available to us, because some patients who might have opted to enroll in our trials may instead opt to enroll in a trial being conducted by one of our competitors. Since the number of qualified clinical investigators is limited, we may conduct some of our clinical trials at the same clinical trial sites that some of our competitors use, which will reduce the number of patients who are available for our clinical trials in such clinical trial site. Furthermore, if significant AEs or other side effects are observed in any of our clinical trials, we may have difficulty recruiting patients to our trials and patients may drop out of our trials. Additionally,

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patients, including patients in any control groups, may withdraw from the clinical trial for various reasons, including but not limited to if they are not experiencing improvement in their underlying disease or condition, or if they experience other difficulties or issues relating to their underlying disease or condition. Participants with CNS disorders such as bipolar disorder constitute a vulnerable patient population and may withdraw from the clinical trial if they are not experiencing improvement in their underlying disease or condition or if they experience other difficulties or issues relating to their underlying disease or condition or otherwise, which may or may not be related to our product candidate in clinical trial. Withdrawal of patients from our clinical trials may compromise the quality of our data.

Our inability to enroll a sufficient number of patients for our clinical trials would result in significant delays or might require us to abandon one or more clinical trials or our development efforts altogether. Delays in patient enrollment may result in increased costs, affect the timing or outcome of the planned clinical trials, product candidate development and approval process and jeopardize our ability to seek and obtain the regulatory approval required to commence product sales and generate revenue, which could prevent completion of these trials, adversely affect our ability to advance the development of our product candidates, cause our value to decline and limit our ability to obtain additional financing if needed.

***Even if any of our product candidates receives regulatory approval, it may fail to achieve the degree of market acceptance by physicians, patients, third-party payors and others in the medical community necessary for commercial success, in which case we may not generate significant revenues or become profitable.***

We have never commercialized a product, and even if any of our product candidates is approved by the appropriate regulatory authorities for marketing and sale, it may nonetheless fail to achieve sufficient market acceptance by physicians, patients, third-party payors and others in the medical community. Many of the indications for our product candidates have well-established standards of care that physicians, patients and payors are familiar with and, in some cases, are available generically. Even if our product candidates are successful in registrational clinical trials, they may not be successful in displacing these current standards of care if we are unable to demonstrate superior efficacy, safety, ease of administration and/or cost-effectiveness. For example, physicians may be reluctant to take their patients off their current medications and switch their treatment regimen to our product candidates. Further, patients often acclimate to the treatment regimen that they are currently taking and do not want to switch unless their physicians recommend switching products or they are required to switch due to lack of coverage and adequate reimbursement. Even if we are able to demonstrate our product candidates' safety and efficacy to the FDA and other regulators, safety or efficacy concerns in the medical community may hinder market acceptance.

Efforts to educate the medical community and third-party payors on the benefits of our product candidates may require significant resources, including management time and financial resources, and may not be successful. If any product candidate is approved but does not achieve an adequate level of market acceptance, we may not generate significant revenues and we may not become profitable. The degree of market acceptance of our product candidates, if approved for commercial sale, will depend on a number of factors, including:

- the efficacy and safety of the product;
- the potential advantages of the product compared to competitive therapies;
- the prevalence and severity of any side effects;
- whether the product is designated under physician treatment guidelines as a first-, second- or third-line therapy;
- our ability, or the ability of any future collaborators, to offer the product for sale at competitive prices;
- the product's convenience and ease of administration compared to alternative treatments;
- the willingness of the target patient population to try, and of physicians to prescribe, the product;

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- the product's acceptance into standard of care treatment algorithms by medical societies that could limit payor and physician uptake;
- limitations or warnings, including distribution or use restrictions contained in the product's approved labeling;
- the strength of sales, marketing and distribution support;
- changes in the standard of care for the targeted indications for the product; and
- availability and adequacy of coverage and reimbursement from government payors, managed care plans and other third-party payors.

Any failure by one or more of our product candidates that obtains regulatory approval to achieve market acceptance or commercial success would adversely affect our business prospects.

***If we fail to discover, develop and commercialize other product candidates, we may be unable to grow our business and our ability to achieve our strategic objectives would be impaired.***

Although the development and commercialization of our current product candidates are our initial focus, as part of our longer-term growth strategy, we plan to develop other product candidates. In addition to the product candidates in our clinical-stage pipeline, we have in-licensed additional assets that are in earlier stages of development. We intend to evaluate internal opportunities from our existing product candidates or other potential product candidates, and also may choose to in-license or acquire other product candidates to treat patients suffering from other disorders with significant unmet medical needs and limited treatment options. These other potential product candidates will require additional, time-consuming development efforts prior to commercial sale, including preclinical studies, clinical trials and approval by the FDA, EMA, or other comparable regulatory authorities. All product candidates are prone to the risks of failure that are inherent in pharmaceutical product development, including the possibility that the product candidate will not be shown to be sufficiently safe and effective for approval by regulatory authorities. In addition, we cannot assure you that any such products that are approved will be manufactured or produced economically, successfully commercialized or widely accepted in the marketplace or be more effective than other commercially available alternatives.

In addition, we intend to devote substantial capital and resources for basic research to discover and identify additional product candidates. These research programs require substantial technical, financial and human resources, whether or not any product candidates are ultimately identified. Our research programs may initially show promise in identifying potential product candidates, yet fail to yield product candidates for clinical development for many reasons, including the following:

- the research methodology used may not be successful in identifying potential product candidates;
- competitors may develop alternatives that render our product candidates obsolete;
- product candidates that we develop may nevertheless be covered by third parties' patents or other exclusive rights;
- a product candidate may, on further study, be shown to have harmful side effects or other characteristics that indicate it is unlikely to be effective or otherwise does not meet applicable regulatory criteria;
- a product candidate may not be capable of being produced in commercial quantities at an acceptable cost, or at all; and
- a product candidate may not be accepted as safe and effective by patients, the medical community or third-party payors.

In the future, we may also seek to in-license or acquire product candidates or the underlying technology. The process of proposing, negotiating and implementing a license or acquisition is lengthy and complex. Other

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companies, including some with substantially greater financial, marketing and sales resources, may compete with us for the license or acquisition of product candidates. We have limited resources to identify and execute the acquisition or in-licensing of third-party products, businesses and technologies and integrate them into our current infrastructure. Moreover, we may devote resources to potential acquisitions or in-licensing opportunities that are never completed, or we may fail to realize the anticipated benefits of such efforts. We may not be able to acquire the rights to additional product candidates on terms that we find acceptable, or at all.

In addition, future acquisitions may entail numerous operational and financial risks, including:

- exposure to unknown liabilities;
- disruption of our business and diversion of management's time and attention to develop acquired products or technologies;
- incurrence of substantial debt, dilutive issuances of securities or depletion of cash to pay for acquisitions;
- higher than expected acquisition and integration costs;
- difficulty in combining the operations and personnel of any acquired businesses with our operations and personnel;
- increased amortization expenses;
- impairment of relationships with key suppliers or customers of any acquired businesses due to changes in management and ownership; and
- inability to motivate key employees of any acquired businesses.

If we are unsuccessful in identifying and developing additional product candidates, either through internal development or licensing or acquisition from third parties, our potential for growth and achieving our strategic objectives may be impaired.

***The number of patients with the diseases and disorders for which we are developing our product candidates has not been established with precision. If the actual number of patients with the diseases or disorders we elect to pursue with our product candidates is smaller than we anticipate, we may have difficulties in enrolling patients in our clinical trials, which may delay or prevent development of our product candidates. Even if such product candidates are successfully developed and approved, the markets for our product candidates may be smaller than we expect and our revenue potential and ability to achieve profitability may be materially adversely affected.***

Our pipeline includes product candidates for a variety of neuroscience diseases. There is no precise method of establishing the actual number of patients with any of these disorders in any geography over any time period. With respect to many of the indications in which we have developed, are developing, or plan to develop our product candidates, we have estimates of the prevalence of the disease or disorder. Our estimates as to prevalence may not be accurate, and the actual prevalence or addressable patient population for some or all of those indications, or any other indication that we elect to pursue, may be significantly smaller than our estimates. In estimating the potential prevalence of indications we are pursuing, or may in the future pursue, including our estimates as to the prevalence of focal epilepsy, neuropathic pain and bipolar disorder, we apply assumptions to available information that may not prove to be accurate. In each case, there is a range of estimates in the published literature and in marketing studies, which include estimates within the range that are lower than our estimates. The actual number of patients with these disease indications may, however, be significantly lower than we believe. Even if our prevalence estimates are correct, our product candidates may be developed for only a subset of patients with the relevant disease or disorder or our product candidates, if approved, may be indicated for or used by only a subset. In the event the number of patients with the diseases and disorders we are studying is significantly lower than we expect, we may have difficulties in enrolling patients in our clinical trials, which



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may delay or prevent development of our product candidates. If any of our product candidates are approved and our prevalence estimates with respect to any indication or our other market assumptions are not accurate, the markets for our product candidates for these indications may be smaller than we anticipate, which could limit our revenues and our ability to achieve profitability or to meet our expectations with respect to revenues or profits.

***Competitive products may reduce or eliminate the commercial opportunity for our product candidates, if approved. If our competitors develop technologies or product candidates more rapidly than we do, or their technologies or product candidates are more effective or safer than ours, our ability to develop and successfully commercialize our product candidates may be adversely affected.***

The clinical and commercial landscapes for the treatment of neuroscience diseases are highly competitive and subject to rapid and significant technological change. We face competition with respect to our indications for our product candidates and will face competition with respect to any other drug candidates that we may seek to develop or commercialize in the future, from major pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies worldwide. There are a number of large pharmaceutical and biotechnology companies that currently market and sell drugs or are pursuing the development of drug candidates for the treatment of the indications that we are pursuing. Potential competitors also include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization.

We believe that a significant number of product candidates are currently under development for the same indications we are currently pursuing, and some or all may become commercially available in the future for the treatment of conditions for which we are trying or may try to develop product candidates. Our potential competitors include large pharmaceutical and biotechnology companies, specialty pharmaceutical and generic drug companies, academic institutions, government agencies and research institutions. See the section titled “*Business—Competition*” in this prospectus for examples of the competition that our product candidates face.

In most cases, we do not currently plan to run head-to-head clinical trials evaluating our product candidates against the current standards of care, which may make it more challenging for our product candidates to compete against the current standards of care due to the lack of head-to-head clinical trial data.

Our competitors may have significantly greater financial resources, established presence in the market, expertise in research and development, manufacturing, preclinical and clinical testing, obtaining regulatory approvals and reimbursement and marketing approved products than we do. Accordingly, our competitors may be more successful than we may be in obtaining regulatory approval for therapies and achieving widespread market acceptance. Our competitors’ products may be more effective, or more effectively marketed and sold, than any product candidate we may commercialize and may render our therapies obsolete or non-competitive before we can recover development and commercialization expenses. If any of our product candidates are approved, it could compete with a range of therapeutic treatments that are in development. In addition, our competitors may succeed in developing, acquiring or licensing technologies and drug products that are more effective or less costly than our product candidates, which could render our product candidates obsolete and noncompetitive.

If we obtain approval for any of our product candidates, we may face competition based on many different factors, including the efficacy, safety and tolerability of our products, the ease with which our products can be administered, the timing and scope of regulatory approvals for these products, the availability and cost of manufacturing, marketing and sales capabilities, price, reimbursement coverage and patent position. Existing and future competing products could present superior treatment alternatives, including being more effective, safer, less expensive or marketed and sold more effectively than any products we may develop. Competitive products may make any products we develop obsolete or noncompetitive before we recover the expense of developing and commercializing our product candidates. Such competitors could also recruit our employees, which could negatively impact our level of expertise and our ability to execute our business plan.

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In addition, our competitors may obtain patent protection, regulatory exclusivities or FDA approval and commercialize products more rapidly than we do, which may impact future approvals or sales of any of our product candidates that receive regulatory approval. If the FDA approves the commercial sale of any product candidate, we will also be competing with respect to marketing capabilities and manufacturing efficiency. We expect competition among products will be based on product efficacy and safety, the timing and scope of regulatory approvals, availability of supply, marketing and sales capabilities, product price, reimbursement coverage by government and private third-party payors, regulatory exclusivities and patent position. Our profitability and financial position will suffer if our product candidates receive regulatory approval but cannot compete effectively in the marketplace.

Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller and other early-stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These third parties compete with us in recruiting and retaining qualified scientific and management personnel and establishing clinical trial sites, as well as in acquiring technologies complementary to, or necessary for, our programs.

***If we are unable to develop our sales, marketing and distribution capability on our own or through collaborations with marketing partners, we will not be successful in commercializing our product candidates.***

We currently have no marketing, sales or distribution capabilities. We intend to establish a sales and marketing organization, either on our own or in collaboration with third parties, with technical expertise and supporting distribution capabilities to commercialize one or more of our product candidates that may receive regulatory approval in key territories. These efforts will require substantial additional resources, some or all of which may be incurred in advance of any approval of the product candidate. Any failure or delay in the development of our or third parties' internal sales, marketing and distribution capabilities would adversely impact the commercialization of our product candidates.

Factors that may inhibit our efforts to commercialize our product candidates 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 or our failure to educate an adequate number of physicians on the benefits of any future products;
- the lack of complementary products to be offered by sales personnel, which may put us at a competitive disadvantage relative to companies with more extensive product lines; and
- unforeseen costs and expenses associated with creating an independent sales and marketing organization.

With respect to our existing and future product candidates, we may choose to collaborate with third parties that have direct sales forces and established distribution systems to serve as an alternative to our own sales force and distribution systems. Our future product revenue may be lower than if we directly marketed or sold our product candidates, if approved. In addition, any revenue we receive will depend in whole or in part upon the efforts of these third parties, which may not be successful and are generally not within our control. If we are not successful in commercializing any approved products, our future product revenue will suffer and we may incur significant additional losses.

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 product candidates.

## **Risks Related to Employee Matters and Managing Growth**

*We expect to expand our organization, and as a result, we may encounter difficulties in managing our growth, which could disrupt our operations.*

We expect to experience significant growth in the number of our employees and the scope of our operations, particularly in the areas of regulatory affairs and sales, marketing and distribution, as well as to support our public company operations. To manage these growth activities, we must continue to implement and improve our managerial, operational, quality and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Our management may need to devote a significant amount of its attention to managing these growth activities. Due to our limited financial resources and the limited experience of our management team in managing a company with such anticipated growth, we may not be able to effectively manage the expansion or relocation of our operations, retain key employees, or identify, recruit and train additional qualified personnel. Our inability to manage the expansion or relocation of our operations effectively may result in weaknesses in our infrastructure, give rise to operational mistakes, loss of business opportunities, loss of employees and reduced productivity among remaining employees. Our expected growth could also require significant capital expenditures and may divert financial resources from other projects, such as the development of additional product candidates. If we are unable to effectively manage our expected growth, our expenses may increase more than expected, our ability to generate revenues could be reduced and we may not be able to implement our business strategy, including the successful commercialization of our product candidates.

*Our ability to develop product candidates, leverage our RAP technology platform and our future growth depends on attracting, hiring and retaining our key personnel and recruiting additional qualified personnel.*

Our success depends upon the continued contributions of our key management and scientific personnel, many of whom have been instrumental for us and have substantial experience with developing therapies, identifying potential product candidates and building the technologies related to the clinical development of our product candidates. Given the specialized nature of brain diseases and our approach, there is an inherent scarcity of experienced personnel in these fields. As we continue developing our product candidates in our pipeline, we will require personnel with medical, scientific, or technical qualifications specific to each program. The loss of key personnel, in particular our Chief Scientific Officer, neuropharmacologists and neuroscientists, would delay our research and development activities. We currently do not have “key person” insurance on any of our employees. Despite our efforts to retain valuable employees, members of our team may terminate their employment with us on short notice. The competition for qualified personnel in the biotechnology and biopharmaceutical industries is intense, and our future success depends upon our ability to attract, retain, and motivate highly skilled scientific, technical and managerial employees. We face competition for personnel from other companies, universities, public and private research institutions, and other organizations. If our recruitment and retention efforts are unsuccessful in the future, it may be difficult for us to implement our business strategy, which would have a material adverse effect on our business.

In addition, our clinical operations and research and development programs depend on our ability to attract and retain highly skilled scientists, data scientists, and engineers, particularly in Massachusetts and California. There is powerful competition for skilled personnel in these geographical markets, and we have from time to time experienced, and we expect to continue to experience, difficulty in hiring and retaining employees with appropriate qualifications on acceptable terms, or at all. Many of the companies with which we compete for experienced personnel have greater resources than we do, and any of our employees may terminate their employment with us at any time. If we hire employees from competitors or other companies, their former employers may attempt to assert that these employees or we have breached legal obligations, resulting in a diversion of our time and resources and, potentially, damages. In addition, job candidates and existing employees often consider the value of the stock awards they receive in connection with their employment. If the perceived benefits of our stock awards decline, it may harm our ability to recruit and retain highly skilled employees. If we fail to attract new personnel or fail to retain and motivate our current personnel, our business and future growth prospects would be harmed.

## Risks Related to Our Dependence on Third Parties

*We rely on third parties to assist in conducting our clinical trials. If they do not perform satisfactorily, we may not be able to obtain regulatory approval or commercialize our product candidates, or such approval or commercialization may be delayed, and our business could be substantially harmed.*

We have relied upon and plan to continue to rely on third parties, such as CROs, clinical data management organizations, medical institutions and clinical investigators, to conduct our clinical trials and expect to rely on these third parties to conduct clinical trials of any other product candidate that we develop. Our ability to complete clinical trials in a timely fashion depends on a number of key factors. These factors include protocol design, regulatory and IRB approval, patient enrollment rates and compliance with GCPs. We have opened clinical trial sites and are enrolling patients in a number of countries where our experience is limited. In most cases, we use the services of third parties, including CROs, to carry out our clinical trial-related activities and rely on such parties to accurately report their results. Our reliance on third parties for clinical development activities may impact or limit our control over the timing, conduct, expense and quality of our clinical trials. Moreover, the FDA requires us to comply with GCPs for conducting, recording and reporting the results of clinical trials to assure that data and reported results are credible and accurate and that the rights, integrity and confidentiality of trial participants are protected. The FDA enforces these GCPs through periodic inspections of clinical trial sponsors, principal investigators, clinical trial sites and IRBs. For certain commercial prescription drug products, manufacturers and other parties involved in the supply chain must also meet chain of distribution requirements and build electronic, interoperable systems for product tracking and tracing and for notifying the FDA of counterfeit, diverted, stolen and intentionally adulterated products or other products that are otherwise unfit for distribution in the United States.

We remain responsible for ensuring that each of our trials is conducted in accordance with the applicable protocol, legal and regulatory requirements and scientific standards. Our failure or the failure of third parties to comply with the applicable protocol, legal and regulatory requirements and scientific standards can result in rejection of our clinical trial data or other sanctions. If we or our third-party clinical trial providers or third-party CROs do not successfully carry out these clinical activities, our clinical trials or the potential regulatory approval of a product candidate may be delayed or be unsuccessful. Additionally, if we or our third-party contractors fail to comply with applicable GCPs for any reason, the clinical data generated in our clinical trials may be deemed unreliable and the FDA may require us to perform additional clinical trials before approving our product candidates, which would delay the regulatory approval process. We cannot be certain that, upon inspection, the FDA will determine that any of our clinical trials comply with GCPs. We are also required to register certain clinical trials and post the results of completed clinical trials on a government-sponsored database, ClinicalTrials.gov, within certain timeframes. Failure to do so can result in fines, adverse publicity and civil and criminal sanctions.

Furthermore, the third parties conducting clinical trials on our behalf are not our employees, and except for remedies available to us under our agreements with such contractors, we cannot control whether or not they devote sufficient time, skill and resources to our ongoing development programs. Moreover, many CROs, including some of those that we have engaged to conduct our clinical trials, are experiencing enrollment challenges as a result of, among other things, high employee turnover driven by the post-COVID macroeconomic environment and the inexperience of new employees. Furthermore, at clinical trial sites, the availability of staff and trial participants has been limited due to a decrease in the number of clinical investigative sites across the globe. These contractors may also have relationships with other commercial entities, including our competitors, for whom they may also be conducting clinical trials or other drug development activities, which could impede their ability to devote appropriate time to our clinical programs. If these third parties, including clinical investigators, do not successfully carry out their contractual duties, meet expected deadlines or conduct our clinical trials in accordance with regulatory requirements or our stated protocols, we may not be able to obtain, or may be delayed in obtaining, regulatory approvals for our product candidates. If that occurs, we will not be able to, or may be delayed in our efforts to, successfully commercialize our product candidates. In such an event, our

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financial results and the commercial prospects for any product candidates that we seek to develop could be harmed, our costs could increase and our ability to generate revenues could be delayed, impaired or foreclosed.

In addition, we may rely on other third parties to collect, report and analyze data for our clinical trials. For example, our Phase 2a clinical trial will evaluate RAP-219 in adult patients with drug-resistant focal epilepsy who have been implanted with the RNS system from NeuroPace. NeuroPace will assist us with clinical trial readiness, including identifying patients for enrollment in our trial, as well as services for the collection, reporting and analysis of patient data collected from the implanted RNS systems throughout the Phase 2a clinical trial. If NeuroPace does not successfully carry out its contractual obligations for any reason, meet expected deadlines, conduct our Phase 2a clinical trial in accordance with applicable law, including regulatory and data privacy requirements, or encounters issues with its RNS system, including issues that raise questions of safety, effectiveness or data integrity, or we are otherwise unable to maintain our relationship with NeuroPace, we would have to redesign and conduct a new clinical trial to evaluate RAP-219 in patients with drug-resistant focal epilepsy and our business, financial condition and prospects would be harmed.

We also rely on other third parties to store and distribute drug supplies for our clinical trials. Any performance failure on the part of our distributors could delay clinical development or regulatory approval of our product candidates or commercialization of any resulting products, producing additional losses and depriving us of potential product revenue.

Any of the third-party organizations we utilize may terminate their engagements with us under certain circumstances. The replacement of an existing CRO or other third party may result in the delay of the affected trials or otherwise adversely affect our efforts to obtain regulatory approvals and commercialize our product candidates. We may not be able to enter into alternative arrangements or do so on commercially reasonable terms. In addition, even if there are suitable replacements for one or more of these service providers, there is a natural transition period when a new service provider begins work. As a result, delays may occur, which could negatively impact our ability to meet our expected clinical development timelines and harm our business, financial condition and prospects.

***Our use of third parties to manufacture our product candidates, including those located outside of the United States in jurisdictions such as China, may increase the risk that we will not have sufficient quantities of our product candidates, raw materials, active pharmaceutical ingredients (“APIs”) or drug products when needed or at an acceptable cost.***

We do not own or operate manufacturing facilities for the production of clinical or commercial quantities of our product candidates, and we lack the resources and the capabilities to do so. Our current strategy is to outsource all manufacturing of our product candidates to third parties, including in jurisdictions outside of the United States such as China.

We currently rely on and engage third-party manufacturers to provide all of the API and the final drug product formulation of all of our product candidates that are being used in our clinical trials and preclinical studies. If we were to need an alternate manufacturer, we would incur added costs and delays in identifying and qualifying any such replacement. In addition, we typically order raw materials, API and drug product and services on a purchase order basis and do not enter into long-term dedicated capacity or minimum supply arrangements with any commercial manufacturer. We may not be able to timely secure needed supply arrangements on satisfactory terms, or at all. Our failure to secure these arrangements as needed could have a material adverse effect on our ability to complete the development of our product candidates or, to commercialize them, if approved. We may be unable to conclude agreements for commercial supply with third-party manufacturers or may be unable to do so on acceptable terms. There may be difficulties in scaling up to commercial quantities and formulation of our product candidates, and the costs of manufacturing could be prohibitive.

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Many of the third-party manufacturers we rely on have only recently begun working with us and have limited or no experience manufacturing our API and final drug products. If our manufacturers have difficulty or suffer delays in successfully manufacturing material that meets our specifications, it may limit supply of our product candidates and could delay our clinical trials.

Even if we are able to establish and maintain arrangements with third-party manufacturers, reliance on third-party manufacturers entails additional risks, including:

- the failure of the third-party manufacturer to comply with applicable regulatory requirements and reliance on third parties for manufacturing process development, regulatory compliance and quality assurance;
- manufacturing delays if our third-party manufacturers give greater priority to the supply of other products over our product candidates or otherwise do not satisfactorily perform according to the terms of the agreement between us;
- limitations on supply availability resulting from capacity and scheduling constraints of third parties;
- the failure of the third-party manufacturer to produce materials with acceptable quality on a larger scale;
- the possible breach of manufacturing agreements by third parties because of factors beyond our control;
- the possible termination or non-renewal of the manufacturing agreements by the third party, at a time that is costly or inconvenient to us; and
- the possible misappropriation of our proprietary information, including our trade secrets and know-how.

If we do not maintain our key manufacturing relationships, we may fail to find replacement manufacturers or develop our own manufacturing capabilities, which could delay or impair our ability to obtain regulatory approval for our product candidates. If we do find replacement manufacturers, we may not be able to enter into agreements with them on terms and conditions favorable to us and there could be a substantial delay before new facilities could be qualified and registered with the FDA, EMA, and other comparable regulatory authorities.

Additionally, if any third-party manufacturer with whom we contract fails to perform its obligations, we may be forced to manufacture the materials ourselves, for which we may not have the capabilities or resources, or enter into an agreement with a different manufacturer. In either scenario, our clinical trials supply could be delayed significantly as we establish alternative supply sources. In some cases, the technical skills required to manufacture our product candidates may be unique or proprietary to the original manufacturer and we may have difficulty, or there may be contractual restrictions prohibiting us from, transferring such skills to a back-up or alternate supplier, or we may be unable to transfer such skills at all. In addition, if we are required to change third-party 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. We will also need to verify, such as through a manufacturing comparability study, that any new manufacturing process will produce our product candidate according to the specifications previously submitted to the FDA, EMA, or other comparable regulatory authorities. We may be unsuccessful in demonstrating the comparability of clinical supplies, which could require the conduct of additional clinical trials. The delays associated with the verification of a new third-party manufacturer could negatively affect our ability to develop product candidates or commercialize our products in a timely manner or within budget. Furthermore, a third-party manufacturer may possess technology related to the manufacture of our product candidate that such third party owns independently. This would increase our reliance on such third-party manufacturer or require us to obtain a license from such third-party manufacturer in order to have another third party manufacture our product candidates.

If any of our product candidates is approved by any regulatory agency, we intend to utilize arrangements with third-party contract manufacturers for the commercial production of those products. This process is difficult

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and time consuming and we may face competition for access to manufacturing facilities as there are a limited number of contract manufacturers operating under cGMPs that are capable of manufacturing our product candidates. Consequently, we may not be able to reach agreement with third-party manufacturers on satisfactory terms, which could delay our commercialization.

Some of our manufacturers are located outside of the United States, including in China. There is currently significant uncertainty about the future relationship between the United States and various other countries, including China, with respect to trade policies, treaties, government regulations and tariffs. Increased tariffs or pending legislation that would impose federal contracting or federal funding limitations on parties directly using or connected to those using the services or equipment of certain foreign entities with known or alleged associations with foreign adversaries could potentially disrupt our existing supply chains and impose additional costs on our business. In particular, certain Chinese biotechnology companies and CMOs may become subject to trade restrictions, sanctions, and other regulatory requirements by the U.S. government, which could restrict or even prohibit our ability to work with such entities, thereby potentially disrupting our supplies and manufacturing. Additionally, it is possible further tariffs may be imposed that could affect imports of any APIs used in our product candidates in the future, or our business may be adversely impacted by retaliatory trade measures taken by China or other countries, including restricted access to such raw materials used in our product candidates. Given the unpredictable regulatory environment in China and the United States and uncertainty regarding how the U.S. or foreign governments will act with respect to tariffs, international trade agreements and policies, further governmental action related to tariffs, additional taxes, contracting matters, regulatory changes or other retaliatory trade measures in the future could occur with a corresponding detrimental impact on our business and financial condition.

Our failure, or the failure of our third-party manufacturers, to comply with applicable regulations could result in sanctions being imposed on us, including clinical holds, fines, injunctions, civil penalties, delays, suspension or withdrawal of approvals, seizures or voluntary recalls of product candidates, operating restrictions and criminal prosecutions, any of which could significantly affect supplies of our product candidates. The facilities used by our contract manufacturers to manufacture our product candidates must be evaluated by the FDA. We do not control the manufacturing process of, and are completely dependent on, our contract manufacturing partners for compliance with cGMPs. If our contract manufacturers cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA, EMA, or other comparable regulatory authorities, we may not be able to secure and/or maintain regulatory approval for our product candidates manufactured at these facilities. In addition, we have no control over the ability of our contract manufacturers to maintain adequate quality control, quality assurance and qualified personnel. If the FDA finds deficiencies or a comparable foreign regulatory authority does not approve these facilities for the manufacture of our product candidates or if it withdraws any such approval in the future, we may need to find alternative manufacturing facilities, which would significantly impact our ability to develop, obtain regulatory approval for or market our product candidates, if approved. Contract manufacturers may face manufacturing or quality control problems causing drug substance production and shipment delays or a situation where the contractor may not be able to maintain compliance with the applicable cGMP requirements. Any failure to comply with cGMP requirements or other FDA, EMA and comparable foreign regulatory requirements could adversely affect our clinical research activities and our ability to develop our product candidates and market our products, if approved.

The FDA, EMA, or other comparable regulatory authorities require manufacturers to register manufacturing facilities, and also inspect these facilities to confirm compliance with cGMPs.

Contract manufacturers may face manufacturing or quality control problems causing drug substance production and shipment delays or a situation where the contractor may not be able to maintain compliance with the applicable cGMP requirements. Any failure to comply with cGMP requirements or other FDA, EMA, and other comparable regulatory requirements could adversely affect our clinical research activities and our ability to develop our product candidates and market our products following approval, if obtained.



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Furthermore, should we decide to use any APIs in any of our product candidates that are proprietary to one or more third parties, we would need to maintain licenses to those APIs from those third parties. If we are unable to gain or continue to access rights to such APIs prior to conducting preclinical toxicology studies intended to support clinical trials, we may need to develop alternate product candidates from these programs by either accessing or developing alternate APIs, resulting in increased development costs and delays in commercialization of these product candidates. If we are unable to gain or maintain continued access rights to the desired APIs on commercially reasonable terms or develop suitable alternate APIs, we may not be able to commercialize product candidates from these programs.

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

We plan to opportunistically pursue strategic partnerships, as the advancement of our product candidates and development programs and the potential commercialization of our current and future product candidates will require substantial additional cash to fund expenses. If we believe that partnerships can accelerate the development or maximize the market potential of our product candidates, we will consider entering into product, target and/or geographic specific strategic partnerships on an opportunistic basis. Likely collaborators may include large and mid-size pharmaceutical companies, regional and national pharmaceutical companies and biotechnology companies. In addition, if we are able to obtain regulatory approval for product candidates from foreign regulatory authorities, we may enter into partnerships or collaborations with international biotechnology or pharmaceutical companies for the commercialization of such product candidates.

We face significant competition in seeking appropriate collaborators. Whether we reach a definitive agreement for a partnership or collaboration will depend, among other things, upon our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed partnerships or collaboration and the proposed collaborator's evaluation of a number of factors. Those factors may include the potential differentiation of our product candidate from competing product candidates, design or results of clinical trials, the likelihood of approval by the FDA, EMA, or other comparable regulatory authorities and the regulatory pathway for any such approval, the potential market for the product candidate, the costs and complexities of manufacturing and delivering the product to patients and the potential of competing products. The collaborator may also consider alternative product candidates or technologies for similar indications that may be available for partnership or collaboration and whether such a partnership or collaboration could be more attractive than the one with us for our product candidate. If we elect to increase our expenditures to fund development or commercialization activities on our own, we may need to obtain additional capital, which may not be available to us on acceptable terms or at all. If we do not have sufficient funds, we may not be able to further develop our product candidates or bring them to market and generate product revenue.

Partnerships and collaborations are each complex and time-consuming to negotiate and document. Further, there have been a significant number of recent business combinations among large pharmaceutical companies that have resulted in a reduced number of potential future collaborators. Any partnership or collaboration agreements that we enter into in the future may contain restrictions on our ability to enter into potential partnerships or collaborations or to otherwise develop specified product candidates. We may not be able to negotiate partnerships or collaborations on a timely basis, on acceptable terms, or at all. If we are unable to do so, we may have to curtail the development of the product candidate for which we are seeking to collaborate, reduce or delay its development program or one or more of our other development programs, delay its potential commercialization or reduce the scope of any sales or marketing activities, or increase our expenditures and undertake development or commercialization activities at our own expense.

Furthermore, if conflicts arise between our collaborators and us, the other party may act in a manner adverse to us and could limit our ability to implement our strategies. Our collaborators could conduct multiple product development efforts and could develop, either alone or with others, products in related fields that are competitive with the product candidates we may develop that are the subject of these partnerships or collaborations with us.



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Competing products may preclude us from entering into partnerships or collaborations with their competitors, fail to obtain timely regulatory approvals, prevent us from obtaining timely regulatory approvals, terminate their agreements with us prematurely or fail to devote sufficient resources to the partnership or collaboration efforts, including development, delivery, manufacturing and commercialization of products. Any of these developments could harm our company and product development efforts.

***If we enter into collaborations with third parties for the development and commercialization of our product candidates, our prospects with respect to those product candidates will depend in significant part on the success of those collaborations.***

We may enter into collaborations for the development and commercialization of certain of our product candidates. If we enter into such collaborations, we will have limited control over the amount and timing of resources that our collaborators will dedicate to the development or commercialization of our product candidates. Our ability to generate revenues from these arrangements will depend on any future collaborators' abilities to successfully perform the functions assigned to them in these arrangements. In addition, any future collaborators may have the right to abandon research or development projects and terminate applicable agreements, including funding obligations, prior to or upon the expiration of the agreed upon terms.

Collaborations involving our product candidates pose a number of risks, including the following:

- collaborators have significant discretion in determining the efforts and resources that they will apply to these collaborations;
- collaborators may not perform their obligations as expected;
- collaborators may not pursue development and commercialization of our product candidates or may elect not to continue or renew development or commercialization programs, based on clinical trial results, changes in the collaborators' strategic focus or available funding or external factors, such as an acquisition, which divert resources or create competing priorities;
- collaborators may delay clinical trials, provide insufficient funding for a clinical trial program, stop a clinical trial or abandon a product candidate, repeat or conduct new clinical trials or require a new formulation of a product candidate for clinical testing;
- collaborators could independently develop, or develop with third parties, products that compete directly or indirectly with our product candidates;
- a collaborator with marketing and distribution rights to one or more products may not commit sufficient resources to the marketing and distribution of such product or products;
- disagreements with collaborators, including disagreements over proprietary rights, including trade secrets and intellectual property rights, contract interpretation, or the preferred course of development might cause delays or termination of the research, development or commercialization of product candidates, might lead to additional responsibilities for us with respect to product candidates, or might result in litigation or arbitration, any of which would be time-consuming and expensive;
- collaborators may not properly maintain or defend our intellectual property rights or may use our proprietary information in such a way as to invite litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential litigation;
- collaborators may infringe the intellectual property rights of third parties, which may expose us to litigation and potential liability; and
- collaborations may be terminated and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the applicable product candidates.

Collaboration agreements may not lead to development or commercialization of product candidates in the most efficient manner or at all. If any future collaborator of ours is involved in a business combination, it could

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decide to delay, diminish or terminate the development or commercialization of any product candidate licensed to it by us.

***If any third-party manufacturer of our product candidates is unable to increase the scale of its production of our product candidates or increase the product yield of its manufacturing, then our manufacturing costs may increase and commercialization may be delayed.***

In order to produce sufficient quantities to meet the demand for clinical trials and, if approved, subsequent commercialization of our product candidates, our third-party manufacturers will be required to increase their production and optimize their manufacturing processes while maintaining the quality of our product candidates. The transition to larger scale production could prove difficult. In addition, if our third-party manufacturers are not able to optimize their manufacturing processes to increase the product yield for our product candidates, or if they are unable to produce increased amounts of our product candidates while maintaining the same quality then we may not be able to meet the demands of clinical trials or market demands, which could decrease our ability to generate profits and have a material adverse impact on our business and results of operations.

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

As product candidates proceed through preclinical studies to late-stage clinical trials towards potential approval and commercialization, it is common that various aspects of the development program, such as the vendors used to manufacture drug product or manufacturing methods and formulation, are altered along the way in an effort to optimize processes and results. Such changes carry the risk that they will not achieve these intended objectives. Any of these changes could cause our product candidates to perform differently and affect the results of planned clinical trials or other future clinical trials conducted with the materials manufactured using altered processes. Such changes may also require additional testing, FDA notification or FDA approval. This could delay or prevent completion of clinical trials, require conducting bridging clinical trials or the repetition of one or more clinical trials, increase clinical trial costs, delay or prevent approval of our product candidates and jeopardize our ability to commence sales and generate revenue.

### **Risks Related to Government Regulation**

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

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

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

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the introduction of our products in certain countries. If we fail to comply with the regulatory requirements in international markets and/or receive applicable marketing approvals, our target market will be reduced and our ability to realize the full market potential of our product candidates will be harmed.

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

If any of our product candidates are approved, they will be subject to ongoing regulatory requirements for manufacturing, labeling, packaging, storage, advertising, promotion, sampling, record-keeping, conduct of post-marketing studies and submission of safety, efficacy and other post-market information, including both federal and state requirements in the United States and requirements of comparable foreign regulatory authorities. In addition, we will be subject to continued compliance with cGMP and GCP requirements for any clinical trials that we conduct post-approval.

Manufacturers and manufacturers' facilities are required to comply with extensive FDA, EMA and other comparable regulatory authority requirements, including ensuring that quality control and manufacturing procedures conform to cGMP regulations and applicable product tracking and tracing requirements. As such, we and our contract manufacturers will be subject to continual review and inspections to assess compliance with cGMP and adherence to commitments made in any NDA, other marketing application and previous responses to inspection observations. Accordingly, we and others with whom we work must continue to expend time, money and effort in all areas of regulatory compliance, including manufacturing, production and quality control.

Any regulatory approvals that we receive for our product candidates may be subject to limitations on the approved indicated uses for which the product may be marketed or to the conditions of approval, or contain requirements for potentially costly post-marketing testing, including Phase 4 clinical trials and surveillance to monitor the safety and efficacy of the product candidate. Certain endpoint data we hope to include in any approved product labeling also may not make it into such labeling, including exploratory or secondary endpoint data such as patient-reported outcome measures. The FDA may also require a risk evaluation and mitigation strategies ("REMS") program as a condition of approval of our product candidates, which could entail requirements for long-term patient follow-up, a medication guide, physician communication plans or additional elements to ensure safe use, such as restricted distribution methods, patient registries and other risk minimization tools. In addition, if the FDA, EMA or other comparable regulatory authority approves our product candidates, we will have to comply with requirements including submissions of safety and other post-marketing information and reports and registration.

The FDA may impose consent decrees or withdraw approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with our product candidates, including AEs of unanticipated severity or frequency, or with our third-party manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information, imposition of post-market studies or clinical trials to assess new safety risks or imposition of distribution restrictions or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of our products, withdrawal of the product from the market or voluntary product recalls;
- fines, warning letters or holds on clinical trials;
- refusal by the FDA to approve pending applications or supplements to approved applications filed by us or suspension or withdrawal of approvals;
- product seizure or detention or refusal to permit the import or export of our product candidates; and

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- injunctions or the imposition of civil or criminal penalties.

Additionally, under the Food and Drug Omnibus Reform Act (“FDORA”) sponsors of approved drugs and biologics must provide 6 months’ notice to the FDA of any changes in marketing status, such as the withdrawal of a drug, and failure to do so could result in the FDA placing the product on a list of discontinued products, which would revoke the product’s ability to be marketed. The FDA strictly regulates marketing, labeling, advertising and promotion of products that are placed on the market. Products may be promoted only for the approved indications and in accordance with the provisions of the approved label. The policies of the FDA, EMA and other comparable regulatory authorities may change and additional government regulations may be enacted that could prevent, limit or delay regulatory approval of our product candidates. We cannot predict the likelihood, nature or extent of government regulation that may arise from future legislation or administrative action, either in the United States or abroad. If we are slow or unable to adapt to changes in existing requirements or the adoption of new requirements or policies, or if we are not able to maintain regulatory compliance, we may lose any marketing approval that we may have obtained and we may not achieve or sustain profitability.

***While we may in the future seek designations for our product candidates with the FDA, EMA and other comparable regulatory authorities that are intended to confer benefits such as a faster development process, an accelerated regulatory pathway or regulatory exclusivity, there can be no assurance that we will successfully obtain such designations. In addition, even if one or more of our product candidates are granted such designations, we may not be able to realize the intended benefits of such designations.***

The FDA, EMA, and other comparable regulatory authorities offer certain designations for product candidates that are designed to encourage the research and development of product candidates that are intended to address conditions with significant unmet medical need. These designations may confer benefits such as additional interaction with regulatory authorities, a potentially accelerated regulatory pathway and priority review. However, there can be no assurance that we will successfully obtain such designations for our product candidates. In addition, while such designations could expedite the development or approval process, they generally do not change the standards for approval. Even if we obtain such designations for our product candidates, there can be no assurance that we will realize their intended benefits.

For example, we may seek a Fast Track Designation for future product candidates we develop. If a product is intended for the treatment of a serious or life-threatening condition and preclinical or clinical data demonstrate the potential to address an unmet medical need for this condition, the product sponsor may apply for Fast Track Designation. The FDA has broad discretion whether or not to grant this designation, so even if we believe a particular product candidate is eligible for this designation, we cannot assure you that the FDA would decide to grant it. Even if we do receive Fast Track Designation, we may not experience a faster development process, review or approval compared to conventional FDA procedures. The FDA may rescind the Fast Track Designation if it believes that the designation is no longer supported by data from our clinical development activities.

We may seek Breakthrough Therapy Designation for any product candidate that we develop. A breakthrough therapy is defined as a drug that is intended, alone or in combination with one or more other drugs, to treat a serious or life-threatening disease or condition, and preliminary clinical evidence indicates that the drug may demonstrate substantial improvement over currently approved therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. For drugs that have been designated as breakthrough therapies, interaction and communication between the FDA and the sponsor of the trial can help to identify the most efficient path for clinical development while minimizing the number of patients placed in ineffective control regimens. Drugs designated as breakthrough therapies by the FDA are also eligible for accelerated approval and priority review.

Designation as a breakthrough therapy is within the discretion of the FDA. Accordingly, even if we believe a product candidate we develop meets the criteria for designation as a breakthrough therapy, the FDA may disagree and instead determine not to make such designation. In any event, the receipt of Breakthrough Therapy

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Designation for a product candidate may not result in a faster development process, review or approval compared to drugs considered for approval under conventional FDA procedures and does not assure ultimate approval by the FDA. In addition, even if any product candidate we develop qualifies as a breakthrough therapy, the FDA may later decide that the drug no longer meets the conditions for qualification and rescind the designation.

Even in the absence of obtaining Fast Track and/or Breakthrough Therapy Designations, a sponsor can seek priority review at the time of submitting a marketing application. The FDA may designate a product for priority review if it is a product that treats a serious condition and, if approved, would provide a significant improvement in safety or effectiveness when compared with other available therapies. Significant improvement may be illustrated by evidence of increased effectiveness in the treatment of a condition, elimination or substantial reduction of a treatment-limiting adverse reaction, documented enhancement of patient compliance that may lead to improvement in serious outcomes, or evidence of safety and effectiveness in a new subpopulation. A priority review designation is intended to direct overall attention and resources to the evaluation of such applications, and to shorten the FDA's goal for taking action on a marketing application from ten months to six months. Priority review designation may be rescinded if a product no longer meets the qualifying criteria.

***Where appropriate, we may secure approval from the FDA, EMA or other comparable regulatory authorities through the use of expedited approval pathways, such as accelerated approval. If we are unable to obtain such approvals, we may be required to conduct additional preclinical studies or clinical trials beyond those that we contemplate, which could increase the expense of obtaining, and delay the receipt of, necessary marketing approvals. Even if we receive accelerated approval from the FDA, EMA, or other comparable regulatory authorities, if our confirmatory trials do not verify clinical benefit, or if we do not comply with rigorous post-marketing requirements, the FDA, EMA, or such other regulatory authorities may seek to withdraw the accelerated approval.***

Where possible, we plan to pursue accelerated development strategies in areas of high unmet need. We may seek an accelerated approval pathway for our one or more of our therapeutic candidates from the FDA, EMA, or other comparable regulatory authorities. Under the accelerated approval provisions in the Federal Food, Drug, and Cosmetic Act, and the FDA's implementing regulations, the FDA may grant accelerated approval to a therapeutic candidate designed to treat a serious or life-threatening condition that provides meaningful therapeutic benefit over available therapies upon a determination that the therapeutic candidate has an effect on a surrogate endpoint or intermediate clinical endpoint that is reasonably likely to predict clinical benefit. The FDA considers a clinical benefit to be a positive therapeutic effect that is clinically meaningful in the context of a given disease, such as irreversible morbidity or mortality. For the purposes of accelerated approval, a surrogate endpoint is a marker, such as a laboratory measurement, radiographic image, physical sign, or other measure that is thought to predict clinical benefit, but is not itself a measure of clinical benefit. An intermediate clinical endpoint is a clinical endpoint that can be measured earlier than an effect on irreversible morbidity or mortality that is reasonably likely to predict an effect on irreversible morbidity or mortality or other clinical benefit. The accelerated approval pathway may be used in cases in which the advantage of a new drug over available therapy may not be a direct therapeutic advantage but is a clinically important improvement from a patient and public health perspective. If granted, accelerated approval is usually contingent on the sponsor's agreement to conduct, in a diligent manner, additional post-approval confirmatory studies to verify and describe the drug's clinical benefit. Under FDORA, the FDA is permitted to require, as appropriate, that a post-approval confirmatory study or studies be underway prior to approval or within a specified time period after the date of approval for a product granted accelerated approval. FDORA also gives the FDA increased authority to withdraw approval of a drug or biologic granted accelerated approval on an expedited basis if the sponsor fails to conduct such studies in a timely manner, send status updates on such studies to the FDA every 180 days to be publicly posted by the agency, or if such post-approval studies fail to verify the drug's predicted clinical benefit. The FDA is empowered to take action, such as issuing fines, against companies that fail to conduct with due diligence any post-approval confirmatory study or submit timely reports to the agency on their progress.

Prior to seeking accelerated approval, we would seek feedback from the FDA, EMA, or other comparable regulatory authorities and would otherwise evaluate our ability to seek and receive such accelerated approval.

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There can be no assurance that after our evaluation of the feedback and other factors we will decide to pursue or submit an NDA or BLA for accelerated approval or any other form of expedited development, review or approval. Similarly, there can be no assurance that after subsequent feedback from the FDA, EMA, or other comparable regulatory authorities, we will continue to pursue or apply for accelerated approval or any other form of expedited development, review or approval, even if we initially decide to do so. Furthermore, if we decide to submit an application for accelerated approval, there can be no assurance that such application will be accepted or that any approval will be granted on a timely basis, or at all. The FDA, EMA or other comparable regulatory authorities could also require us to conduct further studies prior to considering our application or granting approval of any type, including, for example, if other products are approved via the accelerated pathway and subsequently converted by FDA to full approval. A failure to obtain accelerated approval or any other form of expedited development, review or approval for our therapeutic candidate would result in a longer time period to commercialization of such therapeutic candidate, could increase the cost of development of such therapeutic candidate and could harm our competitive position in the marketplace.

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

It is possible that governmental and enforcement authorities will conclude that our business practices may not comply with current or future statutes, regulations or case law interpreting applicable fraud and abuse or other healthcare laws and regulations. These laws include anti-kickback statutes, false claims statutes, data privacy and security laws, as well as transparency laws regarding payments or other items of value provided to healthcare providers. Healthcare providers, physicians and third-party payors in the United States and elsewhere play a primary role in the recommendation and prescription of pharmaceutical products. Arrangements with third-party payors and customers can expose pharmaceutical manufacturers to broadly applicable fraud and abuse and other healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we conduct research and would sell, market and distribute our products. As a pharmaceutical company, even though we do not and will not control referrals of healthcare services or bill directly to Medicare, Medicaid or other third-party payors, federal and state healthcare laws and regulations that may affect our ability to operate may apply. For more information on healthcare laws and regulations that may impact our company, see the section titled “*Business—Government Regulation—Other Healthcare Laws*” elsewhere in this prospectus.

The scope and enforcement of each of these laws is uncertain and subject to rapid change in the current environment of healthcare reform, especially in light of the lack of applicable precedent and regulations. Federal and state enforcement bodies have recently increased their scrutiny of interactions between healthcare companies and healthcare providers, which has led to a number of investigations, prosecutions, convictions and settlements in the healthcare industry. Ensuring business arrangements comply with applicable healthcare and privacy laws, as well as responding to possible investigations by government authorities, can be time and resource-consuming and can divert a company’s attention from the business.

It is possible that governmental authorities will conclude that our business practices do not comply with current or future statutes, regulations, agency guidance or case law involving applicable fraud and abuse or other healthcare laws and regulations. If our operations are found to be in violation of any of these laws or any other governmental laws and regulations that may apply to us, we may be subject to significant penalties, including administrative, civil and criminal penalties, damages, fines, disgorgement, the exclusion from participation in federal and state healthcare programs, individual imprisonment, reputational harm and the curtailment or restructuring of our operations, as well as additional reporting obligations and oversight if we become subject to a corporate integrity agreement or other agreement to resolve allegations of non-compliance with these laws. Further, defending against any such actions can be costly and time consuming, and may require significant financial and personnel resources. Therefore, even if we are successful in defending against any such actions that

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may be brought against us, our business may be impaired. If any of the physicians or other providers or entities with whom we expect to do business is found to not be in compliance with applicable laws, they may be subject to criminal, civil or administrative sanctions, including exclusions from government funded healthcare programs and imprisonment. If any of the above occur, our ability to operate our business and our results of operations could be adversely affected.

***Coverage and reimbursement may be limited or unavailable in certain market segments for our product candidates, if approved, which could make it difficult for us to sell any product candidates profitably.***

The success of our product candidates, if approved, depends on the availability of coverage and adequate reimbursement from third-party payors. We cannot be sure that coverage and reimbursement will be available for, or accurately estimate the potential revenue from, our product candidates or assure that coverage and reimbursement will be available for any product that we may develop. For more information on the laws and regulations that may impact coverage and reimbursement of our product candidates, see the section titled, “*Business—Government Regulation—Coverage and Reimbursement*” elsewhere in this prospectus.

Patients who are provided medical treatment for their conditions generally rely on third-party payors to reimburse all or part of the costs associated with their treatment. Coverage and adequate reimbursement from governmental healthcare programs, such as Medicare and Medicaid, and commercial payors is critical to new product acceptance.

Government authorities and other third-party payors, such as private health insurers and health maintenance organizations, decide which drugs and treatments they will cover and the amount of reimbursement. Coverage and reimbursement by a third-party payor may depend upon a number of factors, including the third-party payor’s determination that use of a product is:

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

In the United States, no uniform policy of coverage and reimbursement for products exists among third-party payors. As a result, obtaining coverage and reimbursement approval of a product from a government or other third-party payor is a time-consuming and costly process that could require us to provide to each payor supporting scientific, clinical and cost-effectiveness data for the use of our products on a payor-by-payor basis, with no assurance that coverage and adequate reimbursement will be obtained. In the United States, the principal decisions about reimbursement for new medicines are typically made by U.S. Centers for Medicare & Medicaid Services (“CMS”). CMS decides whether and to what extent a new medicine will be covered and reimbursed under Medicare and private payors tend to follow CMS to a substantial degree. Even if we obtain coverage for a given product, the resulting reimbursement payment rates might not be adequate for us to achieve or sustain profitability or may require co-payments that patients find unacceptably high. Additionally, third-party payors may not cover, or provide adequate reimbursement for, long-term follow-up evaluations required following the use of product candidates, once approved. Patients are unlikely to use our product candidates, once approved, unless coverage is provided and reimbursement is adequate to cover a significant portion of their cost. There is significant uncertainty related to insurance coverage and reimbursement of newly approved products. It is difficult to predict at this time what third-party payors will decide with respect to the coverage and reimbursement for our product candidates. Even if favorable coverage and reimbursement status is attained for one or more products for which we receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future.



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Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. We cannot be sure that reimbursement will be available for any product candidate that we commercialize and, if reimbursement is available, the level of reimbursement. In addition, many pharmaceutical manufacturers must calculate and report certain price reporting metrics to the government, such as average sales price and best price. Penalties may apply in some cases when such metrics are not submitted accurately and timely. Further, these prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs. Payment methodologies may be subject to changes in healthcare legislation and regulatory initiatives.

Moreover, increasing efforts by governmental and other third-party payors in the United States and abroad to cap or reduce healthcare costs may cause such organizations to limit both coverage and the level of reimbursement for newly approved products and, as a result, they may not cover or provide adequate payment for our product candidates. There has been increasing legislative and enforcement interest in the United States with respect to specialty drug pricing practices. Specifically, there have been several recent U.S. Congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under Medicare, review the relationship between pricing and manufacturer patient programs and reform government program reimbursement methodologies for drugs.

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

We expect that healthcare reform measures that may be adopted in the future may result in more rigorous coverage criteria and in additional downward pressure on the price that we receive for any approved product. The implementation of cost containment measures or other healthcare reforms may prevent us from being able to generate revenue, attain profitability, or commercialize our products. Legislative and regulatory proposals have been made to expand post-approval requirements and restrict sales and promotional activities for pharmaceutical products. We cannot be sure whether additional legislative changes will be enacted, or whether the FDA regulations, guidance or interpretations will be changed, or what the impact of such changes on the marketing approvals or clearances of our product candidates, if any, may be.

In addition, in some foreign countries, the proposed pricing for a product must be approved before it may be lawfully marketed. The requirements governing product pricing vary widely from country to country. For example, the European Union provides options for its Member States to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. To obtain reimbursement or pricing approval, some of these countries may require the completion of clinical trials that compare the cost effectiveness of a particular product candidate to currently available therapies. A Member State may approve a specific price for the medicinal product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the medicinal product on the market. There can be no assurance that any country that has price controls or reimbursement limitations for pharmaceutical products will allow favorable reimbursement and pricing arrangements for any of our product candidates. Historically, products launched in the European Union do not follow price structures of the United States and generally prices tend to be significantly lower.



***Ongoing healthcare legislative and regulatory reform measures may have a material adverse effect on our business and results of operations.***

Changes in regulations, statutes or the interpretation of existing regulations could impact our business in the future by requiring, for example, (1) changes to our manufacturing arrangements, (2) additions or modifications to product labeling, (3) the recall or discontinuation of our products or (4) additional record-keeping requirements. If any such changes were to be imposed, they could adversely affect the operation of our business. See the section titled “*Business—Current and Future U.S. Healthcare Reform*” included elsewhere in this prospectus.

The containment of healthcare costs has become a priority of federal, state and foreign governments, and the prices of products have been a focus in this effort. There have been a number of federal and state proposals during the last few years regarding the pricing of pharmaceutical products, limiting coverage and the amount of reimbursement for drugs and other medical products, government control and other changes to the healthcare system in the United States. Governments have shown significant interest in implementing cost-containment programs, including price controls, restrictions on reimbursement and requirements for substitution of generic products. For instance, the Inflation Reduction Act of 2022 (the “IRA”) includes several provisions that will impact our business to varying degrees, including provisions that allow the U.S. government to negotiate Medicare Part B and Part D pricing for certain high-cost drugs and biologics without generic or biosimilar competition, among others. All of our disclosed product candidates are small molecule drugs and certain of them are being developed in indications that may rely heavily on Medicare reimbursement, such as neuropathic pain. Accordingly, these new price-negotiation provisions may have a negative impact on our future revenue and profits. Further, the IRA imposes rebates with respect to certain drugs and biologics covered under Medicare Part B or Medicare Part D to penalize price increases that outpace inflation. 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 revenue generated from the sale of any approved products.

Moreover, payment methodologies may be subject to changes in healthcare legislation and regulatory initiatives. For example, CMS may develop new payment and delivery models, such as bundled payment models. In addition, recently there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their commercial products, which has resulted in several Congressional inquiries and proposed and enacted state and federal legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for pharmaceutical products. Congress has indicated that it will continue to seek new legislative measures to control drug costs.

These laws, and future state and federal healthcare reform measures may be adopted in the future, any of which may result in additional reductions in Medicare and other healthcare funding and otherwise affect the prices we may obtain for any of our product candidates for which we may obtain regulatory approval or the frequency with which any such product candidate is prescribed or used.

***Our employees, independent contractors, consultants, and vendors may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements.***

We are exposed to the risk of employee fraud or other illegal activity by our current and any future employees, independent contractors, consultants, CMOs, and vendors. Misconduct by these parties could include intentional, reckless, and/or negligent conduct that fails to comply with FDA or other regulations, provide true, complete and accurate information to the FDA, EMA, and other comparable regulatory authorities, comply with manufacturing standards we may establish, comply with healthcare fraud and abuse laws and regulations, report financial information or data accurately, or disclose unauthorized activities to us. If we obtain FDA approval of any of our product candidates and begin commercializing those products in the United States, our potential exposure under these laws will increase significantly, and our costs associated with compliance with these laws

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are likely to increase. Employee misconduct could also involve the improper use of information obtained in the course of clinical trials, which could result in regulatory sanctions and serious harm to our reputation. Additionally, we are subject to the risk that a person could allege such fraud or other misconduct, even if none occurred. It is not always possible to identify and deter employee misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with such laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a material and adverse effect on our business, financial condition, results of operations, and prospects.

***Off-label use or misuse of our product candidates may harm our reputation in the marketplace or result in injuries that lead to costly product liability suits.***

If our product candidates are approved by the FDA, we may only promote or market our product candidates in a manner consistent with their FDA-approved labeling. We will train our marketing and sales force against promoting our product candidates for uses outside of the approved indications for use, known as “off-label uses.” We cannot, however, prevent a physician from using our product candidates off-label, when in the physician’s independent professional medical judgment he or she deems it appropriate. Furthermore, the use of our product candidates for indications other than those approved by the FDA may not effectively treat such conditions. Any such off-label use of our product candidates could harm our reputation in the marketplace among physicians and patients. There may also be increased risk of injury to patients if physicians attempt to use our product candidates for these uses for which they are not approved, which could lead to product liability suits that might require significant financial and management resources and that could harm our reputation.

***Inadequate funding for the FDA or other government agencies could hinder their ability to hire and retain key leadership and other personnel, prevent new products and services from being developed or commercialized in a timely manner 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. 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 or other government agencies may also slow the time necessary for new drugs to be reviewed and/or approved by necessary government agencies, which would adversely affect our business. For example, over the last several years, the U.S. government has shut down several times and certain regulatory agencies, such as the FDA, have had to furlough critical employees and stop critical activities. If a prolonged government shutdown occurs, including as a result of reaching the debt ceiling, it could significantly impact the ability of the FDA to timely review and process our regulatory submissions, which could have a material adverse effect on our business. Further, future government shutdowns could impact our ability to access the public markets and obtain necessary capital in order to properly capitalize and continue our operations.

***EU drug marketing and reimbursement regulations may materially affect our ability to market and receive coverage for our products in the EU Member States.***

We intend to seek approval to market our product candidates in both the United States and in selected foreign jurisdictions. If we obtain approval in one or more foreign jurisdictions for our product candidates, we will be subject to rules and regulations in those jurisdictions. In some foreign countries, particularly those in the European Union, the pricing of products is subject to governmental control and other market regulations which

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could put pressure on the pricing and usage of our product candidates. In these countries, pricing negotiations with governmental authorities can take considerable time after obtaining marketing approval of a product candidate. In addition, market acceptance and sales of our product candidates will depend significantly on the availability of adequate coverage and reimbursement from third-party payors for our product candidates and may be affected by existing and future healthcare reform measures.

Much like the federal Anti-Kickback Statute prohibition in the United States, the provision of benefits or advantages to physicians to induce or encourage the prescription, recommendation, endorsement, purchase, supply, order or use of medicinal products is also prohibited in the European Union. The provision of benefits or advantages to reward improper performance generally is typically governed by the national anti-bribery laws of EU Member States and the Bribery Act 2010 in the United Kingdom. Infringement of these laws could result in substantial fines and imprisonment. EU Directive 2001/83/EC, which is the EU Directive governing medicinal products for human use, further provides that, where medicinal products are being promoted to persons qualified to prescribe or supply them, no gifts, pecuniary advantages or benefits in kind may be supplied, offered or promised to such persons unless they are inexpensive and relevant to the practice of medicine or pharmacy. This provision has been transposed into the Human Medicines Regulations 2012 and so remains applicable in the United Kingdom despite its departure from the European Union.

Payments made to physicians in certain EU Member States must be publicly disclosed. Moreover, agreements with physicians often must be the subject of prior notification and approval by the physician's employer, his or her competent professional organization and/or the regulatory authorities of the individual EU Member States. These requirements are provided in the national laws, industry codes or professional codes of conduct, applicable in the EU Member States. Failure to comply with these requirements could result in reputational risk, public reprimands, administrative penalties, fines or imprisonment.

In addition, in some foreign countries, including some countries in the European Union, the proposed pricing for a product must be approved before it may be lawfully marketed. The requirements governing product pricing and reimbursement vary widely from country to country. For example, some EU Member States have the option to restrict the range of medicinal products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. Reference pricing used by various EU Member States and parallel distribution, or arbitrage between low-priced and high-priced EU Member States, can further reduce prices. An EU Member State may approve a specific price for the medicinal product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the medicinal product on the market. In some countries, we may be required to conduct a clinical trial or other studies that compare the cost-effectiveness of any of our product candidates to other available therapies in order to obtain or maintain reimbursement or pricing approval. There can be no assurance that any country that has price controls or reimbursement limitations for biopharmaceutical products will allow favorable reimbursement and pricing arrangements for any of our products. Historically, products launched in the European Union do not follow price structures of the United States and generally prices tend to be significantly lower. Publication of discounts by third-party payors or authorities may lead to further pressure on the prices or reimbursement levels within the country of publication and other countries. If pricing is set at unsatisfactory levels or if reimbursement of our products is unavailable or limited in scope or amount, our revenues from sales and the potential profitability of any of our product candidates in those countries would be negatively affected.

***We are subject to export and import controls, economic sanctions, and anti-corruption laws and regulations of the United States and other jurisdictions. We can face criminal liability and other serious consequences for violations of these laws and regulations, which can harm our business.***

We are subject to export control and import laws and regulations, including the U.S. Export Administration Regulations, U.S. Customs regulations, and various economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control. Export controls and trade sanctions laws and regulations may restrict or prohibit altogether the provision, sale, or supply of our products to certain

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governments, persons, entities, countries, and territories, including those that are the target of comprehensive sanctions or an embargo. We are also subject to anti-corruption and anti-bribery laws, including the U.S. Foreign Corrupt Practices Act of 1977, as amended, the U.S. domestic bribery statute contained in 18 U.S.C. § 201, the U.S. Travel Act, and other state and national anti-bribery laws in the countries in which we conduct activities. Anti-corruption laws are interpreted broadly and prohibit companies and their employees, agents, contractors, and other partners from authorizing, promising, offering, or providing, directly or indirectly, improper payments or anything else of value to recipients in the public or private sector. The FCPA also requires public companies to make and keep books and records that accurately and fairly reflect the transactions of the corporation and to devise and maintain an adequate system of internal accounting controls. We can be held liable for the corrupt or other illegal activities of our employees, agents, contractors, and other partners, even if we do not explicitly authorize or have actual knowledge of such activities. Any violation of the laws and regulations described above may result in substantial civil and criminal fines and penalties, imprisonment, the loss of export or import privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm, and other consequences.

***If we or any third-party manufacturer we engage now or in the future fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur costs or liabilities that could have a material adverse effect on our business.***

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

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

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

Further, with respect to the operations of our current and any future third-party contract manufacturers, it is possible that if they fail to operate in compliance with applicable environmental, health and safety laws and regulations or properly dispose of wastes associated with our products, we could be held liable for any resulting damages, suffer reputational harm or experience a disruption in the manufacture and supply of our product candidates or products. In addition, our supply chain may be adversely impacted if any of our third-party contract manufacturers become subject to injunctions or other sanctions as a result of their non-compliance with environmental, health and safety laws and regulations.

## Risks Related to Our Intellectual Property

***We depend on in-licensed intellectual property. If we fail to comply with our obligations under our intellectual property licenses with third parties, we could lose license rights that are important to our business.***

We are a party to the Janssen License, which is a non-exclusive, fully paid up, and royalty-free intellectual property license agreement. In connection with our efforts to expand our pipeline of product candidates, we expect to enter into additional license agreements in the future. We have certain obligations under the Janssen License and expect that future license agreements may impose, various diligence, milestone payment, royalty, insurance, and other obligations on us. If we fail to comply with these obligations, our licensors may have the right to terminate the relevant agreement, in which event we would not be able to develop or market the products covered by such licensed intellectual property, or to pursue other remedies.

We may not be able to obtain licenses at a reasonable cost or on reasonable terms, or at all. Furthermore, if we lose intellectual property rights licensed under existing agreements or fail to obtain future licenses, we may be required to expend considerable time and resources to develop or license replacement technology. If we are unable to do so, we may be unable to develop or commercialize the affected proprietary technologies and product candidates, which could harm our business significantly.

***If we or our licensors are unable to obtain and maintain patent protection for our product candidates, or if the scope of the patent protection obtained is not sufficiently broad, our competitors could develop and commercialize products similar or identical to our product candidates, and our ability to successfully commercialize our product candidates may be adversely affected.***

Our success depends in large part on our ability to obtain and maintain patent protection in the United States and other countries with respect to our product candidates, their respective components, formulations, combination therapies, methods used to manufacture them and methods of treatment that are important to our business. If we or our licensors do not adequately protect our or our licensors' intellectual property rights, competitors may be able to erode or negate any competitive advantage we may have, which could harm our business and ability to achieve profitability. We and our licensors seek to protect our proprietary position by filing patent applications in the United States and abroad related to our product candidates that are important to our business. We may in the future also license or purchase patent applications filed by others. If we or our licensors are unable to secure or maintain patent protection with respect to our product candidates and any proprietary product candidates and technology we develop, our business, financial condition, results of operations, and prospects could be materially harmed.

If the scope of the patent protection we or our licensors obtain is not sufficiently broad, we may not be able to prevent others from developing and commercializing products and technology similar or identical to our product candidates or otherwise maintain a competitive advantage. The degree of patent protection we require to successfully compete in the marketplace may be unavailable or severely limited in some cases and may not adequately protect our rights or permit us to gain or keep any competitive advantage. We cannot provide any assurances that any of our or our licensors' patents have, or that any of our or our licensors' pending patent applications that mature into issued patents will include, claims with a scope sufficient to protect our product candidates or otherwise provide any competitive advantage. In addition, to the extent that we license intellectual property, we cannot make assurances that those licenses will remain in force.

Even if our owned and licensed patent applications issue as patents, they may not issue in a form that will provide us with any meaningful protection, prevent competitors from competing with us, or otherwise provide us with any competitive advantage. The scope of the invention claimed in a patent application can be significantly reduced before the patent is issued, and this scope can be reinterpreted after issuance. Any patents that eventually issue may be challenged, narrowed or invalidated by third parties. Consequently, we do not know whether any of our product candidates will be protectable or remain protected by valid and enforceable patent rights. Our competitors or other third parties may be able to circumvent our owned or licensed patents by developing similar or alternative technologies or products in a non-infringing manner.

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The patent prosecution process is expensive and time consuming, and we may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. In addition, we may not pursue or obtain patent protection in all relevant markets. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. Moreover, in some circumstances, we do not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the patents, covering product candidates that we license from third parties and are reliant on our licensors. Therefore, we cannot be certain that these patents and applications will be prosecuted and enforced in a manner consistent with the best interests of our business. If such licensors fail to maintain such patents, or lose rights to those patents, the rights we have licensed may be reduced or eliminated.

Furthermore, patents have a limited lifespan. In the United States, the natural expiration of a patent is generally 20 years after it is filed. Various extensions may be available; however, the life of a patent, and the protection it affords, is limited. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing, or in some cases, at all. Therefore, we cannot be certain that we or our licensors were the first to make the inventions claimed in our owned or licensed patents or pending patent applications, or that we or our licensors were the first to file for patent protection of such inventions.

The patent position of biotechnology and pharmaceutical companies generally is highly uncertain, involves complex legal and factual questions, and has in recent years been the subject of much litigation. As a result, the issuance, scope, validity, enforceability, and commercial value of our and our licensors' patent rights are highly uncertain. Our and our licensors' pending and future patent applications may not result in patents being issued which protect our product candidates or which effectively prevent others from commercializing competitive products.

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. There may be prior art of which we are not aware that may affect the validity or enforceability of a patent claim. There also may be prior art of which we are aware, but which we do not believe affects the validity or enforceability of a claim, which may, nonetheless, ultimately be found to affect the validity or enforceability of a claim. We or our licensors may in the future, become subject to a third-party pre-issuance submission of prior art, opposition, derivation, revocation, re-examination, post-grant and *inter partes* review, or interference proceeding and other similar proceedings challenging our patent rights or the patent rights of others in the U.S. Patent and Trademark Office (the "USPTO") or other foreign patent office. Such challenges may result in loss of exclusivity or freedom to operate or in patent claims being narrowed, invalidated, or held unenforceable, which could limit our ability to stop others from using or commercializing similar or identical products, or limit the duration of the patent protection of our product candidates.

Furthermore, given the amount of time required for the development, testing, and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. As a result, our owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to our product candidates.

In addition, we rely on certain of our licensors to prosecute patent applications and maintain patents and otherwise protect the intellectual property we license from them and may continue to do so in the future. We have limited control over these activities or any other intellectual property that may be related to our in-licensed intellectual property. For example, we cannot be certain that such activities by these licensors have been or will be conducted in compliance with applicable laws and regulations or will result in valid and enforceable patents and other intellectual property rights. We have limited control over the manner in which our licensors initiate an infringement proceeding against a third-party infringer of the intellectual property rights or defend certain of the intellectual property that is licensed to us. It is possible that any licensors' infringement proceeding or defense activities may be less vigorous than had we conducted them ourselves.

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Moreover, some of our owned and in-licensed patents and patent applications 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 license their rights to other third parties, including our competitors, and our competitors could market competing products and technology. In addition, we or our licensors may need the cooperation of any such co-owners of our owned and in-licensed patents in order to enforce such patents against third parties, and such cooperation may not be provided to us or our licensors. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects.

***If our efforts to protect the proprietary nature of the intellectual property related to our product candidates are not adequate, we may not be able to compete effectively in our market.***

We rely upon a combination of patents, confidentiality agreements, trade secret protection and license agreements to protect the intellectual property related to our product candidates. Any disclosure to or misappropriation by third parties of our confidential proprietary information could enable competitors to quickly duplicate or surpass our technological achievements, thus eroding our competitive position in our market. We, or any partners, collaborators, or licensors, may fail to identify patentable aspects of inventions made in the course of development and commercialization activities before it is too late to obtain patent protection on them. Therefore, we may miss potential opportunities to strengthen our patent position.

It is possible that defects of form in the preparation or filing of our or our licensors' patents or patent applications may exist, or may arise in the future, for example with respect to proper priority claims, inventorship, claim scope, or requests for patent term adjustments. If we or our partners, collaborators, or licensors fail to establish, maintain or protect such patents and other intellectual property rights, such rights may be reduced or eliminated. If our partners, collaborators, or licensors are not fully cooperative or disagree with us as to the prosecution, maintenance or enforcement of any patent rights, such patent rights could be compromised. If there are material defects in the form, preparation, prosecution, or enforcement of our patents or patent applications, such patents may be invalid and/or unenforceable, and such applications may never result in valid, enforceable patents. Any of these outcomes could impair our ability to prevent competition from third parties, which may have an adverse impact on our business.

We anticipate additional patent applications will be filed both in the United States and in other countries, as appropriate. However, we cannot predict:

- if additional patent applications covering new technologies related to our product candidates will be filed;
- if and when patents will issue;
- the degree and range of protection any issued patents will afford us against competitors, including whether third parties will find ways to invalidate or otherwise circumvent our patents;
- whether any of our intellectual property will provide any competitive advantage;
- whether any of our patents that may be issued may be challenged, invalidated, modified, revoked, circumvented, found to be unenforceable or otherwise may not provide any competitive advantage;
- whether or not others will obtain patents claiming aspects similar to those covered by our or our licensors' patents and patent applications; or
- whether we or our licensors will need to initiate or defend litigation or administrative proceedings which may be costly regardless of whether we or our licensors win or lose.

Additionally, we cannot be certain that the claims in our pending patent applications covering our product candidates and their methods of use will be considered patentable by the USPTO, or by patent offices in foreign



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countries, or that the claims in any of our issued patents will be considered valid or patentable by courts in the United States or foreign countries. Method of use patents protect the use of a product for the specified method. These types of patents do not prevent a competitor from making and marketing a product that is identical to our product for an indication that is outside the scope of the patented method. Moreover, even if competitors do not actively promote their product for our targeted indications, physicians may prescribe these products “off-label.” Although off-label prescriptions may, but not necessarily, contribute to a finding of infringement of method of use patents, the practice is common and such infringement is difficult to prevent or prosecute.

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

We cannot be certain that an allowed patent application will become an issued patent because there may be events that cause withdrawal of the allowance of a patent application. For example, after a patent application has been allowed, but prior to being issued, material that could be relevant to patentability may be identified. In such circumstances, the applicant may pull the application from allowance in order for the USPTO to review the application in view of the new material. We cannot be certain that the USPTO will issue the application in view of the new material. Periodic maintenance fees on any issued patent are due to be paid to the USPTO and foreign countries may require the payment of maintenance fees or patent annuities during the lifetime of a patent application and/or any subsequent patent that issues from the application. The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process and following the issuance of a patent. While an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application. Such noncompliance can result in partial or complete loss of patent rights in the relevant jurisdiction. Noncompliance events that could result in abandonment or lapse of a patent or patent application include, but are not limited to, failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. Such an event could have a material adverse effect on our business.

***Issued patents covering our product candidates could be found invalid or unenforceable if challenged in court or the USPTO.***

If we or one of our licensing partners initiate legal proceedings against a third party to enforce a patent covering our product candidates, the defendant could counterclaim that the patent covering our product candidates, as applicable, is invalid and/or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity and/or unenforceability are commonplace, and there are various grounds upon which a third party can assert invalidity or unenforceability of a patent. Third parties may also raise similar claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include re-examination, *inter partes* review, post grant review and equivalent proceedings in foreign jurisdictions (such as opposition proceedings). Such proceedings could result in revocation or amendment to our or our licensors’ patents in such a way that they no longer cover our product candidates. The outcome following legal assertions of invalidity and unenforceability is unpredictable. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art, of which we, our patent counsel, our licensors and the patent examiner were unaware during prosecution. If a defendant were to prevail on a legal assertion of invalidity and/or unenforceability, or if we are otherwise unable to adequately protect our or our licensors’ rights, we would lose at least part, and perhaps all, of the patent protection on our product candidates. Such a loss of patent protection could have a material adverse impact on our business and our ability to commercialize or license our technology and product candidates.



***Changes to patent law in the United States and in foreign jurisdictions could diminish the value of patents in general, thereby impairing our ability to protect our product candidates.***

As is the case with other biotechnology and biopharmaceutical companies, our success is heavily dependent on intellectual property, particularly patents. Obtaining and enforcing patents in the biotechnology and biopharmaceutical industry involves both technological and legal complexity, and is therefore costly, time-consuming and inherently uncertain. Obtaining and enforcing patents in the biotechnology and biopharmaceutical industry involve both technological and legal complexity and is therefore costly, time-consuming and inherently uncertain. Recent patent reform legislation in the U.S. and other countries, including the Leahy-Smith America Invents Act (the “Leahy-Smith Act”), signed into law on September 16, 2011, could increase those uncertainties and costs. The Leahy-Smith Act includes a number of significant changes to U.S. patent law. These include provisions that affect the way patent applications are prosecuted, redefine prior art and provide more efficient and cost-effective avenues for competitors to challenge the validity of patents. In addition, the Leahy-Smith Act has transformed the U.S. patent system into a “first-to-file” system. The first-to-file provisions, however, only became effective on March 16, 2013. Accordingly, it is not yet clear what, if any, impact the Leahy-Smith Act will have on the operation of our business. However, the Leahy-Smith Act and its implementation could make it more difficult to obtain patent protection for our inventions and increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could harm our business, results of operations and financial condition.

Moreover, recent U.S. Supreme Court rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our or our licensors’ ability to obtain patents in the future, this combination of events has created uncertainty with respect to the value of patents, once obtained. Depending on decisions by the U.S. Congress, the federal courts, and the USPTO, the laws and regulations governing patents could change in unpredictable ways that would weaken our or our licensors’ ability to obtain new patents or to enforce our or our licensors’ existing patents and patents that we or our licensors might obtain in the future. We cannot predict how future decisions by the courts, Congress or the USPTO may impact the value of our or our licensors’ patents. Similarly, any adverse changes in the patent laws of other jurisdictions could have a material adverse effect on our business and financial condition. Changes in the laws and regulations governing patents in other jurisdictions could similarly have an adverse effect on our ability to obtain and effectively enforce our patent rights.

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

We may not be able to pursue patent coverage of our product candidates in certain countries outside of the United States. Filing, prosecuting and defending patents on product candidates in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States may be less extensive than those in the United States. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as federal and state laws in the United States. The breadth and strength of our or our licensors’ patents issued in foreign jurisdictions or regions may not be the same as the corresponding patents issued in the United States. Consequently, we may not be able to prevent third parties from practicing our or our licensors’ inventions in all countries outside the United States, or from selling or importing products made using our or our licensors’ inventions in and into the United States or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and further, may export otherwise infringing products to certain territories where we have patent protection, but enforcement is not as strong as that in the United States. These products may compete with our product candidates and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents, trade secrets and other intellectual property protections, particularly those

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relating to biotechnology and biopharmaceutical products. This difficulty with enforcing patents could make it difficult for us to stop the infringement of our or our licensors' patents or marketing of competing products otherwise generally in violation of our proprietary rights. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial costs and divert our efforts and attention from other aspects of our business, could put our or our licensors' patents at risk of being invalidated or interpreted narrowly, put our or our licensors' patent applications at risk of not issuing and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate and the damages or other remedies awarded, if any, may not be commercially meaningful. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

***If we do not obtain patent term extension for any of our current product candidates, our business may be materially harmed.***

Depending upon the timing, duration and specifics of any FDA marketing approval of our current product candidates, one or more of our or our licensors' U.S. patents may be eligible for limited patent term extension under the Drug Price Competition and Patent Term Restoration Act of 1984 (the "Hatch-Waxman Amendments"). The Hatch-Waxman Amendments permit a patent extension term of up to five years as compensation for patent term lost during the FDA regulatory review process. A patent term extension cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval, only one patent may be extended and only those claims covering the approved drug, a method for using it, or a method for manufacturing it may be extended. However, we may not be granted an extension because of, for example, failing to exercise due diligence during the testing phase or regulatory review process, failing to apply for a patent extension within applicable deadlines, failing to apply prior to expiration of relevant patents, or otherwise failing to satisfy applicable requirements. Moreover, the applicable time period or the scope of patent protection afforded could be less than we request. If we are unable to obtain patent term extension or the term of any such extension is less than we believe we are entitled to, our competitors may obtain approval of competing products sooner than we would expect, and our business, financial condition, results of operations, and prospects could be materially harmed.

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

Our commercial success depends upon our ability and the ability of our collaborators to commercialize, develop, manufacture, market, and sell our product candidates without infringing the proprietary rights of third parties. We have yet to conduct comprehensive freedom to operate searches to determine whether we would infringe patents issued to third parties. We may become party to, or threatened with, future adversarial proceedings or litigation regarding intellectual property rights with respect to our product candidates, including interference proceedings before the USPTO. Third parties may assert infringement claims against us based on existing patents or patents that may be granted in the future. If we are found to infringe a third party's intellectual property rights, we could be required to obtain a license from such third party to continue developing and marketing our product candidates. However, we may not be able to obtain any required license on commercially reasonable terms or at all. Even if we were able to obtain a license, it could be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. We could be forced, including by court order, to cease commercializing the infringing product. In addition, we could be found liable for monetary damages. A finding of infringement could prevent us from commercializing our product candidates or force us to cease some of our business operations, which could materially harm our business. Claims that we have misappropriated the confidential information or trade secrets of third parties could have a similar negative impact on our business.

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If a third party alleges that we infringe its intellectual property rights, we may face a number of issues, including, but not limited to:

- infringement and other intellectual property misappropriation which, regardless of merit, may be expensive and time-consuming to litigate and may divert our management's attention from our core business;
- substantial damages for infringement or misappropriation, which we may have to pay if a court decides that the product or technology at issue infringes on or violates the third-party's rights, and, if the court finds we have willfully infringed intellectual property rights, we could be ordered to pay treble damages and the patent owner's attorneys' fees;
- an injunction prohibiting us from manufacturing, marketing or selling our product candidates, or from using our proprietary technologies, unless the third party agrees to license its patent rights to us;
- even if a license is available from a third party, we may have to pay substantial royalties, upfront fees and other amounts, and/or grant cross-licenses to intellectual property rights protecting our product candidates; and
- we may be forced to try to redesign our product candidates or processes so they do not infringe third-party intellectual property rights, an undertaking which may not be possible or which may require substantial monetary expenditures and time.

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

Third parties may assert that we are employing their proprietary technology without authorization. Patents issued in the United States by law enjoy a presumption of validity that can be rebutted only with evidence that is "clear and convincing," a heightened standard of proof. There may be issued third-party patents of which we are currently unaware with claims to compositions, formulations, methods of manufacture or methods for treatment related to the use or manufacture of our product candidates. Patent applications can take many years to issue. There may be currently pending patent applications which may later result in issued patents that may be infringed by our product candidates. Moreover, we may fail to identify relevant patents or incorrectly conclude that a patent is invalid, not enforceable, exhausted, or not infringed by our activities. If any third-party patents, held now or obtained in the future by a third party, were found by a court of competent jurisdiction to cover the manufacturing process of our product candidates, constructs or molecules used in or formed during the manufacturing process, or any final product or methods use of the product, the holders of any such patents may be able to block our ability to commercialize the product unless we obtained a license under the applicable patents, or until such patents expire or they are finally determined to be held invalid or unenforceable. Similarly, if any third-party patent were held by a court of competent jurisdiction to cover any aspect of our formulations, any combination therapies or patient selection methods, the holders of any such patent may be able to block our ability to develop and commercialize the product unless we obtained a license or until such patent expires or is finally determined to be held invalid or unenforceable. In either case, such a license may not be available on commercially reasonable terms or at all. If we are unable to obtain a necessary license to a third-party patent on commercially reasonable terms, or at all, our ability to commercialize our product candidates may be impaired or delayed, which could in turn significantly harm our business. Even if we obtain a license, it may be non-exclusive, thereby giving our competitors access to the same technologies licensed to us. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, it could dissuade companies from collaborating with us to license, develop or commercialize our product candidates.

Parties making claims against us may seek and obtain injunctive or other equitable relief, which could effectively block our ability to further develop and commercialize our product candidates. Defense of these

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

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

Competitors may infringe our patents or the patents of our licensors. To counter infringement or unauthorized use, we may be required to file infringement claims, which can be expensive and time consuming.

In addition, in an infringement proceeding, a court may decide that a patent of ours or our licensors' is invalid or unenforceable, or may refuse to stop the other party from using the technology at issue on the grounds that our patents do not cover the technology in question. An adverse result in any litigation proceeding could put one or more of our patents at risk of being invalidated or interpreted narrowly and could put our patent applications at risk of not issuing. Defense against these assertions, non-infringement, invalidity or unenforceability regardless of their merit, would involve substantial litigation expense and would be a substantial diversion of employee resources from our business. In the event of a successful claim of infringement against us, we may have to pay substantial damages, including treble damages and attorneys' fees for willful infringement, obtain one or more licenses from third parties, pay royalties or redesign our infringing products, which may be impossible or require substantial time and monetary expenditure.

Post-grant proceedings provoked by third parties or brought by the USPTO may be brought to determine the validity or priority of inventions with respect to our patents or patent applications or those of our licensors. An unfavorable outcome could result in a loss of our current patent rights and could require us to cease using the related technology or to attempt to license rights to it from the prevailing party. Our business could be harmed if the prevailing party does not offer us a license on commercially reasonable terms. Litigation or post-grant proceedings may result in a decision adverse to our interests and, even if we are successful, may result in substantial costs and distract our management and other employees. We may not be able to prevent, alone or with our licensors, misappropriation of our trade secrets or confidential information, particularly in countries where the laws may not protect those rights as fully as those within the United States.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. In addition, our licensors may have rights to file and prosecute such claims, and we are reliant on them.

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

Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses and could distract our technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions, or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. Such litigation or proceedings could substantially increase our operating losses and reduce the resources available for development

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activities or any future sales, marketing or distribution activities. We may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources. 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.

***We may be subject to claims challenging the inventorship or ownership of our patents and other intellectual property.***

We generally enter into confidentiality and intellectual property assignment agreements with our employees, consultants, and contractors. These agreements generally provide that inventions conceived by the party in the course of rendering services to us will be our exclusive property. However, those agreements may not be honored and may not effectively assign intellectual property rights to us. Moreover, there may be some circumstances, where we are unable to negotiate for such ownership rights. Disputes regarding ownership or inventorship of intellectual property can also arise in other contexts, such as collaborations and sponsored research. If we are subject to a dispute challenging our rights in or to patents or other intellectual property, such a dispute could be expensive and time-consuming. If we were unsuccessful, we could lose valuable rights in intellectual property that we regard as our own.

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

In addition to seeking patents for some of our product candidates, we also rely on trade secrets, including unpatented know-how, technology, and other proprietary information, to maintain our competitive position. We seek to protect these trade secrets, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our employees, corporate collaborators, outside scientific collaborators, contract manufacturers, consultants, advisors, and other third parties. We also enter into confidentiality and invention or patent assignment agreements with our employees and consultants. Despite these efforts, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive, and time consuming, and the outcome is unpredictable. If we are unable to prevent unauthorized material disclosure of our intellectual property to third parties, we may not be able to establish or maintain a competitive advantage in our market, which could materially adversely affect our business, operating results and financial condition. If we choose to go to court to stop a third party from using any of our trade secrets, we may incur substantial costs. These lawsuits may consume our time and other resources even if we are successful. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. As a result, we may encounter significant problems in protecting and defending our intellectual property both in the United States and abroad. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them 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 may be subject to claims that we wrongfully hired an employee from a competitor or that our employees have misappropriated intellectual property, including trade secrets of their former employers.***

Many of our employees were previously employed at, or may have previously provided or may be currently providing consulting services to, universities or other biotechnology or pharmaceutical companies, including our competitors or potential competitors. We could in the future be subject to claims that we or our employees have inadvertently or otherwise used or disclosed alleged trade secrets or other confidential information of former employers or competitors. Although we try to ensure that our employees do not use the proprietary information or know how of others in their work for us, we may be subject to claims that we caused an employee to breach the terms of his or her non-competition or non-solicitation agreement, or that we or these employees have,

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inadvertently or otherwise, used or disclosed intellectual property, including trade secrets or other proprietary information, of any such employee's former employer or competitor. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

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

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

***European patents and patent applications could be challenged in the recently created Unified Patent Court for the European Union.***

Our or our licensors' European patents and patent applications could be challenged in the recently created Unified Patent Court ("UPC") for the European Union. We may decide to opt out our European patents and patent applications from the UPC. However, if certain formalities and requirements are not met, our European patents and patent applications could be challenged for non-compliance and brought under the jurisdiction of the UPC. We cannot be certain that our or our licensors' European patents and patent applications will avoid falling under the jurisdiction of the UPC, if we decide to opt out of the UPC. Under the UPC, a granted European patent would be valid and enforceable in numerous European countries. A successful invalidity challenge to a European patent under the UPC would result in loss of patent protection in those European countries. Accordingly, a single proceeding under the UPC could result in the partial or complete loss of patent protection in numerous European countries, rather than in each validated European country separately as such patents always have been adjudicated. Such a loss of patent protection could have a material adverse impact on our business and our ability to commercialize our technology and product candidates and, resultantly, on our business, financial condition, prospects and results of operations.

### **Risks Related to this Offering and Ownership of Our Common Stock**

***There has been no prior public market for our common stock, and an active trading market may not develop or be sustained.***

There has been no public market for our common stock prior to this offering. The initial public offering price for our common stock was determined through negotiations among the underwriters and us and may vary from the market price of our common stock following this offering. An active or liquid market in our common stock may not develop upon closing of this offering or, if it does develop, it may not be sustainable. The lack of an active market may impair the value of your shares, your ability to sell your shares at the time you wish to sell them and the prices that you may obtain for your shares. An inactive market may also impair our ability to raise capital by selling our common stock and our ability to acquire other companies, products, or technologies by using our common stock as consideration.

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

The trading price of our common stock following this offering is likely to be highly volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control, including limited trading volume. In addition to the factors discussed in this section and elsewhere in this prospectus, these factors include:

- the commencement, enrollment, completion or results of our current or future preclinical and clinical trials for our product candidates;
- any delay in identifying and advancing a clinical candidate for our other programs;
- any delay in our regulatory filings for our product candidates and any adverse development or perceived adverse development with respect to the applicable regulatory authority's review of such filings, including without limitation the FDA's issuance of a "refusal to file" letter or a request for additional information;
- adverse results or delays, suspensions or terminations in future preclinical studies or clinical trials;
- our decision to initiate a clinical trial, not to initiate a clinical trial or to terminate an existing clinical trial;
- adverse regulatory decisions, including failure to receive regulatory approval of our product candidates or the failure of a regulatory authority to accept data from preclinical studies or clinical trials conducted in other countries;
- changes in laws or regulations applicable to our product candidates, including but not limited to clinical trial requirements for approvals;
- adverse developments concerning our manufacturers;
- our inability to obtain adequate product supply for any approved product or inability to do so at acceptable prices;
- our inability to establish collaborations, if needed;
- our failure to commercialize our product candidates, if approved;
- additions or departures of key scientific or management personnel;
- unanticipated serious safety concerns related to any of our current or future product candidates;
- introduction of new products or services offered by us or our competitors;
- announcements of significant acquisitions, strategic partnerships, joint ventures or capital commitments by us or our competitors;
- our ability to effectively manage our growth;
- actual or anticipated variations in quarterly operating results;
- our cash position;
- our failure to meet the estimates and projections of the investment community or that we may otherwise provide to the public;
- publication of research reports about us or our industry, or product candidates in particular, or positive or negative recommendations or withdrawal of research coverage by securities analysts;
- changes in the market valuations of similar companies;
- changes in the structure of the healthcare payment systems;
- overall performance of the equity markets;

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- sales of our common stock by us or our stockholders in the future;
- trading volume of our common stock;
- changes in accounting practices;
- ineffectiveness of our internal controls;
- disputes or other developments relating to proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our technologies;
- significant lawsuits, including patent or stockholder litigation;
- general political and economic conditions; and
- other events or factors, many of which are beyond our control.

In addition, the stock market in general, and the market for biopharmaceutical companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies. Broad market and industry factors may negatively affect the market price of our common stock, regardless of our actual operating performance. If the market price of our common stock after this offering does not exceed the initial public offering price, you may not realize any return on your investment in us and may lose some or all of your investment. In the past, securities class action litigation has often been instituted against companies following periods of volatility in the market price of a company's securities. This type of litigation, if instituted, could result in substantial costs and a diversion of management's attention and resources.

***Our operating results may fluctuate significantly, which makes our future operating results difficult to predict and could cause our operating results to fall below expectations.***

Our quarterly and annual operating results may fluctuate significantly, due to a variety of factors, many of which are outside of our control and may be difficult to predict, including:

- the timing and cost of, and level of investment in, research, development and, if approved, commercialization activities relating to our current and future product candidates, which may change from time to time;
- the timing and status of enrollment for clinical trials;
- the cost of manufacturing our product candidates, as well as building out our supply chain, which may vary depending on the quantity of production and the terms of our agreements with manufacturers;
- expenditures that we may incur to acquire, develop or commercialize additional product candidates and technologies;
- timing and amount of any milestone, royalty or other payments due under any collaboration or license agreement, including the Janssen License;
- future accounting pronouncements or changes in our accounting policies;
- the timing and success or failure of preclinical studies and clinical trials for our product candidates or competing product candidates, or any other change in the competitive landscape of our industry, including consolidation among our competitors or partners;
- the timing of receipt of approvals for our product candidates from regulatory authorities in the United States and internationally;
- exchange rate fluctuations;
- coverage and reimbursement policies with respect to our product candidates, if approved, and potential future drugs that compete with our products; and



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- the level of demand for our product candidates, if approved, which may vary significantly over time.

The cumulative effects of these factors could result in large fluctuations and unpredictability in our quarterly and annual operating results. As a result, comparing our operating results on a period-to-period basis may not be meaningful. Investors should not rely on our past results as an indication of our future performance.

This variability and unpredictability could also result in our failing to meet the expectations of industry or financial analysts or investors for any period. If our future revenue or operating results fall below the expectations of analysts or investors or below any forecasts we may provide to the market, or if any forecasts we provide to the market are below the expectations of analysts or investors, the price of our common stock could decline substantially. Such a stock price decline could occur even when we have met any previously publicly stated revenue or earnings guidance we may provide.

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

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

***Our executive officers, directors, principal stockholders and their respective affiliates own a significant percentage of our stock and will be able to exert significant control over matters subject to stockholder approval.***

Based on the beneficial ownership of our common stock as of \_\_\_\_\_, 2024, prior to this offering, our executive officers, directors, holders of 5% or more of our capital stock and their respective affiliates beneficially owned approximately \_\_\_\_\_ % of our voting stock and, upon the completion of this offering, that same group will hold approximately \_\_\_\_\_ % of our outstanding voting stock (assuming no exercise of the underwriters' option to purchase additional shares, no exercise of outstanding options and no purchases of shares in this offering by any of this group), in each case assuming the conversion of all outstanding shares of our convertible preferred stock into shares of our common stock. As a result, these stockholders, if acting together, will continue to have significant influence over the outcome of corporate actions requiring stockholder approval, including the election of directors, amendment of our organizational documents, any merger, consolidation or sale of all or substantially all of our assets and any other significant corporate transaction. In addition, certain of our principal stockholders, including Third Rock Ventures V, L.P. and ARCH Venture Fund XII, L.P., have designated certain members of our board of directors. The interests of these stockholders may not be the same as or may even conflict with your interests. For example, these stockholders could delay or prevent a change of control of our company, even if such a change of control would benefit our other stockholders, which could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company or our assets and might affect the prevailing market price of our common stock. The significant concentration of stock ownership may adversely affect the trading price of our common stock due to investors' perception that conflicts of interest may exist or arise.

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

Our common stock price could decline as a result of sales of a large number of shares of common stock after this offering or the perception that these sales could occur. These sales, or the possibility that these sales may

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occur, might also make it more difficult for us to sell equity securities in the future at a time and price that we deem appropriate.

Upon the completion of this offering, shares of common stock will be outstanding (or shares if the underwriters exercise their option to purchase additional shares from us in full), based on the number of shares outstanding as of December 31, 2023.

All shares of common stock expected to be sold in this offering will be freely tradable without restriction or further registration under the Securities Act of 1933, as amended (the "Securities Act") unless held by our "affiliates" as defined in Rule 144 under the Securities Act. The resale of the remaining shares, or % of our outstanding shares of common stock following this offering, is currently prohibited or otherwise restricted, subject to certain limited exceptions, as a result of securities law provisions, market standoff agreements entered into by certain of our stockholders with us or lock-up agreements entered into by our stockholders with the underwriters in connection with this offering. However, subject to applicable securities law restrictions, these shares will be able to be sold in the public market beginning on the 181st day after the date of this prospectus. Shares issued upon the exercise of stock options outstanding under our equity incentive plans or pursuant to future awards granted under those plans will become available for sale in the public market to the extent permitted by the provisions of applicable vesting schedules, market stand-off agreements and/or lock-up agreements, as well as Rules 144 and 701 under the Securities Act. For more information, see the section titled "*Shares Eligible for Future Sale*" included elsewhere in this prospectus.

Upon the completion of this offering, the holders of approximately shares, or % of our outstanding shares following this offering, of our common stock 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 our other stockholders. We also intend to register the offer and sale of all shares of common stock that we may issue under our equity compensation plans. Once we register the offer and sale of shares for the holders of registration rights and shares that may be issued under our equity incentive plans, these shares will be able to be sold in the public market upon issuance, subject to the lock-up agreements described under the section titled "*Underwriting*" included elsewhere in this prospectus.

In addition, in the future, we may issue additional shares of common stock, or other equity or debt securities convertible into common stock, in connection with a financing, acquisition, employee arrangement, or otherwise. Any such issuance could result in substantial dilution to our existing stockholders and could cause the price of our common stock to decline.

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

We will have considerable discretion in the application of the net proceeds of 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. As a result, investors will be relying upon management's judgment with only limited information about our specific intentions for the use of the net proceeds of this offering. We may use the net proceeds for purposes that do not yield a significant return or any return at all for our stockholders. In addition, pending their use, we may invest the net proceeds from this offering in a manner that does not produce income or that loses value.

***If you purchase shares of our common stock in our initial public offering, you will experience substantial and immediate dilution.***

The assumed initial public offering price of \$ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, is substantially higher than the pro forma as adjusted net tangible book value per share of our outstanding common stock immediately following the completion of this offering. If you

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purchase shares of common stock in this offering, you will experience substantial and immediate dilution in the pro forma as adjusted net tangible book value per share of \$ \_\_\_\_\_ per share as of December 31, 2023. That is because the price that you pay will be substantially greater than the pro forma as adjusted net tangible book value per share of the common stock that you acquire. This dilution is due in large part to the fact that our earlier investors paid substantially less than the initial public offering price when they purchased their shares of our capital stock. You will experience additional dilution if the underwriters exercise their option to purchase additional shares in this offering, when those holding stock options exercise their right to purchase common stock under our equity incentive plans, upon the vesting of outstanding restricted stock awards or when we otherwise issue additional shares of common stock. For additional details see the section titled “*Dilution*.”

***Participation in this offering by our existing stockholders and/or their affiliated entities will reduce the public float for our common stock.***

To the extent our existing stockholders who are our affiliates or their affiliated entities participate in this offering, such purchases would reduce the non-affiliate public float of our common stock after this offering, which is the number of shares of common stock that are not held by our officers, directors and affiliated stockholders. A reduction in the public float could reduce the number of shares of common stock that can be traded at any given time, which could adversely impact the liquidity of our common stock and depress the price at which you may be able to sell shares of common stock purchased in this offering.

***Our issuance of additional capital stock in connection with financings, acquisitions, investments, our stock incentive plans or otherwise will dilute all other stockholders.***

We expect to issue additional capital stock in the future that will result in dilution to all other stockholders. We expect to grant equity awards to employees, directors and consultants under our stock incentive plans. We may also raise capital through equity financings in the future. As part of our business strategy, we may acquire or make investments in complementary companies, products or technologies and issue equity securities to pay for any such acquisition or investment. Any such issuances of additional capital stock may cause stockholders to experience significant dilution of their ownership interests and the per share value of our common stock to decline.

***We do not currently intend to pay dividends on our common stock and, consequently, our stockholders’ ability to achieve a return on their investment will depend on appreciation of the value of our common stock.***

We have never declared or paid cash dividends on our common stock. We currently intend to retain all available funds and any future earnings to support operations and to finance the growth and development of our business. We do not intend to declare or pay any cash dividends on our capital stock in the foreseeable future. As a result, any investment return on our common stock will depend upon increases in the value for our common stock, which is not certain.

***Provisions in our corporate charter documents and under Delaware law could make an acquisition of our company, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current directors and members of management.***

Our third amended and restated certificate of incorporation, which will become effective immediately prior to the completion of this offering, and amended and restated bylaws, which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part, will contain provisions that may discourage, delay or prevent a merger, acquisition or other change in control of our company that stockholders may consider favorable, including transactions in which our stockholders might otherwise receive a premium for their shares. These provisions could also limit the price that investors might be willing to pay in the future for shares of our common stock, thereby depressing the market price of our common stock. In addition, because our board of directors is responsible for appointing the members of our management team, these provisions may

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frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors. Among other things, these provisions:

- establish a classified board of directors such that only one of three classes of directors is elected each year;
- allow the authorized number of our directors to be changed only by resolution of our board of directors;
- limit the manner in which stockholders can remove directors from our board of directors;
- establish advance notice requirements for stockholder proposals that can be acted on at stockholder meetings and nominations to our board of directors;
- require that stockholder actions must be effected at a duly called stockholder meeting and prohibit actions by our stockholders by written consent;
- limit who may call stockholder meetings;
- authorize our board of directors to issue preferred stock without stockholder approval, which could be used to institute a “poison pill” that would work to dilute the stock ownership of a potential hostile acquirer, effectively preventing acquisitions that have not been approved by our board of directors; and
- require the approval of not less than two-thirds of the votes that all our stockholders would be entitled to cast to amend or repeal specified provisions of our third amended and restated certificate of incorporation or amended and restated bylaws.

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

***Our bylaws that will become effective upon the effectiveness of this registration statement designate certain courts as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers, or employees.***

Our bylaws that will become effective upon the completion of this offering provide that, unless we consent in writing to an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any state law claims for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of, or a claim based on, fiduciary duty owed by any of our current or former directors, officers, and employees to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or our bylaws (including the interpretation, validity or enforceability thereof), or (iv) any action asserting a claim that is governed by the internal affairs doctrine, in each case subject to the Court of Chancery having personal jurisdiction over the indispensable parties named as defendants therein (the “Delaware Forum Provision”). The Delaware Forum Provision will not apply to any causes of action arising under the Securities Act or the Securities Exchange Act of 1934, as amended (the “Exchange Act”). Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated bylaws further provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the U.S. shall be the sole and exclusive forum for resolving any complaint asserting a cause or causes of action arising under the Securities Act (the “Federal Forum Provision”). In addition, our amended and restated bylaws provide that any person or entity purchasing or otherwise acquiring any interest in

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shares of our common stock is deemed to have notice of and consented to the foregoing provisions; provided, however, that stockholders cannot and will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder.

The Delaware Forum Provision and the Federal Forum Provision in our amended and restated bylaws may impose additional litigation costs on stockholders in pursuing any such claims. Additionally, the forum selection clauses in our amended and restated bylaws may limit our stockholders' ability to bring a claim in a forum that they find favorable for disputes with us or our directors, officers or employees, which may discourage such lawsuits against us and our directors, officers and employees even though an action, if successful, might benefit our stockholders. In addition, while the Delaware Supreme Court ruled in March 2020 that federal forum selection provisions purporting to require claims under the Securities Act be brought in federal court were "facially valid" under Delaware law, there is uncertainty as to whether other courts will enforce our Federal Forum Provision. If the Federal Forum Provision is found to be unenforceable, we may incur additional costs associated with resolving such matters. The Federal Forum Provision may also impose additional litigation costs on stockholders who assert that the provision is not enforceable or invalid. The Court of Chancery of the State of Delaware and the federal district courts of the U.S. may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments may be more or less favorable to us than our stockholders.

***We may not be able to satisfy listing requirements of The Nasdaq Stock Market ("Nasdaq") or obtain or maintain a listing of our common stock on Nasdaq.***

If our common stock is listed on Nasdaq, we must meet certain financial and liquidity criteria to maintain such listing. If we violate Nasdaq's listing requirements, our common stock may be delisted. If we fail to meet any of Nasdaq's listing standards, our common stock may be delisted. In addition, our board of directors may determine that the cost of maintaining our listing on a national securities exchange outweighs the benefits of such listing. A delisting of our common stock from Nasdaq may materially impair our stockholders' ability to buy and sell our common stock and could have an adverse effect on the market price of, and the efficiency of the trading market for, our common stock. The delisting of our common stock could significantly impair our ability to raise capital and the value of your investment.

### **Other General Risks**

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

The global credit and financial markets have experienced extreme volatility and disruptions (including as a result of actual or perceived changes in interest rates, inflation and macroeconomic uncertainties), which has included severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, high inflation, uncertainty about economic stability, global supply chain disruptions, and increases in unemployment rates. The financial markets and the global economy may also be adversely affected by the current or anticipated impact of military conflict, including the ongoing conflicts between Russia and Ukraine, and Israel and Hamas, terrorism, or other geopolitical events. Sanctions imposed by the U.S. and other countries in response to such conflicts, including the one in Ukraine, may also continue to adversely impact the financial markets and the global economy, and any economic countermeasures by the affected countries or others could exacerbate market and economic instability. There can be no assurance that further deterioration in credit and financial markets and confidence in economic conditions will not occur. A severe or prolonged economic downturn could result in a variety of risks to our business, including a decrease in the demand for our drug candidates and in our ability to raise additional capital when needed on acceptable terms, if at all. For example, there has been proposed U.S. legislation that may restrict the ability of U.S. biopharmaceutical companies to

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purchase services or products from, or otherwise collaborate with, certain Chinese biotechnology companies of concern without losing the ability to contract with, or otherwise receive funding from, the U.S. government. We continue to assess the legislation as it develops to determine whether it could have an effect on our contractual relationships. Furthermore, any disruptions to our supply chain as a result of unfavorable global economic conditions, including due to geopolitical conflicts or public health crises, could negatively impact the timely execution of our ongoing and future clinical trials. In addition, current inflationary trends in the global economy may impact salaries and wages, costs of goods and transportation expenses, among other things, and recent and potential future disruptions in access to bank deposits or lending commitments due to bank failures may create market and economic instability. We cannot anticipate all of the ways in which the foregoing, and the current economic climate and financial market conditions generally, could adversely impact our business.

***We, or the third parties upon whom we depend, may be adversely affected by natural disasters, public health crises or other business interruptions and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster.***

Natural disasters or public health crises could severely disrupt our operations, and have a material adverse impact on our business, results of operations, financial condition, and prospects. If a natural disaster, power outage, public health crisis or other event occurred that prevented us from conducting our clinical trials, releasing clinical trial results or delaying our ability to obtain regulatory approval for our product candidates, it may be difficult or, in certain cases, impossible for us to continue our business for a substantial period of time.

***We are eligible to be treated as an “emerging growth company” and a “smaller reporting company” and our election of reduced reporting requirements applicable to emerging growth companies and smaller reporting 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 (“JOBS Act”). For as long as we continue to be an emerging growth company, we may take advantage of exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies, including not being required to comply with the auditor attestation requirements of Section 404, reduced disclosure obligations regarding executive compensation in this prospectus and our periodic reports and proxy statements 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. In addition, as an emerging growth company, we are only required to provide two years of audited financial statements in this prospectus. We could be an emerging growth company for up to five years following the completion of this offering, although circumstances could cause us to lose that status earlier, including if we are deemed to be a “large accelerated filer,” which occurs when the market value of our common stock that is held by non-affiliates exceeds \$700 million as of the prior June 30, or if we have total annual gross revenue of \$1.235 billion or more during any fiscal year before that time, in which cases we would no longer be an emerging growth company as of the following December 31, or if we issue more than \$1.0 billion in non-convertible debt during any three-year period before that time, in which case we would no longer be an emerging growth company immediately. For so long as we remain an emerging growth company, we are permitted and intend to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not emerging growth companies. These exemptions include:

- not being required to comply with the auditor attestation requirements of Section 404;
- providing only two years of audited financial statements in addition to any required unaudited interim financial statements and a correspondingly reduced “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” disclosure in this prospectus;
- reduced disclosure obligations regarding executive compensation; and
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved. In this

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prospectus, we have not included all of the executive compensation-related information that would be required if we were not an emerging growth company.

Even after we no longer qualify as an emerging growth company, we could still qualify as a “smaller reporting company,” which would allow us to take advantage of many of the same exemptions from disclosure requirements and reduced disclosure obligations regarding executive compensation in this prospectus and our periodic reports and proxy statements. We cannot predict if investors will find our common stock less attractive because we may rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our share price may be more volatile.

In addition, the JOBS Act provides that an emerging growth company can also take advantage of an extended transition period for complying with new or revised accounting standards until such time as those standards apply to private companies. We have elected to avail ourselves of this exemption from new or revised accounting standards, and therefore we will not be subject to the same requirements to adopt new or revised accounting standards as other public companies that are not emerging growth companies.

We are also a “smaller reporting company” as defined in the Exchange Act. We may continue to be a smaller reporting company even after we are no longer an emerging growth company. We may take advantage of certain of the scaled disclosures available to smaller reporting companies and will be able to take advantage of these scaled disclosures for so long as our common stock held by non-affiliates is less than \$250.0 million measured on the last business day of our second fiscal quarter, or our annual revenue is less than \$100.0 million during the most recently completed fiscal year and our common stock held by non-affiliates is less than \$700.0 million measured on the last business day of our second fiscal quarter.

***We will incur significant increased costs as a result of operating as a public company, and our management will be required to devote substantial time to new compliance initiatives 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. We will be subject to the reporting requirements of the Exchange Act, which will require, among other things, that we file with the SEC annual, quarterly and current reports with respect to our business and financial condition. In addition, the Sarbanes-Oxley Act, as well as rules subsequently adopted by the SEC and The Nasdaq Global Select Market to implement provisions of the Sarbanes-Oxley Act, impose significant requirements on public companies, including requiring establishment and maintenance of effective disclosure and financial reporting controls and changes in corporate governance practices. Further, in July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) was enacted. There are significant corporate governance and executive compensation related provisions in the Dodd-Frank Act that require the SEC to adopt additional rules and regulations in these areas such as “say on pay” and proxy access. Recent legislation permits emerging growth companies to implement many of these requirements over a longer period and up to five years from the pricing of this offering. Stockholder activism, the current political environment and the current high level of government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and impact the manner in which we operate our business in ways we cannot currently anticipate.

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



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these requirements. The impact of these requirements could also make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers.

***If we fail to establish and maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud. As a result, stockholders could lose confidence in our financial and other public reporting, which would harm our business and the trading price of our common stock.***

Ensuring that we have adequate internal financial and accounting controls and procedures in place so that we can produce accurate financial statements on a timely basis is a costly and time-consuming effort that needs to be reevaluated frequently. Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with generally accepted accounting principles. In connection with this offering, we intend to begin the process of documenting, reviewing and improving our internal controls and procedures for compliance with Section 404 of the Sarbanes-Oxley Act, which will require annual management assessment of the effectiveness of our internal control over financial reporting. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations. In addition, any testing by us conducted in connection with Section 404, or any subsequent testing by our independent registered public accounting firm, may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to our financial statements or identify other areas for further attention or improvement. Inferior internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our stock.

We will be required to disclose changes made in our internal controls and procedures on a quarterly basis and our management will be required to assess the effectiveness of these controls annually. However, for as long as we are an emerging growth company or a non-accelerated filer, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal controls over financial reporting pursuant to Section 404(b) of the Sarbanes-Oxley Act. We could be an emerging growth company for up to five years following completion of this initial public offering. An independent assessment of the effectiveness of our internal controls over financial reporting could detect problems that our management's assessment might not. Undetected material weaknesses in our internal controls over financial reporting could lead to restatements of our financial statements and require us to incur the expense of remediation.

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

Upon the completion of this offering, we will become subject to the periodic reporting requirements of the Exchange Act. We must design our disclosure controls and procedures to reasonably assure that information we must disclose in reports we file or submit under the Exchange Act is accumulated and communicated to management, and recorded, processed, summarized, and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures, no matter how well-conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. For example, our directors or executive officers could inadvertently fail to disclose a new relationship or arrangement causing us to fail to make a required related party transaction disclosure. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected.

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

As of December 31, 2023, we had approximately \$6.0 million of federal net operating losses ("NOLs"). Federal NOLs generated in taxable years beginning after December 31, 2017, may be carried forward



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indefinitely, but the deductibility of such federal NOL carryforwards in a taxable year is limited to 80% of our taxable income in such year. As of December 31, 2023, we had approximately \$1.6 million of state NOLs. Of the state NOLs, some are of indefinite life, but most expire at various dates, beginning in 2042. As of December 31, 2023, we had approximately \$1.5 million of federal research and development tax credit carryforwards. Federal tax credit carryforwards expire at various dates, beginning in 2042. As of December 31, 2023, we had approximately \$0.5 million of state research and development tax credit carryforwards. The state tax credits, which have various carryforward rules, begin to expire in 2037.

Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the “Code”), if a corporation undergoes an “ownership change,” generally defined as a greater than 50 percentage point change (by value) in its equity ownership by “5 percent shareholders” over a three-year period, the corporation’s ability to use its pre-change NOLs and other pre-change tax attributes (such as research and development tax credits) to offset its post-change income or taxes may be limited. A corporation that experiences an ownership change will generally be subject to an annual limitation on the use of its pre-ownership change NOLs equal to the value of the corporation immediately before the ownership change, multiplied by the long-term tax-exempt rate (subject to certain adjustments). We may have experienced ownership changes in the past and may experience ownership changes as a result of this offering and/or subsequent shifts in our stock ownership (some of which are outside our control). There is also a risk that due to regulatory changes, such as suspensions on the use of NOLs by federal or state taxing authorities or other unforeseen reasons, portions of our existing NOLs could expire or otherwise be unavailable to reduce future income tax liabilities. As a result, our ability to use our pre-change NOLs and tax credits to offset future taxable income, if any, or taxes could be subject to limitations. Similar provisions of state tax law may also apply. As a result, even if we attain profitability, we may be unable to use a material portion of our NOLs and tax credits.

### ***Changes in tax law could adversely affect our business and financial condition.***

U.S. federal, state, local and foreign tax laws, regulations and administrative guidance are subject to change as a result of the legislative process and review and interpretation by the U.S. Internal Revenue Service, the U.S. Treasury Department and other taxing authorities. Changes to tax laws (which changes may have retroactive application), including with respect to net operating losses and research and development tax credits, could adversely affect us or holders of our common stock. In recent years, many such changes have been made and changes are likely to continue to occur in the future. Future changes in tax laws could have a material adverse effect on our business, cash flow, financial condition or results of operations. We urge investors to consult with their legal and tax advisers regarding the implications of potential changes in tax laws on an investment in our common stock.

### ***Clinical trial and product liability lawsuits against us could divert our resources and could cause us to incur substantial liabilities and to limit commercialization of any products that we may develop.***

We face an inherent risk of clinical trial and product liability exposure related to the testing of our product candidates in clinical trials, and we will face an even greater risk if we commercially sell any products that we develop. While we currently have no products that have been approved for commercial sale, the ongoing, planned and future use of product candidates by us in clinical trials, and the sale of any approved products in the future, may expose us to liability claims. These claims might be made by patients that use the product, healthcare providers, pharmaceutical companies or others selling such products. If we cannot successfully defend ourselves against claims that our product candidates or products caused injuries, we will incur substantial liabilities. Regardless of merit or eventual outcome, liability claims may result in:

- decreased demand for any product candidates or products that we may develop;
- termination of clinical trials;
- injury to our reputation and significant negative media attention;

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- withdrawal of clinical trial participants;
- significant costs to defend any related litigation;
- substantial monetary awards to trial participants or patients;
- loss of revenue;
- reduced resources of our management to pursue our business strategy; and
- the inability to commercialize any products that we may develop.

Although we currently hold clinical trial liability insurance, we will need to maintain and this such insurance coverage as we expand our clinical trials or if we commence commercialization of our product candidates. Insurance coverage is increasingly expensive. We may not be able to obtain and maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise. If a successful clinical trial or product liability claim or series of claims is brought against us for uninsured liabilities or in excess of insured liabilities, our assets may not be sufficient to cover such claims and our business operations could be impaired.

***We may become involved in litigation that could divert management's attention and harm our business, and insurance coverage may not be sufficient to cover all costs and damages.***

From time to time we may be subject to litigation claims through the ordinary course of our business operations regarding, but not limited to, securities litigation, employment matters, security of patient and employee personal data, contractual relations with collaborators and licensors and intellectual property rights. In the past, securities class action litigation has often followed certain significant business transactions, such as the sale of a company or announcement of any other strategic transaction, the announcement of negative events, such as negative results from clinical trials, or periods of volatility in the market price of a company's securities. These events may also result in or be concurrent with investigations by the SEC. We may be exposed to such litigation or investigation even if no wrongdoing occurred. Litigation and investigations are usually expensive and divert management's attention and resources, which could adversely affect our business and cash resources and our ability to consummate a potential strategic transaction or the ultimate value our stockholders receive in any such transaction.

## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this prospectus, including statements regarding our future results of operations and financial position, business strategy, product candidates, planned preclinical studies and clinical trials, results of preclinical studies, clinical trials, research and development costs, regulatory approvals, commercial strategy, timing and likelihood of success, as well as plans and objectives of management for future operations, are forward-looking statements. These statements involve known and unknown risks, uncertainties, and other important factors that are in some cases beyond our control and may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

In some cases, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “would,” “expect,” “plan,” “anticipate,” “could,” “intend,” “target,” “project,” “believe,” “estimate,” “predict,” “potential,” or “continue” or the negative of these terms or other similar expressions. Forward-looking statements contained in this prospectus include, but are not limited to, statements about:

- our ability to identify, develop, and commercialize current and future product candidates based on our RAP technology platform;
- the initiation, timing, progress, and results of our research and development programs, preclinical studies and clinical trials;
- the translation of endpoints in our current and planned clinical trials to future registrational trials;
- our ability to replicate positive results from earlier preclinical studies or clinical trials conducted by us or third parties in current or future clinical trials;
- our ability to demonstrate that our current and future product candidates are safe and effective for their proposed indications;
- the number of patients with the diseases or disorders we elect to pursue with our product candidates, and the willingness of those patient populations to use and adhere to our product candidates if approved in the future;
- the implementation of our business model, and strategic plans for our business, programs, future product candidates, platform, and technology;
- our ability to advance any product candidates through applicable regulatory approval processes;
- our ability to obtain additional cash and the sufficiency of our existing cash, cash equivalents, and short-term investments to fund our future operating expenses and capital expenditure requirements;
- the accuracy of our estimates regarding expenses, future revenue, capital requirements, and needs for additional financing;
- our ability to comply with our obligations under our intellectual property licenses with third parties, including Janssen;
- our ability to maintain, expand and protect our intellectual property portfolio;
- developments relating to our competitors and our industry;
- existing regulations and regulatory developments in the United States and other jurisdictions;
- our ability to identify and enter into future license agreements and collaborations;
- general economic, industry, and market conditions, including rising interest rates and inflation;
- our ability to attract, hire, and retain our key personnel and additional qualified personnel; and

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- our anticipated use of our existing cash, cash equivalents, and short-term investments and the proceeds from this offering.

We have based these forward-looking statements largely on our current expectations and projections about our business, the industry in which we operate and financial trends that we believe may affect our business, financial condition, results of operations and prospects, and these forward-looking statements are not guarantees of future performance or development. These forward-looking statements speak only as of the date of this prospectus and are subject to a number of risks, uncertainties and assumptions described in “*Risk Factors*” and elsewhere in this prospectus. Because forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified, you should not rely on these forward-looking statements as predictions of future events. The events and circumstances reflected in our forward-looking statements may not be achieved or occur and actual results could differ materially from those projected in the forward-looking statements. Except as required by applicable law, we do not plan to publicly update or revise any forward-looking statements contained herein until after we distribute this prospectus, whether as a result of any new information, future events or otherwise.

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 you are cautioned not to unduly rely upon these statements.

You should read this prospectus and the documents that we reference in this prospectus and have filed with the SEC as exhibits to the registration statement of which this prospectus is a part with the understanding that our actual future results, levels of activity, performance and events and circumstances may be materially different from what we expect.

## USE OF PROCEEDS

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

Each \$1.00 increase or decrease in the assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the price range set forth on the cover of this prospectus, would increase or decrease, as applicable, the net proceeds to us from this offering by \$ \_\_\_\_\_ million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease of 1.0 million shares in the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, would increase or decrease, as applicable, the net proceeds to us from this offering by \$ \_\_\_\_\_ million, assuming the assumed initial public offering price of \$ \_\_\_\_\_ per share remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

The principal purposes of this offering are to create a public market for our common stock and thereby facilitate future access to the public equity markets, increase our visibility in the marketplace, and obtain additional capital to support our operations. We currently intend to use the net proceeds from this offering, together with our existing cash, cash equivalents and short-term investments, as follows:

- \_\_\_\_\_ ;
- \_\_\_\_\_ ; and
- the remainder for general corporate purposes, including additional development efforts, working capital and operating expenses.

We may also use a portion of the remaining net proceeds and our existing cash, cash equivalents, and short-term investments to in-license, acquire, or invest in complementary businesses, technologies, products, or assets. However, we have no current commitments, agreements, understandings or obligations to do so.

We believe, based on our current operating plan, that the net proceeds from this offering, together with our existing cash, cash equivalents and short-term investments, will be sufficient to fund our operations through \_\_\_\_\_. We have based this estimate on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect. We do not have any committed external source of funds.

Our expected use of proceeds from this offering described above represents our current intentions based on 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 actual amounts that we will spend on the uses set forth above. We expect that we will require additional funds in order to fully accomplish the specified uses of the proceeds of this offering. The amounts and timing of our actual expenditures will depend on numerous factors, including progress of our research and development, the status of and results from preclinical studies and clinical trials that we are conducting or may conduct in the future, and other factors described in the section titled “*Risk Factors*” in this prospectus, as well as the amount of cash used in our operations and any unforeseen cash needs. Therefore, our actual expenditures may differ materially from the estimates described above. We may find it necessary or advisable to use the net proceeds for other purposes.

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We will have broad discretion over how to use the net proceeds to us from this offering and investors will be relying on the judgment of our management regarding the application of the net proceeds. Pending our use of the net proceeds from this offering, we intend to invest the net proceeds in a variety of capital preservation instruments, including short-term and long-term interest-bearing instruments, investment-grade securities, and direct or guaranteed obligations of the U.S. government. We cannot predict whether the proceeds invested will yield a favorable return.

## **DIVIDEND POLICY**

We have never declared or paid cash dividends on our capital stock. We do not anticipate declaring or paying, in the foreseeable future, any cash dividends on our capital stock. We intend to retain all available funds and future earnings, if any, to fund the development and expansion of our business. Any future determination regarding the declaration and payment of dividends, if any, will be at the discretion of our board of directors, subject to applicable laws, and will depend on then-existing conditions, including our financial condition, operating results, contractual restrictions, capital requirements, business prospects, and other factors our board of directors may deem relevant.

In addition, our ability to pay cash dividends on our capital stock in the future may be limited by the terms of any future debt or preferred securities we issue or any credit facilities we enter into.

## CAPITALIZATION

The following table sets forth our existing cash, cash equivalents and short-term investments, excluding restricted cash, and our total capitalization as of December 31, 2023:

- on an actual basis;
- on a pro forma basis, giving effect to (i) the automatic conversion of all outstanding shares of convertible preferred stock into an aggregate of 151,456,144 shares of our common stock immediately prior to the completion of this offering and (ii) the filing and effectiveness of our third amended and restated certificate of incorporation, which will occur immediately prior to the completion of this offering; and
- on a pro forma as adjusted basis, giving effect to (i) the pro forma adjustments set forth above and (ii) the issuance and sale of \_\_\_\_\_ shares of common stock in this offering at the assumed initial public offering price of \$ \_\_\_\_\_ per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

The pro forma as adjusted information below is illustrative only, and our 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 together with our consolidated financial statements and the related notes included elsewhere in this prospectus, and the section titled “*Management’s Discussion and Analysis of Financial Condition and Results of Operations.*”

	As of December 31, 2023		
	Actual	Pro Forma	Pro Forma As adjusted (1)
	(in thousands, except share and per share data)		
Cash, cash equivalents and short-term investments	\$ 147,478	\$ 147,478	\$
Convertible preferred stock, \$0.001 par value; 189,613,384 shares authorized and 151,456,144 shares issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma and pro forma as adjusted	\$ 166,578	—	
Stockholders’ equity (deficit):			
Preferred stock, \$0.001 par value; no shares authorized, issued or outstanding, actual; _____ shares authorized, and no shares issued or outstanding, pro forma and pro forma as adjusted			
Common stock, \$0.001 par value; 250,000,000 shares authorized and 35,722,402 shares issued and outstanding, actual; _____ shares authorized, 187,178,546 issued and outstanding, pro forma; _____ shares authorized, _____ shares issued and outstanding, pro forma as adjusted	36	187	
Additional paid-in capital	19,764	186,191	
Accumulated other comprehensive income	4	4	
Accumulated deficit	(45,438)	(45,438)	
Total stockholders’ (deficit) equity	(25,634)	140,944	
Total capitalization	\$ 140,944	\$ 140,944	\$

- (1) Each \$1.00 increase or decrease, as applicable, in the assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, the pro forma as adjusted amount of each of cash, cash equivalents and short-



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term investments, additional paid-in capital, total stockholders' equity and total capitalization by \$            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 underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease, as applicable, of 1.0 million shares in the number of shares of common stock offered by us would increase or decrease, as applicable the pro forma as adjusted amount of each of cash, cash equivalents and short-term investments, additional paid-in capital, total stockholders' equity and total capitalization by \$            million, assuming no change in the assumed initial public offering price per share, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

The number of shares of our common stock that will be outstanding after this offering on a pro forma and pro forma as adjusted basis is based on 187,178,546 shares of common stock (which includes 19,144,717 shares of unvested restricted common stock) outstanding as of December 31, 2023, after giving effect to the automatic conversion of all outstanding shares of our convertible preferred stock into the aggregate of 151,456,144 shares of common stock immediately prior to the completion of this offering, and excludes:

- 11,790,429 shares of common stock issuable upon exercise of outstanding stock options as of December 31, 2023 under our 2022 Plan, with a weighted average exercise price of \$0.21 per share;
- 11,142,077 shares of common stock issuable upon exercise of outstanding stock options granted after December 31, 2023 pursuant to our 2022 Plan, with a weighted average exercise price of \$1.03 per share;
- 1,835,423 shares of common stock reserved for future issuance as of December 31, 2023 under the 2022 Plan, which will cease to be available for issuance at the time that our 2024 Plan becomes effective;
- shares of common stock reserved for future issuance under the ESPP, which will become effective on the date immediately prior to the effectiveness of the registration statement of which this prospectus forms a part, as well as any automatic increases in the number of shares of common stock reserved for future issuance under the ESPP; and
- shares of our common stock that will become available for future issuance under our 2024 Plan, which will become effective on the date immediately prior to the effectiveness of the registration statement of which this prospectus forms a part, as well as any automatic increases in the number of shares of common stock reserved for future issuance under the 2024 Plan and any shares underlying outstanding stock awards granted under the 2022 Plan that expire or are repurchased, forfeited, cancelled, or withheld.

## DILUTION

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

Our historical net tangible book deficit as of December 31, 2023 was \$(25.9) million, or \$(0.73) per share of our common stock. Our historical net tangible book deficit represents the amount of our total tangible assets less our total liabilities and the carrying value of our convertible preferred stock, which is not included within stockholders' deficit. Historical net tangible book deficit per share represents historical net tangible book deficit divided by 35,722,402 shares of our common stock outstanding (which includes 19,144,717 shares of unvested restricted common stock) as of December 31, 2023.

Our pro forma net tangible book value as of December 31, 2023 was \$ \_\_\_\_\_ million, or \$ \_\_\_\_\_ per share. Pro forma net tangible book value per share represents the amount of our total tangible assets less our total liabilities, divided by the number of shares of our common stock outstanding (which includes 19,144,717 shares of unvested restricted common stock) as of December 31, 2023, after giving effect to the automatic conversion of all outstanding shares of convertible preferred stock into 151,456,144 shares of common stock immediately prior to the completion of this offering.

After giving further effect to the sale of \_\_\_\_\_ shares of common stock that we are offering at the assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of December 31, 2023 would have been \$ \_\_\_\_\_ million, or \$ \_\_\_\_\_ per share. This amount represents an immediate increase in pro forma net tangible book value of \$ \_\_\_\_\_ per share to our existing stockholders and an immediate dilution in pro forma net tangible book value of \$ \_\_\_\_\_ per share to new investors purchasing shares of common stock 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 (without giving effect to any exercise by the underwriters of their option to purchase additional shares):

Assumed initial public offering price per share	\$
Historical net tangible book deficit per share as of December 31, 2023	\$(0.73)
Increase per share as of December 31, 2023 attributable to the pro forma adjustment described above	_____
Pro forma net tangible book value per share as of December 31, 2023	_____
Increase in pro forma as adjusted net tangible book value per share attributable to new investors participating in this offering	_____
Pro forma as adjusted net tangible book value per share after this offering	_____
Dilution per share to new investors participating in this offering	\$ _____

The dilution information discussed above is illustrative only and may change based on the actual initial public offering price and other terms of this offering. Each \$1.00 increase or decrease, as applicable, in the assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, would increase or decrease, as applicable, the pro forma as adjusted net tangible book value per share after this offering by \$ \_\_\_\_\_, and dilution per share to new investors

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purchasing common stock in this offering by \$ \_\_\_\_\_, assuming that the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us. Similarly, each increase or decrease, as applicable, of 1.0 million shares in the number of shares of common stock offered by us would increase or decrease, as applicable, our pro forma as adjusted net tangible book value per share after this offering by \$ \_\_\_\_\_ per share, in each case, and increase or decrease, as applicable, the dilution to investors participating in this offering by \$ \_\_\_\_\_ per share, assuming no change in the assumed initial public offering price, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us.

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

The following table summarizes on the pro forma as adjusted basis described above, as of December 31, 2023, the total number of shares of common stock purchased from us on an as converted basis, the total consideration paid or to be paid to us, and the average price per share paid by existing stockholders or to be paid by new investors in this offering, based on the assumed initial public offering price of \$ \_\_\_\_\_ per share, which is the midpoint of the price range set forth on the cover page of this prospectus, before deducting underwriting discounts and commissions and estimated offering expenses payable by us. New investors purchasing shares of our common stock in this offering will pay an average price per share substantially higher than our existing stockholders paid.

	<u>Shares Purchased</u>		<u>Total Consideration</u>		<u>Weighted-Average Price Per Share</u>
	<u>Number</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>	
Existing stockholders		%	\$	%	\$
New investors purchasing shares in this offering					
<b>Total</b>		<b>100.0%</b>	<b>\$</b>	<b>100.0%</b>	<b>\$</b>

The table above assumes no exercise of the underwriters' option to purchase additional shares in this offering. If the underwriters exercise their option to purchase additional shares of common stock from us in full, our existing stockholders would own \_\_\_\_\_%, and new investors purchasing shares of our common stock in this offering would own \_\_\_\_\_%, of the total number of shares of our common stock outstanding immediately after the completion of this offering.

The number of shares of our common stock that will be outstanding after this offering is based on 187,178,546 shares (which includes 19,144,717 shares of unvested restricted common stock) outstanding as of December 31, 2023, after giving effect to the automatic conversion of all outstanding shares of our convertible preferred stock into an aggregate of 151,456,144 shares of common stock immediately prior to the completion of this offering, and excludes:

- 11,790,429 shares of common stock issuable upon exercise of outstanding stock options as of December 31, 2023 under our 2022 Plan, with a weighted average exercise price of \$0.21 per share;
- 11,142,077 shares of common stock issuable upon exercise of outstanding stock options granted after December 31, 2023 pursuant to our 2022 Plan, with a weighted average exercise price of \$1.03 per share;

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- 1,835,423 shares of common stock reserved for future issuance as of December 31, 2023 under the 2022 Plan, which will cease to be available for issuance at the time that our 2024 Plan, becomes effective;
- shares of common stock reserved for future issuance under our ESPP, which will become effective on the date immediately prior to the effectiveness of the registration statement of which this prospectus forms a part, as well as any automatic increases in the number of shares of common stock reserved for future issuance under the ESPP; and
- shares of our common stock that will become available for future issuance under our 2024 Plan, which will become effective on the date immediately prior to the effectiveness of the registration statement of which this prospectus forms a part, as well as any automatic increases in the number of shares of common stock reserved for future issuance under the 2024 Plan and any shares underlying outstanding stock awards granted under the 2022 Plan that expire or are repurchased, forfeited, cancelled, or withheld.

To the extent any outstanding options are exercised, new options or other equity awards are issued under our equity incentive plans, or we issue additional shares of common stock in the future, there will be further dilution to new investors. In addition, we may choose to raise additional capital because of market conditions or strategic considerations, even if we believe that we have sufficient funds for our current or future operating plans. If we raise additional capital through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our stockholders.

## 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 in conjunction with our audited consolidated financial statements as of December 31, 2022 and 2023 and for the period from February 10, 2022 (inception) to December 31, 2022 and for the year ended December 31, 2023, and related notes and other financial information included elsewhere in this prospectus. This discussion and analysis and other parts of this prospectus contain forward-looking statements based upon our current plans and expectations that involve risks, uncertainties and assumptions, such as statements regarding our plans, strategies, objectives, expectations, intentions and beliefs. Our actual results and the timing of events could differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under "Risk Factors" and elsewhere in this prospectus. 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 "Special Note Regarding Forward-Looking Statements." Our historical results are not necessarily indicative of the results that may be expected for any period in the future.*

### Overview

We are a clinical-stage biopharmaceutical company focused on discovery and development of transformational small molecule medicines for patients suffering from central nervous system ("CNS") disorders. Neuronal receptors are complex assemblies of proteins, comprising receptor principal subunits and their receptor associated proteins ("RAPs"), the latter of which play crucial roles in regulating receptor expression and function. Our founders have made pioneering discoveries related to RAP function to form the basis of our RAP technology platform. We believe that our deep expertise in RAP biology provides an opportunity for us to interrogate previously inaccessible targets and develop CNS drugs that are specific for receptor variants and neuroanatomical regions associated with certain diseases. RAP-219, our most advanced product candidate, is an AMPA receptor ("AMPA") negative allosteric modulator ("NAM"). RAP-219 is designed to achieve neuroanatomical specificity through its selective targeting of a RAP known as TARPg8, which is associated with the neuronal AMPAR, a clinically validated target for epilepsy. Whereas AMPARs are distributed widely in the CNS, TARPg8 is expressed only in discrete regions, including the hippocampus, a key site involved in focal epilepsy. We completed our Phase 1 trials in healthy adults to assess the safety and tolerability of RAP-219, and we intend to initiate a Phase 2a proof-of-concept trial in adult patients with drug-resistant focal epilepsy in [REDACTED], with topline results expected in [REDACTED]. We believe RAP-219 also has therapeutic potential in peripheral neuropathic pain and bipolar disorder, and we intend to initiate Phase 2a trials in these indications in [REDACTED] and in [REDACTED], respectively. We have also identified another TARPg8 targeted molecule with differentiated chemical and pharmacokinetic properties, RAP-199, for which we expect to initiate a Phase 1 trial in [REDACTED].

Beyond TARPg8, we have two advanced discovery-stage nicotinic acetylcholine receptor ("nAChR") programs stemming from our RAP technology platform. Our first discovery-stage nAChR program comprises modulators of  $\alpha 6$  nAChRs that we are developing for the treatment of chronic pain. Our second discovery-stage nAChR program comprises modulators of  $\alpha 9\alpha 10$  nAChRs that we are developing for the treatment of hearing disorders. We continue to leverage our RAP technology platform to discover additional product candidates.

Since our inception in February 2022, we have not generated any revenue from product sales or other sources and have incurred significant operating losses and negative cash flows from our operations. We have devoted substantially all of our efforts to organizing and staffing our company, business planning, research and development activities, building our intellectual property portfolio, and providing general and administrative support for these operations. To date, we have funded our operations primarily with proceeds from the issuance and sale of our convertible notes and convertible preferred stock. As of December 31, 2023, we had raised aggregate gross proceeds of \$186.0 million from these financings, and had cash, cash equivalents and short-term investments of \$147.5 million, excluding our restricted cash.

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We have incurred significant operating losses in each year since our inception. Our ability to generate product revenue sufficient to achieve profitability will depend heavily on the successful development and eventual commercialization of any product candidates we may develop. Our net losses were \$10.7 million and \$34.8 million for the period from February 10, 2022 (inception) to December 31, 2022 and the year ended December 31, 2023, respectively. As of December 31, 2023, we had an accumulated deficit of \$45.4 million. We expect our expenses and operating losses will increase substantially as we:

- continue to conduct our ongoing clinical trials of RAP-219, including advancement into late-stage global clinical trials, as well as initiate and complete additional clinical trials of future product candidates or current product candidates in new indications or patient populations;
- conduct our ongoing preclinical studies and ongoing and planned clinical trials;
- utilize third parties to manufacture our potential future product candidates and related raw materials;
- continue our early research and development activities;
- seek to identify additional research programs and program candidates to expand our pipeline;
- hire additional research and development, clinical, commercial, and operational personnel;
- maintain, expand, enforce, defend and protect our intellectual property portfolio and provide reimbursement of third-party expenses related to our patent portfolio;
- seek regulatory approvals for any potential future product candidates for which we successfully complete clinical trials;
- acquire or in-license product candidates, intellectual property and technologies;
- establish and maintain collaborations;
- ultimately establish a sales, marketing and distribution infrastructure to commercialize any therapies for which we may obtain regulatory approval; and
- incur additional costs associated with being a public company, including audit, legal, regulatory, and tax-related services associated with maintaining compliance with an exchange listing and Securities Exchange Commission (“SEC”) requirements, director and officer insurance premiums and investor relations costs.

In addition, we have several preclinical and clinical development, regulatory, and commercial milestone payment obligations under our licensing arrangements. Our net losses may fluctuate significantly from quarter-to-quarter and year-to-year, depending on the timing of our preclinical studies and planned clinical trials and our expenditures on other research and development activities.

We do not expect to generate any revenue from product sales unless and until we successfully complete development and obtain regulatory approval for one or more of our potential future product candidates, which will not be for at least the next several years, if ever. If we obtain regulatory approval for any of our potential future product candidates, we expect to incur significant commercialization expenses related to product sales, marketing, manufacturing and distribution. Accordingly, until such time as we can generate significant revenue from sales of our potential future product candidates, if ever, we expect to finance our cash needs through equity offerings, debt financings or other capital sources, including potential collaborations, licenses and other similar arrangements. See “Liquidity and Capital Resources.” However, we may be unable to raise additional funds or enter into such other arrangements when needed on favorable terms or at all. Our failure to raise capital or enter into such other arrangements when needed would have a negative impact on our financial condition and could force us to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market potential future product candidates that we would otherwise prefer to develop and market ourselves.

We believe that the net proceeds from this offering, together with our existing cash and cash equivalents, and short-term investments will enable us to fund our operating expenses and capital expenditure requirements

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through . See “—Liquidity and Capital Resources” and “Risk Factors—Risks Related to Our Limited Operating History, Financial Condition and Need for Additional Capital.”

### **License and Collaboration Agreements**

#### *Option and License Agreement with Janssen Pharmaceutical NV*

In August 2022, we entered into an option and license agreement with Janssen Pharmaceutical NV, as amended on April 3, 2023, April 18, 2023, May 2, 2023 and October 2, 2023 (collectively, the “Janssen License”), under which we received an exclusive option to obtain from Janssen (a) a worldwide exclusive license for the research, development, and commercialization of transmembrane TARPg8 AMPAR products for the diagnosis, treatment, prophylaxis or palliation of any disease or condition in humans or other animals (the “Field”) and (b) an assignment of certain patents related to TARPg8, in each case of (a)-(b), subject to certain retained rights by Janssen. Pursuant to the Janssen License, we also received a worldwide, royalty-free, non-exclusive license (exclusive under certain joint patents) for the research, development, and commercialization of certain neuronal nicotinic acetylcholine (“nACh”) products in the Field.

We made a non-refundable, non-creditable upfront payment of \$1.0 million to Janssen after we entered into the Janssen License. In October 2022, we exercised the option and paid a non-refundable, non-creditable option fee of \$4.0 million to Janssen. If we succeed in developing and commercializing TARPg8 products, Janssen will be eligible to receive (i) up to \$76.0 million in development milestone payments and up to \$40.0 million sales milestone payments for the product containing the lead TARPg8 development candidate, and (ii) up to \$25.0 million in development milestone payments and up to \$42.0 million sales milestone payments for other TARPg8 products containing a non-lead TARPg8 development candidate.

Janssen is also eligible to receive (a) royalties ranging from mid-single digits to high single digits on worldwide net sales of any products containing a TARPg8 development candidate and (b) royalties ranging from low-single digits to mid-single digits for other TARPg8 products that do not contain a TARPg8 development candidate, in each case of (a) and (b), subject to potential reductions following the expiration of valid claims and regulatory exclusivity covering such TARPg8 products, the launch of certain generic products and the application of certain anti-stacking reductions for third party intellectual property payments, subject to a customary reduction floor. The royalties for any TARPg8 product will expire on a country-by-country basis upon the latest to occur of (i) the expiration of all valid patent claims covering such product in such country, (ii) the expiration of all regulatory exclusivities in such country, and (iii) a specified number of years following the first commercial sale of such product in such country.

We have the right to terminate the Janssen License for any or no reason upon providing prior written notice to Janssen upon ninety (90) days’ prior written notice to Janssen. Either party may terminate the license agreement in its entirety for the other party’s material breach if such party fails to cure the breach or upon certain insolvency events involving the other party.

We determined that the Janssen License represented an asset acquisition, rather than a business combination, as substantially all of the fair value of the assets acquired in the Janssen License was concentrated in a single asset, the TARPg8 compound, which was in the early stage of development at the time of acquisition. As the IPR&D asset was determined to have no alternative future use, we recognized the aggregate acquisition cost as related party acquired in-process research and development expense in the consolidated statement of operations and comprehensive loss for the period from February 10, 2022 (inception) to December 31, 2022. For the period from February 10, 2022 (inception) to December 31, 2022 and the year ended December 31, 2023, we recognized \$5.0 million and zero of related party acquired in-process research and development expense in connection with the consideration due under the Janssen License.

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### *NeuroPace Master Services Agreement and Statement of Work*

In November 2023, we entered into a master services agreement (the “NeuroPace Agreement”) with NeuroPace Inc. (“NeuroPace”), the manufacturer and distributor of the responsive neurostimulation (“RNS”) system. Pursuant to the NeuroPace Agreement and in accordance with statement of work agreements entered into from time to time, NeuroPace provides us with certain services with respect to data from the RNS systems used in our clinical trials. The NeuroPace Agreement also grants us a royalty-free, worldwide, exclusive, non-transferable license to all data collected by the RNS systems in our Phase 2a clinical trial and the outcomes of algorithms that are applied to such data, as well as the ability to publish the outcomes of algorithms, subject to certain conditions. The consideration we will pay to NeuroPace for such services is set out in each statement of work agreement.

The NeuroPace Agreement contains an exclusivity provision providing that, at any time while providing services under the NeuroPace Agreement and for a period after the final clinical study report, NeuroPace may not perform any services that are the same as the services covered by the NeuroPace Agreement to any business that directly competes with us, subject to the specific terms of the NeuroPace Agreement. The NeuroPace Agreement also contains standard representations and warranties, confidentiality and intellectual property protective provisions and indemnification terms.

The NeuroPace Agreement expires on the later of three years from the effective date or the completion of all services under all statement of work agreements entered into prior to the third anniversary of the effective date. Either party may terminate the NeuroPace Agreement or any statement of work agreement (i) without cause by giving written notice to the other party within a specified period of time, (ii) by giving written notice upon a curable material breach that is not remediated within a specified period of time, or (iii) immediately upon written notice in the event of a material breach that cannot be cured.

Concurrently with the execution of the NeuroPace Agreement, the parties also entered into an initial statement of work, as amended in March 2024 (the “NeuroPace SOW”), under the NeuroPace Agreement, pursuant to which NeuroPace agreed to provide services related to our Phase 2a clinical trial of RAP-219, including, among other things, clinical trial readiness support, identification of potential patients satisfying the enrollment criteria and RNS system data reporting and data analysis. Pursuant to the payment schedule set out in the NeuroPace SOW, we will pay NeuroPace an aggregate of up to \$3.7 million over a period of approximately two years in connection with NeuroPace’s provision of services and achievement of certain patient enrollment and deliverable milestones.

During the year ended December 31, 2023, we paid NeuroPace \$1.5 million, which is recorded as prepaid expenses and other current assets in the consolidated balance sheet.

## **Components of Results of Operations**

### ***Operating Expenses***

#### *Related Party Acquired In-Process Research and Development Expenses*

We measure and recognize asset acquisitions or licenses to intellectual property that are not deemed to be business combinations based on the cost to acquire or license the asset or group of assets, which includes transaction costs. Goodwill is not recognized in asset acquisitions. In an asset acquisition or license to intellectual property, the cost allocated to acquire in-process research and development (“IPR&D”) with no alternative future use is recognized as research and development expense on the acquisition date. For the period from February 10, 2022 (inception) to December 31, 2022, we recorded \$5.0 million of research and development expense related to the acquired IPR&D from Janssen. We will recognize additional acquired IPR&D expenses in the future if and when we are successful in meeting specified development milestones for TARPg8 products.



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### *Research and Development Expenses*

Research and development expenses consist primarily of costs incurred in connection with the development and research of our clinical and pre-clinical potential future product candidates. Our research and development expenses include:

- personnel-related costs, including salaries, bonuses, benefits, and stock-based compensation for employees engaged in manufacturing, research and development functions;
- the costs to acquire IPR&D with no alternative future use acquired in an asset acquisition;
- external expenses, including expenses incurred under arrangements with third parties, such as contract research organizations, contract manufacturing organizations, consultants and our scientific advisors;
- the cost of developing and validating our outsourced manufacturing process for use in our preclinical studies and future clinical trials;
- the cost to obtain licenses to intellectual property and related future payments should certain development milestones be achieved;
- costs for laboratory supplies, research materials, and reagents; and
- facility costs, depreciation, and other expenses related to research and development activities, which include direct or allocated expenses for rent, maintenance of facilities, and utilities.

Our primary focus since inception has been the development of RAP-219. Our research and development costs consist primarily of personnel-related costs and external costs, such as fees paid to Contract Manufacturing Organizations (“CMOs”), Contract Research Organizations (“CROs”) and consultants in connection with our non-clinical studies, preclinical studies and clinical trials. We expense all research and development costs in the periods in which they are incurred. Because we are working on multiple research and development programs at one time, we track many of our external expenses on a program-by-program basis. We do not allocate personnel-related costs or other indirect costs, to specific product development programs because these costs are deployed across multiple programs and, as such, are not separately classified.

Research and development activities are central to our business model. Product candidates in later stages of clinical development generally have higher and more variable development costs than those in earlier stages of clinical development, primarily due to the increased size and duration of later-stage clinical trials. We expect that our research and development expenses will increase substantially in the near term as we advance RAP-219 through clinical development, pursue regulatory approval of RAP-219, continue to discover and develop additional product candidates and incur expenses associated with hiring additional personnel to support our research and development efforts, including the associated manufacturing activities.

Upfront and milestone payments made are accrued for and expensed when the achievement of the milestone is probable up to the point of regulatory approval. Milestone payments made upon regulatory approval will be capitalized and amortized over the remaining useful life of the related product.

At this time, we cannot reasonably estimate or know the nature, timing and estimated costs of the efforts that will be necessary to complete the development of any of our product candidates. We are also unable to predict when, if ever, material net cash inflows will commence from sales or licensing of our product candidates. This is due to the numerous risks and uncertainties associated with drug development, including the uncertainty of:

- the timing and progress of preclinical and clinical development activities;
- timely and successful completion of preclinical studies, including toxicology studies, biodistribution studies and minimally efficacious dose studies in animals, where applicable;

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- effective Investigational New Drugs (“INDs”) or comparable foreign applications that allow commencement of our planned clinical trials or future clinical trials for any product candidates we may develop;
- successful enrollment and completion of clinical trials, including under the U.S. Food and Drug Administration’s (“FDA”) current Good Clinical Practices, (“GCPs”) current Good Laboratory Practices, (“GLPs”) and any additional regulatory requirements from foreign regulatory authorities;
- positive results from our future clinical trials that support a finding of safety and effectiveness and an acceptable risk-benefit profile in the intended populations;
- receipt of marketing approvals from applicable regulatory authorities;
- establishment of arrangements through our own facilities or with third-party manufacturers for clinical supply and, where applicable, commercial manufacturing capabilities;
- establishment, maintenance, defense and enforcement of patent, trademark, trade secret and other intellectual property protection or regulatory exclusivity for any product candidates we may develop; and
- maintenance of a continued acceptable safety, tolerability and efficacy profile of any product candidates we may develop following approval.

A change in the outcome of any of these variables with respect to the development of any of our product candidates or potential future product candidate could mean a significant change in the costs and timing associated with the development of that product candidate or potential future product candidate. For example, if the FDA or another regulatory authority were to require us to conduct clinical trials beyond those that we anticipate would be required for the completion of clinical development of a product candidate or potential future product candidate, or if we experience significant delays in our clinical trials due to slower than expected patient enrollment or other reasons, we would be required to expend significant additional financial resources and time on the completion of clinical development. We may never obtain regulatory approval for any of our product candidates, and, even if we do, drug commercialization takes several years and millions of dollars in development costs.

### *General and Administrative Expenses*

General and administrative expenses consist primarily of personnel-related costs, including salaries, bonuses, benefits, and stock-based compensation charges for those individuals in executive, finance, human resources, facility operations, and other administrative functions. Other significant costs include legal fees relating to intellectual property and corporate matters, professional fees for auditing, accounting, tax and consulting services, office and information technology costs, insurance costs, and facilities, depreciation and other general and administrative expenses, which include direct or allocated expenses for rent and maintenance of facilities and utilities.

We anticipate that our general and administrative expenses will increase for the foreseeable future to support development of product candidates and our continued research activities. These increases will likely include additional costs related to the hiring of additional personnel and fees paid to outside consultants, among other expenses. We also anticipate increased expenses related to audit, accounting, legal, regulatory, and tax-related services associated with maintaining compliance with The Nasdaq Global Market (“Nasdaq”) and SEC requirements, director and officer insurance premiums, and investor relations costs associated with operating as a public company.

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### *Other Income (Expense)*

#### *Change in Fair Value of Preferred Stock Tranche Right Liabilities*

Our Series A and Series B convertible preferred stock purchase agreements provided the investors the obligation to participate in subsequent offerings of Series A and Series B convertible preferred stock upon achievement of certain specified milestones, upon the waiver of such milestone achievement by a majority vote of the respective series convertible preferred stockholders, or with respect to the Series B convertible preferred stock, upon exercise of the stockholders right to early exercise the preferred stock tranche right. The preferred stock tranche rights are classified as liabilities and initially recorded at fair value upon the issuance date of the rights. The liabilities were subsequently remeasured to fair value at each reporting date and immediately prior to being settled, and changes in fair value of the preferred stock tranche right liabilities were recognized as a component of other income (expense), net in our consolidated statements of operations and comprehensive loss. In February 2023, we closed the second and third financings, resulting in full settlement of the tranche right, upon both of which we issued additional shares of Series A convertible preferred stock. Immediately prior to the issuance of such shares, the preferred stock tranche right liability was remeasured to fair value with the change in fair value recognized as a component of other income (expense), net. As a result of the Series A preferred stock tranche right settlement in February 2023, we will no longer recognize changes in the fair value of the Series A preferred stock tranche liability in our consolidated statements of operations and comprehensive loss. The Series B preferred stock tranche right was settled in March 2024, and as a result, we will no longer recognize changes in the fair value of the Series B preferred stock tranche liability in our consolidated statements of operations and comprehensive loss.

#### *Interest Income*

Interest income consists of interest earned from our cash, cash equivalents, and short-term investments.

#### *Interest Expense*

In August and September 2022, we issued a total of four convertible promissory notes (the “Notes” or the “Convertible Notes”) as part of a series of Convertible Notes. The Convertible Notes bore interest at a rate of 8.0% per annum computed on the basis of a 365-day year and maturity dates 12 months from the date of issuance. Upon initial issuance the Notes were recorded net of \$0.1 million of related issuance costs which were amortized on a straight-line basis to interest expense over the term of the notes. The Notes provided a share-settled redemption feature whereby upon the closing of specified financing events, the Notes would automatically settle into shares of the same class and series of capital stock that are issued to other investors in the financing at a price equal to the 100% of the price per share paid by the other investors. In addition, upon specified events such as a change of control or sale of substantially all of our assets, the Notes are redeemable at 100% of principal and accrued interest. In December, 2022, in conjunction with our Series A convertible preferred stock financing, the Holders exercised their right to exchange the Notes, plus accrued interest, for shares of Series A convertible preferred stock. The unamortized debt issuance costs at the time of conversion were recorded as a loss on extinguishment of debt within interest expense in the consolidated statement of operations and comprehensive loss.

### **Income Taxes**

For the period from February 10, 2022 (inception) to December 31, 2022 and the year ended December 31, 2023, we recorded an income tax provision of zero and \$10 thousand, respectively. We recorded a full valuation allowance of our net deferred tax assets as of December 31, 2022 and 2023, respectively, as we believed it was more likely than not we would not be able to utilize our deferred tax assets prior to their expiration.

Since our inception, we have not recorded any income tax benefits for the net losses we have incurred in each year or for our research and development tax credits, as we believe, based upon the weight of available

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evidence, that it is more likely than not that all of our net operating losses (“NOLs”), carryforwards and tax credits will be realized. As of December 31, 2023, we had federal NOL carryforwards of approximately \$6.0 million and state NOL carryforwards of approximately \$1.6 million which may be available to offset future taxable income and begin to expire in 2042. The total federal NOLs of \$6.0 million are not subject to expiration. As of December 31, 2023, we also had federal and state tax research and development credit carryforwards of approximately \$1.5 million and \$0.5 million, respectively to offset future tax liabilities, which begin to expire in 2037 and 2042, respectively. We have recorded a full valuation allowance against our net deferred tax assets at December 31, 2023. As of December 31, 2023, we had no unrecognized tax benefits.

## Results of Operations

The following table summarizes our results of operations for the period from February 10, 2022 (inception) to December 31, 2022 and for the year ended December 31, 2023:

	For the period from February 10, 2022 (inception) to December 31, 2022	For the year ended December 31, 2023	Change
	(in thousands)		
Operating expenses			
Related party acquired in-process research and development	\$ 5,000	\$ —	\$ (5,000)
Research and development	4,115	27,999	23,884
General and administrative	1,252	8,180	6,928
Total operating expenses	10,367	36,179	25,812
Loss from operations	(10,367)	(36,179)	(25,812)
Other income (expense):			
Interest income	—	2,527	2,527
Interest expense	(285)	—	285
Change in fair value of preferred stock tranche right liability	—	(1,124)	(1,124)
Total other income (expense), net	(285)	1,403	1,688
Net loss before income taxes	(10,652)	(34,776)	(24,124)
Provision for income taxes	—	10	10
Net loss	\$ (10,652)	\$ (34,786)	\$ (24,134)

We were formed in February 2022, but did not have substantial operations until the completion of the acquired IPR&D from Janssen in August and October 2022. As such, we do not believe that a description of material changes from period to period would be useful to an investor. Accordingly, the following discussion presents the components of our expenses for the periods presented.

## Operating Expenses

### *Related Party Acquired In-Process Research and Development Expenses*

Acquired IPR&D expenses of \$5.0 million for the period from February 10, 2022 (inception) to December 31, 2022 consisted of a \$5.0 million payment to Janssen for the Janssen License, which granted us a non-exclusive, royalty-free, sublicensable license to exploit certain nACh products in the Field as well as an option for an exclusive, royalty-bearing sublicensable license to certain intellectual property rights owned or controlled by Janssen, to commercially develop, manufacture, use, distribute and sell therapeutic products containing TARPg8 compounds and related products. The \$5.0 million payment consisted of a one-time,

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non-creditable, non-refundable upfront payment in August 2022 of \$1.0 million to Janssen, for an exclusivity period to evaluate the results of toxicology studies related to TARPg8 technology in order to decide on whether it would exercise the option to license this technology and a one-time, non-creditable, non-refundable option fee payment of in October 2022 of \$4.0 million to Janssen when we exercised our option to license the TARPg8 compounds. We expensed the cost of the IPR&D asset acquired because it had no alternative future use as of the acquisition date. There was no acquired IPR&D expense for the year ended December 31, 2023 as no license agreements were acquired.

### *Research and Development Expenses*

	For the period from February 10, 2022 (inception) to December 31, 2022	For the year ended December 31, 2023	Change
	(in thousands)		
Direct external program expenses:			
RAP-219 program	\$ 752	\$ 10,202	\$ 9,450
Preclinical programs	544	6,335	5,791
Internal and unallocated expenses:			
Personnel-related costs (including stock-based compensation)	2,667	9,939	7,272
Other costs	152	1,523	1,371
Total research and development expenses	<u>\$ 4,115</u>	<u>\$ 27,999</u>	<u>\$ 23,884</u>

Research and development expenses of \$4.1 million for the period from February 10, 2022 (inception) to December 31, 2022 consisted primarily of the following:

- \$0.8 million in clinical and manufacturing costs related to the RAP-219 program;
- \$0.5 million in discovery, pre-clinical toxicology and lab supply costs related to our preclinical programs; and
- \$2.7 million of personnel-related costs, including \$2.1 million of consulting costs and stock-based compensation of \$0.5 million. Included in these costs are consulting costs and stock-based compensation for consultants that became our full time employees in 2023. We had no full-time employees in the period from February 10, 2022 (inception) to December 31, 2022.

Research and development expenses of \$28.0 million for the year ended December 31, 2023 consisted primarily of the following:

- \$10.2 million of costs related to the RAP-219 program, including \$6.7 million clinical trial costs for conduct of our first-in-human Phase 1 trials, \$2.2 million for preclinical toxicology studies and \$1.1 million of contract manufacturing costs related to the production of materials for use in our preclinical studies and Phase 1 trials for the RAP-219 program;
- \$6.3 million related to our preclinical programs, including \$4.3 million of discovery activities, \$0.7 million in contract manufacturing costs related to the production of materials for use in our preclinical studies, \$0.5 million in lab supply costs and \$0.5 million for preclinical toxicology studies;
- \$9.9 million of personnel-related costs, including salaries, bonuses, and other compensation-related costs, including; stock-based compensation costs of \$1.9 million for 26 full-time employees hired during the year ended December 31, 2023; and \$0.3 million unallocated consulting expense; and

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- \$1.5 million of other costs consisting primarily of research and development facilities expenses and depreciation expense related to opening and/or expanding our Boston and San Diego sites in the year ended December 31, 2023.

### *General and Administrative Expenses*

	For the period from February 10, 2022 (inception) to December 31, 2022	For the year ended December 31, 2023	Change
		(in thousands)	
Personnel-related (including stock-based compensation)	\$ —	\$ 4,324	\$ 4,324
Professional and consulting costs	1,165	3,158	1,993
Facility related and other	87	698	611
Total general and administrative expense	<u>\$ 1,252</u>	<u>\$ 8,180</u>	<u>\$ 6,928</u>

General and administrative expense for the period from February 10, 2022 (inception) to December 31, 2022 consisted primarily of the following:

- \$1.2 million of professional and consulting costs, which consisted primarily of \$0.4 million of outsourced legal and accounting expenses and \$0.8 million in consulting costs, including costs for two consultants that became our full-time employees in 2023. We had no full-time G&A employees in the year ended December 31, 2022; and
- \$0.1 million of facility related and other expenses, which consisted primarily of IT costs of \$74 thousand.

General and administrative expense for the year ended December 31, 2023 consisted primarily of the following:

- \$4.3 million of workforce expense including salaries and benefits, including stock-based compensation expenses of \$1.6 million as we hired 11 full-time general and administrative employees in 2023;
- \$3.1 million of professional and consulting fees related to expanding our administrative support, including outsourced legal and accounting expenses; and
- \$0.7 million of facility related and other expenses related to opening and/or expanding our Boston and San Diego sites, which consisted primarily of lease costs of \$0.1 million, IT costs of \$0.3 million, and \$0.2 million of other office expenses.

### *Other Income (Expense)*

	For the period from February 10, 2022 (inception) to December 31, 2022	For the year ended December 31, 2023	Change
		(in thousands)	
Other income (expense):			
Interest income	\$ —	\$ 2,527	\$ 2,527
Interest expense	(285)	—	285
Change in fair value of preferred stock tranche right liability	—	(1,124)	(1,124)
Total other income (expense), net	<u>(285)</u>	<u>1,403</u>	<u>1,688</u>

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### *Interest Income*

Interest income for the period from February 10, 2022 (inception) to December 31, 2022 and for the year ended December 31, 2023 was zero and \$2.5 million, respectively. The interest was earned from our interest bearing cash, cash equivalent, and short-term investment accounts, which were first opened in the year ended December 31, 2023.

### *Interest Expense*

Interest expense for the period from February 10, 2022 (inception) to December 31, 2022 and for the year ended December 31, 2023 was \$0.3 million and zero, respectively. Interest expense for the period from February 10, 2022 (inception) to December 31, 2022 was driven by \$0.2 million of interest expense related to the Convertible Notes, \$26 thousand of debt issuance cost amortization, and \$77 thousand loss on extinguishment of debt. There was no interest expense recorded for the year ended December 31, 2023 due to the exchange of the Convertible Notes for shares of Series A convertible preferred stock in December 2022.

### *Change in Fair Value of Preferred Stock Tranche Right Liability*

The change in fair value of the preferred stock tranche right liability expense for the period from February 10, 2022 (inception) to December 31, 2022 and for the year ended December 31, 2023 was zero and \$1.1 million, respectively. There was no change in the fair value of the Series A preferred stock tranche right liability from December 9, 2022 to December 31, 2022 and therefore, we did not recognize any other income or expenses related to the tranche right liability for the year ended December 31, 2022. The change in fair value of preferred stock tranche right liabilities for the year ended December 31, 2023 consisted of an increase in the fair value of Series A preferred stock tranche right liability of \$1.0 million and an increase in the fair value of Series B preferred stock tranche right liability of \$0.1 million, which were recorded upon remeasurement of the liabilities.

### *Income Taxes*

For the period from February 10, 2022 (inception) to December 31, 2022 and the year ended December 31, 2023, we recorded an income tax provision of zero and \$10 thousand, respectively.

## **Liquidity and Capital Resources**

### *Sources of Liquidity*

Since our inception in February 2022, we have not generated any revenue from any sources and have incurred significant operating losses and negative cash flows from operations. We expect to incur significant expenses and operating losses for the foreseeable future as we advance the clinical development of our product candidates and pipeline. Further, upon the completion of this offering, we expect to incur additional costs associated with operating as a public company. To date, we have funded our operations with proceeds from the sale of the Convertible Notes and convertible preferred stock. Through December 31, 2023, we have received aggregate gross proceeds of \$186.0 million from the issuance of convertible promissory notes and the sale of our convertible preferred stock. In addition, in March 2024, we received gross proceeds of \$64.0 million from the exercise of the Series B tranche right. As of December 31, 2023, we have cash and cash equivalents of \$70.2 million and short-term investments of \$77.3 million.

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### Cash Flows

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

	For the period from February 10, 2022 (inception) to December 31, 2022	For the year ended December 31, 2023
	(in thousands)	
Net cash used in operating activities	\$ (3,242)	\$ (27,181)
Net cash used in investing activities	(5,284)	(78,860)
Net cash provided by financing activities	39,685	145,136
Net increase in cash, cash equivalents, and restricted cash	<u>\$ 31,159</u>	<u>\$ 39,095</u>

#### *Operating Activities*

During the period from February 10, 2022 (inception) to December 31, 2022, operating activities used \$3.2 million of cash, resulting primarily from our net loss of \$10.7 million, partially offset by \$5.0 million of related party acquired IPR&D related to the Janssen License, \$0.6 million of non-cash stock-based compensation expense, and net cash provided by changes in operating assets and liabilities of \$1.5 million which consisted primarily of increases in accounts payable of \$1.4 million. The increases in accounts payable were primarily due to amounts owed to vendors in connection with our research and development activities.

During the year ended December 31, 2023, operating activities used \$27.2 million of cash, resulting primarily from our net loss of \$34.8 million, partially offset by \$3.5 million of non-cash stock-based compensation expense and non-cash change in fair value of preferred stock tranche right liability of \$1.1 million, and net cash provided by changes in operating assets and liabilities of \$2.7 million. Net cash provided by changes in operating assets and liabilities consisted primarily of increases in accrued expenses and liabilities of \$5.4 million, partially offset by increases in prepaid expenses and other current assets of \$3.2 million. The increases in accrued expenses and prepaid expenses were primarily due to increased internal and external costs associated with our research and development activities, including clinical trials and manufacturing.

#### *Investing Activities*

During the period from February 10, 2022 (inception) to December 31, 2022, net cash used in investing activities was \$5.3 million, primarily consisting of \$5.0 million of related party acquired IPR&D related to the Janssen License and purchases of property and equipment of \$0.3 million.

During the year ended December 31, 2023, net cash used in investing activities was \$78.9 million, primarily consisting of purchases of short-term investments of \$77.2 million and purchases of property and equipment of \$1.6 million.

#### *Financing Activities*

During the period from February 10, 2022 (inception) to December 31, 2022, net cash provided by financing activities was \$39.7 million, primarily consisting of net proceeds of \$31.8 million from our initial issuance of Series A convertible preferred stock, including tranche rights, and net proceeds of \$7.9 million from our issuance of convertible promissory notes.

During the year ended December 31, 2023, net cash provided by financing activities was \$145.1 million, primarily consisting of net proceeds of \$59.9 million from our additional issuance of Series A convertible preferred stock, including tranche rights, and net proceeds of \$85.3 million from our initial issuance of Series B convertible preferred stock, including tranche rights.



### ***Future Funding Requirements***

As of December 31, 2023, we had cash, cash equivalents and short-term investments of \$147.5 million, excluding our restricted cash. In March 2024, the stockholders waived the achievement of the second tranche closing for the Series B convertible preferred stock and subsequently exercised the tranche right. We received \$63.9 million of net proceeds from the exercise of the Series B tranche right. As of the issuance date of the consolidated financial statements for the year ended December 31, 2023, we expect that our cash, cash equivalents, and short-term investments will be sufficient to fund our operating expenses and capital expenditure requirements through at least 12 months from the issuance of the consolidated financial statements. We believe that the net proceeds from this offering, together with our existing cash, cash equivalents, and short-term investments will enable us to fund our operating expenses and capital expenditure requirements through . We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect. However, our forecast for the period of time through which our financial resources will be adequate to support our operations is a forward-looking statement that involves risks and uncertainties, and actual results could vary materially. Additionally, the process of conducting preclinical studies and testing potential future product candidates in clinical trials is costly, and the timing of progress and expenses in these studies and trials is uncertain. We will need to raise substantial additional capital in the future.

We expect our expenses to increase substantially in connection with our ongoing activities, particularly as we advance the non-clinical and preclinical studies and the current and future clinical trials of our product candidates. Our funding requirements and timing and amount of our operating expenditures will depend on many factors, including:

- the rate of progress in the development of RAP-219 and our other product candidates;
- the type, number, scope, progress, expansions, results, costs, and timing of, discovery efforts, preclinical studies and clinical trials of RAP-219 and potential future product candidates;
- the costs and timing of manufacturing for RAP-219 and our potential future product candidates and commercial manufacturing;
- the costs, timing, and outcome of regulatory review of our product candidates;
- the terms and timing of establishing and maintaining licenses and other similar arrangements;
- the legal costs of obtaining, maintaining, and enforcing our patents and other intellectual property rights;
- our efforts to enhance operational systems and hire additional personnel to satisfy our obligations as a public company;
- the costs associated with hiring additional personnel and consultants as our preclinical and future clinical activities increase;
- the costs and timing of establishing or securing sales and marketing capabilities if any potential future product candidate is approved;
- our ability to achieve sufficient market acceptance, coverage and adequate reimbursement from third-party payors and adequate market share and revenue for any approved products; and
- costs associated with any products or technologies that we may in-license or acquire.

Until such time, if ever, as we can generate substantial product revenue to support our cost structure, we expect to finance our cash needs through equity offerings, debt financings, or other capital sources, potentially including collaborations, licenses, and other similar arrangements. However, we may be unable to raise additional funds or enter into such other arrangements when needed on favorable terms or at all. To the extent that we raise additional capital through the sale of equity or convertible debt securities, your ownership interest

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will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common stockholders. Additional debt financing and equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures, or declaring dividends. If we raise funds through collaborations, license arrangements, or other similar arrangements with third parties, we may have to relinquish valuable rights to our technologies, future revenue streams, research programs or potential future product candidates or grant licenses on terms that may not be favorable to us and/or may reduce the value of our common stock. Our failure to raise capital or enter into such other arrangements when needed could have a negative impact on our financial condition and on our ability to pursue our business plans and strategies. If we are unable to raise additional funds through equity or debt financings, or through other sources when needed, we may be required to delay, limit, reduce or terminate our product development or future commercialization efforts or grant rights to develop and market our product candidates and potential future product candidates even if we would otherwise prefer to develop and market such potential future product candidates ourselves.

### **Contractual Obligations and Commitments**

#### *Leases*

As of the year ended December 31, 2023, we had future minimum operating lease payments under non-cancelable leases of \$2.4 million, which are due over the following three years. In addition, we have one lease that has been entered into but has not yet commenced, for which we expect to pay approximately \$9.6 million over the five year lease term.

#### *Option and License Agreement with Janssen Pharmaceutical NV*

We made an upfront non-refundable, non-creditable payment of \$1.0 million to Janssen after we entered into the Janssen License. In October 2022, we exercised the option and made a non-refundable, non-creditable option fee of \$4.0 million to Janssen. If we succeed in developing and commercializing TARPg8 products, Janssen will be eligible to receive (i) up to \$76.0 million in development milestone payments and up to \$40.0 million sales milestone payments for the product containing the lead TARPg8 development candidate and (ii) up to \$25.0 million in development milestone payments and up to \$42.0 million sales milestone payments for the other products containing a non-lead TARPg8 development candidate. We are also required to pay tiered royalties related to the TARPg8 development candidate of a mid to high single-digit percentage on worldwide net sales and tiered royalties related to the TARPg8 products that do not contain a TARPg8 development candidate of low to mid single-digit percentages on annual net sales of the products covered by the license.

#### *NeuroPace Master Services Agreement and Statement of Work*

In connection with the execution of the NeuroPace Agreement, the parties also entered into an initial statement of work under the NeuroPace Agreement, pursuant to which NeuroPace agreed to provide services related to our Phase 2a proof-of-concept clinical trial of RAP-219, including, among other things, clinical trial readiness support, data analysis and data reporting. Pursuant to the payment schedule set out in the statement of work, we will pay NeuroPace an aggregate of up to \$3.7 million over a period of approximately two years in connection with NeuroPace's provision of services and achievement of certain patient enrollment and deliverable milestones. During the year ended December 31, 2023, we paid NeuroPace \$1.5 million, of which \$1.3 million was for the execution of the NeuroPace Agreement and initial statement of work and \$0.2 million was for the receipt of the clinical trial centers. As of December 31, 2023, the \$1.5 million payment is recorded as prepaid expenses and other current assets in the consolidated balance sheet.

Apart from the contracts with payment commitments that we have documented above, we have entered into contracts in the normal course of business with CROs, CMOs and other third parties for preclinical research studies and testing, clinical trials and manufacturing services. These contracts do not contain any minimum

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purchase commitments and are cancelable by us upon prior notice and, as a result, are not included in the table of contractual obligations and commitments above. 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.

### **Critical Accounting Policies and Estimates**

Our management's discussion and analysis of our financial condition and results of operations are based on our consolidated financial statements, which have been prepared in accordance with generally accepted accounting principles in the United States ("GAAP"). The preparation of our consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, as well as the reported amounts of expenses incurred during the reporting periods. We base our estimates on historical experience, known trends and events, and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and expenses that are not readily apparent from other sources. We evaluate our estimates and judgments 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 Note 2—*"Summary of Significant Accounting Policies"* to our consolidated financial statements included elsewhere in this prospectus, we believe that the following accounting policies are those most critical to the judgments and estimates used in the preparation of our consolidated financial statements.

### **Research and Development Expenses and Accruals**

We expense research and development expenses as incurred. Research and development expenses represent costs incurred by us for the discovery and development of our product candidates and include employee salaries and benefits, including stock-based compensation, third-party research and development expenses, including amounts incurred under agreements with our external vendors and consultants engaged to perform preclinical and clinical studies, contract manufacturing and research services, consulting costs, laboratory supplies, and certain allocated expenses, as well as amounts incurred under third-party license agreements.

As part of the process of preparing our consolidated financial statements, we are required to estimate our accrued research and development expenses. We estimate preclinical study and clinical trial and other research and development expenses based on the services performed, pursuant to contracts with research institutions and third-party service providers that conduct and manage preclinical studies and clinical trials and research services on our behalf. We record the costs of research and development activities based upon the estimated services provided but not yet invoiced and include these costs in accrued expenses and other current liabilities in our consolidated balance sheets and in research and development expense in our consolidated statements of operations and comprehensive loss. We make significant judgments and estimates in determining the accrued balance in each reporting period. As actual costs become known, we adjust our accrued estimates. 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 may vary from our estimates and could result in us reporting amounts that are too high or too low in any particular period. Our accrued expenses are dependent, in part, upon the receipt of timely and accurate reporting from external third-party service providers. Contingent milestone payments, if any, are expensed when the milestone results are probable and estimable, which is generally upon the achievement of the milestone.

Our expenses related to clinical trials are based on estimates of patient enrollment and related expenses at clinical investigator sites as well as estimates for the services provided and efforts expended pursuant to contracts with multiple research institutions and contract research organizations that may be used to conduct and manage clinical trials on our behalf. We generally accrue expenses related to clinical trials based on contracted amounts

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applied to the level of patient enrollment and activity. If timelines or contracts are modified based upon changes in the clinical trial protocol or scope of work to be performed, we modify our estimates of accrued expenses accordingly on a prospective basis.

### ***Asset Acquisitions and Acquired In-Process Research and Development Expenses***

We measure and recognize asset acquisitions or licenses of intellectual property that are not deemed to be business combinations based on the cost to acquire the asset or group of assets, which includes transaction costs. Goodwill is not recognized in asset acquisitions. In an asset acquisition or license of intellectual property, the cost allocated to acquire IPR&D with no alternative future use is recognized as expense on the acquisition date.

We determined that the Janssen License represented an asset acquisition, rather than a business combination, as substantially all of the fair value of the assets acquired in the Janssen License was concentrated in a single asset, the TARPg8 compound, which was in early stage of development at the time of acquisition. We further concluded that the arrangement represented an asset acquisition of IPR&D assets with no alternative future use.

### ***Stock-Based Compensation***

We measure stock-based awards granted to employees, directors, and nonemployees based on their fair value on the date of the grant. We recognize compensation expense for awards to employees and directors over the requisite service period, which is generally the vesting period of the respective award. Compensation expense for awards to non-employees with service-based vesting conditions is recognized in the same manner as if we had paid cash in exchange for the goods or services, which is generally over the vesting period of the award. For stock-based awards with service-based vesting conditions, we recognize compensation expense using the straight-line method. For stock-based awards with performance-based vesting conditions, we recognize compensation expense using the graded-vesting method over the requisite service period using the accelerated attribution method, commencing when achievement of the performance condition becomes probable. The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes option-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 our expected dividend yield. For awards to non-employees, the expected term of the option is equal to the contractual term of the non-employees' service agreement. The fair value of each restricted common stock award is estimated on the date of grant based on the fair value of our common stock on that same date.

#### *Determination of the Fair Value of Common Stock*

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

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PWERM is a scenario-based methodology that estimates the fair value of common stock based upon an analysis of future values for us, assuming various outcomes. The common stock value is based on the probability-weighted present value of expected future investment returns considering each of the possible outcomes available as well as the rights of each class of stock. The future value of the common stock under each outcome is discounted back to the valuation date at an appropriate risk-adjusted discount rate and probability weighted to arrive at an indication of value for the common stock. A discount for lack of marketability of the common stock is then applied to arrive at an indication of value for the common stock.

Our board of directors considered various objective and subjective factors to determine the fair value of our common stock as of each grant date, including:

- the 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 at the time of each grant;
- the progress of our research and development programs, including the status and results of clinical and preclinical studies for our product candidates;
- our stage of development and our business strategy;
- external market conditions affecting the biopharmaceutical industry and trends within the biopharmaceutical industry;
- our financial position, including cash on hand, and our historical and forecasted performance and operating results;
- the lack of an active public market for our common stock and our convertible preferred stock;
- the likelihood of achieving a liquidity event, such as an initial public offering (“IPO”) or sale of our company in light of prevailing market conditions; and
- the analysis of IPOs and the market performance of similar companies in the biopharmaceutical industry.

The assumptions underlying these valuations were highly complex and subjective and represented management’s best estimates, which involved inherent uncertainties and the application of management’s judgment. As a result, if we had used significantly different assumptions or estimates, the fair value of our common stock and our stock-based compensation expense could be materially different.

Once a public trading market for our common stock has been established in connection with the completion of this offering, it will no longer be necessary for our board of directors to estimate the fair value of our common stock in connection with our accounting for granted stock options and other such awards we may grant, as the fair value of our common stock will be determined based on the quoted market price of our common stock.

### *Grant of Stock-Based Awards*

The following table sets forth by grant date the number of shares subject to common stock options and common stock awards granted since February 10, 2022 (inception) through the year ended December 31, 2023, the per share exercise price of the options or purchase price of common stock awards, the fair value of common stock on each grant date, and the per share estimated fair value of the options or common stock awards:

<u>Grant Date</u>	<u>Type of Award</u>	<u>Number of Shares Subject to Award</u>	<u>Per Share Exercise or Purchase Price of Award</u>	<u>Per Share Fair Value of Common Stock on Grant Date</u>	<u>Per Share Estimated Fair Value of Awards on Grant Date</u>
November 28, 2022	Restricted Stock	7,333,272	\$ 0.001	\$ 0.34 <sup>(1)</sup>	\$ 0.34
November 29, 2022	Restricted Stock	35,171	\$ 0.001	\$ 0.34 <sup>(1)</sup>	\$ 0.34

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<u>Grant Date</u>	<u>Type of Award</u>	<u>Number of Shares Subject to Award</u>	<u>Per Share Exercise or Purchase Price of Award</u>	<u>Per Share Fair Value of Common Stock on Grant Date</u>	<u>Per Share Estimated Fair Value of Awards on Grant Date</u>
November 30, 2022	Restricted Stock	752,910	\$ 0.001	\$ 0.34 <sup>(1)</sup>	\$ 0.34
December 9, 2022	Restricted Stock	4,090,916	\$ 0.001	\$ 0.34 <sup>(1)</sup>	\$ 0.34
January 9, 2023	Restricted Stock	1,690,916	\$ 0.001	\$ 0.34 <sup>(1)</sup>	\$ 0.34
January 30, 2023	Restricted Stock	58,167	\$ 0.001	\$ 0.34 <sup>(1)</sup>	\$ 0.34
February 6, 2023	Restricted Stock	1,933,828	\$ 0.01	\$ 0.34 <sup>(2)</sup>	\$ 0.34
February 14, 2023	Restricted Stock	405,820	\$ 0.01	\$ 0.34 <sup>(2)</sup>	\$ 0.34
March 1, 2023	Restricted Stock	6,763,667	\$ 0.001	\$ 0.53 <sup>(3)</sup>	\$ 0.53
May 19, 2023	Restricted Stock	1,705,000	\$ 0.01	\$ 0.53 <sup>(4)</sup>	\$ 0.53
September 7, 2023	Restricted Stock	1,352,735	\$ 0.01	\$ 0.62 <sup>(5)</sup>	\$ 0.62
December 6, 2023	Option	11,595,429	\$ 0.21	\$ 0.74 <sup>(6)</sup>	\$ 0.67
December 6, 2023	Option	195,000	\$ 0.21	\$ 0.74 <sup>(7)</sup>	\$ 0.63

- (1) At the time of the restricted stock grants from November 28, 2022 to January 30, 2023, our board of directors determined that the fair value of our common stock of \$0.001 per share reasonably reflected the fair value of our common stock as of the grant date. However, as described below, the fair value of our common stock as of the dates of these grants was adjusted in connection with a retrospective fair value assessment for accounting purposes.
- (2) At the time of the restricted stock grants from February 6, 2023 to February 14, 2023, our board of directors determined that the fair value of our common stock of \$0.01 per share reasonably reflected the fair value of our common stock as of the grant date. However, as described below, the fair value of our common stock as of the date of these grants was adjusted in connection with a retrospective fair value assessment for accounting purposes.
- (3) This grant was legally issued on December 2, 2022, but not considered granted for accounting purposes until March 1, 2023, when the grantees began providing services to us. At the time of the restricted stock grant on December 2, 2022, our board of directors determined that the fair value of our common stock of \$0.001 per share reasonably reflected the fair value of our common stock as of the grant date. However, as described below, the fair value of our common stock as of the date of this grant was adjusted in connection with a retrospective fair value assessment for accounting purposes.
- (4) At the time of the restricted stock grant on May 19, 2023, our board of directors determined that the fair value of our common stock of \$0.01 per share reasonably reflected the fair value of our common stock as of the grant date. However, as described below, the fair value of our common stock as of the date of this grant was adjusted in connection with a retrospective fair value assessment for accounting purposes.
- (5) At the time of the restricted stock grant on September 7, 2023, our board of directors determined that the fair value of our common stock of \$0.01 per share reasonably reflected the fair value of our common stock as of the grant date. However, as described below, the fair value of our common stock as of the date of this grant was adjusted in connection with a retrospective fair value assessment for accounting purposes.
- (6) At the time of the option grant to employees on December 6, 2023, our board of directors determined that the fair value of our common stock of \$0.21 per share reasonably reflected the fair value of our common

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stock as of the grant date. However, as described below, the fair value of our common stock as of the date of this grant was adjusted in connection with a retrospective fair value assessment for accounting purposes.

- (7) At the time of the option grant to consultants on December 6, 2023, our board of directors determined that the fair value of our common stock of \$0.21 per share reasonably reflected the fair value of our common stock as of the grant date. However, as described below, the fair value of our common stock as of the date of this grant was adjusted in connection with a retrospective fair value assessment for accounting purposes.

The fair value of our common stock of \$0.34 per share from November 28, 2022 to February 14, 2023 was determined by us, based, in part, on the \$0.34 per share value indicated in the retrospective third-party valuation prepared as of December 9, 2022. In particular, the retrospective valuation determined our equity value using an OPM back-solve approach that was primarily based on the \$1.00 price per share paid by new and existing investors in the first closing of our Series A convertible preferred stock on December 9, 2022 less the value of the anticipated additional Series A tranche closings, which were treated as call options for the purposes of allocating value to the various equity. A discount for lack of marketability (“DLOM”) of the common stock was then applied to arrive at an indication of value for our common stock.

The fair value of our common stock of \$0.53 per share from March 1, 2023 to May 19, 2023 was determined by us, based, in part, on the \$0.53 per share value indicated in the retrospective third-party valuation prepared as of February 17, 2023. In particular, the retrospective valuation determined our equity value using an OPM back-solve approach that was primarily based on the \$1.00 price per share paid by new and existing investor in the second and third closing of our Series A convertible preferred stock on February 21, 2023. A DLOM of the common stock was then applied to arrive at an indication of value for our common stock.

The fair value of our common stock of \$0.62 per share on September 7, 2023 was determined by us, based, in part, on the \$0.62 per share value indicated in the retrospective third-party valuation prepared as of August 7, 2023. In particular, the retrospective valuation determined our equity value using an OPM back-solve approach that was primarily based on the \$1.67727 per share paid by new and existing investors in the first closings of our Series B convertible preferred stock in August 2023, less the value of the anticipated additional Series B tranche closings, which were treated as call options for the purposes of allocating value to the various equity. A DLOM of the common stock was then applied to arrive at an indication of value for our common stock.

The fair value of our common stock of \$0.74 per share on December 6, 2023 was determined by us, based, in part, on the \$0.74 per share value indicated in retrospective the third-party valuation prepared as of December 31, 2023. In particular, the retrospective valuation determined our enterprise value using the hybrid method, which included a PWERM, with an IPO scenario, and a sale scenario. Our enterprise value in the IPO scenario was based on guideline IPO transactions identified within the last one to three years, which was adjusted by a risk-adjusted discount rate. The IPO scenario also assumed an estimated timeline for the IPO to occur. Our enterprise value for the sale scenario was based on an OPM market-adjusted back-solve method based on the \$1.67727 price per share paid by new and existing investors in the closing of our Series B convertible preferred stock in August 2023. The market adjustment applied to the equity value considered the performance of guideline public companies and the biotech indices since the most recent sale of our convertible preferred stock through the valuation date. A DLOM of the common stock was then applied to arrive at an indication of value for our common stock.

In the course of preparing for this offering, we applied the fair values of our common stock from our retrospective fair value assessments in December 2022, February 2023, August 2023, and December 2023 to determine the fair value of each of the November 2022, December 2022, January 2023, February 2023, March 2023, May 2023, September 2023 and December 2023 awards as of the respective grant date and calculated stock-based compensation expense for accounting purposes based on applicable fair values.



### ***Valuation of Preferred Stock Tranche Liability***

Our Series A and Series B convertible preferred stock purchase agreements obligated the Series A and Series B investors to participate in a subsequent offering of Series A and Series B convertible preferred stock upon certain conditions being met, which we refer to as the preferred stock tranche rights. We determined that the preferred stock tranche rights were required to be recorded as liabilities because they are freestanding financial instruments that would require us to transfer assets upon exercises of the right. The preferred stock tranche rights met the definition of a freestanding financial instrument because they are legally detachable and separately exercisable from the Series A and Series B convertible preferred stock. The preferred stock tranche rights were classified as a liability and initially recorded at fair value upon the issuance date of the right. The liabilities are remeasured to fair value at each reporting date until settled, and changes in the fair value of the preferred stock tranche right liabilities are recognized as a component of other income (expense) in our consolidated statements of operations and comprehensive loss.

In February 2023, in conjunction with the amendment to the Series A convertible preferred stock purchase agreement, our existing Series A convertible preferred stockholders voted to waive the second and third tranche milestones and exercised their tranche right. As a result, an aggregate of 50,000,000 shares of Series A convertible preferred stock were issued and sold at a price of \$1.00 per share, resulting in total cash proceeds of \$50 million, less \$61 thousand of issuance costs. As a result of this issuance, the Series A preferred stock tranche right liability, with a then fair value of \$11.5 million immediately prior to the amendment and waiver, was settled in full and recognized in additional paid-in capital.

In August 2023 and concurrent with the original issuance of the Series B convertible preferred stock, two stockholders exercised their right to early exercise the Series B preferred stock tranche right and purchased 10,731,725 shares. Consequently, we recognized \$1.2 million in additional paid-in capital associated with the simultaneous original issuance and early exercise. Additionally, the investors paid a premium of \$1.7 million for these shares over their fair value which was also recorded in additional paid-in capital.

Subsequent to the original issuance, one stockholder exercised its right to early exercise the Series B preferred stock tranche right and purchased 4,769,655 shares of Series B convertible preferred stock for cash proceeds of \$8.0 million. The fair value of the associated tranche right liability that was settled at the time of the sale of \$0.5 million was recognized in additional paid-in capital. Additionally, the investor paid a premium of \$0.8 million for these shares over their fair value which was also recorded in additional paid-in capital.

The fair value of the tranche right liabilities was determined based on significant inputs not observable in the market, which represented a Level 3 measurement within the fair value hierarchy. The fair value of the tranche right liabilities was determined using a Contingent Forward Analysis, which is a scenario-based lattice model that accounts for the different possible milestone scenarios and their associated probabilities, as estimated by us. The valuation model considered the probability of closing the tranche, the estimated future value of the convertible preferred stock to be issued at each closing and the investment required at each closing. Future values were converted to present value using a discount rate appropriate for probability-adjusted cash flows. The most significant assumptions in the Contingent Forward Analysis impacting the fair value of the preferred stock tranche rights were the fair value of the Series A and Series B convertible preferred stock as of each remeasurement date, the estimated remaining term of the tranche right as of each remeasurement date, and the probabilities of success for each tranche milestone as of each measurement date. We determined the fair value per share of the underlying convertible preferred stock by taking into consideration the most recent sales of our convertible preferred stock as well as additional factors that we deemed relevant. We assessed these assumptions and estimates on a quarterly basis as additional information impacting the assumptions was obtained. The risk-free rate was determined by reference to the U.S. Treasury yield curve for time periods approximately equal to the remaining estimated time to each tranche closing.

As of December 31, 2022, the fair value of each Series A convertible preferred stock was \$0.74 per share. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve for time periods



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approximately equal to the remaining estimated time period of achievement of the specified milestones underlying the preferred stock tranche right. As of December 31, 2022, an immediate 10 percent increase in the fair value of our Series A convertible preferred stock would have resulted in a \$2.9 million increase, and in the case of a 10 percent decrease, a \$2.9 million decrease to the fair value of the preferred stock tranche right liability.

As of December 31, 2023, the fair value of each Series B convertible preferred stock was \$1.68 per share. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve for time periods approximately equal to the remaining estimated time period of achievement of the specified milestones underlying the preferred stock tranche right. As of December 31, 2023, an immediate 10 percent increase in the fair value of our Series A convertible preferred stock would have resulted in a \$0.9 million increase, and in the case of a 10 percent decrease, a \$0.9 million decrease to the fair value of the preferred stock tranche right liability.

### **Quantitative and Qualitative Disclosures About Market Risk**

#### ***Interest Rate Risk***

As of December 31, 2023, we had \$147.5 million in cash, cash equivalents and short-term investments, excluding our restricted cash, which consisted of cash, money market funds, and government securities. Our cash and cash equivalents are primarily maintained in accounts with multiple financial institutions in the United States. At times, we may maintain cash and cash equivalent balances in excess of Federal Deposit Insurance Corporation (FDIC) limits. We do not believe that we are subject to unusual credit risk beyond the normal credit risk associated with commercial banking relationships. Our primary exposure to market risk is interest rate sensitivity, which is affected by changes in the general level of U.S. interest rates. Due to the short-term duration of our investment portfolio and the low risk profile of our investments, we believe an immediate 10.0% change in interest rates would not have a material effect on the fair market value of our investment portfolio. We have the ability to hold our investments until maturity, and therefore, we would not expect our operating results or cash flows to be affected to any significant degree by the effect of a change in market interest rates on our investment portfolio.

#### ***Inflation Risk***

Inflation generally affects us by increasing our cost of labor and research and development contract costs. We do not believe inflation has had a material effect on our results of operations during the periods presented.

### **Emerging Growth Company and Smaller Reporting Company Status**

The Jumpstart Our Business Startups Act of 2012 permits an “emerging growth company” such as us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies until those standards would otherwise apply to private companies. We have elected not to “opt out” such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we will adopt the new or revised standard at the time private companies adopt the new or revised standard and will do so until such time that we either (i) irrevocably elect to “opt out” of such extended transition period or (ii) no longer qualify as an emerging growth company. As a result of this election, our consolidated financial statements may not be comparable to other public companies that comply with new or revised accounting pronouncements as of public company effective dates. We may choose to early adopt any new or revised accounting standards whenever such early adoption is permitted for private companies.

**Recent Accounting Pronouncements**

A description of recently issued accounting pronouncements that may potentially impact our financial position and results of operations is disclosed in Note 2—“*Summary of Significant Accounting Policies*” to our consolidated financial statements included elsewhere in this prospectus.

## BUSINESS

### Overview

We are a clinical-stage biopharmaceutical company focused on becoming the leader in precision neuroscience through discovery and development of transformational small molecule medicines for patients suffering from central nervous system (“CNS”) disorders. Our foundational science has elucidated complexities of neuronal receptor biology and enables us to map and target certain neuronal receptor complexes. Neuronal receptors are complex assemblies of proteins, comprising receptor principal subunits and their receptor associated proteins (“RAPs”), the latter of which play crucial roles in regulating receptor expression and function. We believe that our deep expertise in RAP biology provides an opportunity for us to interrogate previously inaccessible targets and develop CNS drugs that are specific for receptor variants and neuroanatomical regions associated with certain diseases. Most neuroactive drugs lack this specificity, often resulting in undesired and intolerable side effects. Leveraging our expertise, we are developing a portfolio of precision product candidates that we believe has the potential to transform the standard of care of many CNS disorders.

Our founders have made pioneering discoveries related to RAP function and structure. Their findings form the basis of our RAP technology platform, which enables a differentiated approach to generate precision small molecule product candidates. RAP-219, our most advanced product candidate, is an AMPA receptor (“AMPA”) negative allosteric modulator (“NAM”). RAP-219 is designed to achieve neuroanatomical specificity through its selective targeting of a RAP known as TARPg8, which is associated with the neuronal AMPAR, a clinically validated target for epilepsy. Whereas AMPARs are distributed widely in the CNS, TARPg8 is expressed only in discrete regions, including the hippocampus, a key site involved in focal epilepsy. We believe this provides RAP-219 with a high level of neuroanatomical specificity. We completed our Phase 1 trials in healthy adults to assess the safety and tolerability of RAP-219, and we intend to initiate a Phase 2a proof-of-concept trial in adult patients with drug-resistant focal epilepsy in [REDACTED], with topline results expected in [REDACTED]. We believe RAP-219 also has therapeutic potential in peripheral neuropathic pain and bipolar disorder, and we intend to initiate Phase 2a trials in these indications in [REDACTED] and in [REDACTED], respectively. We have also identified another TARPg8 targeted molecule with differentiated chemical and pharmacokinetic properties, RAP-199, for which we expect to initiate a Phase 1 trial in [REDACTED].

Beyond TARPg8, we have two advanced discovery-stage nicotinic acetylcholine receptor (“nAChR”) programs stemming from our RAP technology platform. Our first discovery-stage nAChR program comprises modulators of  $\alpha 6$  nAChRs that we are developing for the treatment of chronic pain. Our second discovery-stage nAChR program comprises modulators of  $\alpha 9\alpha 10$  nAChRs that we are developing for the treatment of hearing disorders. Third-party genetic data suggest that these nAChR subtypes could be attractive drug targets for these diseases. We continue to leverage our RAP technology platform to discover additional product candidates that we believe have the potential to provide a transformative benefit for large patient populations in CNS diseases with significant unmet need.

### Our Pipeline

Our current portfolio of programs from our RAP technology platform is summarized in the pipeline chart below:

Category	Program	Discovery	Preclinical	Phase 1	Phase 2	Phase 3
TARP $\gamma$ 8 AMPA	RAP-219 <i>Focal Epilepsy*</i>	▶				
	RAP-219 <i>Peripheral Neuropathic Pain*</i>	▶				
	RAP-219 <i>Bipolar Disorder*</i>	▶				
	RAP-199 <i>Indications To Be Announced</i>	▶				
nAChR Discovery Programs	$\alpha$ 6 <i>Chronic Pain</i>	▶				
	$\alpha$ 9 $\alpha$ 10 <i>Hearing Disorders</i>	▶				

\* We have conducted two Phase 1 trials supportive of multiple RAP-219 indications.

**Introduction to RAP-219**

RAP-219 is an investigational small molecule that is designed to inhibit TARP $\gamma$ 8-containing AMPARs with picomolar (“pM”) affinity, which implies tight binding. Given RAP-219’s mechanism of action, neuroanatomical specificity and target potency observed to date in preclinical studies, we believe it has the potential to be a differentiated therapy for focal epilepsy and other CNS disorders, including peripheral neuropathic pain and bipolar disorder.

Epilepsy is estimated to affect 50 million people worldwide, including approximately 3.0 million adults in the United States. In 2022, the total branded market for epilepsy was approximately \$2.8 billion, and this is expected to grow to approximately \$3.6 billion by 2028. There are an estimated 1.8 million people in the United States who suffer from focal epilepsy, accounting for approximately 60 percent of patients with epilepsy. Focal epilepsy is characterized by seizures caused by intermittent abnormal electrical activity originating in specific areas of the brain. The hippocampus, located within the temporal lobe, is commonly associated with focal epilepsy, with approximately 50 percent of all seizures originating in or around this area. The cerebral cortex is another common site of focal onset seizure initiation, originating up to 50 percent of all seizures. However, the hippocampus often plays a role in these seizures as well, with the abnormal electrical brain activity that arises in the cerebral cortex often traveling to and being perpetuated by the hippocampus.

Epilepsy has profound negative impacts on a patient’s quality of life, including limitations on social engagement, physical activity and independence. Recent studies have also found that epilepsy can result in cognitive impairment. The treatment goal for all patients with epilepsy, including focal epilepsy, is complete freedom from seizures. Despite there being more than 20 antiseizure medications (“ASMs”) approved by the U.S. Food and Drug Administration (“FDA”), 30 to 40 percent of patients with epilepsy continue to experience recurring seizures despite taking two or more ASMs. This is termed “drug-resistant epilepsy.” In addition to providing sub-optimal efficacy, ASMs are commonly associated with risks of intolerable and debilitating adverse events (“AEs”). These side effects, such as cognitive impairment, sedation, ataxia and dizziness, are believed to result from drug actions in brain regions unrelated to epilepsy. These AEs often lead to dosing adjustments and patient nonadherence, both of which can limit efficacy. We believe tolerability, adherence and clinical benefit can be improved with RAP-219, an investigational therapy that is designed to precisely modulate only diseased brain regions.

Patients with epilepsy commonly take ASM combinations, which is referred to as polypharmacy. Drug-drug interactions make polypharmacy complex and add a further challenge to managing persistent seizures in

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epilepsy. When a physician adds a drug to a patient's regimen, they typically prioritize one with a differentiated mechanism of action, an approach referred to as rational polypharmacy. Therefore, there is a critical need for therapies with new mechanisms of action, fewer AEs and a mitigated risk of drug-drug interaction for the treatment of focal epilepsy.

AMPA inhibition is a clinically validated approach for the treatment of epilepsy, with perampanel (marketed as FYCOMPA) approved by the FDA in 2012 for the treatment of both focal and generalized epilepsy. Whereas perampanel binds to AMPARs throughout the CNS and periphery, RAP-219 actions on AMPARs are restricted to those few specific regions where TARPg8 is expressed, most notably the hippocampus. This leads us to believe that the tolerability profile of RAP-219 could be significantly differentiated from that of perampanel and other currently available ASMs.

TARPg8 is expressed in specific brain regions, being most enriched in the hippocampus and other forebrain structures, which are key sites associated with focal onset seizures. As brain regions with TARPg8 expression closely overlay with the brain sites most often involved with the pathophysiology of focal epilepsy, we believe that RAP-219, which binds to TARPg8, has potential to provide a differentiated profile. Furthermore, TARPg8 has minimal or no expression in certain other areas that are critical for normal brain functions, including the cerebellum and brainstem. In contrast to the precision mechanism of RAP-219, the majority of ASMs, including perampanel, bind their target receptors throughout the brain, and we believe this lack of anatomical specificity may contribute to their side effect profiles. We believe that RAP-219, as compared to currently available ASMs, has the potential to have a greater therapeutic index, meaning a wider range of doses at which it is likely to be effective without causing unacceptable AEs. If RAP-219 is approved, this could have important clinical utility for the management of focal epilepsy.

We have completed two Phase 1 trials evaluating RAP-219 in healthy adult volunteers to assess its safety, tolerability and pharmacokinetics. We observed RAP-219 to be generally well tolerated in these trials. The plasma concentrations of RAP-219 measured during those trials suggested that once-daily oral administration with a simple dosing schedule could achieve our targeted therapeutic exposures. For our Phase 2a proof-of-concept trial, we plan to enroll adult patients with drug-resistant focal epilepsy who have an implanted responsive neurostimulation ("RNS") system, an FDA approved device for refractory focal onset epilepsy. The RNS system includes an electrode that continually monitors intracranial brain waves and detects the magnitude, duration and frequency of electrographic activity, which are recorded as intracranial electroencephalography ("iEEG") data. We plan to use these iEEG data as the biomarker-based primary endpoint in our proof-of-concept trial. We believe these data could be translatable to a clinical seizure endpoint in future registrational trials. We intend to initiate this Phase 2a proof-of-concept trial in focal epilepsy in [REDACTED], with topline results expected in [REDACTED].

In addition to treating seizures, we believe RAP-219 has the potential to provide therapeutic benefit in additional CNS indications such as peripheral neuropathic pain and bipolar disorder. We intend to initiate proof-of-concept clinical trials of RAP-219 in peripheral neuropathic pain and bipolar disorder in [REDACTED] and in [REDACTED], respectively.

### **Introduction to Our Discovery-Stage Nicotinic Acetylcholine Receptor Programs**

In addition to RAP-219, we have two discovery-stage programs stemming from our RAP technology platform. Our  $\alpha 6$  nAChR and  $\alpha 9\alpha 10$  nAChR programs were both enabled by our discovery of RAPs that drive the assembly of functional versions of these receptors in cell lines. Based on third-party genetic data, we believe each of these nAChR subtypes could be attractive drug targets. However, it was not until our identification of these RAPs that it became possible to create cell lines for *in vitro* compound screening and optimization against these important targets.

We are pursuing agonists and positive allosteric modulators ("PAMs") of the  $\alpha 6$  nAChR for the treatment of chronic pain. Gain-of-function variants in the gene encoding the  $\alpha 6$  subunit is responsible for attenuated pain

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levels. A previous third-party investigational pan-nAChR agonist demonstrated clinical activity in a randomized placebo controlled study in painful diabetic neuropathy but this experimental therapeutic was associated with intolerable side effects that led to the discontinuation of its development. We believe that these side effects were primarily due to the non-selective nature of that agonist. Through our ability to functionally express and pharmacologically screen for  $\alpha 6$  nAChR modulators, we have identified small molecule agonists and PAMs that showed  $\alpha 6$  nAChR selectivity as well as beneficial activity in a preclinical model of neuropathic pain. We are optimizing these molecules in anticipation of selecting candidates to advance into the clinic.

Our  $\alpha 9\alpha 10$  nAChR program focuses on the discovery of small molecule modulators of this receptor as potential therapies for hearing disorders. Third-party studies observed a loss-of-function mutation of the gene for the  $\alpha 9$  subunit in mice associated with increased sensitivity to noise-induced hearing loss. Conversely, we observed a gain-in-function mutation in  $\alpha 9$  protected against hearing loss. We have identified small molecule modulators of  $\alpha 9\alpha 10$  nAChR and are now optimizing these molecules in anticipation of selecting candidates to advance into the clinic.

### **Our Company's History and Our Team**

Rapport was formed in February 2022, with founding support from Third Rock Ventures and Johnson & Johnson Innovation-JJDC, to advance the discovery and development of RAP-targeted precision neuromedicines. Our scientific founder and Chief Scientific Officer, David Bredt, M.D., Ph.D., pioneered the discovery of RAPs and their targeting by small molecules while serving as Global Head of Neuroscience Discovery at Janssen Pharmaceutica NV ("Janssen") and prior to that as Vice President of Neuroscience at Eli Lilly and Company and as a Professor of Physiology at the University of California, San Francisco. Dr. Bredt was subsequently joined at Rapport by additional scientists who previously worked on the RAP platform at Janssen.

In August 2022, we entered into a license agreement with Janssen (the "Janssen License") for the research, development and commercialization of certain TARPg8 products, including RAP-219 and RAP-199, and nAChR products created by Dr. Bredt and his colleagues at Janssen. We are furthering development of these assets and extending discovery efforts into novel areas. Under the terms of the Janssen License, certain TARPg8 and nAChR patents, materials and know-how were transferred to us. All discovery and development efforts related to our pipeline programs are herein referred to as "ours," although some of these preclinical efforts were completed at Janssen prior to the Janssen License. In many cases, these efforts were made by certain of the same personnel who have since joined Rapport.

In addition to Dr. Bredt, we have a seasoned leadership team with deep expertise in building novel therapeutic platforms, bringing therapeutics to market and supporting the growth of public biopharmaceutical companies. Abraham N. Ceesay, M.B.A., our Chief Executive Officer and a member of our board of directors, has extensive biopharmaceutical leadership experience, most recently as President of Cerevel Therapeutics Holdings, Inc. and prior to that as Chief Executive Officer of Tiburio Therapeutics, Inc. Bradley S. Galer, M.D., our Chief Medical Officer, has over twenty years of experience leading and building global drug development and medical affairs teams in epilepsy and pain, including as Executive Vice President and Chief Medical Officer at Zogenix, Inc. Dr. Galer was involved in the clinical development of fenfluramine (Fintepla), lidocaine patch (Lidoderm), gabapentin (Neurontin) and pregabalin (Lyrica) and previously acted as an academic key opinion leader in neuropathic pain. Troy Ignelzi, our Chief Financial Officer, has served in a similar role for several biopharmaceutical companies, most recently as Chief Financial Officer at Karuna Therapeutics, Inc. ("Karuna"). Cheryl Gault, our Chief Operating Officer, has over twenty years of biopharmaceutical experience, most recently serving as Chief Operating Officer at Cyclerion Therapeutics, Inc. Swamy Yeleswaram, Ph.D., our Chief Development Officer was a founding scientist at Incyte Corporation, most recently serving as Group Vice President of Drug Metabolism, Pharmacokinetics and Clinical Pharmacology. Kathy Wilkinson, our Chief People Officer, has previously served in similar roles at public companies, including 2seventy bio, Inc. and bluebird bio, Inc. Karina Chmielewski, our Chief Information Officer, previously served as Vice President, Platform Operations at Third Rock Ventures.

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Our board of directors is composed of accomplished leaders in the life sciences industry, including board chair Steven M. Paul, M.D., former President and Chief Executive Officer of Karuna, Terry-Ann Burrell, M.B.A., Chief Financial Officer of Beam Therapeutics, Inc., James I. Healy, M.D., Ph.D., Managing Partner of Sofinnova Investments, Inc., Reid Huber, Ph.D., Partner of Third Rock Ventures, Raymond Kelleher, M.D., Ph.D., Managing Director at Cormorant Asset Management LLC, John Maraganore, Ph.D., former founding Chief Executive Officer of Alynham Pharmaceuticals, Inc. and Venture Partner at both ARCH Venture Partners and Atlas Ventures, Jeffery K. Tong, Ph.D., Partner of Third Rock Ventures, and Mr. Ceesay, our Chief Executive Officer.

We have also assembled a scientific advisory board, composed of leading experts, who have made significant contributions in the fields of neuroscience, pain and pharmaceutical chemistry. Our scientific advisory board includes co-chairs David Julius, Ph.D., Chair of Physiology at the University of California San Francisco and 2021 Nobel Prize laureate in physiology or medicine, and Sir David MacMillan, Ph.D., Professor of Chemistry at Princeton University and 2021 Nobel Prize laureate in chemistry, as well as members Allan Basbaum, Ph.D., FRS, Chair of Anatomy at the University of California San Francisco, David Clapham, M.D., Ph.D., Professor of Cardiovascular Research and Professor Emeritus of Neurobiology at Harvard Medical School, Jeffrey L. Noebels, M.D., Ph.D., Chair in Neurogenetics and Professor of Neurology, Neuroscience and Molecular and Human Genetics at Baylor College of Medicine, and Wendy Young, Ph.D., an advisor at Google Ventures who previously served as senior vice president, small molecule drug discovery at Genentech, Inc. where she actively built and led the research and discovery organization.

Since our inception, we have raised approximately \$250 million in equity capital from our syndicate of premier life sciences investors. Potential investors should not consider investments made by our existing investors as a factor when making a decision to purchase shares in this offering since our existing investors likely have different risk tolerances and paid significantly less per share than the price at which the shares are being offered in this offering.

### **Our Strategy**

Leveraging our RAP technology platform, we strive to become a leader in precision neuroscience through the discovery and development of transformational small molecule medicines for patients suffering from CNS disorders. As key elements of our strategy, we intend to:

- **Advance RAP-219 clinical development for the treatment of focal epilepsy.** RAP-219 is designed as a highly potent and selective NAM of TARPg8-AMPA which has demonstrated antiseizure activity in preclinical epilepsy models without evidence of motoric impairment or sedation characteristic of many approved ASMs. We conducted two Phase 1 trials where RAP-219 was observed to be well tolerated in healthy adults with once-daily dosing and a simple titration schedule. We anticipate initiating a Phase 2a proof-of-concept trial of RAP-219 in adult patients with drug-resistant focal epilepsy.
- **Expand the potential of RAP-219 in additional neurological indications.** We believe that RAP-219's ability to precisely modulate the activity of AMPAR within specific CNS regions, as demonstrated in preclinical studies, provides the potential for clinical applications in neurological indications beyond focal epilepsy. We intend to initiate a proof-of-concept clinical trial in peripheral neuropathic pain in bipolar disorder in .
- **Extend the life cycle of RAP-219 and expand the TARPg8 franchise.** We are exploring a long-acting injectable formulation of RAP-219, which we believe will expand the potential clinical utility across all RAP-219's indications and potentially extend the molecule's lifecycle. We have also nominated another TARPg8 targeting molecule, RAP-199, as a development candidate. This molecule has demonstrated differentiated chemical and pharmacokinetic properties in preclinical studies and may be suitable for additional indications beyond those being pursued with RAP-219, which we intend to evaluate in a Phase 1 trial to be initiated in .

- **Advance development of our RAP-enabled nAChR programs.** Our RAP platform has enabled identification of small molecules specific for nAChR drug targets we find compelling. We believe that our  $\alpha 6$  nAChR program may deliver clinical benefits in chronic pain while avoiding the AEs associated with non-selective nAChR agonists. We believe that compounds specific to the  $\alpha 9a10$  receptor could provide therapeutic benefit in hearing disorders and are optimizing molecules for both programs, in anticipation of selecting lead candidates to advance into the clinic.
- **Fortify our leadership position in RAP-enabled drug discovery to expand our pipeline of transformative precision neuroscience therapies for patients.** We believe the science underpinning our RAP technology platform can serve as the foundation for a broad portfolio of precision neuroscience product candidates that have the potential to transform the current treatment armamentarium for many CNS disorders. We are committed to leveraging our expertise in RAP biology to develop a portfolio of small molecule therapies to deliver potentially more effective, better tolerated and safer treatments to large and underserved CNS patient populations.
- **Pursue strategic partnerships opportunistically.** We currently have exclusive global rights to use our technology platform and commercialize our product candidates. If we believe that partnerships can accelerate the development or maximize the market potential of our product candidates, we will consider entering into product, target and/or geographic specific strategic partnerships on an opportunistic basis.

### Our RAP Technology Platform

Our founders are pioneers of RAP biology who have made key discoveries related to RAP function. Their findings form the basis of our RAP technology platform, which can potentially provide a differentiated approach to generate precision small molecule product candidates.

Due to the complexities of studying drugs directly in the brain, the standard approach to discovery and optimization of neurology drugs is through *in vitro* cellular assays involving recombinant receptors. This approach often fails to amplify the function of relevant targets in their natural contexts and has resulted in the approval of neurology drugs that are not designed to be selective for specific forms of their targets, which can contribute to unwanted toxicities and limit therapeutic indexes.

We believe that leveraging RAPs can overcome many limitations of conventional neurology drug discovery. RAPs have defining characteristics that we believe make them ideal tools in the development of precision neuromedicines. First, because RAPs play critical roles in modulating receptor assembly and function, understanding RAP biology provides powerful insights into neuronal signaling. Second, because RAPs can be differentially expressed in specific brain regions, we believe they can serve as drug targets with neuroanatomical specificity.

Using two distinct strategies, we are leveraging our expertise in RAP biology to develop a portfolio of precision neuroscience product candidates that we believe will transform the treatment of many CNS disorders. One strategy uses a RAP as a direct target, which can be more precise than drugging a receptor itself. RAP-219 exemplifies this, as it binds to an AMPA RAP, TARPg8, which is enriched in brain regions that initiate or perpetuate seizures in focal epilepsy.

A second strategy uses RAPs to “unlock” receptors for potentially first-in-class drug discovery programs. Many receptors cannot function without their RAPs, and such receptors have therefore been inaccessible to study *in vitro*. Our discovery platform integrates cutting-edge genetics with functional proteomics to discover RAPs that are regionally localized and involved in disease-related signaling. We have designed our platform to prosecute a wide range of validated therapeutic targets. This second strategy enabled our discovery stage nAChR programs, which focus on  $\alpha 6$  and  $\alpha 9a10$ .



## **RAP-219, Our TARPg8 Specific Product Candidate**

The ionotropic receptors for glutamate (“iGluR”) are ligand gated ion channels activated by the neurotransmitter glutamate. These receptors mediate the majority of excitatory synaptic transmission throughout the CNS. iGluRs comprise four subtypes based on their ligand binding properties: AMPARs, kainate receptors, N-methyl-D-aspartate (“NMDA”) receptors and delta receptors. There are many FDA approved drugs that block the glutamate signaling pathway, which are approved for indications such as epilepsy, schizophrenia, Alzheimer’s disease and Parkinson’s disease. However, these drugs are associated with numerous side effects, such as sedation, ataxia, cognitive impairment and neuropsychiatric symptoms. These undesired effects can be exacerbated by broad interactions of these drugs with glutamate receptors throughout the brain.

AMPA receptors are cation, or positively charged ion, channels that permit influx of sodium ions (Na<sup>+</sup>) to depolarize postsynaptic membranes. Our lead asset, RAP-219, is an investigational small molecule that is designed to potently and specifically inhibit activity of TARPg8-containing AMPARs. Because TARPg8 expression is restricted to specific brain regions such as the hippocampus, which is often involved in focal epilepsies, we believe RAP-219 has the potential to provide a differentiated clinical profile, including improved activity and tolerability along with a higher therapeutic index, potentially providing more patients with sustained therapeutic benefit without intolerable side effects, as compared to traditional ASMs.

In preclinical epilepsy models, RAP-219 significantly reduced seizures without inducing sedation or motoric impairment, which are side effects that plague most existing ASMs. In addition, we believe that RAP-219 has the potential to provide therapeutic benefit in other indications, such as peripheral neuropathic pain and bipolar disorder, and we are actively exploring these opportunities. The initial formulation of RAP-219 is planned to be a once-per-day oral tablet. We are also developing a long-acting injectable formulation for once every month or less frequent dosing, which we believe will result in better compliance and patient outcomes. We have conducted two Phase 1 trials in healthy adults to assess RAP-219’s safety and pharmacokinetic profile, and we expect to initiate a Phase 2a proof-of-concept trial in \_\_\_\_\_ in adult patients with drug-resistant focal epilepsy, with topline results expected in \_\_\_\_\_.

### ***Background to Focal Epilepsy***

Epilepsy is a chronic neurological disorder characterized by spontaneous recurrence of sudden abnormal bursts of brain electrical activity that disrupt brain function and cause seizures. Epilepsy is estimated to affect 50 million people worldwide including 3.0 million adults in the United States. Epilepsy is the third most common neurological disorder, with almost 10 percent of people experiencing a seizure during their lives. The annual direct costs, including outpatient, inpatient, emergency care and treatment costs, of epilepsy in the United States are estimated to be \$28 billion.

Epilepsy can be divided into subgroups defined by the types of seizures that occur:

- Generalized epilepsy is characterized by seizures affecting broad areas of the brain. The most severe type is known as tonic-clonic seizures, which involve sudden loss of consciousness, body stiffening, twitching and shaking. In other cases, these patients can experience subsets of these symptoms. Generalized seizures account for 40 percent of all epilepsies.
- Focal epilepsy is characterized by seizures affecting more restricted areas of the brain. Focal epilepsy, which sometimes results in loss of consciousness or awareness, can lead to changes in the way things look, smell, feel, taste or sound. These seizures may be accompanied by involuntary jerking of a body part or by repetitive movements such as hand rubbing, chewing, or swallowing. Focal epilepsies account for 60 percent of all epilepsies. Figure 1 below illustrates the prevalence of focal epilepsy in the United States.

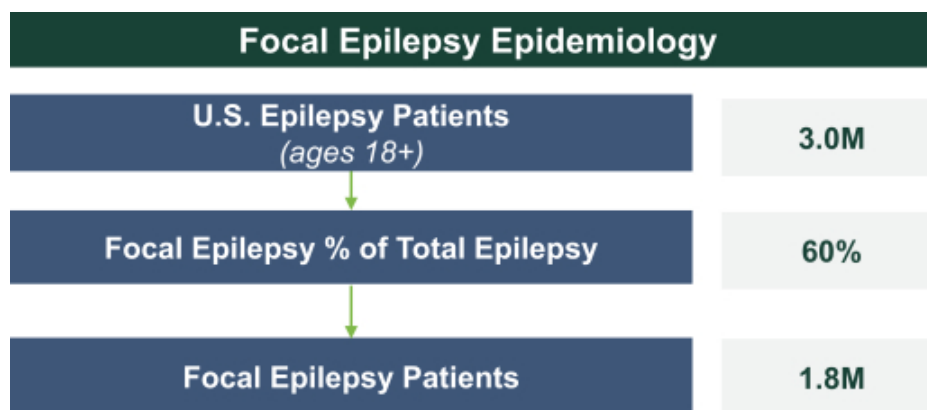


Figure 1. The prevalence of focal epilepsy in the United States is estimated to be 1.8 million patients.

The unpredictable nature of epilepsy has a profound negative impact on patient quality of life. Patients often limit their social engagement and physical activity for fear of seizures. Epilepsy also limits patients' ability to function independently. For instance, in some U.S. states, individuals with epilepsy are required to have a record of being seizure-free for 3 to 12 months in order to drive. Epilepsy is often associated with depression, anxiety and psychosis and doubles the incidence of mental health disorders. Furthermore, epilepsy also presents serious mortality risk with approximately one percent of patients suffering sudden unexpected death in epilepsy ("SUDEP"). Having uncontrolled seizures increases the risk of SUDEP. Both treatment and indirect costs for individuals with uncontrolled epilepsy are significantly higher than for those with stable epilepsy.

#### *Current Standard of Care and Limitations*

Treatment strategies for focal epilepsy can include both medical and surgical options, which strive to achieve seizure control with minimal AEs. Although there are over 20 FDA approved ASMs, 30 to 40 percent of patients have drug-resistant epilepsy and continue to experience uncontrolled seizures despite taking two or more ASMs. First-line treatment for focal epilepsy is monotherapy, prescribing one ASM which is selected based on a patient's seizure type, medical history and their physician's experience with a drug's efficacy, tolerability and convenience.

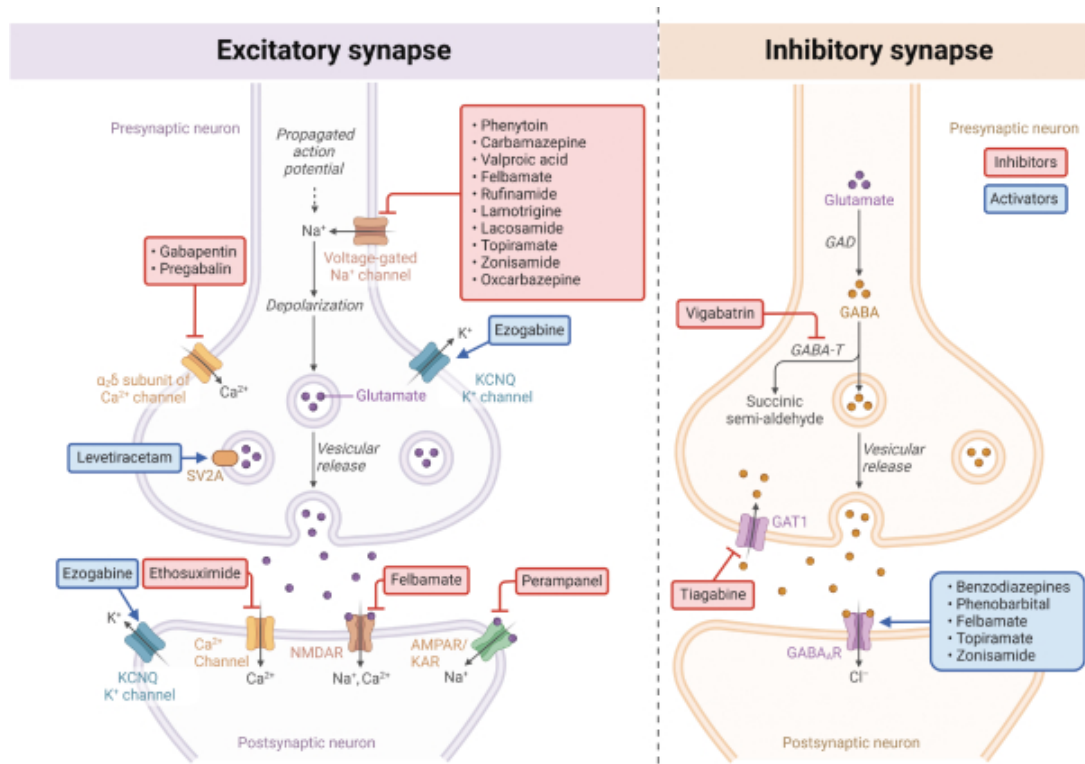
Approved ASMs have many mechanisms of action, and most work by either inhibiting neuronal excitation or augmenting neuronal inhibition. Some ASMs blunt excitation by inhibiting voltage sensitive sodium or calcium channels or by blocking excitatory AMPA or NMDA receptors. Alternatively, some ASMs augment inhibition by enhancing g-aminobutyric acid type A ("GABA<sub>A</sub>") receptors or voltage-gated potassium channels. In addition, there are some ASMs for which the precise mechanism of action is not known and some which engage multiple targets. Most ASMs bind to targets expressed throughout the brain, and we believe this broad pharmacology can drive their side effects.

If a single ASM fails to prevent seizures, physicians often prescribe a different ASM or begin polypharmacy. The process of polypharmacy involves trial and error which can elevate risk of AEs and drug-drug interactions. Tolerability issues can lead patients to take suboptimal doses to minimize side effects or can lead to treatment discontinuation, which occurs in 30 to 40 percent of patients. AEs commonly reported with ASMs include systemic effects such as nausea and vomiting, neurologic effects such as sedation, cognitive effects, ataxia and dizziness, as well as rare idiosyncratic reactions such as the life-threatening multi-organ hypersensitivity reaction known as Drug Rash with Eosinophilia and Systemic Symptoms (DRESS).

*Antiseizure Therapy Through Modulation of Glutamate Signaling*

Glutamate is the major excitatory neurotransmitter in the brain. Both glutamate’s release from presynaptic nerve terminals and its activation of postsynaptic receptors are critical for neurotransmission. Correspondingly, processes associated with glutamate release and its downstream signaling are highly regulated. Elevation in extracellular glutamate levels can lead to seizures, and many ASMs target this pathway.

ASMs can blunt glutamate-dependent signaling through diverse mechanisms. Drugs such as phenytoin, carbamazepine, lamotrigine and lacosamide molecule voltage-gated sodium channels and inhibit action potentials from reaching the glutamate release machinery within the presynaptic nerve terminal. Other drugs such as ethosuximide and ezogabine modulate voltage-gated calcium and potassium channels, respectively, which also can prevent the presynaptic release of glutamate. Figure 2 below shows the mechanisms of currently approved ASMs, including many that modulate glutamate signaling.



Source: Created with Biorender.com. Bialer M, White HS. (2010). Key factors in the discovery and development of new antiepileptic drugs. *Nature Reviews Drug Discovery*, 9(1):68–82. doi: 10.1038/nrd2997. Löscher W, Klein P. (2021). The Pharmacology and Clinical Efficacy of Antiseizure Medications: From Bromide Salts to Cenobamate and Beyond. *CNS Drugs* (2021) 35:935–963. doi: 10.1007/s40263-021-00827-8.

*Figure 2. Mechanistic cartography of currently approved ASMs acting on the excitatory synapse (Left) and the inhibitor synapse (Right).*

After being released into the synaptic cleft, glutamate can bind to AMPARs on postsynaptic neurons. This process permeates sodium and other cations, triggering a series of events that can ultimately lead to the generation of an action potential and the propagation of neuronal signals. Perampanel directly blocks the gating of all AMPARs, while other drugs, such as phenobarbital and tiagabine, oppose glutamate signaling by

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increasing the activity of inhibitory synaptic signaling driven by the GABA<sub>A</sub> receptors. Figure 2 above shows the mechanistic cartography of existing ASMs, including many that modulate glutamate signaling in the excitatory synapse.

### *Validation of AMPAR as a Target for the Treatment of Epilepsy*

Perampanel, developed by Eisai Co. Ltd. and currently marketed as FYCOMPA by Catalyst Pharmaceuticals, Inc., is an FDA approved ASM that directly antagonizes all AMPARs throughout the brain. In three clinical trials of patients with drug-resistant focal epilepsy, perampanel reduced the frequency of partial onset (focal) seizures by 31 to 34 percent compared to 10 to 21 percent in the placebo group. However, perampanel's efficacy was accompanied by frequent AEs consistent with its pan-AMPA activity. At the highest recommended dose of perampanel (12 mg per day), over 40 percent of patients experienced dizziness, 18 percent reported somnolence, and at least 10 percent reported headaches, irritability, fatigue and falls. Perampanel's FDA approval label is accompanied by a black box warning for serious psychiatric and behavioral reactions, including aggression, hostility and homicidal ideation and threats. Furthermore, significant drug-drug interactions were reported for perampanel. The concomitant use with the other ASMs carbamazepine, phenytoin and oxcarbazepine decreased plasma levels of perampanel by approximately 50 to 67 percent. In addition, perampanel at a dose of 12 mg per day reduced exposure of levonorgestrel, an oral contraceptive, by approximately 40 percent.

We believe there are at least three critical differences between perampanel and RAP-219. First, their chemical structures are completely different. Second, perampanel and RAP-219 have entirely distinct binding sites. Whereas perampanel binds directly to AMPAR GluA subunits, RAP-219 is designed to interact with g8, but not other TARP subtypes, and only when TARPg8 is associated with GluA proteins. Third, whereas perampanel blocks AMPARs throughout the brain and body, RAP-219 activity on AMPARs has been observed to be restricted to those specific neurons that express TARPg8, which are primarily located in the select forebrain regions. As such, we believe the tolerability profile of RAP-219 will be differentiated from that of perampanel, and may not induce the intolerable side effects associated with perampanel, such as dizziness, somnolence, fatigue, falls and vertigo.

### ***RAP-219 Preclinical Studies***

Preclinical studies have demonstrated RAP-219's pharmacology and pharmacodynamic properties, as summarized below.

#### *TARPg8 Expression is Localized*

TARPg8 is expressed in specific brain regions, being most enriched in the hippocampus, and also present in the amygdala and cortex. In a study completed by Janssen, radiolabeled TARPg8 ligands, such as [3H]JNJ-56022486 (a RAP-219 analog), were shown to bind selectively to regions of the mouse brain in a distribution that overlapped TARPg8 protein expression. The highest radioactive [3H]JNJ-56022486 density occurred in the hippocampus, which is also the region where the majority of focal seizures originate and the brain region where focal seizures originating in the cortex often spread. Radioligand binding of [3H]JNJ-56022486 also occurred in other brain regions that contain TARPg8, including the amygdala, cerebral cortex and striatum, which can also be involved in seizure initiation and propagation. Importantly, the spread of seizures from the hippocampus into the amygdala has been shown in a third-party study to increase the risk of SUDEP in patients.

Figure 3 below illustrates the enrichment of TARPg8 in mouse hippocampus. The left image derives from the Allen Brain Atlas, a publicly available database of gene expression in the brain, and depicts in red high levels of TARPg8 messenger ribonucleic acid detected by *in situ* hybridization. The right image depicts with yellow and orange high levels of [3H]JNJ-56022486 binding detected by autoradiography.

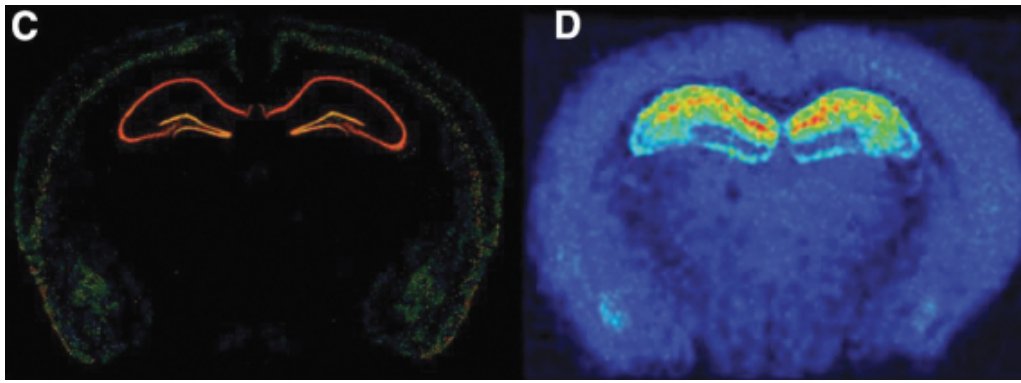


Figure 3. TARPg8 is expressed in the mouse hippocampus

*TARPg8 Ligands are Highly Selective Inhibitors of AMPAR*

Structural analyses performed by a third party using cryogenic electron microscopy (“Cryo-EM”) have shown that a TARPg8 AMPAR NAM, JNJ-55511118 (a RAP-219 analog), binds to an interface between TARPg8 and AMPAR, which leads to alterations in the structure of the AMPAR, thereby negatively modulating receptor function and its ability to respond to glutamate. Third-party structural studies indicated that all TARPg8 AMPAR NAMs tested bind in a similar mode, suggesting the potential for RAP-219 to also bind in this pocket between GluA and TARPg8. Figure 4 illustrates TARPg8 ligands binding to the interface between TARPg8 and AMPAR.

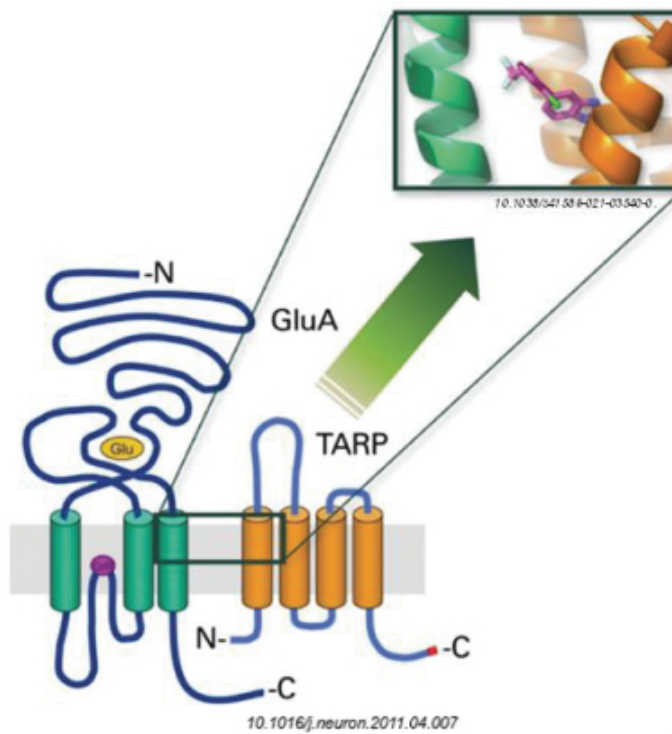


Figure 4. TARPg8 ligands bind to the interface between TARPg8 and AMPAR

*RAP-219 Was Observed to Be a Potent TARPγ8-Specific Inhibitor of AMPAR*

Janssen tested RAP-219’s effect on recombinant human GluA1-TARPγ8 complexes in mice and rats. The study found that RAP-219 inhibited the function of GluA1-TARPγ8 receptors with half maximal effect, referred to as the IC<sub>50</sub>, at a concentration of approximately 100 pM, demonstrating RAP-219’s potency. By contrast, as exemplified in Figure 5 below, RAP-219 was found to be far less potent on complexes of GluA1 with other relevant TARP isoforms, including γ2, γ3, γ4 or γ7 or on other receptor types, such as NMDA receptors, G protein-coupled receptors (“GPCRs”), enzymes or and kinases.

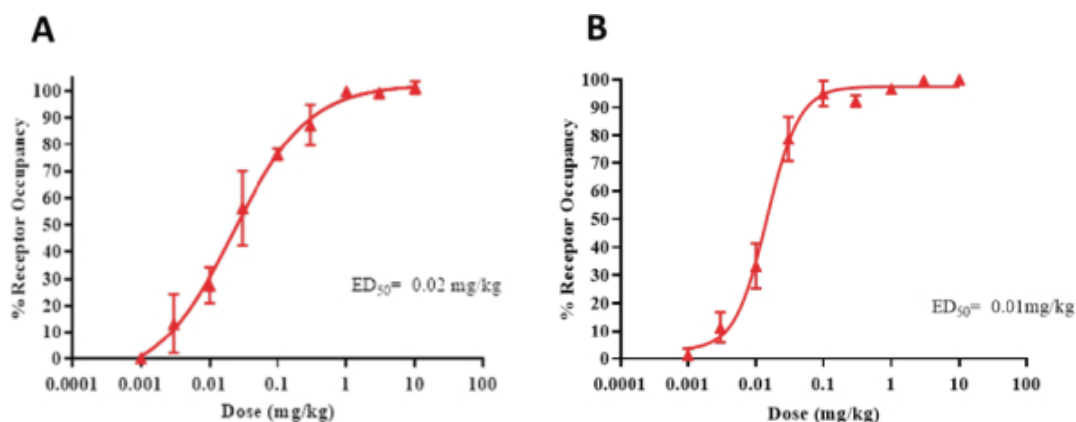
**RAP-219 selectivity**

TARPγ8-containing AMPA receptors (IC <sub>50</sub> )	~100 pM
vs. AMPA receptors (GluA1) lacking TARPs	>100,000x
Vs. AMPA receptors containing other TARPS (γ2, γ3, γ4, γ7)	>4,000x
vs. NMDA receptors (2A, 2B, 2D)	>500,000x
vs. GPCRs/ion channels/enzymes (panel of 52)	>10,000x
vs. kinases (panel of 373)	>100,000x

*Figure 5. RAP-219 observed to be a highly selective inhibitor of TARPγ8 AMPAR*

*RAP-219 Was Observed to Be Bioavailable and CNS Penetrant in Animal Models*

Oral doses of RAP-219 were rapidly absorbed with over 80 percent bioavailability in mice, rats, dogs and non-human primates. In these animal studies, completed by Janssen, RAP-219 had a half-life of 17.8 to 38.3 hours and was observed to distribute into the brain with a brain-to-plasma ratio of 0.96 in rats. Figure 6 below shows that oral doses of 0.02 mg/kg in the mouse and 0.01 mg/kg in the rat resulted in 50 percent TARPγ8-receptor/AMPA occupancy for RAP-219 in the hippocampus, referred to as “ED<sub>50</sub>.”



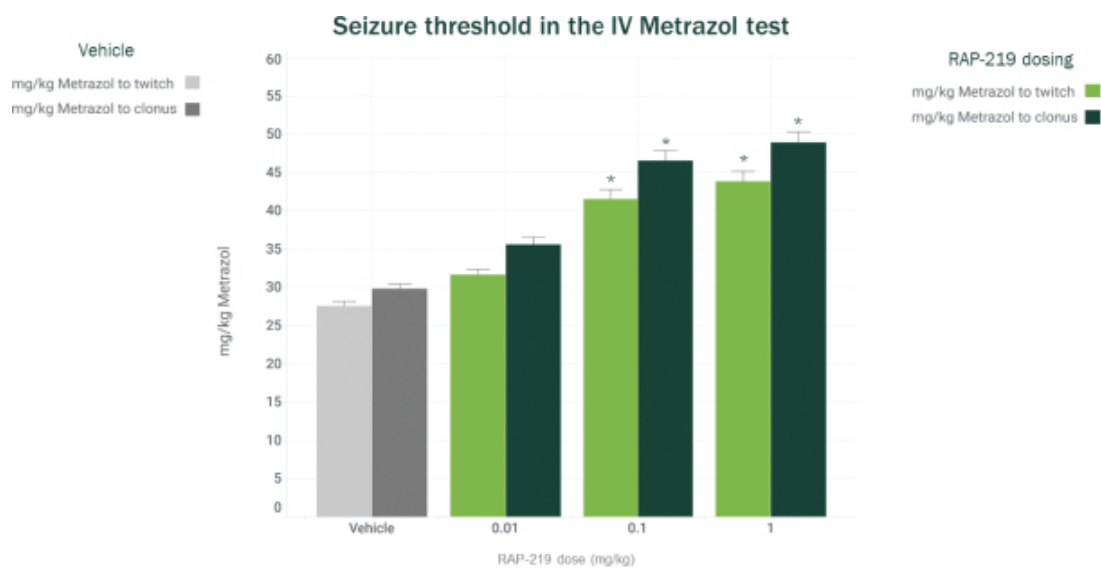
*Figure 6. Dose dependent receptor occupancy of RAP-219. Following oral dosing of RAP-219, AMPAR occupancy was quantified in the hippocampus of the mouse (A) at 24 hours and rat (B) at 4 hours after dosing using ex-vivo autoradiography.*

*RAP-219 has the Potential for Reduced Drug-Drug Interactions Versus Approved ASMs*

RAP-219 is neither a substrate nor an inhibitor of cytochrome P450 (“CYP”) enzymes. CYPs comprise a large and diverse family of enzymes, responsible for the detoxification of many drugs, including ASMs. Drug-drug interactions with CYPs can decrease or increase ASM blood levels, which can reduce drug effectiveness or increase relevant drug side effects, respectively. RAP-219 has not been observed to induce or inhibit or be metabolized by any evaluated CYPs at clinically relevant concentrations. RAP-219 has been shown to be metabolized *in vitro* primarily by an enzyme in a different family, termed UDP-glucuronosyltransferase1A4 (“UGT1A4”). We do not expect RAP-219 to be a perpetrator of UGT1A4 mediated drug interactions based on its low expected therapeutic exposures. We believe that RAP-219’s lack of interaction with the CYP pathway has the potential to reduce drug-drug interactions, which would serve as an advantage given the widespread use of polypharmacy in focal epilepsy, peripheral neuropathic pain and bipolar disorder.

***RAP-219 Preclinical Trials in Focal Epilepsy***

Multiple preclinical epilepsy models were used by Janssen to assess the potential of ASMs. In the pentylentetrazol (“PTZ”) infusion mouse model of acute seizures, RAP-219 administration was associated with an increased seizure threshold. PTZ is a GABA<sub>A</sub> receptor antagonist, which causes acute severe seizures in animals when infused at a high dose. As shown in Figure 7 below, RAP-219 led to a dose-dependent increase in the threshold concentration required to trigger both twitch and clonus in the Metrozol mouse model. Significant differences compared to vehicle treatment were detected in 0.1 and 1 mg/kg doses (P<0.01) for both twitch and clonus. ED50 values were 0.02 mg/kg for both twitch and clonus responses.



\* Significant differences compared to Vehicle treatment were detected in 0.1 and 1 mg/kg doses (p<0.01) for both twitch and clonus (n=10 per group).

*Figure 7. RAP-219 led to a dose dependent increase in the threshold concentration required to trigger both twitch and clonus responses in the IV Metrozol model*

The corneal kindling induced seizure model in mice is considered to be a valid model in focal epilepsy. In this model studied by Janssen, repeated application of an electrical stimulus, which is initially subconvulsive, resulted in alterations in brain function that led to progressive sensitization to seizures. As illustrated in Figure 8 below, in fully kindled mice, oral administration of a single dose of RAP-219 at doses of 0.02 mg/kg to 3 mg/kg



prevented seizures with an estimated half maximal effective concentration (“EC50”) occurring at 2.3 ng/mL plasma concentration. Immediately prior to the corneal kindling test, the same mice were assessed with a rotarod test. This is a performance test widely used to assess motor impairment and sedation in rodents. The lack of motoric impairment with RAP-219, even at approximately 100-fold higher exposures, is consistent with the lack of expression of TARPg8 in brain regions involved in motor coordination and sedation, such as the hindbrain.

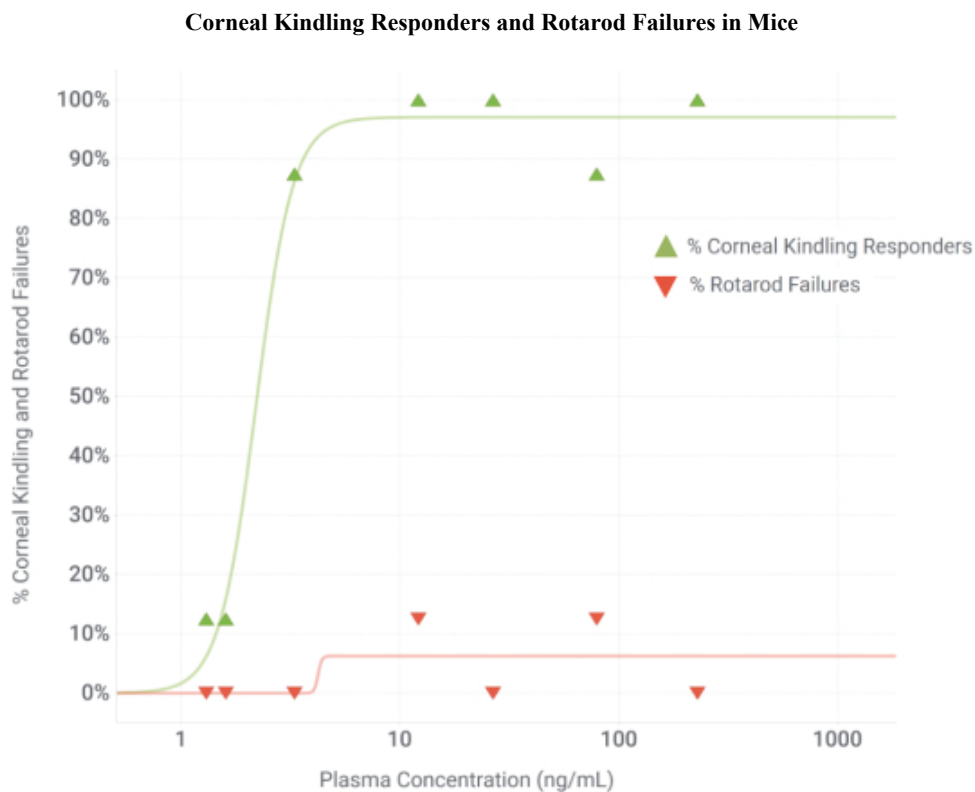


Figure 8. RAP-219 had an estimated EC50 of 2.3 ng/mL in the corneal kindling mouse model of focal epilepsy

Maximal seizure protection, based on the percentage of responding animals, was observed at a plasma concentration of approximately 10 ng/mL, and significant seizure reduction was seen at a plasma concentration of approximately 7 ng/mL. This corresponds to a projected receptor occupancy of approximately 50 to 70 percent based on data generated in rats, as shown in Figure 9 below.



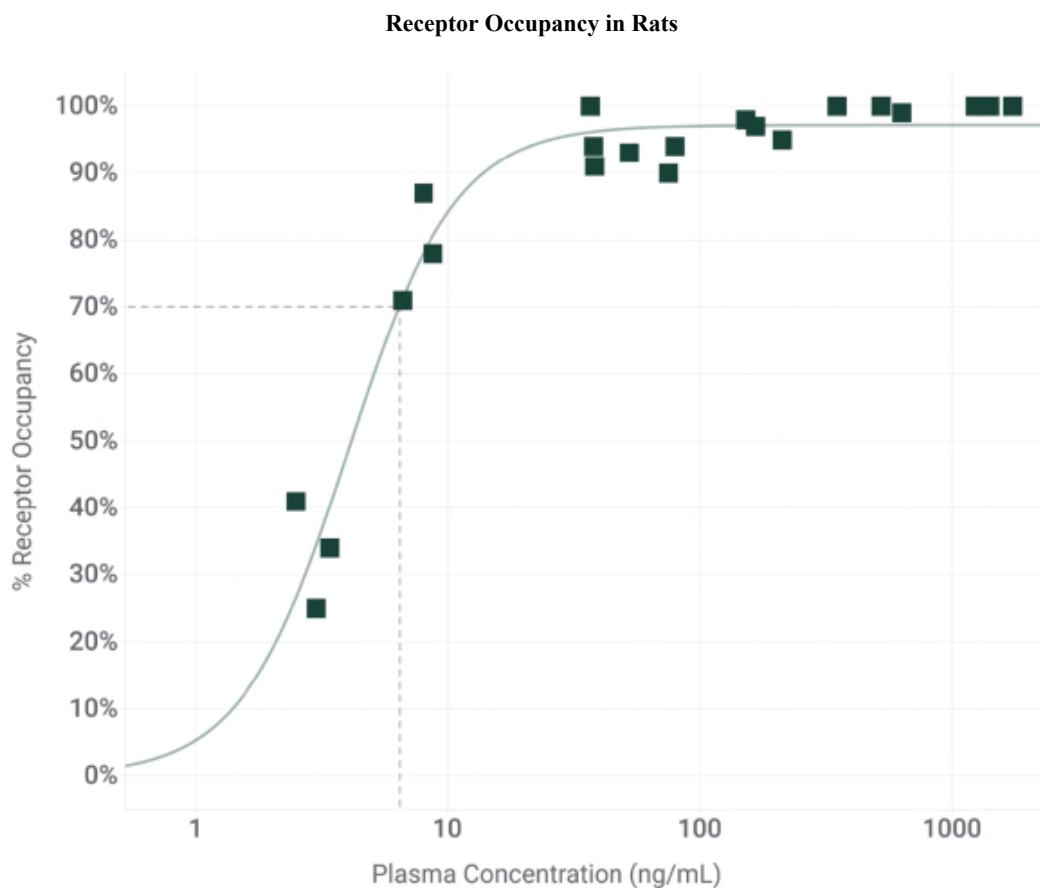


Figure 9. A plasma concentration of 7 ng/mL of RAP-219 corresponded to approximately a 70 percent receptor occupancy in rats.

Data from a separate study completed by us, in fully kindled mice, suggests that oral administration of RTX-1738 (an analog of RAP-219) at 3 mg/kg prevented seizures after either a single administration or after seven consecutive days of dosing, indicating that antiseizure activity was maintained with repeat dosing, i.e. no tolerance to the antiseizure activity was observed.

We believe that one potential advantage of the precision targeting observed with RAP-219 in preclinical models is a wide therapeutic index that may be achieved by avoiding AMPAR modulation in the hindbrain. The therapeutic index measures the general tolerability of a drug, reflecting the range of doses at which a medication is effective without causing unacceptable adverse effects. Drugs with narrow therapeutic indexes have a lesser difference between doses that produce therapeutic effects and doses that cause adverse effects. In preclinical animal studies, we found the ratio between doses of RAP-219 that did not produce a toxic effect in 50 percent of the population (“TD50”) on the rotarod test were greater than 150 higher than those with ED50 for beneficial activity in the corneal kindling test. This compares favorably to that same ratio derived from preclinical animal models for other approved and widely prescribed ASMs which range from 1.3 for phenytoin to greater than 44 for levetiracetam. Thus, we believe RAP-219’s potentially wider therapeutic index could translate to patients, providing sustained therapeutic benefit without intolerable side effects, improving upon the traditional ASMs.

### *RAP-219 Preclinical Toxicity Studies*

*In vivo* GLP and non-GLP toxicology studies have also been conducted with RAP-219. In a 28-day GLP toxicology study in rats completed by Janssen, once-daily administration of RAP-219 was generally well-tolerated and no adverse effects were observed at any dose. Non-adverse effects including clinical signs were observed, and all non-adverse findings appeared to be reversible following completion of the 28-day recovery period. In a 28-day GLP toxicology study in dogs, once-daily administration of RAP-219 at doses of up to 10 mg/kg/day yielded overall exposures approximately 100-fold higher than those required to inhibit seizures in the mouse corneal kindling model. RAP-219 was generally well-tolerated and no adverse effects were observed at any dose. The non-adverse effects included CNS-related clinical signs, minor changes in a limited number of clinical pathology parameters, as well as minimal microscopic changes in the adrenal gland and thymus. All drug related RAP-219 effects observed either reversed completely or were in the process of reversing following the 28-day recovery period. Similar results were observed in 13-week toxicology studies in rats and dogs completed by us. Based on the preclinical toxicology data collected to date across these models, we believe RAP-219 has a low genotoxic potential and a favorable tolerability profile. These data supported further development through clinical investigation for once-daily oral dosing of RAP-219 up to three months.

### ***RAP-219 Phase 1 Trials in Healthy Volunteers***

We have conducted two Phase 1 trials in healthy adult volunteers to assess the safety, tolerability and pharmacokinetics of RAP-219. The first Phase 1 trial had two parts. Part 1 was a randomized, double-blind and placebo-controlled single ascending dose (“SAD”) trial that evaluated doses from 0.25 mg to 3 mg and Part 2 was an open label single cohort evaluation of the effect of a high-fat meal on the pharmacokinetics of a 1 mg single dose of RAP-219. The second Phase 1 trial was a randomized, double-blind and placebo-controlled multiple ascending dose (“MAD”) trial that evaluated once-daily doses ranging from 0.25 mg to 1.25 mg over two or four weeks. Each cohort for the SAD Part 1 and MAD trials consisted of six subjects receiving RAP-219 and two subjects receiving a placebo. In Part 2 of the SAD trial, there were six subjects who all received RAP-219. Part 1 and Part 2 of the SAD trial is unblinded, whereas the MAD trial has completed but currently remains blinded and awaiting database lock.

For both Phase 1 trials, no clinically meaningful abnormal changes in laboratory values or electrocardiograms (“ECG”) were observed, nor were there any relevant vital sign changes. In the SAD Part 1 trial, all doses were well tolerated with no serious adverse events (“SAEs”), and all drug related treatment-emergent adverse events (“TEAEs”) were rated as mild (grade 1) or moderate (grade 2). All moderate drug-related TEAEs observed were at the two highest doses (2 mg and 3 mg) and were generally consistent with the effects seen in nonclinical toxicology studies with RAP-219. These included agitation and amnesia, each reported in two subjects, and anxiety, dizziness, visual hallucination, sinus tachycardia and hypertension, each reported in one subject.

The pharmacokinetics of RAP-219 in the SAD Part 1 trial were consistent with the observations from the nonclinical studies, characterized by low clearance and a long terminal elimination half-life of approximately 8 to 14 days. The maximum exposures (C<sub>max</sub>) at the 2 mg and 3 mg doses corresponded to approximately 50 percent receptor occupancy, based on data from preclinical studies. In the SAD Part 2 trial, a modest increase in overall exposure (25 percent increase in area under the curve) and maximum exposure (48 percent increase in C<sub>max</sub>) were observed when RAP-219 was dosed with a high-fat, high-calorie meal. Based on the emerging safety profile and the observed food effect, we believe RAP-219 can be dosed without regard to food.

There were five cohorts in the Phase 1 MAD trial. In the MAD trial, all doses were well tolerated with no SAEs and all drug related TEAEs were rated as mild (grade 1). Figure 10 below shows the pharmacokinetic profile of RAP-219 following the two highest single doses from the SAD trial and following the last dose (Day 28) of the two highest dose levels (Cohorts 4 and 5) in the MAD trial. Cohort 4 of the MAD trial was dosed at 0.75 mg per day for 28 days and achieved projected receptor occupancy of 70 percent at day 28 trough. The last cohort of the MAD trial (Cohort 5) was dosed at 0.75 mg per day for 5 days followed by 1.25 mg per day for 23

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days. Unaudited blinded data from Cohort 5 indicated maximum exposures (C<sub>max</sub>) up to 3-fold higher than those achieved following the highest single dose (3 mg) in the Phase 1 SAD trial (see Figure 10 below). No drug related TEAEs were observed in any subject in Cohort 5. Based on these results, the dosing regimen used in Cohort 5 has been chosen as the proposed dose for our Phase 2a proof-of-concept trial. These observations from the MAD trial, notably the absence of any drug related CNS AEs in Cohort 5, are consistent with the targeted action of RAP-219 to regions of the CNS where TARPg8 AMPAR is present, in contrast to the effects of other approved ASMs. We anticipate providing final results from the MAD trial in

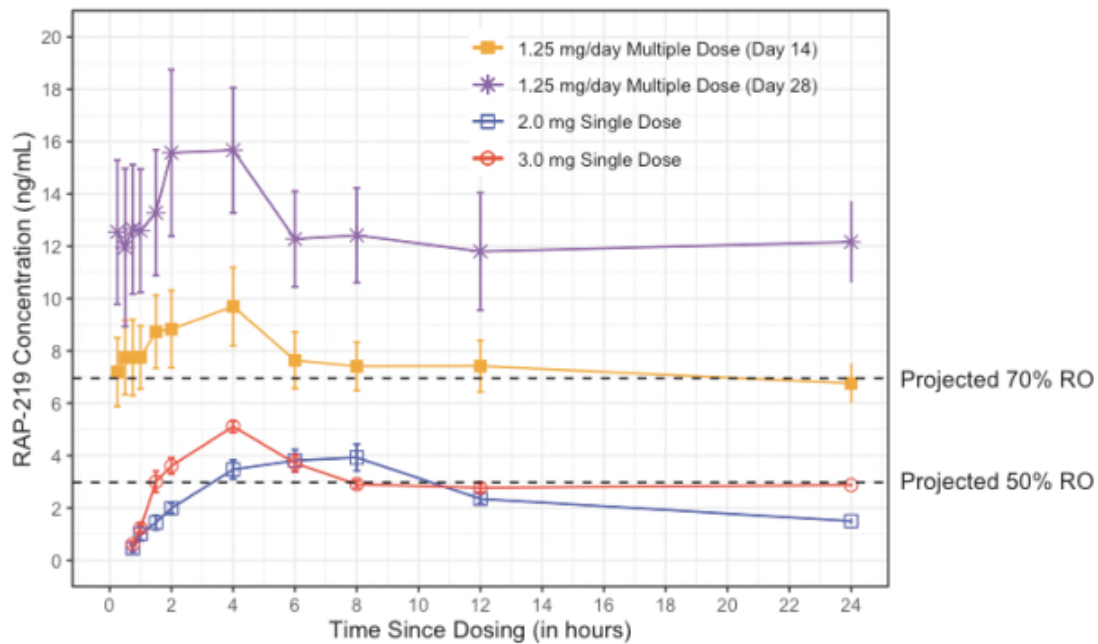


Figure 10. SAD Exposures vs. MAD Exposures

### Clinical Development Plan of RAP-219 in Focal Epilepsy

We intend to initiate a Phase 2a proof-of-concept, open label trial of RAP-219 in adults with drug-resistant focal epilepsy in . The planned Phase 2a proof-of-concept trial will enroll up to 20 participants who have previously been implanted with an intracranial RNS system, marketed by NeuroPace, Inc. (“NeuroPace”), to monitor and manage their epilepsy. In November 2023, we established a collaboration with NeuroPace to leverage the RNS system’s data to track responses of patients receiving RAP-219 in our Phase 2a proof-of-concept trial. We intend to use the “long episode” (“LE”) data that the RNS system collects, as described below, as the primary endpoint for our Phase 2a proof-of-concept trial. We believe this collaboration will allow us to more rapidly identify study sites and efficiently screen appropriate patients in the recruitment of our Phase 2a proof-of-concept trial. In addition, we believe access to NeuroPace’s data collection and analysis capabilities will enable us to efficiently prepare our proof-of-concept data package.

The RNS system is FDA approved for the treatment of refractory focal epilepsy. The RNS system involves a surgeon implanting a small battery-powered device called a responsive neurostimulator in the patient’s skull. The neurostimulator is connected to thin wires, or electrodes, that the surgeon places in areas of the brain where the patient’s seizures originate. The device continuously monitors and records the brain’s electrical activity. Abnormal brain electrical activity detected by the RNS system that could likely lead to a seizure is referred to as a LE. When a LE is detected, the device delivers a pulse of electrical stimulation that may halt the seizure and

prevent it from spreading to other brain regions. As of December 31, 2023, over 5,000 patients have been implanted with the RNS system.

Patients with the implanted RNS system typically also receive ASMs, and additional oral therapies may be prescribed to optimize treatment since many patients continue to have seizures after implantation of the device. Two retrospective studies published in peer review epilepsy journals have demonstrated that when new ASMs are added to an RNS system patient's treatment regimen, LE changes detected by the RNS system within one to four weeks of new ASM treatment initiation are predictive of long-term clinical response (i.e., a clinically meaningful reduction in focal seizures) to the new ASM. In addition, other iEEG measures obtained from the RNS system have also been shown to be predictive of clinical response, such as spike rate and spectral power.

Testing RAP-219 in patients with the RNS system provides the opportunity to objectively quantify changes in LE frequency as a potential biomarker of efficacy. Because LEs have been shown to provide an early and objective indicator of clinical response to an ASM, quantifying LEs after the addition of RAP-219 may provide a clearer perspective on the potential of RAP-219 to provide clinical benefit in future focal epilepsy trials. We intend to enroll patients who have been treated with an RNS system for at least 15 months, have stable device configuration settings, stimulation and detection settings (including LE duration) for at least eight weeks before screening and continue to have seizures while also on a stable ASM regimen. Due to an increasing number of patients in the United States implanted with an RNS system for their focal epilepsy, the support from NeuroPace in identifying patients eligible for our Phase 2a proof-of-concept trial and RAP-219's minimal drug-drug interactions observed to date, we expect enrollment in this Phase 2a proof-of-concept trial will be completed in \_\_\_\_\_ and, if the trial is positive, would provide translatable proof-of-concept for RAP-219.

The RNS proof-of-concept protocol was chosen after discussions with key opinion leaders, consultants, and clinical advisory boards, and it was determined that it provided the best chance of translatability to registrational trial outcomes in focal epilepsy. We considered other clinical models commonly used in proof-of-concept studies in epilepsy. We considered the photosensitivity model, where patients with known visually evoked seizures are purposely provoked using a strobe light. We believe the photosensitivity model is sub-optimal because it is a single-dose study and its relevance to focal epilepsy is limited since photosensitive seizures are generalized seizures. We also considered transcranial magnetic stimulation ("TMS"), where healthy volunteers are subjected to TMS and changes in TMS-evoked potentials are measured to assess cortical excitability. We believe the TMS model has limited relevance to focal epilepsy since it does not evaluate patients with epilepsy.

Assuming a successful outcome of our Phase 2a proof-of-concept clinical trial, we plan to discuss these results with the FDA and initiate registrational clinical trials to assess RAP-219 for the treatment of adults with focal epilepsy. We anticipate the design of these registrational trials and patient population to be studied will be similar to those conducted for other approved therapies and, if RAP-219 is eventually approved, that RAP-219's indication will be similar to currently approved ASMs.

#### ***Opportunities to Expand the Potential for RAP-219 in Epilepsy***

The ultimate goal of antiseizure therapy is complete freedom from seizures and improvement in patient quality of life. We believe that RAP-219 has the potential to significantly reduce or possibly eliminate focal epilepsy seizures while avoiding many of the common intolerable AEs associated with many approved ASMs. The differentiated target and mechanism of action of RAP-219 in combination with its neuroanatomical precision within the most common seizure onset-zones as demonstrated in preclinical models provides the opportunity for potentially superior clinical activity compared to currently approved ASMs. Certain patients who are refractory to treatment with other ASMs have been found to respond favorably to combination therapies, especially when rational polypharmacy is employed. We believe that the unique proposed mechanism of RAP-219 and its potential for reduced drug-drug interactions, if approved, would make it a drug of choice for rational polypharmacy by improving clinical benefit without changing drug levels of other ASMs.

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We are also exploring the development of a long-acting injectable formulation of RAP-219 with the goal of reducing dosing frequency to once every one or two months, thereby helping to improve adherence. We envision patients would first be stabilized on an oral dose of RAP-219 and then transitioned to the long-acting injectable formulation. For many patients, nonadherence to prescribed ASMs is a major issue in optimizing benefit from pharmacotherapy. This nonadherence rate can be up to approximately 50 percent. One study found that patients who were not adherent to their ASMs had less seizure control as compared with patients who were adherent. We believe that, in addition to the potential reduced side effect profile of RAP-219, its high potency and long half-life, each observed to date in our Phase 1 studies, provide additional opportunities to improve patient adherence. In addition, we believe the potential to dose RAP-219 once per day would be preferred by patients and should improve adherence. A long-acting formulation of RAP-219 has the potential to be the first long-acting injectable ASM. We intend to advance such a formulation into clinical development if and when we establish a tolerable and efficacious once-daily oral formulation.

### **Other Potential Clinical Applications for RAP-219 and TARPg8 Modulators**

Many ASMs blunt excitatory neurotransmission in the CNS and some have been shown to provide clinical benefit in other indications, including neuropathic pain and psychiatric diseases. However, the same issues that are problematic in ASMs used to treat epilepsy, such as intolerable AEs and drug-drug interactions, are also present when treating these other indications. Because monotherapy also commonly fails in the treatment of neuropathic pain and psychiatric conditions, polypharmacy is a widespread practice. We believe that RAP-219, with its neuroanatomical specificity and potency, has the potential to provide a differentiated clinical profile in the treatment of peripheral neuropathic pain and bipolar disorder. In \_\_\_\_\_, we intend to initiate a Phase 2a trial evaluating RAP-219 in patients with peripheral neuropathic pain, which may include painful diabetic neuropathy, postherpetic neuralgia, trigeminal neuralgia and idiopathic sensory polyneuropathy. Based on the results from this proof-of-concept trial, we expect to select one or more peripheral neuropathic pain conditions for subsequent development. For our Phase 2a trial in bipolar disorder, which we intend to initiate in \_\_\_\_\_, we plan to evaluate RAP-219 in bipolar patients with acute mania.

### ***Background of Neuropathic Pain and Peripheral Neuropathic Pain***

Neuropathic pain is a chronic condition caused by dysfunctional or damaged nerves, classified either as peripheral or central, depending on whether the primary dysfunction or damage is in the peripheral nervous system or in the CNS. Neuropathic pain is a common condition estimated to affect up to 17 percent of the global population. Neuropathic pain is a large market, estimated at \$6.6 billion globally in 2021 and forecasted to grow at over four percent annually. Peripheral neuropathic pain indications reflect large patient populations in the United States, including, for example, painful diabetic peripheral neuropathy at 2.4 million, post-herpetic neuralgia at 1.8 million and trigeminal neuralgia at 0.8 million diagnosed patients.

It is generally accepted that peripheral neuropathic pain often begins with an injury to or dysfunction of a peripheral nerve resulting in abnormal, spontaneous activity, known as ectopic discharges, akin to epileptic activity in the brain, that results in abnormal spontaneous pain and abnormal painful and uncomfortable sensations. The ectopic discharges from peripheral nerves travel to the dorsal horn of the spinal cord and then to the brain and can cause sensitization and hyperexcitability in both the spinal cord and the brain. It is hypothesized that inflammation associated with the injury also drives chronic stimulation of neurons, leading to prolonged sensations of pain. Although peripheral neuropathic pain may start with dysfunction or damage in the peripheral nervous system, aberrant signaling into the spinal cord generally progresses with functional chronic changes to the CNS, both in the spinal cord and brain.

There is significant unmet need in the treatment of peripheral neuropathic pain, with most available treatments only having moderate efficacy and all having side effects that limit their use. First-line therapy with gabapentin or pregabalin is associated with lethargy, vertigo, cognitive issues and peripheral swelling. Opioid analgesics are typically not efficacious in peripheral neuropathic pain and are associated with nausea, lethargy,

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cognitive slowing and constipation. Opiates also have abuse potential that limits widespread use. Nonsteroidal anti-inflammatory drugs are often prescribed but rarely have meaningful efficacy and are associated with gastrointestinal, renal and cardiovascular AEs.

### ***Evidence for the Importance of AMPAR and TARPg8 in Pain***

TARPg8 is expressed in areas of the CNS associated with pain including the anterior cingulate cortex and the dorsal horn of the spinal cord. It is hypothesized that the anterior cingulate cortex registers the affective aspect of pain while the dorsal horn processes nociceptive inputs from peripheral nerves. TARPg8 inhibition has demonstrated preclinical activity in third-party pain models. For instance, a TARPg8 AMPAR selective inhibitor, LY3130481, was found by third-party researchers to suppress excitatory synaptic transmission in pain pathways and significantly reduce pain-related behaviors in mouse models of neuropathic and inflammatory pain without impairing motor function. This study also reported that the magnitude of improved pain behavioral effects were positively correlated with occupancy of TARPg8 containing AMPARs in the CNS and were lost in TARPg8 knock-out mice, supporting the dependence of the antinociceptive action of LY3130481 on TARPg8.

Our preclinical studies with RTX-1738, a TARPg8 NAM (a RAP-219 analog), have demonstrated pain behavior improvements in animal models of acute, inflammatory and neuropathic pain. For example, in the rat formalin induced pain model, we observed that RTX-1738 administered 60 minutes before formalin attenuated nocifensive behavior during both phase 1 (acute pain, 0-10 minutes after formalin injection) and phase 2 (persistent pain, 20-60 minutes after formalin injection). In another study, RTX-1738 showed attenuation of tactile allodynia in the spinal nerve ligation (“SNL”) rat model of neuropathic pain. In this test, RTX-1738 was administered daily 7 days after nerve ligation, and pain behavior was assessed 90 minutes post-dose. Starting at day 16 after surgery, which corresponds to day three of dosing with RTX-1738, paw withdrawal threshold was elevated, reflecting a decrease in pain behavior.

In addition, there has been encouraging evidence from prior clinical trials of perampanel in neuropathic pain associated with diabetic neuropathy and post-herpetic neuralgia. While the randomized placebo-controlled studies failed to show a significant reduction in pain scores, subjects that tolerated perampanel reported moderate but meaningful pain relief in the subsequent open-label study. We believe that the trial’s failure to show reduction in pain in the overall population was likely driven by perampanel’s intolerable AEs. We intend to initiate a Phase 2a trial of RAP-219 in peripheral neuropathic pain in

### ***Bipolar Disorder Background and TARPg8 as a Potential Treatment***

Bipolar disorder, commonly referred to as manic-depressive illness, is characterized by extreme shifts in mood. Individuals with bipolar disorder have manic episodes characterized by intense feelings of over-excitement, irritability, impulsivity, grandiose beliefs and racing thoughts. Individuals may then experience symptoms of depression, including feelings of tiredness, hopelessness, sadness, distraction and thoughts of suicide. Some people experience both manic and depressive symptoms in a single “mixed” episode. Severe bipolar disorder can be associated with hallucinations or delusions, which are symptoms of psychosis.

Bipolar disorder affects 2.8 percent of the adult population in the United States, or approximately 7 million adults. The global bipolar disorder market was approximately \$1.4 billion in 2022, and sales are expected to grow to over \$4 billion by 2028. Bipolar disorder is often treated with antipsychotic medications as a monotherapy or in combination with mood stabilizers. The side effects and safety risks associated with antipsychotic drugs in patients with bipolar disorder include dizziness, sedation, weight gain, movement disorders and agitation.

We believe that RAP-219 has the potential to provide a clinical benefit to patients with bipolar disorder for multiple reasons. First, there are several ASMs, including valproate, lamotrigine, and carbamazepine, that have shown clinical benefit in epilepsy and bipolar disorder and are FDA approved for both indications. Second, third-

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party functional neuro-imaging studies in patients with bipolar disorder typically show that the hippocampus, a brain region where TARPg8 is expressed, exhibits abnormal activation and hyperactivity as well as elevated responses to emotional stimuli, attentional activities and memory tasks. Finally, a third-party genome-wide association study of 40,000 patients with bipolar disorder reported that bipolar disorder risk alleles were enriched in genes in synaptic signaling pathways and brain-expressed genes, particularly those with high specificity of expression in neurons of the prefrontal cortex and hippocampus. We believe that by selective targeting TARPg8 and blunting abnormal hippocampal activity, RAP-219 may normalize these responses and thereby improve the symptoms of bipolar disorder.

In addition, we intend to conduct a second MAD trial of RAP-219 to assess dosing regimens that may enable reaching therapeutic exposure more quickly than in our first MAD trial. We believe more rapidly reaching therapeutic exposures is important for the treatment of acute mania in bipolar disorder patients, as clinical response is generally expected by such patients within a week or two. Based upon results from our second MAD trial, we will determine the dosing paradigm for our Phase 2a trial in bipolar disorder, which we plan to initiate in \_\_\_\_\_, which will evaluate RAP-219 in patients with acute mania.

### ***Phase 1 RAP-219 PET Trial***

Concurrent with our Phase 2a proof-of-concept trial in patients with drug-resistant focal epilepsy, we are planning to initiate a Phase 1 human positron emission tomography (“PET”) trial in healthy adult volunteers. The PET trial will utilize a companion PET radiotracer to confirm brain target receptor occupancy across a range of RAP-219 dosing and exposure levels. This PET trial will be conducted in Belgium at a site experienced with the radiotracer. This trial will initiate in \_\_\_\_\_, with PET results expected in \_\_\_\_\_.

### **Our nAChR Programs**

We have a portfolio of discovery projects that leverage RAPs for ion channel targets that we believe have potential for generating product candidates, namely the neuronal nAChRs. Neuronal nAChRs are transmembrane ligand-gated ion channels composed of five subunits from a set of 11 a or b types in the human genome. Upon binding to acetylcholine, the nAChR ion channel opens to allow cations to permeate the cell. nAChRs are expressed throughout the CNS as well as the periphery. They have critical roles in diverse aspects of neuronal signaling in the CNS and in the autonomic nervous system. We are optimizing these molecules in anticipation of selecting candidates to advance into the clinic.

#### ***Our $\alpha 6$ nAChR Program***

We are developing agonists and PAMs of the  $\alpha 6$  nAChR for the treatment of chronic pain, which may include neuropathic pain, inflammatory pain and nociceptive pain. Pan-nAChR agonists have been shown to significantly reduce pain in third-party clinical trials, but these agonists were associated with side effects that have limited their development potential. We believe that our RAP platform technology, which allows identification of agonists and PAMs that are selective for  $\alpha 6$  nAChR, has the potential enable the discovery of molecules with clinical activity in pain and improved tolerability.

##### *$\alpha 6$ nAChR as a Potential Target for the Treatment of Chronic Pain*

Nicotine and certain nAChR agonists have analgesic properties, but their development for chronic pain has been unsuccessful. Epibatidine, a naturally occurring compound, is a pan-nAChR agonist with high affinity for  $\alpha 4\beta 2$  and  $\alpha 3\beta 4$  nAChRs, the most widely expressed subtypes in the mammalian nervous system. Epibatidine has potent analgesic properties. However, it is associated with toxic side effects that have precluded its development. ABT-594, an investigational third-party pan-nAChR agonist, demonstrated significant improvements in patients with diabetic neuropathic pain in a Phase 2 randomized placebo-controlled study, but up to 66 percent of patients withdrew from the trial due to AEs such as nausea, dizziness, vomiting, abnormal dreams and asthenia (weakness or lack of energy). Following these results, further development of ABT-594 was discontinued. There are currently no approved drugs for pain that specifically target nAChRs.



Third-party animal and human studies have implicated the  $\alpha 6$  nAChR as a potential target for chronic pain. This nAChR subtype is enriched in sensory neurons of dorsal root ganglia (“DRG”), and  $\alpha 6$  nAChR activity is associated with reduced pain. Mouse strains with increased levels of  $\alpha 6$  in DRG showed reduced pain in a spared nerve injury (“SNI”) model of neuropathic pain. Conversely, complete inactivation of the gene for  $\alpha 6$  in mice blocked the analgesic effects of nicotinic compounds. In humans, genetic variants with reduced  $\alpha 6$  nAChR activity showed increased levels of postoperative pain.

Although the potential for selective  $\alpha 6$  agonists as a therapeutic agent for pain have been acknowledged, discovery efforts have been hampered by difficulty in establishing functional assays for  $\alpha 6$  containing nAChRs in cell lines. Recombinant  $\alpha 6$  does not assemble into functional multi-subunit nAChRs; therefore, its activity could not be measured in cell lines used for drug discovery. Our Chief Scientific Officer, Dr. Bredt, and his colleagues, overcame this impediment through the identification of RAPs, which serve as chaperones and auxiliary subunits that drive the assembly of functional  $\alpha 6$ -containing nAChRs. This enabled us to functionally express  $\alpha 6$  nAChR and ultimately discover a series of  $\alpha 6$  selective PAMs and agonists. We believe that these  $\alpha 6$  selective nAChR PAMs and agonists have the potential to alleviate chronic pain while avoiding the AEs that have precluded human development in earlier non-selective nAChRs agonists.

### *Preclinical Validation of Our Approach*

Based on preclinical results, we plan to advance our discovery-stage  $\alpha 6$  nAChR program into further development. Janssen conducted high-throughput screen of cells engineered to express  $\alpha 6$  nAChRs and identified PAMs that were selective for this nAChR subtype. These PAMs were further characterized in patch clamp assays where they were shown to be selective modulators of  $\alpha 6\beta 4$  compared to nAChRs that did not contain the  $\alpha 6$  subunit, including the more ubiquitously expressed  $\alpha 4\beta 2$  and  $\alpha 3\beta 4$  nAChRs. One of these PAMs, RTX-2621, was a potent potentiator of  $\alpha 6\beta 4$  and had low activity on  $\alpha 4\beta 2$  and  $\alpha 3\beta 4$  nAChR subtypes.

We tested RTX-2621 in the rat SNI model for neuropathic pain. In this model, damage to the sciatic nerve results in hypersensitivity of the rat paw to stimuli. This is generally recognized to be a robust model of neuropathic pain, as it replicates many of the neuronal signaling changes and physiological responses observed in humans. It was observed that treatment with RTX-2621 mitigated this hypersensitivity. We believe this demonstrates the potential for  $\alpha 6$  to be a therapeutic target in chronic pain.

### ***Our $\alpha 9\alpha 10$ nAChR Program***

Another program of our interest involves the  $\alpha 9\alpha 10$  nAChR. We are developing an agonist to the  $\alpha 9\alpha 10$  nAChR for the treatment of hearing disorders, which may include age-related hearing loss, acoustic trauma and tinnitus, as well as vestibular disorders. Third-party genetic studies in mice have shown that augmenting the  $\alpha 9$  nAChR pathway can help prevent hearing loss associated with aging, acoustic trauma and vestibular disorders. Despite this genetic validation, discovery of selective  $\alpha 9\alpha 10$  nAChR agonists has been challenging because recombinant nAChRs containing  $\alpha 9\alpha 10$  in cell lines fail to create a functional receptor, as observed with the  $\alpha 6$  nAChRs. Our ability to identify agonists that are selective for  $\alpha 9\alpha 10$  nAChR was made possible by the application of our RAP platform technology. We are currently developing an oral therapeutic targeting the  $\alpha 9\alpha 10$  nAChR, which we believe has a high potential target for the treatment of hearing disorders. We also believe the  $\alpha 9\alpha 10$  nAChR is a potential target for the treatment of vestibular disorders, and we may develop an oral product candidate for this indication in the future.

### *Background to Hearing Disorders*

Hearing disorders impact a large percentage of the population. For example, approximately one third of people aged 65 to 74 and nearly half aged 75 and older have age-related hearing loss. Acoustic trauma affects approximately five percent of the global population, and surveys estimate that 10 to 25 percent of adults in the United States have tinnitus. Many hearing disorder patients start their treatment by using a hearing aid, with



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cochlear implantation given to the most severely affected patients. Despite this high prevalence, there are few pharmacotherapeutic treatments to prevent or reverse hearing disorders.

### *a9a10 nAChR as a Potential Target for the Treatment of Hearing Disorders*

In the inner ear, the cochlea converts mechanical sound vibrations into nerve signals, which are transmitted to the brain. Sound vibrations are detected by a combination of outer hair cells, which amplify sound, and inner hair cells (“IHCs”), which receive the amplified sound signals. The IHCs, in turn, translate the incoming signals into release of neurotransmitters, which traverse the synapse to stimulate neurons that send electrochemical signals to the brain. One of the key receptors in this process is the a9a10 nAChR, which is highly enriched in cochlear hair cells.

The role of the a9a10 nAChR in hearing loss has been demonstrated by third-party genetic experiments. Gain and loss of function mutations to the gene encoding a9 demonstrated its role in experimentally induced hearing loss. In these experiments, the thresholds to elicit auditory brain stem responses (“ABR”) to various frequencies of sound were found to be elevated one day after auditory trauma, consistent with hearing loss. In wild-type mice, this effect of auditory trauma was temporary and after seven days, the ABR profile was similar to that observed prior to the insult. In mice with a null mutation of the gene encoding a9, the ABR threshold was increased at day one, and this increase persisted at day seven, demonstrating increased vulnerability to hearing loss. By contrast, mice with a gain-of-function mutation in the gene for a9 were protected from any significant change in ABR on either day one or day seven.

We believe that a selective agonist of a9a10 nAChR may help treat hearing disorders while avoiding many of the side effects that have limited the clinical application of other nAChR modulators.

### *Preclinical Validation of Our Approach*

*In vitro* studies of a9a10 nAChR physiology have been challenging because this receptor could not be functionally expressed in recombinant cell lines in the absence of its RAPs. Through a genome-wide screen using our discovery platform, RAPs that drive the assembly of functional a9a10 nAChRs were identified by Janssen. Expression of these RAPs along with the a9 and a10 subunits enabled functional a9a10 nAChR expression in cell lines that we believe are suitable for drug discovery.

Janssen conducted a high throughput screen of cells engineered to express a9a10 nAChR and identified a number of small molecule agonists of a9a10. Through our medicinal chemistry efforts, a9a10 agonists with low nanomolar potency, inner ear penetration and high selectivity against other nAChR family members have been identified and are being optimized. The use of these orally administered molecules in physiological hearing models may demonstrate the potential of a9a10 agonists to address hearing disorders.

## **Manufacturing and Supply**

We do not own or operate, and currently have no plans to establish, any manufacturing facilities. We have engaged, and expect to continue to rely on, well-established third-party contract manufacturing organizations (“CMOs”) to supply our product candidates for use in our preclinical studies and clinical trials. Because we rely on contract manufacturers, we employ personnel with extensive technical, manufacturing, analytical, and quality experience to oversee contract manufacturing and testing activities, and to compile manufacturing and quality information for our regulatory submissions. We believe our current manufacturers have the scale, systems, and experience to supply our currently planned clinical trials.

Additionally, we intend to rely on third-party CMOs for later-stage development and commercial manufacturing, if our product candidates receive marketing approval. As our lead product candidates advance through clinical development, we expect to enter into longer-term commercial supply agreements to fulfill and

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secure our production needs. While the drug substances used in our product candidates are manufactured by more than one supplier, the number of manufacturers is limited. In the event it is necessary or advisable to acquire supplies from an alternative supplier, we might not be able to obtain them on commercially reasonable terms, if at all. It could also require significant time and expense to redesign our manufacturing processes to work with another company. If we need to change manufacturers during the clinical or development stage for product candidates or after commercialization for our product candidates, if approved, the FDA and corresponding foreign regulatory agencies must approve these new manufacturers in advance, which will involve testing and additional inspections to ensure compliance with FDA regulations and standards and may require significant lead times and delay.

To adequately meet our projected commercial manufacturing needs, our CMOs will need to scale-up production, or we will need to secure additional suppliers. Processes for producing drug substances and drug product for commercial supply are currently being developed, with the goal of achieving reliable, reproducible, and cost-effective production. We believe the drug substance and drug product processes for our current product candidates can be appropriately scaled.

### **Competition**

The biotechnology and pharmaceutical industries are characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary products. While we believe our product candidates, platform, knowledge, experience and scientific personnel provide us with competitive advantages, we face potential competition from many different sources, including large and small pharmaceutical and biotechnology companies, academic institutions and governmental agencies as well as public and private research institutions. Any product candidates that we successfully develop and commercialize, including RAP-219, may compete with existing therapies and new therapies that may become available in the future.

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

The key competitive factors affecting the success of RAP-219, and any other product candidates that we develop to address focal epilepsy and other CNS disorders, if approved, are likely to be efficacy, safety, convenience, price, the level of generic competition and the availability of reimbursement from government and other third-party payors.

### ***Focal Epilepsy***

In the field of focal epilepsy, we face competition from a variety of currently marketed therapies such as generic anticonvulsants, ASMs, sodium channel modulators and benzodiazepines, as well as surgical options such as deep brain stimulation like the RNS system in patients who have failed polypharmacy. RAP-219 may face competition from a variety of ASMs, including currently marketed therapies such as XCOPRI (cenobamate), which was developed by SK Life Science Inc. and approved by the FDA in November 2019 and FYCOMPA (perampanel), which was developed by Eisai Co. Ltd. and approved by the FDA in 2012. Our competition for RAP-219 may also include therapies in clinical development, such as XEN1101 being developed by Xenon Pharmaceuticals Inc., BHV-7000 being developed by Biohaven Ltd. (“Biohaven”), PRAX-628 being developed by Praxis Precision Medicines, Inc., darigabep being developed by Cerevel Therapeutics Holdings, Inc., SPN-817

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being developed by Supernus Pharmaceuticals, Inc. and ADX71149 being developed by Addex Therapeutics Ltd. in partnership with Janssen Pharmaceuticals, Inc.

### ***Peripheral Neuropathic Pain***

In the field of peripheral neuropathic pain, our principal competition is from existing therapies, which include antidepressants (e.g., duloxetine, venlafaxine, amitriptyline and other tricyclic drugs), gabapentinoids (e.g., gabapentin, pregabalin), or opioids (e.g., tapentadol hydrochloride). We are also aware that various therapies are used off-label to treat peripheral neuropathic pain. Our competition may also include other programs in clinical development for the treatment of peripheral neuropathic pain, such as VX-548 being developed by Vertex, Inc., LX9211 being developed by Lexicon Pharmaceuticals, Inc. and BHV-2100 being developed by Biohaven.

### ***Bipolar Disorder***

In the field of bipolar disorder, RAP-219 faces competition from mood stabilizers (e.g. lithium and Lamictal) and antidepressants (e.g. selective serotonin reuptake inhibitors and serotonin and norepinephrine reuptake inhibitors). Our competition may also include other programs in clinical development for the treatment of mania in bipolar disorder, such as BHV-7000 being developed by Biohaven.

### **Intellectual Property**

We strive to protect and enhance the proprietary technology, inventions and improvements that are commercially important to the development of our business, including seeking, maintaining and defending patent rights, whether developed internally or licensed from third parties. We may also rely on trademarks, copyrights and trade secrets relating to our proprietary technology platform and on know-how, continuing technological innovation and in-licensing opportunities to develop, strengthen and maintain our proprietary and intellectual property position. We additionally may rely on regulatory and other protections afforded through data exclusivity, market exclusivity and patent term extensions, where available.

Our commercial success depends in part upon our ability to obtain and maintain patent and other proprietary protection for commercially important technologies, inventions and trade secrets related to our business, defend and enforce our intellectual property rights, particularly our patent rights, preserve the confidentiality of our trade secrets and operate without infringing valid and enforceable intellectual property rights of others.

The patent positions for biotechnology and pharmaceutical companies like us are generally uncertain and can involve complex legal, scientific and factual issues. In addition, the coverage claimed in a patent application can be significantly reduced before a patent is issued, and its scope can be reinterpreted and even challenged after issuance. As a result, we cannot guarantee that any of our product candidates will be protectable or remain protected by enforceable patents. We cannot predict whether the patent applications we are currently pursuing will issue as patents in any particular jurisdiction or whether the claims of any issued patents will provide sufficient proprietary protection from competitors. Any patents that we hold may be challenged, circumvented or invalidated by third parties.

#### *TARPg8 Program*

We own five patent families directed to TARPg8 modulators. A first patent family is directed to compositions of matter of certain TARPg8 modulators, including RAP-219, and methods of use and expires in 2036, without taking a potential patent term extension into account. As of March 1, 2024, this patent family has one U.S. patent, one European patent, validated in 40 states, over 20 patents in various other foreign jurisdictions, one U.S. pending application, and over 15 applications pending in foreign jurisdictions. A second patent family is directed to compositions of matter of certain TARPg8 modulators and methods of use and expires in 2037,

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without taking a potential patent term extension into account. As of March 1, 2024, this patent family has one U.S. patent. A third patent family is directed to compositions of matter of certain TARPg8 modulators and methods of use and expires in 2037, without taking a potential patent term extension into account. As of March 1, 2024, this patent family has one U.S. patent, one European patent, validated in eight states, over 10 patents in various other foreign jurisdictions, and two applications pending in foreign jurisdictions. A fourth patent family is directed to compositions of matter of certain TARPg8 modulators and methods of use and expires in 2037, without taking a potential patent term extension into account. As of March 1, 2024, this patent family has one U.S. patent, one European patent, validated in six states, more than 10 patents in various other foreign jurisdictions, and three applications pending in foreign jurisdictions. A fifth patent family is directed to crystalline forms of a TARPg8 modulator and methods of use and expires in 2045, if granted, without taking a potential patent term extension into account. As of March 1, 2024, this patent family has one pending PCT application.

### *nAChR Program*

We have non-exclusively in-licensed from Janssen Pharmaceutica NV three patent families directed to recombinant cells for the expression of nACh receptors. A first patent family is directed to expression systems for the  $\alpha 9\alpha 10$  nicotinic acetylcholine receptor and methods of use and expires in 2040, without taking a potential patent term extension into account. As of March 1, 2024, this patent family has one U.S. pending application and three applications pending in foreign jurisdictions. A second patent family is directed to expression systems for the  $\alpha 2\alpha 5\beta 2$  nicotinic acetylcholine receptor and methods of use and expires in 2042, if granted, without taking a potential patent term extension into account. As of March 1, 2024, this patent family has one U.S. pending application and multiple applications in foreign jurisdictions. A third patent family is directed to  $\alpha 6\beta 4$  nicotinic acetylcholine receptor and methods of use and expires in 2042, if granted, without taking a potential patent term extension into account. As of March 1, 2024, this patent family has one U.S. pending application and multiple applications in foreign jurisdictions.

The term of individual patents depends upon the legal term of the patents in the countries in which they are obtained. In most countries in which we file, the patent term is 20 years from the earliest date of filing a non-provisional patent application.

In the United States, the term of a patent covering an FDA-approved drug may be eligible for a patent term extension under the Hatch-Waxman Act as compensation for the loss of patent term during the FDA regulatory review process. The period of extension may be up to five years beyond the expiration of the patent, but cannot extend the remaining term of a patent beyond a total of 14 years from the date of product approval. Only one patent among those eligible for an extension may be extended, and a given patent may only be extended once. Similar provisions are available in Europe and in certain other jurisdictions to extend the term of a patent that covers an approved drug. If our product candidates receive FDA approval, we intend to apply for patent term extensions, if available, to extend the term of patents that cover the approved product candidates. We also intend to seek patent term extensions in any jurisdictions where they are available, however, there is no guarantee that the applicable authorities, including the FDA, will agree with our assessment of whether such extensions should be granted, and even if granted, the length of such extensions.

In addition to patent protection, we also rely on know-how and trade secret protection for our proprietary information to develop and maintain our proprietary position. However, trade secrets can be difficult to protect. Although we take steps to protect our proprietary information, including restricting access to our premises and our confidential information, as well as entering into agreements with our employees, consultants, advisors and potential collaborators, third parties may independently develop the same or similar proprietary information or may otherwise gain access to our proprietary information. As a result, we may be unable to meaningfully protect our know-how, trade secrets, and other proprietary information.

In addition, we plan to rely on regulatory protection based on orphan drug exclusivities, data exclusivities, and market exclusivities. See the section titled “—Government Regulation” for additional information.

## License and collaboration agreements

### *Option and License Agreement with Janssen Pharmaceutica NV*

In August 2022, we entered into the Janssen License, as amended on April 3, 2023, April 18, 2023, May 2, 2023 and October 2, 2023, under which we received an exclusive option to obtain from Janssen (a) a worldwide exclusive license for the research, development, and commercialization of transmembrane TARPg8 AMPAR products for the diagnosis, treatment, prophylaxis or palliation of any disease or condition in humans or other animals (the “Field”) and (b) an assignment of certain patents related to TARPg8, in each case of (a)-(b), subject to certain retained rights by Janssen. Pursuant to the Janssen License, we also received a worldwide, royalty-free, non-exclusive license (exclusive under certain joint patents) for the research, development, and commercialization of certain neuronal nicotinic acetylcholine (“nACh”) products in the Field.

We made a non-refundable, non-creditable upfront payment of \$1.0 million to Janssen after we entered into the Janssen License. In October 2022, we exercised the option and paid a non-refundable, non-creditable option fee of \$4.0 million to Janssen. If we succeed in developing and commercializing TARPg8 products, Janssen will be eligible to receive (i) up to \$76.0 million in development milestone payments and up to \$40.0 million sales milestone payments for the product containing the lead TARPg8 development candidate, and (ii) up to \$25.0 million in development milestone payments and up to \$42.0 million sales milestone payments for other TARPg8 products containing a non-lead TARPg8 development candidate.

Janssen is also eligible to receive (a) royalties ranging from mid-single digits to high single digits on worldwide net sales of any products containing a TARPg8 development candidate and (b) royalties ranging from low-single digits to mid-single digits for other TARPg8 products that do not contain a TARPg8 development candidate, in each case of (a) and (b), subject to potential reductions following the expiration of valid claims and regulatory exclusivity covering such TARPg8 products, the launch of certain generic products and the application of certain anti-stacking reductions for third party intellectual property payments, subject to a customary reduction floor. The royalties for any TARPg8 product will expire on a country-by-country basis upon the latest to occur of (i) the expiration of all valid patent claims covering such product in such country, (ii) the expiration of all regulatory exclusivities in such country, and (iii) a specified number of years following the first commercial sale of such product in such country.

We have the right to terminate the Janssen License for any or no reason upon providing prior written notice to Janssen upon ninety (90) days’ prior written notice to Janssen. Either party may terminate the license agreement in its entirety for the other party’s material breach if such party fails to cure the breach or upon certain insolvency events involving the other party.

### *NeuroPace Master Services Agreement*

In November 2023, we entered into a master services agreement (the “NeuroPace Agreement”) with NeuroPace, the manufacturer and distributor of the RNS system. Pursuant to the NeuroPace Agreement and in accordance with statement of work agreements entered into from time to time, NeuroPace provides us with certain services with respect to data from the RNS systems used in our clinical trials. The NeuroPace Agreement also grants us a royalty-free, worldwide, exclusive, non-transferable license to all data collected by the RNS systems in our Phase 2a clinical trial and the outcomes of algorithms that are applied to such data, as well as the ability to publish the outcomes of algorithms, subject to certain conditions. The consideration we will pay to NeuroPace for such services is set out in each statement of work agreement.

The NeuroPace Agreement contains an exclusivity provision providing that, at any time while providing services under the NeuroPace Agreement and for a period after the final clinical study report, NeuroPace may not perform any services that are the same as the services covered by the NeuroPace Agreement to any business that directly competes with us, subject to the specific terms of the Agreement. The NeuroPace Agreement also contains standard representations and warranties, confidentiality and intellectual property protective provisions and indemnification terms.

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The NeuroPace Agreement expires on the later of three years from the effective date or the completion of all services under all statement of work agreements entered into prior to the third anniversary of the effective date. Either party may terminate the NeuroPace Agreement or any statement of work agreement (i) without cause by giving written notice to the other party within a specified period of time, (ii) by giving written notice upon a curable material breach that is not remediated within a specified period of time, or (iii) immediately upon written notice in the event of a material breach that cannot be cured.

Concurrently with the execution of the NeuroPace Agreement, the parties also entered into an initial statement of work (as amended, the “NeuroPace SOW”) under the NeuroPace Agreement, pursuant to which NeuroPace agreed to provide services related to our Phase 2a clinical trial of RAP-219, including, among other things, clinical trial readiness support, identification of potential patients satisfying the enrollment criteria and RNS system data reporting and data analysis. Pursuant to the payment schedule set out in the NeuroPace SOW, we will pay NeuroPace an aggregate of up to \$3.7 million over a period of approximately two years in connection with NeuroPace’s provision of services and achievement of certain patient enrollment and deliverable milestones.

### **Government Regulation**

Government authorities in the United States, at the federal, state and local level, and in other countries and jurisdictions, including the European Union (“EU”), extensively regulate, among other things, the research, development, testing, manufacture, quality control, approval, packaging, storage, recordkeeping, labeling, advertising, promotion, distribution, marketing, post-approval monitoring and reporting, and import and export of pharmaceutical products. The processes for obtaining regulatory approvals in the United States and in foreign countries and jurisdictions, along with subsequent compliance with applicable statutes and regulations, require the expenditure of substantial time and financial resources.

### ***Review and Approval of Drugs in the United States***

In the United States, the FDA regulates drugs under the U.S. Federal Food, Drug, and Cosmetic Act (“FDCA”) and its implementing regulations. The failure to comply with applicable U.S. requirements at any time during the product development process, approval process or after approval may subject an applicant and/or sponsor to a variety of administrative or judicial sanctions, including refusal by the FDA to approve pending applications, withdrawal of an approval, imposition of a clinical hold, issuance of warning letters and other types of letters, product seizures, total or partial suspension of production or distribution, injunctions, fines, refusals of government contracts, restitution, disgorgement of profits, or civil or criminal investigations and penalties brought by the FDA and the U.S. Department of Justice or other governmental entities. In addition, an applicant may need to recall a product.

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

- completion of nonclinical, or preclinical, laboratory tests, animal studies and formulation studies in compliance with the FDA’s good laboratory practice (“GLP”) regulations;
- submission to the FDA of an investigational new drug application (“IND”) which must take effect before human clinical trials may begin;
- approval by an institutional review board (“IRB”) representing each clinical site before each clinical trial may be initiated at that site;
- performance of adequate and well-controlled human clinical trials in accordance with good clinical practices (“GCPs”) to establish the safety and efficacy of the proposed drug product for each indication;

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- preparation and submission to the FDA of a New Drug Application (“NDA”) and payment of user fees;
- review of the product by an FDA advisory committee, where appropriate or if applicable;
- satisfactory completion of one or more FDA inspections of the manufacturing facility or facilities at which the product, or components thereof, are produced to assess compliance with current Good Manufacturing Practices (“cGMP”) requirements and to assure that the facilities, methods and controls are adequate to preserve the product’s identity, strength, quality and purity;
- satisfactory completion of FDA audits of clinical trial sites to assure compliance with GCPs and the integrity of the clinical data;
- FDA review and approval of the NDA; and
- compliance with any post-approval requirements, including risk evaluation and mitigation strategies (“REMS”) and post-approval studies required by the FDA.

### ***Preclinical Studies***

Before an applicant begins testing a compound in humans, the drug candidate enters the preclinical testing stage. Preclinical studies include laboratory evaluation of the purity and stability of the manufactured drug substance or active pharmaceutical ingredient (“API”) and the formulated drug or drug product, as well as *in vitro* and animal studies to assess the safety and activity of the drug for initial testing in humans and to establish a rationale for therapeutic use. The conduct of preclinical studies is subject to federal regulations and requirements, including GLP regulations. Some long-term preclinical testing, such as animal tests of reproductive adverse effects and carcinogenicity, may continue after the IND is submitted.

### ***The IND and IRB Processes***

An IND is an exemption from the FDCA that allows an unapproved drug to be shipped in interstate commerce for use in an investigational clinical trial and a request for FDA authorization to administer such investigational drug to humans. Such authorization must be secured prior to interstate shipment and administration of the investigational drug. In an IND, applicants must submit a protocol for each clinical trial and any subsequent protocol amendments. In addition, the results of the preclinical tests, manufacturing information, analytical data, any available clinical data or literature and plans for clinical trials, among other things, are submitted to the FDA as part of an IND. An IND automatically becomes effective 30 days after receipt by the FDA, unless before that time, the FDA raises concerns or questions related to one or more proposed clinical trials and places the trial on clinical hold. The FDA also may impose a clinical hold or partial clinical hold after commencement of a clinical trial under an IND. A clinical hold is an order issued by the FDA to the sponsor to delay a proposed clinical investigation or to suspend an ongoing investigation. A partial clinical hold is a delay or suspension of only part of the clinical work requested under the IND. No more than 30 days after imposition of a clinical hold or partial clinical hold, the FDA will provide the sponsor a written explanation of the basis for the hold. Following issuance of a clinical hold or partial clinical hold, an investigation (or full investigation in the case of a partial clinical hold) may only resume after the FDA has notified the sponsor that the investigation may proceed. The FDA will base that determination on information provided by the sponsor correcting the deficiencies previously cited or otherwise satisfying the FDA that the investigation can proceed.

A sponsor may choose, but is not required, to conduct a foreign clinical trial under an IND. When a foreign clinical trial is conducted under an IND, all FDA IND requirements must be met unless waived. When the foreign clinical trial is not conducted under an IND, the sponsor must ensure that the study is conducted in accordance with GCP, including review and approval by an independent ethics committee (“IEC”) and informed consent from subjects. The GCP requirements are intended to help ensure the protection of human subjects enrolled in non-IND foreign clinical trials, as well as the quality and integrity of the resulting data. FDA must also be able to validate the data from the study through an on-site inspection if necessary.



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In addition to the foregoing IND requirements, an IRB representing each institution participating in the clinical trial must review and approve the plan for any clinical trial before it commences at that institution, and the IRB must conduct continuing review of the study at least annually. The IRB must review and approve, among other things, the study protocol and informed consent information to be provided to study subjects. An IRB must operate in compliance with FDA regulations. An IRB can suspend or terminate approval of a clinical trial at its institution, or an institution it represents, if the clinical trial is not being conducted in accordance with the IRB's requirements or if the product candidate has been associated with unexpected serious harm to patients.

Additionally, some trials are overseen by an independent group of qualified experts organized by the trial sponsor, known as a data safety monitoring board or committee. This group provides authorization for whether or not a trial may move forward at designated check points based on access that only the group maintains to available data from the study. The FDA or the sponsor may suspend or terminate a clinical trial at any time on various grounds, including a finding that the research subjects are being exposed to an unacceptable health risk. Other reasons for suspension or termination may be made by us based on evolving business objectives and/or competitive climate.

Information about certain clinical trials must be submitted within specific timeframes to the National Institutes of Health ("NIH") for public dissemination on its ClinicalTrials.gov website.

### *Human Clinical Trials in Support of an NDA*

Clinical trials involve the administration of the investigational product to human subjects under the supervision of qualified investigators in accordance with GCP requirements, which include, among other things, the requirement that all research subjects, or their legal representative, provide their informed consent in writing before their participation in any clinical trial. Clinical trials are conducted under written study protocols detailing, among other things, the inclusion and exclusion criteria, the objectives of the study, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated.

Human clinical trials are typically conducted in three sequential phases, which may overlap or be combined:

- *Phase 1.* The drug is initially introduced into healthy human subjects or, in certain indications such as cancer, patients with the target disease or condition and tested for safety, dosage tolerance, absorption, metabolism, distribution, excretion and, if possible, to gain an early indication of its effectiveness and to determine maximal dosage.
- *Phase 2.* The drug is administered to a limited patient population to identify possible AEs and safety risks, to preliminarily evaluate the efficacy of the product for specific targeted diseases and to determine dosage tolerance and optimal dosage.
- *Phase 3.* The drug is administered to an expanded patient population, generally at geographically dispersed clinical trial sites, in well-controlled clinical trials to generate enough data to evaluate the efficacy and safety of the product for approval, to establish the overall risk-benefit profile of the product and to provide adequate information for the labeling of the product.

Post-approval studies, often referred to as Phase 4 studies, may be conducted after initial regulatory approval. These studies are used to gain additional experience from the treatment of patients in the intended therapeutic indication.

Progress reports detailing the results of the clinical trials must be submitted at least annually to the FDA. In addition, within 15 calendar days after the sponsor determines that the information qualifies for reporting, IND safety reports must be submitted to the FDA for any of the following: serious and unexpected suspected adverse reactions; findings from other studies or animal or *in vitro* testing that suggest a significant risk in humans exposed to the drug; and any clinically important increase in the case of a serious suspected adverse reaction over



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that listed in the protocol or investigator brochure. The sponsor also must notify the FDA of any unexpected fatal or life-threatening suspected adverse reaction within seven calendar days after the sponsor's initial receipt of the information. Phase 1, Phase 2 and Phase 3 clinical trials may not be completed successfully within any specified period, or at all. The FDA will typically inspect one or more clinical sites to assure compliance with GCP and the integrity of the clinical data submitted.

Concurrent with clinical trials, companies often complete additional animal studies and must also develop additional information about the chemistry and physical characteristics of the drug as well as finalize a process for manufacturing the product in commercial quantities in accordance with cGMP requirements. The manufacturing process must be capable of consistently producing quality batches of the drug candidate and, among other things, the applicant must develop methods for testing the identity, strength, quality, purity, and potency of the final drug. Additionally, appropriate packaging must be selected and tested and stability studies must be conducted to demonstrate that the drug candidate does not undergo unacceptable deterioration over its shelf life.

### ***Review of an NDA by the FDA***

Assuming successful completion of required clinical testing and other requirements, the results of the preclinical studies and clinical trials, together with detailed information relating to the product's chemistry, manufacture, controls and proposed labeling, among other things, are submitted to the FDA as part of an NDA requesting approval to market the drug product for one or more indications. Under federal law, the submission of most NDAs is additionally subject to a significant application user fee as well as annual prescription drug product program fees. These fees are typically increased annually. Certain exceptions and waivers are available for some of these fees.

The FDA conducts a preliminary review of an NDA within 60 days of its receipt, before accepting the NDA for filing, to determine whether the application is sufficiently complete to permit substantive review. The FDA may request additional information rather than accept an NDA for filing. In this event, the application must be resubmitted with the additional information. The resubmitted application is also subject to review before the FDA accepts it for filing. Once the submission is accepted for filing, the FDA begins an in-depth substantive review. The FDA has agreed to specified performance goals in the review process of NDAs. Applications for drugs containing new molecular entities are meant to be reviewed within 10 months from the date of filing, and applications for "priority review" products containing new molecular entities are meant to be reviewed within six months of filing. The review process may be extended by the FDA for three additional months to consider new information or clarification provided by the applicant to address an outstanding deficiency identified by the FDA following the original submission.

During its review of an NDA, the FDA typically will inspect the facility or facilities where the product is or will be manufactured. These pre-approval inspections may cover all facilities associated with an NDA, including drug component manufacturing (such as APIs), finished drug product manufacturing, and control testing laboratories. The FDA will not approve an NDA unless it determines that the manufacturing processes and facilities are in compliance with cGMP requirements and adequate to assure consistent production of the product within required specifications.

In addition, as a condition of approval, the FDA may require an applicant to develop a REMS. REMS use risk minimization strategies beyond the professional labeling to ensure that the benefits of the product outweigh the potential risks. To determine whether a REMS is needed, the FDA will consider the size of the population likely to use the product, seriousness of the disease, expected benefit of the product, expected duration of treatment, seriousness of known or potential AEs, and whether the product is a new molecular entity. REMS can include medication guides, physician communication plans for healthcare professionals, and elements to assure safe use ("ETASU"). ETASU may include, but are not limited to, special training or certification for prescribing

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or dispensing, dispensing only under certain circumstances, special monitoring, and the use of patient registries. The FDA may require a REMS before approval or post-approval if it becomes aware of a serious risk associated with use of the product.

The FDA is required to refer an application for a novel drug to an advisory committee or explain why such referral was not made. Typically, an advisory committee is a panel of independent experts, including clinicians and other scientific experts, that reviews, evaluates and provides a recommendation as to whether the application should be approved and under what conditions. The FDA is not bound by the recommendations of an advisory committee, but it considers such recommendations carefully when making decisions.

### *Fast Track, Breakthrough Therapy, and Priority Review*

The FDA has a number of programs intended to facilitate and expedite development and review of new drugs if they are intended to address an unmet medical need in the treatment of a serious or life-threatening disease or condition. Three of these programs are referred to as Fast Track Designation, Breakthrough Therapy Designation, and priority review designation.

Specifically, the FDA may designate a product for Fast Track review if it is intended, whether alone or in combination with one or more other products, for the treatment of a serious or life-threatening disease or condition, and it demonstrates the potential to address unmet medical needs for such a disease or condition. For Fast Track products, sponsors may have greater interactions with the FDA and the FDA may initiate review of sections of a Fast Track product's application before the application is complete. This rolling review may be available if the FDA determines, after preliminary evaluation of clinical data submitted by the sponsor, that a Fast Track product may be effective. The sponsor must also provide, and the FDA must approve, a schedule for the submission of the remaining information and the sponsor must pay applicable user fees. However, the FDA's time period goal for reviewing a Fast Track application does not begin until the last section of the application is submitted. In addition, the Fast Track Designation may be withdrawn by the FDA if the FDA believes that the designation is no longer supported by data emerging in the clinical trial process.

Second, a product may be designated as a Breakthrough Therapy if it is intended, either alone or in combination with one or more other products, to treat a serious or life-threatening disease or condition and preliminary clinical evidence indicates that the product may demonstrate substantial improvement over existing therapies on one or more clinically significant endpoints, such as substantial treatment effects observed early in clinical development. The FDA may take certain actions with respect to Breakthrough Therapies, including holding meetings with the sponsor throughout the development process; providing timely advice to the product sponsor regarding development and approval; involving more senior staff in the review process; assigning a cross-disciplinary project lead for the review team; and taking other steps to design the clinical trials in an efficient manner.

Third, the FDA may designate an NDA review for a priority review if it is for a product that treats a serious or life-threatening disease or condition and, if approved, would provide a significant improvement in safety or effectiveness. The FDA determines, on a case-by-case basis, whether the proposed product represents a significant improvement when compared with other available therapies. Significant improvement may be illustrated by evidence of increased effectiveness in the treatment of a condition, elimination or substantial reduction of a treatment-limiting product reaction, documented enhancement of patient compliance that may lead to improvement in serious outcomes, and evidence of safety and effectiveness in a new subpopulation. A priority designation is intended to direct overall attention and resources to the evaluation of such applications, and to shorten the FDA's goal for taking action on a marketing application from 10 months to six months.

### *Accelerated Approval Pathway*

The FDA may grant accelerated approval to a product for a serious or life-threatening condition that provides meaningful therapeutic advantage to patients over existing treatments based upon a determination that

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the product has an effect on a surrogate endpoint that is reasonably likely to predict clinical benefit or on an intermediate clinical endpoint that can be measured earlier than an effect on irreversible morbidity or mortality (“IMM”), and that is reasonably likely to predict an effect on IMM or other clinical benefit, taking into account the severity, rarity, or prevalence of the condition and the availability or lack of alternative treatments. Products granted accelerated approval must meet the same statutory standards for safety and effectiveness as those granted traditional approval.

For the purposes of accelerated approval, a surrogate endpoint is a marker, such as a laboratory measurement, radiographic image, physical sign, or other measure that is thought to predict clinical benefit, but is not itself a measure of clinical benefit. Surrogate endpoints can often be measured more easily or more rapidly than clinical endpoints. An intermediate clinical endpoint is a measurement of a therapeutic effect that is considered reasonably likely to predict the clinical benefit of a product, such as an effect on IMM. The FDA has limited experience with accelerated approvals based on intermediate clinical endpoints, but has indicated that such endpoints generally may support accelerated approval where the therapeutic effect measured by the endpoint is not itself a clinical benefit and basis for traditional approval, if there is a basis for concluding that the therapeutic effect is reasonably likely to predict the ultimate clinical benefit of a product.

The accelerated approval pathway is most often used in settings in which the course of a disease is long and an extended period of time is required to measure the intended clinical benefit of a product, even if the effect on the surrogate or intermediate clinical endpoint occurs rapidly.

The accelerated approval pathway is contingent on a sponsor’s agreement to conduct, in a diligent manner, additional post-approval confirmatory studies to verify and describe the product’s clinical benefit. As a result, a product candidate approved on this basis is subject to rigorous post-marketing compliance requirements, including the completion of Phase 4 or post-approval clinical trials to confirm the effect on the clinical endpoint. Under the Food and Drug Omnibus Reform Act of 2022 (“FDORA”), the FDA is now permitted to require, as appropriate, that such trials be underway prior to approval or within a specific time period after the date of approval for a product granted accelerated approval. Sponsors are also required to send updates to the FDA every 180 days on the status of such studies, including progress toward enrollment targets, and the FDA must promptly post this information publicly. Under FDORA, the FDA has increased authority for expedited procedures to withdraw approval of a drug or indication approved under accelerated approval if, for example, the sponsor fails to conduct such studies in a timely manner and send the necessary updates to the FDA, or if a confirmatory trial fails to verify the predicted clinical benefit of the product. In addition, the FDA generally requires, unless otherwise informed by the agency, pre-approval of promotional materials for product candidates approved under accelerated regulations, which could adversely impact the timing of the commercial launch of the product.

### ***The FDA’s Decision on an NDA***

On the basis of the FDA’s evaluation of the NDA and accompanying information, including the results of the inspection of the manufacturing facilities and select clinical trial sites, the FDA may issue an approval letter or a complete response letter. An approval letter authorizes commercial marketing of the product with specific prescribing information for specific indications. A complete response letter generally outlines the deficiencies in the submission and may require substantial additional testing or information in order for the FDA to reconsider the application. If a complete response letter is issued, the applicant may resubmit the NDA to address all of the deficiencies identified in the letter, withdraw the application, or request a hearing. If the applicant resubmits the NDA, the FDA will issue an approval letter only when the deficiencies have been addressed to the FDA’s satisfaction. The FDA has committed to reviewing such resubmissions in two or six months depending on the type of information included. Even with submission of this additional information, the FDA ultimately may decide that the application does not satisfy the regulatory criteria for approval.

If the FDA approves a product, it may limit the approved indications for use for the product, require that contraindications, warnings or precautions be included in the product labeling, require that post-approval studies,

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including Phase 4 clinical trials, be conducted to further assess the drug's safety or effectiveness after approval, require testing and surveillance programs to monitor the product after commercialization, or impose other conditions, including distribution restrictions or other risk management mechanisms, including REMS, which can materially affect the potential market and profitability of the product. The FDA may prevent or limit further marketing of a product based on the results of post-market studies or surveillance programs.

### ***Post-Approval Requirements***

Drugs manufactured or distributed pursuant to FDA approvals are subject to pervasive and continuing regulation by the FDA, including, among other things, requirements relating to recordkeeping, periodic reporting, product sampling and distribution, advertising and promotion, reporting of adverse experiences with the product and applicable product tracking and tracing requirements. After approval, many changes to the approved product, such as adding new indications or other labeling claims, are subject to prior FDA review and approval. There also are annual prescription drug product program fee requirements for certain marketed products.

In addition, drug manufacturers and other entities involved in the manufacture and distribution of approved drugs are required to register their establishments with the FDA and state agencies, and are subject to periodic unannounced inspections by the FDA and these state agencies for compliance with cGMP requirements. Changes to the manufacturing process are strictly regulated and often require prior FDA approval before being implemented. FDA regulations also require investigation and correction of any deviations from cGMP and impose reporting and documentation requirements upon the NDA holder and any third-party manufacturers that the NDA holder may decide to use. Accordingly, manufacturers must continue to expend time, money, and effort in the area of production and quality control to maintain cGMP compliance.

Once an approval is granted, the FDA may withdraw the approval if compliance with regulatory requirements and standards is not maintained or if problems occur after the product reaches the market. Later discovery of previously unknown problems with a product, including AEs of unanticipated severity or frequency, or with manufacturing processes, or failure to comply with regulatory requirements, may result in revisions to the approved labeling to add new safety information; imposition of post-market studies or clinical trials to assess new safety risks; or imposition of distribution or other restrictions under a REMS program. Other potential consequences include, among other things:

- restrictions on the marketing or manufacturing of the product, complete withdrawal of the product from the market or voluntary product recalls;
- fines, warning or untitled letters or holds on post-approval clinical trials;
- refusal of the FDA to approve pending NDAs or supplements to approved NDAs, or suspension or revocation of product approvals;
- product seizure or detention, or refusal to permit the import or export of products; or
- injunctions or the imposition of civil or criminal penalties.

The FDA strictly regulates marketing, labeling, advertising and promotion of products that are placed on the market. Drugs may be promoted only for the approved indications and in accordance with the provisions of the approved label. However, companies may share truthful and not misleading information that is otherwise consistent with a product's FDA approved labeling. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability.

In addition, the distribution of prescription pharmaceutical products is subject to the Prescription Drug Marketing Act ("PDMA"), which regulates the distribution of drugs and drug samples at the federal level, and

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sets minimum standards for the registration and regulation of drug distributors by the states. Both the PDMA and state laws limit the distribution of prescription pharmaceutical product samples and impose requirements to ensure accountability in distribution.

### ***Hatch-Waxman Amendments***

Section 505 of the FDCA describes three types of marketing applications that may be submitted to the FDA to request marketing authorization for a new drug. A Section 505(b)(1) NDA is an application that contains full reports of investigations of safety and efficacy. A 505(b)(2) NDA is an application that contains full reports of investigations of safety and efficacy but where at least some of the information required for approval comes from investigations that were not conducted by or for the applicant and for which the applicant has not obtained a right of reference or use from the person by or for whom the investigations were conducted. This regulatory pathway enables the applicant to rely, in part, on the FDA's prior findings of safety and efficacy for an existing product, or published literature, in support of its application. Section 505(j) establishes an abbreviated approval process for a generic version of approved drug products through the submission of an Abbreviated New Drug Application ("ANDA"). An ANDA provides for marketing of a generic drug product that has the same active ingredients, dosage form, strength, route of administration, labeling, performance characteristics and intended use, among other things, to a previously approved product, known as a reference listed drug ("RLD"). ANDAs are termed "abbreviated" because they are generally not required to include preclinical (animal) and clinical (human) data to establish safety and efficacy. Instead, generic applicants must scientifically demonstrate that their product is bioequivalent to, or performs in the same manner as, the innovator drug through *in vitro*, *in vivo*, or other testing. The generic version must deliver the same amount of active ingredients into a subject's bloodstream in the same amount of time as the innovator drug and can often be substituted by pharmacists under prescriptions written for the reference listed drug.

### ***Non-Patent Exclusivity***

Under the Hatch-Waxman Amendments, the FDA may not approve (or in some cases accept) an ANDA or 505(b)(2) application until any applicable period of non-patent exclusivity for the RLD has expired. The FDCA provides a period of five years of non-patent data exclusivity for a new drug containing a new chemical entity ("NCE"). For the purposes of this provision, an NCE is a drug that contains no active moiety that has previously been approved by the FDA in any other NDA. An active moiety is the molecule or ion responsible for the physiological or pharmacological action of the drug substance. In cases where such NCE exclusivity has been granted, an ANDA may not be filed with the FDA until the expiration of five years unless the submission is accompanied by a Paragraph IV certification, which states the proposed generic drug will not infringe one or more of the already approved product's listed patents or that such patents are invalid or unenforceable, in which case the applicant may submit its application four years following the original product approval.

The FDCA also provides for a period of three years of exclusivity for non-NCE drugs if the NDA or a supplement to the NDA includes reports of one or more new clinical investigations, other than bioavailability or bioequivalence studies, that were conducted by or for the applicant and are essential to the approval of the application or supplement. This three-year exclusivity period often protects changes to a previously approved drug product, such as a new dosage form, route of administration, combination or indication, but it generally would not protect the original, unmodified product from generic competition. Unlike five-year NCE exclusivity, an award of three-year exclusivity does not block the FDA from accepting ANDAs seeking approval for generic versions of the drug as of the date of approval of the original drug product; it only prevents FDA from approving such ANDAs.

A drug product can obtain pediatric market exclusivity in the United States. Pediatric exclusivity, if granted, adds six months to existing exclusivity periods for all formulations, dosage forms, and indications of the active moiety and to patent terms. This six-month exclusivity, which runs from the end of other exclusivity protection and patent term, may be granted based on the voluntary completion of a pediatric study in accordance

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with an FDA-issued “Written Request” for such a study, provided that at the time pediatric exclusivity is granted there is not less than nine months of term remaining.

### ***Hatch-Waxman Patent Certification and the 30-Month Stay***

In seeking approval of an NDA or a supplement thereto, NDA sponsors are required to list with the FDA each patent with claims that cover the applicant’s product or an approved method of using the product. Upon approval, each of the patents listed by the NDA sponsor is published in the FDA’s Approved Drug Products with Therapeutic Equivalence Evaluations, commonly known as the Orange Book. Upon submission of an ANDA or 505(b)(2) NDA, an applicant is required to certify to the FDA concerning any patents listed for the RLD in the Orange Book that:

- no patent information on the drug product that is the subject of the application has been submitted to the FDA;
- such patent has expired;
- the date on which such patent expires; or
- such patent is invalid, unenforceable or will not be infringed upon by the manufacture, use, or sale of the drug product for which the application is submitted.

Generally, the ANDA or 505(b)(2) NDA cannot be approved until all listed patents have expired, except where the ANDA or 505(b)(2) NDA applicant challenges a listed patent through the last type of certification, also known as a paragraph IV certification. If the applicant does not challenge the listed patents or indicates that it is not seeking approval of a patented method of use, the ANDA or 505(b)(2) NDA application will not be approved until all of the listed patents claiming the referenced product have expired. If the ANDA or 505(b)(2) NDA applicant has provided a paragraph IV certification the applicant must send notice of the paragraph IV certification to the NDA and patent holders once the application has been accepted for filing by the FDA. The NDA and patent holders may then initiate a patent infringement lawsuit in response to the notice of the paragraph IV certification. If the paragraph IV certification is challenged by an NDA holder or the patent owner(s) asserts a patent challenge to the paragraph IV certification, the FDA may not approve that application until the earlier of 30 months from the receipt of the notice of the paragraph IV certification, the expiration of the patent, when the infringement case concerning each such patent was favorably decided in the applicant’s favor or settled, or such shorter or longer period as may be ordered by a court. This prohibition is generally referred to as the 30-month stay. In instances where an ANDA or 505(b)(2) NDA applicant files a paragraph IV certification, the NDA holder or patent owner(s) regularly take action to trigger the 30-month stay, recognizing that the related patent litigation may take many months or years to resolve. Thus, approval of an ANDA or 505(b)(2) NDA could be delayed for a significant period of time depending on the patent certification the applicant makes and the reference drug sponsor’s decision to initiate patent litigation. If the drug has NCE exclusivity and the ANDA is submitted four years after approval, the 30-month stay is extended so that it expires seven and a half years after approval of the innovator drug, unless the patent expires or there is a decision in the infringement case that is favorable to the ANDA applicant before then.

### ***Patent Term Restoration and Extension***

A patent claiming a new drug product may be eligible for a limited patent term extension under the Hatch-Waxman Amendments, which permits a patent term restoration of up to five years for patent term lost during product development and the FDA regulatory review. The restoration period granted is typically one-half the time between the effective date of an IND and the submission date of an NDA, plus the time between the submission date of an NDA and the ultimate approval date, provided the sponsor acted with diligence. Patent term restoration cannot be used to extend the remaining term of a patent past a total of 14 years from the product’s approval date. Only one patent applicable to an approved drug product is eligible for the extension, and the application for the extension must be submitted prior to the expiration of the patent in question and within 60

days of drug approval. A patent that covers multiple drugs for which approval is sought can only be extended in connection with one of the approvals. The U.S. Patent and Trademark Office (“USPTO”) reviews and approves the application for any patent term extension or restoration in consultation with the FDA.

### ***Review and Approval of Medicinal Products in the European Union***

In order to market any product outside of the United States, a company must also comply with numerous and varying regulatory requirements of other countries and jurisdictions regarding quality, safety and efficacy and governing, among other things, clinical trials, marketing authorization, commercial sales and distribution of products. Whether or not it obtains FDA approval for a product, an applicant will need to obtain the necessary approvals by the comparable foreign regulatory authorities before it can commence clinical trials or marketing of the product in those countries or jurisdictions. Specifically, the process governing approval of medicinal products in the EU generally follows similar lines as in the United States. It entails satisfactory completion of preclinical studies and adequate and well-controlled clinical trials to establish the safety and efficacy of the product for each proposed indication. It also requires the submission to the relevant competent authorities of a marketing authorization application (“MAA”) and granting of a marketing authorization by these authorities before the product can be marketed and sold in the EU.

#### *Clinical Trial Approval*

In the EU, an applicant for authorization of a clinical trial must obtain prior approval from the national competent authority of the EU Member States in which the clinical trial is to be conducted. Furthermore, the applicant may only start a clinical trial at a specific study site after the relevant independent ethics committee has issued a favorable opinion. In April 2014, the Clinical Trials Regulation, (EU) No 536/2014 (the “Clinical Trials Regulation”) was adopted in the EU. The Clinical Trials Regulation is directly applicable in all the EU Member States and repealed the Clinical Trials Directive 2001/20/EC, as of January 31, 2022.

The Clinical Trials Regulation aims to simplify and streamline the approval of clinical trials in the EU. The main characteristics of the regulation include: a streamlined application procedure via a single entry point, known as the “Clinical Trials Information System”; a single set of documents to be prepared and submitted for the application, as well as simplified reporting procedures for clinical trial sponsors; and a harmonized procedure for the assessment of applications for clinical trials, which is divided in two parts. Part I is assessed by an elected Reference Member State, with support of the competent authorities of all EU Member States in which an application for authorization of a clinical trial has been submitted (the “Member States Concerned”). Part II is assessed separately by each Member State Concerned. Strict deadlines have been established for the assessment of clinical trial applications. The role of the relevant ethics committees in the assessment procedure continues to be governed by the national law of the concerned EU Member State, however, overall related timelines are defined by the Clinical Trials Regulation.

#### *Marketing Authorization*

To obtain a marketing authorization for a product in the EU, an applicant must submit an MAA either under a centralized procedure administered by the European Medicines Agency (“EMA”) or one of the procedures administered by competent authorities in the EU Member States (decentralized procedure or mutual recognition procedure) for obtaining a marketing authorization in multiple EU Member States. A marketing authorization may be granted only to an applicant established in the European Economic Area (“EEA”) (which is comprised of the EU Member States plus Norway, Iceland and Liechtenstein).

The centralized procedure provides for the grant of a single marketing authorization by the European Commission that is valid throughout the EEA. Pursuant to Regulation (EC) No 726/2004, the centralized procedure is compulsory for specific products, including for medicines produced by certain biotechnological processes, products designated as orphan medicinal products, advanced therapy medicinal products (gene



therapy, somatic cell therapy and tissue-engineered products) and products with a new active substance indicated for the treatment of certain diseases, including products for the treatment of HIV, AIDS, cancer, diabetes, neurodegenerative diseases, auto-immune and other immune dysfunctions and viral diseases. The centralized procedure is optional for products containing a new active substance not yet authorized in the EU, or for products that constitute a significant therapeutic, scientific or technical innovation or which are in the interest of public health in the EU.

Under the centralized procedure, the Committee for Medicinal Products for Human Use (“CHMP”) established at the EMA is responsible for conducting the initial assessment of a product. The CHMP is also responsible for several post-authorization and maintenance activities, such as the assessment of modifications or extensions to an existing marketing authorization. Under the centralized procedure, the maximum timeframe for the evaluation of an MAA is 210 days, excluding clock stops, when additional information or written or oral explanation is to be provided by the applicant in response to questions asked by the CHMP. Clock stops may extend the timeframe of evaluation of an MAA considerably beyond 210 days. Accelerated evaluation might be granted by the CHMP in exceptional cases, when a medicinal product is of major interest from a public health perspective and in particular from the point of view of therapeutic innovation. If the CHMP accepts such request, the time limit of 210 days will be reduced to 150 days, excluding clock stops, but it is possible that the CHMP can revert to the standard time limit for the centralized procedure if it considers that it is no longer appropriate to conduct an accelerated assessment. At the end of this period, the CHMP provides a scientific opinion on whether or not a marketing authorization should be granted in relation to a medicinal product. Within 67 days from the date of the CHMP opinion, the European Commission will adopt its final decision on the MAA.

Now that the United Kingdom (which comprises Great Britain and Northern Ireland) (“UK”) has left the EU, Great Britain is no longer covered by centralized marketing authorizations (under the Northern Ireland Protocol, centralized marketing authorizations currently continue to be recognized in Northern Ireland). On January 1, 2024, a new international recognition framework was put in place by the Medicines and Healthcare products Regulatory Agency (“MHRA”), the UK medicines and medical devices regulator, under which the MHRA may have regard to decisions on the approval of marketing authorizations made by the EMA and certain other regulators when determining an application for the grant of a UK or Great Britain marketing authorization. The MHRA also has the power to have regard to marketing authorizations approved in EU Member States through decentralized or mutual recognition procedures with a view to more quickly granting a marketing authorization in the UK or Great Britain. For additional information related to the regulatory framework in the UK, please refer to the discussion below under the section titled “—*Brexit and the Regulatory Framework in the United Kingdom.*”

The decentralized marketing authorization procedure allows an applicant to apply for simultaneous authorization in more than one EU Member State of medicinal products that have not yet been authorized in any EU Member State and that do not fall within the mandatory scope of the centralized procedure. This application is identical to the application that would be submitted to the EMA for authorization through the centralized procedure. The Reference Member State prepares a draft assessment and drafts of the related materials within 120 days after receipt of a valid application. The resulting assessment report is submitted to the Concerned Member States who, within 90 days of receipt, must decide whether to approve the assessment report and related materials. If a Concerned Member State cannot approve the assessment report and related materials due to concerns relating to a potential serious risk to public health, disputed elements may be referred to the European Commission, whose decision is binding on all Member States.

The mutual recognition procedure is based on the acceptance by the competent authorities of the EU Member States of the marketing authorization of a medicinal product by the competent authorities of another EU Member State. The holder of a national marketing authorization may submit an application to the competent authority of an EU Member State requesting that this authority recognize the marketing authorization delivered by the competent authority of another EU Member State.



### *Pediatric Development*

Regulation (EC) No 1901/2006 provides that prior to obtaining a marketing authorization in the EU, applicants have to demonstrate compliance with all measures included in an EMA-approved Pediatric Investigation Plan (“PIP”) covering all subsets of the pediatric population, unless the EMA has granted (1) a product-specific waiver, (2) a class waiver or (3) a deferral for one or more of the measures included in the PIP. The PIP sets out the timing and measures proposed to generate data to support a pediatric indication of the product for which a marketing authorization is being sought. Products that are granted a marketing authorization with the results of the pediatric clinical trials conducted in accordance with the PIP are eligible for a six-month extension of the protection under a supplementary protection certificate (“SPC”) provided an application for such extension is made at the same time as filing the SPC application for the product, or at any point up to two years before the SPC expires, even where the trial results are negative. In the case of orphan medicinal products, a two-year extension of the orphan market exclusivity may be available. This pediatric reward is subject to specific conditions and is not automatically available when data in compliance with the PIP are developed and submitted.

### *Data and Market Exclusivity*

In the EU, innovative medicinal products approved on the basis of a complete and independent data package qualify for eight years of data exclusivity upon marketing authorization and an additional two years of market exclusivity. Data exclusivity prevents applicants for authorization of generics or biosimilars of these innovative products from referencing the innovator’s preclinical and clinical trial data contained in the dossier of the reference product when applying for a generic or biosimilar (abbreviated) marketing authorization, for a period of eight years from the date on which the reference product was first authorized in the EU. During an additional two-year period of market exclusivity, a generic or biosimilar MAA can be submitted, and the innovator’s data may be referenced, but no generic or biosimilar medicinal product can be placed on the EU market until the expiration of the market exclusivity. The overall 10-year period will be extended to a maximum of 11 years if, during the first eight years of those 10 years, the marketing authorization holder obtains an authorization for one or more new therapeutic indications which, during the scientific evaluation prior to their authorization, are held to bring a significant clinical benefit in comparison with existing therapies. There is no guarantee that a product will be considered by the EMA to be an innovative medicinal product, and products may not qualify for data exclusivity. Even if a product is considered to be an innovative medicinal product so that the innovator gains the prescribed period of data exclusivity, another company nevertheless could also market another version of the product if such company obtained a marketing authorization based on an MAA with a complete and independent data package of pharmaceutical tests, preclinical tests and clinical trials.

### *Orphan Designation and Exclusivity*

Regulation (EC) No 141/2000 and Regulation (EC) No. 847/2000 provide that a product can be designated as an orphan medicinal product by the European Commission if its sponsor can establish that: (1) the product is intended for the diagnosis, prevention or treatment of a life-threatening or chronically debilitating condition, (2) either (i) such condition affects no more than five in ten thousand persons in the EU when the application is made, or (ii) without the benefits derived from orphan status, it is unlikely that the marketing of the product in the EU would generate sufficient return to justify the necessary investment in its development; (3) there exists no satisfactory method of diagnosis, prevention or treatment of the condition in question that has been authorized in the EU or, if such method exists, the product would be of significant benefit to those affected by that condition.

An orphan designation provides a number of benefits, including fee reductions, regulatory assistance and the possibility to apply for a centralized EU marketing authorization. Marketing authorization for an orphan medicinal product leads to a ten-year period of market exclusivity being granted following marketing approval of the orphan product. During this market exclusivity period, the EMA, the European Commission or the competent authorities of the EU Member States may only grant marketing authorization to a “similar medicinal product” for the same therapeutic indication if: (i) a second applicant can establish that its product, although similar to the

authorized product, is safer, more effective or otherwise clinically superior; (ii) the marketing authorization holder for the authorized product consents to a second orphan medicinal product application; or (iii) the marketing authorization holder for the authorized product cannot supply enough orphan medicinal product. A “similar medicinal product” is defined as a medicinal product containing a similar active substance or substances as contained in an authorized orphan medicinal product, and which is intended for the same therapeutic indication. The market exclusivity period for the authorized therapeutic indication may, however, be reduced to six years if, at the end of the fifth year, it is established that the product no longer meets the criteria for orphan designation because, for example, the product is sufficiently profitable not to justify market exclusivity. Orphan designation must be requested before submitting an application for marketing approval. Orphan designation does not convey any advantage in, or shorten the duration of, the regulatory review and approval process.

### *Periods of Authorization and Renewals*

A marketing authorization has an initial validity of five years. The marketing authorization may be renewed after five years on the basis of a re-evaluation of the risk-benefit balance by the EMA or by the competent authority of the relevant EU Member State for a nationally authorized product. To this end, the marketing authorization holder must provide the EMA or the competent authority with a consolidated version of the file in respect of quality, safety and efficacy, including all variations introduced since the marketing authorization was granted, at least nine months before the marketing authorization ceases to be valid. Once renewed, the marketing authorization is valid for an unlimited period, unless the European Commission or the competent authorities of the relevant Member States decide, on justified grounds relating to pharmacovigilance, to proceed with one further five year renewal period. Any authorization which is not followed by the actual placing of the medicinal product on the EU market (for centrally-authorized products) or on the market of the authorizing EU Member State (for nationally-authorized products) within three years after authorization ceases to be valid (the so-called “sunset clause”).

### *Regulatory Requirements after a Marketing Authorization has been Obtained*

Where an authorization for a medicinal product in the EU is obtained, the holder of the marketing authorization is required to comply with a range of requirements applicable to the manufacturing, marketing, promotion and sale of medicinal products. These include:

- Compliance with the EU’s stringent pharmacovigilance or safety reporting rules must be ensured. These rules can impose post-authorization studies and additional monitoring obligations.
- The manufacturing of authorized medicinal products, for which a separate manufacturer’s license is mandatory, must also be conducted in strict compliance with the applicable EU laws, regulations and guidance, including Directive 2001/83/EC, Directive (EU) 2017/1572, Regulation (EC) No 726/2004 and the European Commission Guidelines for Good Manufacturing Practice. These requirements include compliance with EU cGMP standards when manufacturing medicinal products and APIs, including the manufacture of APIs outside of the EU with the intention to import the APIs into the EU.
- The marketing and promotion of authorized products, including industry-sponsored continuing medical education and advertising directed toward the prescribers of products and/or the general public, are strictly regulated in the EU notably under Directive 2001/83/EC, as amended, and EU Member State laws.

The aforementioned EU rules are generally applicable in the EEA.

### *Reform of the Regulatory Framework in the European Union*

The European Commission introduced legislative proposals in April 2023 that, if implemented, will replace the current regulatory framework in the EU for all medicines (including those for rare diseases and for children).

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The European Commission has provided the legislative proposals to the European Parliament and the European Council for their review and approval. In October 2023, the European Parliament published draft reports proposing amendments to the legislative proposals, which will be debated by the European Parliament. Once the European Commission's legislative proposals are approved (with or without amendment), they will be adopted into EU law.

### *Brexit and the Regulatory Framework in the United Kingdom*

The UK ceased being a Member State of the EU on January 31, 2020, and the EU and the UK have concluded a trade and cooperation agreement ("TCA"), which was provisionally applicable since January 1, 2021 and has been formally applicable since May 1, 2021. The TCA includes specific provisions concerning pharmaceuticals, which include the mutual recognition of GMP, inspections of manufacturing facilities for medicinal products and GMP documents issued, but does not provide for wholesale mutual recognition of UK and EU pharmaceutical regulations. At present, Great Britain has implemented previous EU legislation on the marketing, promotion and sale of medicinal products through the Human Medicines Regulations 2012 (as amended) (under the Northern Ireland Protocol, the EU regulatory framework continues to apply in Northern Ireland). Except in respect of the EU Clinical Trials Regulation, the regulatory regime in Great Britain therefore aligns in many ways with current EU medicines regulations, however it is possible that these regimes will diverge more significantly in the future now that Great Britain's regulatory system is independent from the EU and the TCA does not provide for mutual recognition of UK and EU pharmaceutical legislation. However, notwithstanding that there is no wholesale recognition of EU pharmaceutical legislation under the TCA, under a new international recognition framework which was put in place by the MHRA on January 1, 2024, the MHRA may take into account decisions on the approval of marketing authorizations from the EMA (and certain other regulators) when considering an application for a Great Britain or UK marketing authorization.

On February 27, 2023, the UK government and the European Commission announced a political agreement in principle to replace the Northern Ireland Protocol with a new set of arrangements, known as the "Windsor Framework." This new framework fundamentally changes the existing system under the Northern Ireland Protocol, including with respect to the regulation of medicinal products in the UK. In particular, the MHRA will be responsible for approving all medicinal products destined for the UK market (i.e., Great Britain and Northern Ireland), and the EMA will no longer have any role in approving medicinal products destined for Northern Ireland. A single UK-wide marketing authorization will be granted by the MHRA for all medicinal products to be sold in the UK, enabling products to be sold in a single pack and under a single authorization throughout the UK. The Windsor Framework was approved by the EU-UK Joint Committee on March 24, 2023, so the UK government and the EU will enact legislative measures to bring it into law. On June 9, 2023, the MHRA announced that the medicines aspects of the Windsor Framework will apply from January 1, 2025.

### **Other Healthcare Laws**

Our business operations and current and future arrangements with investigators, healthcare professionals, consultants, third-party payors, patient organizations and customers may expose us to broadly applicable fraud and abuse and other healthcare laws and regulations. The laws that may affect our ability to operate include, but are not limited to:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons from knowingly and willfully soliciting, receiving, offering or paying any remuneration (including any kickback, bribe, or rebate), directly or indirectly, overtly or covertly, in cash or in kind, to induce, or in return for, either the referral of an individual, or the purchase, lease, order or recommendation of any good, facility, item or service for which payment may be made, in whole or in part, under a federal healthcare program, such as the Medicare and Medicaid programs. 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. Violations are subject to civil and criminal fines and penalties for each violation, plus up to three times the remuneration involved, imprisonment, and exclusion from government healthcare programs;

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- federal civil and criminal false claims laws, including the False Claims Act (“FCA”), which can be enforced through civil “qui tam” or “whistleblower” actions, and civil monetary penalty laws, which impose criminal and civil penalties against individuals or entities for, among other things, knowingly presenting, or causing to be presented, claims for payment or approval from Medicare, Medicaid or other federal health care programs that are false or fraudulent; knowingly making or causing a false statement material to a false or fraudulent claim or an obligation to pay money to the federal government; or knowingly concealing or knowingly and improperly avoiding or decreasing such an obligation. Manufacturers can be held liable under the FCA even when they do not submit claims directly to government payors if they are deemed to “cause” the submission of false or fraudulent claims. 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 FCA. The FCA also permits a private individual acting as a “whistleblower” to bring actions on behalf of the federal government alleging violations of the FCA and to share in any monetary recovery;
- the federal Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), which created new federal criminal statutes that prohibit knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program or obtain, by means of false or fraudulent pretenses, representations or promises, any of the money or property owned by, or under the custody or control of, any healthcare benefit program, regardless of the payor (e.g., public or private) and knowingly and willfully falsifying, concealing or covering up by any trick or device a material fact or making any materially false statements in connection with the delivery of, or payment for, healthcare benefits, items or services relating to healthcare matters. Similar to the federal Anti-Kickback Statute, a person or entity can be found guilty of violating these statutes without actual knowledge of the statutes or specific intent to violate them in order to have committed a violation;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009 (“HITECH”), imposes requirements on certain covered healthcare providers, health plans and healthcare clearinghouses as well as their respective business associates and their subcontractors that perform services for them that involve the use, or disclosure of, individually identifiable health information, relating to the privacy, security and transmission of individually identifiable health information without appropriate authorization. HITECH also created new tiers of civil monetary penalties, amended HIPAA to make civil and criminal penalties directly applicable to business associates, and gave state attorneys general new authority to file civil actions for damages or injunctions in federal courts to enforce the federal HIPAA laws and seek attorneys’ fees and costs associated with pursuing federal civil actions;
- Even when HIPAA does not apply, according to the Federal Trade Commission (“FTC”), failing to take appropriate steps to keep consumers’ personal information secure constitutes unfair acts or practices in or affecting commerce in violation of Section 5(a) of the Federal Trade Commission Act, 15 U.S.C. § 45(a). 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;
- the federal Physician Payments Sunshine Act, created under the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Reconciliation Act (collectively, the “ACA”) and its implementing regulations, which requires manufacturers of drugs, devices, biologicals and medical supplies for which payment is available under Medicare, Medicaid or the Children’s Health Insurance Program (with certain exceptions) to report annually to the Department of Health and Human Services (“HHS”) information related to payments or other transfers of value made to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), certain other licensed healthcare professionals (i.e., physician assistants, nurse practitioners, clinical nurse specialists, anesthesiologist assistants, certified registered nurse anesthetists, and certified nurse midwives), and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members;

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- federal government price reporting laws, which require us to calculate and report complex pricing metrics in an accurate and timely manner to government programs;
- federal consumer protection and unfair competition laws, which broadly regulate marketplace activities and activities that potentially harm consumers; and
- analogous state and foreign laws and regulations, such as state and foreign anti-kickback, false claims, consumer protection and unfair competition laws which may apply to pharmaceutical business practices, including but not limited to, research, distribution, sales, and marketing arrangements as well as submitting claims involving healthcare items or services reimbursed by any third-party payor, including commercial insurers; state laws that require pharmaceutical companies to comply with the pharmaceutical industry's voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government that otherwise restricts payments that may be made to healthcare providers and other potential referral sources; state laws that require drug manufacturers to file reports with states regarding pricing and marketing information, such as the tracking and reporting of gifts, compensations and other remuneration and items of value provided to healthcare professionals and entities; and state and local laws requiring the registration of pharmaceutical sales representatives.

If our operations are found to be in violation of any of such laws or any other governmental regulations that apply, we may be subject to significant penalties, including, without limitation, administrative, civil and criminal penalties, damages, fines, disgorgement, the curtailment or restructuring of operations, integrity oversight and reporting obligations, exclusion from participation in federal and state healthcare programs and responsible individuals may be subject to imprisonment.

### ***Privacy and Data Security***

In the ordinary course of business, we process sensitive data. Accordingly, we are, or may become, subject to numerous privacy and data security obligations, including global, federal, state, and local laws, regulations, guidance, industry standards, external and internal privacy and security policies, contractual requirements and other obligations related to privacy and data security.

These privacy and data security laws are evolving and may impose potentially conflicting obligations. Such obligations may include, without limitation, federal health information privacy laws, state information security and data breach notification laws, state health information privacy laws, and federal and state consumer protection laws (e.g., the Federal Trade Commission Act). In addition, in the past few years, numerous U.S. states have passed, or are in the process of enacting comprehensive privacy laws, rules, and regulations that impose certain obligations on covered businesses, and similar laws are being considered in several other states, as well as at the federal and state levels. While these states exempt some data processed in the context of clinical trials, these developments may further complicate compliance efforts, and are examples of the increasingly stringent and evolving regulatory frameworks related to personal data processing, as more fully discussed in the section titled "*Risk Factors*" appearing elsewhere in this prospectus.

Additionally, to the extent we collect personal data from individuals outside of the United States, through clinical trials or otherwise, we are, or may become, subject to foreign data and data security laws, such as the European Union's General Data Protection Regulation 2016/679 ("EU GDPR") and other national data protection legislation in force in relevant EEA Member States, and the EU GDPR as it forms part UK law by virtue of section 3 of the European Union (Withdrawal) Act 2018 ("UK GDPR"). Foreign privacy and data security laws impose significant and complex compliance obligations on entities that are subject to those laws, as more fully discussed in the section titled "*Risk Factors*" appearing elsewhere in this prospectus.

### ***Coverage and Reimbursement***

In the United States and markets in other countries, patients who are prescribed treatments for their conditions and providers performing the prescribed services generally rely on third-party payors to reimburse all

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or part of the associated healthcare costs. Thus, even if a product candidate is approved, sales of the product will depend, in part, on the extent to which third-party payors, including government health programs in the United States such as Medicare and Medicaid, commercial health insurers and managed care organizations, provide coverage, and establish adequate reimbursement levels for, the product. Factors payors consider in determining coverage and reimbursement are based on whether the product is:

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

In the United States, no uniform policy of coverage and reimbursement for drug products exists among third-party payors. Therefore, coverage and reimbursement for drug products can differ significantly from payor to payor. The process for determining whether a third-party payor will provide coverage for a product may be separate from the process for setting the price or reimbursement rate that the payor will pay for the product once coverage is approved. Third-party payors are increasingly challenging the prices charged, examining the medical necessity, and reviewing the cost-effectiveness of medical products and services and imposing controls to manage costs. Third-party payors may limit coverage to specific products on an approved list, also known as a formulary, which might not include all of the approved products for a particular indication.

In order to secure coverage and reimbursement for any product that might be approved for sale, a company may need to conduct expensive pharmacoeconomic studies in order to demonstrate the medical necessity and cost-effectiveness of the product, in addition to the costs required to obtain FDA or other comparable regulatory approvals. Additionally, companies may also need to provide discounts to purchasers, private health plans or government healthcare programs. Nonetheless, product candidates may not be considered medically necessary or cost effective. A decision by a third-party payor not to cover a product could reduce physician utilization once the product is approved and have a material adverse effect on sales, results of operations and financial condition. Additionally, a third-party payor's decision to provide coverage for a product does not imply that an adequate reimbursement rate will be approved. Further, one payor's determination to provide coverage for a product does not assure that other payors will also provide coverage and reimbursement for the product, and the level of coverage and reimbursement can differ significantly from payor to payor.

The containment of healthcare costs has become a priority of federal, state and foreign governments, and the prices of products have been a focus in this effort. There have been a number of federal and state proposals during the last few years regarding the pricing of pharmaceutical products, limiting coverage and the amount of reimbursement for drugs and other medical products, government control and other changes to the healthcare system in the United States. Governments have shown significant interest in implementing cost-containment programs, including price controls, restrictions on reimbursement and requirements for substitution of generic products. Net prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs or private payors and by any future relaxation of laws that presently restrict imports of drugs from countries where they may be sold at lower prices than in the United States. Increasingly, third-party payors are requiring that drug companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. We cannot be sure that reimbursement will be available for any product candidate that we commercialize and, if reimbursement is available, the level of reimbursement. Even if favorable coverage and reimbursement status is attained for one or more products for which we receive regulatory approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

In addition, many pharmaceutical manufacturers must calculate and report certain price reporting metrics to the government, such as average sales price ("ASP") and best price. Penalties may apply in some cases when

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such metrics are not submitted accurately and timely. Further, these prices for drugs may be reduced by mandatory discounts or rebates required by government healthcare programs. Adoption of price controls and cost-containment measures, and adoption of more restrictive policies in jurisdictions with existing controls and measures, could further limit a company's revenue generated from the sale of any approved products. Even if we do receive a favorable coverage determination for approved products by third-party payors, coverage policies and third-party payor reimbursement rates may change at any time.

Moreover, payment methodologies may be subject to changes in healthcare legislation and regulatory initiatives. For example, the U.S. Centers for Medicare & Medicaid Services ("CMS") may develop new payment and delivery models, such as bundled payment models. In addition, recently there has been heightened governmental scrutiny over the manner in which manufacturers set prices for their commercial products, which has resulted in several U.S. Congressional inquiries and proposed and enacted state and federal legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for pharmaceutical products. Congress has indicated that it will continue to seek new legislative measures to control drug costs.

Outside the United States, ensuring coverage and adequate payment for a product also involves challenges. Pricing of prescription pharmaceuticals is subject to government control in many countries. Pricing negotiations with government authorities can extend well beyond the receipt of regulatory approval for a product and may require a clinical trial that compares the cost-effectiveness of a product to other available therapies. The conduct of such a clinical trial could be expensive and result in delays in commercialization.

In the EU, pricing and reimbursement schemes vary widely from country to country. Some countries provide that products may be marketed only after a reimbursement price has been agreed. Some countries may require the completion of additional studies that compare the cost-effectiveness of a particular product candidate to currently available therapies or so-called health technology assessments, in order to obtain reimbursement or pricing approval. For example, the EU Member States have the option to restrict the range of products for which their national health insurance systems provide reimbursement and to control the prices of medicinal products for human use. EU Member States may approve a specific price for a product or it may instead adopt a system of direct or indirect controls on the profitability of the company placing the product on the market. Other EU Member States allow companies to fix their own prices for products but monitor and control prescription volumes and issue guidance to physicians to limit prescriptions. Recently, many countries in the EU have increased the amount of discounts required on pharmaceuticals and these efforts could continue as countries attempt to manage healthcare expenditures, especially in light of the severe fiscal and debt crises experienced by many countries in the EU. The downward pressure on healthcare costs in general, particularly prescription products, has become intense. As a result, increasingly high barriers are being erected to the entry of new products. Political, economic and regulatory developments may further complicate pricing negotiations, and pricing negotiations may continue after reimbursement has been obtained. Reference pricing used by various EU Member States, and parallel trade, i.e., arbitrage between low-priced and high-priced EU Member States, can further reduce prices. There can be no assurance that any country that has price controls or reimbursement limitations for pharmaceutical products will allow favorable reimbursement and pricing arrangements for any products, if approved in those countries.

### ***Current and Future U.S. Healthcare Reform***

In the U.S., there have been a number of legislative and regulatory changes to the healthcare system that could impact our ability to sell our products profitably. For example, in March 2010, the ACA was enacted, which substantially changed the way healthcare is financed by both governmental and private insurers, and significantly affected the pharmaceutical industry. The ACA contained a number of provisions, including those



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governing enrollment in federal healthcare programs, reimbursement adjustments and changes to fraud and abuse laws. For example, the ACA, among other things:

- increased the minimum level of Medicaid rebates payable by manufacturers of brand name drugs from 15.1% to 23.1% of the average manufacturer price;
- required collection of rebates for drugs paid by Medicaid managed care organizations;
- required manufacturers to participate in a coverage gap discount program, under which they must agree to offer 50 percent point-of-sale discount off negotiated prices of applicable brand drugs to eligible beneficiaries during their coverage gap period, as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D (later increased to 70%); and
- imposed a non-deductible annual fee on pharmaceutical manufacturers or importers who sell "branded prescription drugs" to specified federal government programs.

Since its enactment, there have been judicial, administrative, executive, and legislative challenges to certain aspects of the ACA as well as executive orders related to the ACA's implementation. For example, President Biden has issued multiple executive orders that have sought to reduce prescription drug costs. In addition, on June 17, 2021, the U.S. Supreme Court dismissed the most recent judicial challenge to the ACA brought by several states without specifically ruling on the constitutionality of the ACA. It is unclear how other healthcare reform measures of the Biden administrations or other efforts, if any, to challenge repeal or replace the ACA, will impact our business.

There has been increasing legislative and enforcement interest in the United States with respect to drug pricing practices. Specifically, there have been several recent U.S. Congressional inquiries and proposed federal and state legislation designed to, among other things, bring more transparency to drug pricing, reduce the cost of prescription drugs under Medicare, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for drugs. For example, the Inflation Reduction Act of 2022 ("IRA"), among other things, (i) directs HHS to negotiate the price of certain high-expenditure, single-source drugs and biologics covered under Medicare, and subject drug manufacturers to civil monetary penalties and a potential excise tax by offering a price that is not equal to or less than the negotiated "maximum fair price" for such drugs and biologics under the law, and (ii) imposes rebates with respect to certain drugs and biologics covered under Medicare Part B or Medicare Part D to penalize price increases that outpace inflation. The IRA permits HHS to implement many of these provisions through guidance, as opposed to regulation, for the initial years. These provisions take effect progressively starting in fiscal year 2023. On August 29, 2023, HHS announced the list of the first ten drugs that will be subject to price negotiations, although the Medicare drug price negotiation program is currently subject to legal challenges. It is unclear how the IRA will be implemented but is likely to have a significant impact on the pharmaceutical industry. Further, on December 7, 2023, the Biden administration announced an initiative to control the price of prescription drugs through the use of march-in rights under the Bayh-Dole Act. On December 8, 2023, the National Institute of Standards and Technology published for comment a Draft Interagency Guidance Framework for Considering the Exercise of March-In Rights which for the first time includes the price of a product as one factor an agency can use when deciding to exercise march-in rights. While march-in rights have not previously been exercised, it is uncertain if that will continue under the new framework.

In 2020, FDA released its implementing regulations regarding section 804 Importation Programs under the Medicare Prescription Drug Improvement and Modernization Act of 2003. These regulations provide guidance for states to build and submit importation plans for certain drugs from Canada. On September 25, 2020, CMS stated drugs imported by states under this rule will not be eligible for federal rebates under Section 1927 of the Social Security Act and manufacturers would not report these drugs for "best price" or Average Manufacturer Price purposes. Since these drugs are not considered covered outpatient drugs, CMS further stated it will not publish a National Average Drug Acquisition Cost for these drugs. On January 5, 2024, the FDA authorized Florida's drug importation plan, the first in the country to be so-authorized. If broadly implemented, importation



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of drugs under this program from Canada may materially and adversely affect the price we receive for any of our product candidates.

Additionally, on December 2, 2020, HHS published a regulation removing safe harbor protection for price reductions from pharmaceutical manufacturers to plan sponsors under Medicare Part D, either directly or through pharmacy benefit managers, unless the price reduction is required by law. The rule also creates a new safe harbor for price reductions reflected at the point-of-sale, as well as a safe harbor for certain fixed fee arrangements between pharmacy benefit managers and manufacturers. The IRA delayed implementation of this rule to January 1, 2032.

Other legislative and regulatory changes have been proposed and adopted in the United States since the ACA was enacted:

- The U.S. Budget Control Act of 2011, among other things, included aggregate reductions of Medicare payments to providers of 2% per fiscal year, and, due to subsequent legislative amendments to the statute, will remain in effect until 2032.
- The U.S. American Taxpayer Relief Act of 2012, among other things, further reduced Medicare payments to several types of providers.
- The American Rescue Plan Act of 2021 eliminates the statutory Medicaid drug rebate cap, currently set at 100% of a drug's average manufacturer price, for single source and innovator multiple source drugs, effective January 1, 2024. These laws and regulations may result in additional reductions in Medicare and other healthcare funding and otherwise affect the prices we may obtain for any of our product candidates for which we may obtain regulatory approval or the frequency with which any such product candidate is prescribed or used.
- The IRA also includes several other provisions that may impact our business to varying degrees, including provisions that create a \$2,000 out-of-pocket cap for Medicare Part D beneficiaries, and impose new manufacturer financial liability on all drugs in Medicare Part D.

Individual states have also been increasingly active in passing legislation and implementing regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. In addition, regional health care authorities and individual hospitals are increasingly using bidding procedures to determine what pharmaceutical products and which suppliers will be included in their prescription drug and other health care programs. We expect that additional state and federal healthcare reform measures will be adopted in the future, particularly in light of the new presidential administration, any of which could limit the amounts that federal and state governments will pay for healthcare products and services.

Although a number of these and other proposed measures may require authorization through additional legislation to become effective, and the Biden administration may reverse or otherwise change these measures, both the Biden administration and Congress have indicated that they will continue to seek new legislative measures to control drug costs.

## **Facilities**

Our corporate headquarters are located in Boston, Massachusetts, where we lease and occupy approximately 11,000 square feet of office space. Our Boston lease expires in December 2026. We also lease and occupy approximately 10,000 square feet of office and laboratory space in San Diego, California. We will continue to lease this space in San Diego until the commencement of our lease of a larger space in San Diego, comprised of approximately 21,000 square feet of office and laboratory space, which is expected to commence in December 2024 and will expire in December 2029.

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We believe our existing facilities in Boston and San Diego are sufficient for our needs for the foreseeable future. To meet the future needs of our business, we may lease additional or alternate space, and we believe suitable additional or alternative space will be available in the future on commercially reasonable terms.

### **Employees and human capital resources**

As of March 20, 2024, we had 52 full-time employees and 80 consultants, and approximately 15 of our employees have M.D. or Ph.D. degrees. Within our workforce, 35 employees are engaged in research and development and 17 are engaged in business development, finance, legal, and general management and administration. Our human capital resources objectives include identifying, recruiting, retaining, incentivizing and integrating our existing and new employees, advisors and consultants. None of our employees are represented by a labor union or covered by a collective bargaining agreement. We consider our relationship with our employees to be good.

### **Legal proceedings**

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

## MANAGEMENT

### Executive Officers and Directors

The following table sets forth information regarding our executive officers and directors as of March 25, 2024:

Name	Age	Position
<i>Executive Officers:</i>		
Abraham N. Ceesay, M.B.A.	45	Chief Executive Officer and Director
Troy Ignelzi	56	Chief Financial Officer
David Bredt, M.D., Ph.D. <sup>(4)</sup>	59	Chief Scientific Officer and Director
Bradley S. Galer, M.D.	62	Chief Medical Officer
Cheryl Gault	44	Chief Operating Officer
Kathy Wilkinson	52	Chief People Officer
Swamy Yeleswaram, Ph.D.	61	Chief Development Officer
<i>Non-Employee Directors:</i>		
Steven M. Paul, M.D.	73	Director and Chairman
Terry-Ann Burrell, M.B.A.	47	Director
James I. Healy, M.D., Ph.D.	59	Director
Reid Huber, Ph.D.	52	Director
Raymond Kelleher, M.D., Ph.D. <sup>(4)</sup>	58	Director
John Maraganore, Ph.D.	61	Director
Jeffrey K. Tong, Ph.D.	49	Director

(1) Member of the compensation committee.

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

(3) Member of the audit committee.

(4) Dr. Bredt and Dr. Kelleher have each notified us that they will resign from our board of directors immediately prior to the effectiveness of the registration statement of which this prospectus forms a part.

### Executive Officers

**Abraham N. Ceesay, M.B.A.** Mr. Ceesay has served as our President and Chief Executive Officer since February 2023 and has been a member of our board of directors since March 2023. Prior to joining us, from April 2021 to March 2023, Mr. Ceesay served as President of Cerevel Therapeutics Holdings, Inc. (Nasdaq: CERE). Mr. Ceesay served as the Chief Executive Officer at Tiburio Therapeutics Inc. from January 2019 to April 2021. Mr. Ceesay has served on the board of directors of Pacira Biosciences, Inc. (Nasdaq: PCRX) since October 2023. Mr. Ceesay also currently serves as Chairman of the Board for Life Science Cares and on the Board of Trustees at The Museum of Science in Boston, Massachusetts. Mr. Ceesay received a Bachelor of Science degree from Ithaca College and a Master of Business Administration degree from Suffolk University's Sawyer School of Management. We believe Mr. Ceesay is qualified to serve as a member of our board of directors because of his prior experiences serving as an officer and director in, and his extensive knowledge of, the biopharmaceutical industry.

**Troy Ignelzi.** Mr. Ignelzi has served as our Chief Financial Officer since November 2023. Prior to joining us, from March 2019 to September 2023, Mr. Ignelzi served as Chief Financial Officer at Karuna Therapeutics, Inc. (Nasdaq: KRTX, prior to its recent acquisition by Bristol Myers Squibb Company). Mr. Ignelzi has served on the boards of directors of Vedanta Biosciences, Inc. since November 2020, and Abivax S.A. (Nasdaq: ABVX) since July 2023. Mr. Ignelzi has also served as an advisor to Sofinnova Investments, Inc. since March 2024. Mr. Ignelzi previously served on the board of directors of CinCor Pharma, Inc. (Nasdaq: CINC, prior to its recent acquisition by AstraZeneca PLC) from March 2021 to February 2023. Mr. Ignelzi received a Bachelor of Science degree in accounting from Ferris State University.

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**David Brecht, M.D., Ph.D.** Dr. Brecht has served as our Chief Scientific Officer since January 2023 and a member of our board of directors since December 2022. Prior to joining us, from February 2022 to December 2022, Dr. Brecht served as an Entrepreneur in Residence at Third Rock Ventures LLC (“Third Rock”). From March 2021 to August 2021, Dr. Brecht served as Executive Partner at MPM Capital LLC. From March 2011 to March 2021, Dr. Brecht served as Global Head of Neuroscience Discovery at Janssen Global Services, LLC, a wholly-owned subsidiary of Johnson & Johnson Services, Inc. (NYSE: JNJ) (“J&J Services”). Dr. Brecht has served on the Neuroscience Forum, Institute of Medicine for National Academy of Sciences, and the Advisory Panel for the National Institute of Neurological Disorders and Stroke. Dr. Brecht received a Bachelor of Arts degree in chemistry from Princeton University, a Doctor of Philosophy degree from the Johns Hopkins School of Medicine and a Doctor of Medicine degree from the Johns Hopkins School of Medicine. We believe that Dr. Brecht is qualified to serve on our board of directors due to his extensive expertise in neuroscience.

Dr. Brecht has notified us that he will resign from our board of directors immediately prior to the effectiveness of the registration statement of which this prospectus forms a part. Dr. Brecht’s resignation is in accordance with Section 2.2(g) of our Amended and Restated Stockholders Agreement, dated April 7, 2023, and not due to any disagreement with us or any matters relating to our operations, policies or practices. Following his resignation from our board of directors, Dr. Brecht will continue to serve as our Chief Scientific Officer.

**Bradley S. Galer, M.D.** Dr. Galer has served as our Chief Medical Officer since January 2023. Prior to joining us, Dr. Galer served as Executive Vice President and Chief Medical Officer at Zogenix, Inc. from December 2013 to April 2022. Early in his career, Dr. Galer served as an Assistant Professor at the University of Washington School of Medicine and an Associate Professor at Albert Einstein School of Medicine. Dr. Galer had pain fellowships at Memorial Sloane-Kettering in New York and University of California, San Francisco, as well as headache training at Montefiore Headache Clinic in New York and University of California, San Francisco. Dr. Galer has a Bachelor of Arts degree in biology-psychology (with a focus in neuroscience) from Wesleyan University. He received his Doctor of Medicine from Albert Einstein College of Medicine in New York where he also completed his neurology residency and was appointed Chief Resident.

**Cheryl Gault.** Ms. Gault has served as our Chief Operating Officer since September 2023. Prior to joining us, Ms. Gault was employed by Cycleron Therapeutics, Inc. (Nasdaq: CYCN) from April 2019 to July 2023, where she held various positions of increasing responsibility, including Vice President of Head of Strategy from April 2019 to May 2020, Senior Vice President of Strategy and Corporate Development from May 2020 to January 2021, and most recently, Chief Operating Officer from January 2021 to July 2023. From February 2017 to April 2019, Ms. Gault served as Vice President of Commercial Strategy & New Product Planning at Ironwood. Ms. Gault received a Bachelor of Science degree in marketing from Boston College.

**Kathy Wilkinson.** Ms. Wilkinson has served as our Chief People Officer since February 2024. Prior to joining us, from January 2022 to February 2024, Ms. Wilkinson served as Chief People Officer at 2seventy bio, Inc. (Nasdaq: TSVT). From July 2021 to December 2021, Ms. Wilkinson served as a human resources advisor for bluebird bio, Inc. (Nasdaq: BLUE), where she previously held positions of increasing responsibility from November 2012 to July 2021, including Chief People Officer. Ms. Wilkinson received a Bachelor of Arts degree in sociology from Harvard University.

**Swamy Yeleswaram, Ph.D.** Dr. Yeleswaram has served as our Chief Development Officer since January 2023. Prior to joining us, from August 2022 to December 2022, Dr. Yeleswaram served as an Entrepreneur in Residence at Third Rock. Prior to this, Dr. Yeleswaram was a founding scientist at Incyte Corporation (Nasdaq: INCY), where he held positions of increasing responsibility from January 2002 to July 2022, most recently as Group Vice President of Drug Metabolism, Pharmacokinetics, and Clinical Pharmacology from February 2016 to August 2022. Dr. Yeleswaram received a Bachelor Degree in pharmacy from Madras Medical College, a Master’s Degree in pharmaceutical sciences from Banaras Hindu University and a Doctor of Philosophy degree in pharmaceutical sciences from the University of British Columbia.

*Non-Executive Directors*

**Steven M. Paul, M.D.** Dr. Paul has been a member and chairman of our board of directors since December 2022. From August 2018 to January 2024, Dr. Paul served in senior leadership roles at Karuna Therapeutics, Inc. (Nasdaq: KRTX, prior to its recent acquisition by Bristol Myers Squibb Company), including as Chief Scientific Officer and President of Research and Development from January 2023 to January 2024, and President, Chief Executive Officer and Chairman of the board of directors from August 2018 to January 2023. Dr. Paul has also served as a Venture Partner at Third Rock since 2010. Dr. Paul is also board certified by the American Board of Psychiatry and Neurology. Dr. Paul has served on the board of directors of Sage Therapeutics, Inc. (Nasdaq: SAGE) since September 2011 and is also the chairman of the board of the Foundation for the National Institutes of Health. Previously, Dr. Paul served on the boards of directors of Alnylam Pharmaceuticals, Inc. (Nasdaq: ALNY) from September 2010 to April 2022, Voyager Therapeutics, Inc. (Nasdaq: VYGR) from September 2014 to June 2022 and Karuna Therapeutics, Inc. from March 2018 to March 2024. Dr. Paul also previously spent 17 years at Eli Lilly and Company (NYSE: LLY), during which time he held several leadership roles, including Executive Vice President for Science and Technology, and President of the Lilly Research Laboratories. Dr. Paul received a Bachelor of Arts degree in biology and psychology from Tulane University and Master of Science and Doctor of Medicine degrees from the Tulane University School of Medicine. We believe that Dr. Paul is qualified to serve on our board of directors due to his numerous leadership roles in the pharmaceutical and biotechnology industry and his expertise in neuroscience.

**Terry-Ann Burrell, M.B.A.** Ms. Burrell has been a member of our board of directors since January 2024. Since August 2019, Ms. Burrell has served as the Chief Financial Officer and Treasurer of Beam Therapeutics Inc. (Nasdaq: BEAM). Prior to this, from May 2008 to August 2019, Ms. Burrell worked at J.P. Morgan Chase & Co., most recently as a Managing Director in the healthcare investment banking group from May 2018 to August 2019. Since April 2020, Ms. Burrell has served on the board of directors of Recursion Pharmaceuticals, Inc. (Nasdaq: RXX). Ms. Burrell received a Bachelor of Arts degree in social studies from Harvard University and a Master of Business Administration degree from New York University Leonard N. Stern School of Business. We believe Ms. Burrell is qualified to serve on our board of directors because of her broad range of financial expertise and her senior management experience in the biotechnology and pharmaceutical industries.

**James I. Healy, M.D., Ph.D.** Dr. Healy has been a member of our board of directors since August 2023. Dr. Healy has served as Managing Partner of Sofinnova Investments, Inc. since June 2000. Dr. Healy has served on the boards of directors of ArriVent Biopharma, Inc. (Nasdaq: AVBP) since March 2023, Bolt Biotherapeutics, Inc. (Nasdaq: BOLT) since January 2021, Natera, Inc. (Nasdaq: NTRA) since November 2014, and Y-mAbs Therapeutics, Inc. (Nasdaq: YMAB) since November 2017. Previously, Dr. Healy served on numerous public company boards of directors including Ascendis Pharma A/S (Nasdaq: ASND) from November 2014 to May 2022, Amarin Corporation PLC (Nasdaq: AMRN) from May 2008 to December 2016, CinCor Pharma, Inc. (Nasdaq: CINC, prior to its recent acquisition by AstraZeneca PLC) from May 2019 to February 2023, Coherus BioSciences, Inc. (Nasdaq: CHRS) from February 2014 to February 2022, Karuna Therapeutics, Inc. (Nasdaq: KRTX, prior to its recent acquisition by Bristol Myers Squibb Company) from June 2019 to March 2024, Iterum Therapeutics plc (Nasdaq: ITRM) from November 2015 to February 2020, ObsEva SA (Nasdaq: OBSEF) from August 2013 to May 2021, and NuCana PLC (Nasdaq: NCNA) from March 2014 to April 2022. He also previously served as a director on the Board of the National Venture Capital Association (NVCA) and the Board of the Biotechnology Industry Organization (BIO). Dr. Healy holds Bachelor of Arts degrees in molecular biology and Scandinavian studies from the University of California, Berkeley, and Doctor of Medicine and Doctor of Philosophy degrees in immunology from Stanford University School of Medicine. We believe that Dr. Healy is qualified to serve on our board of directors due to his extensive experience and leadership roles in the biopharmaceutical industry and expertise in healthcare investing.

**Reid Huber, Ph.D.** Dr. Huber has been a member of our board of directors since February 2022 and previously served as our President and Chief Executive Officer from February 2022 to February 2023. Dr. Huber also served as a Partner at Third Rock since December 2018 and currently serves as the Chief Executive Officer

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of Merida Biosciences, a position he has held since July 2022. From April 2021 to April 2022 Dr. Huber served as Chief Executive Officer of MOMA Therapeutics, Inc. (“MOMA”). Dr. Huber has served on the boards of directors of Bellicum Pharmaceuticals, Inc. (previously Nasdaq: BLCM) since October 2014 and CARGO Therapeutics, Inc. (Nasdaq: CRGX) since March 2023, and previously served on the board of directors of Tango Therapeutics, Inc. (Nasdaq: TNGX) from July 2019 to November 2023. Dr. Huber also serves on the board of directors of The American Cancer Society. Dr. Huber received a Bachelor of Science degree in molecular genetics/biochemistry from Murray State University, a Doctor of Philosophy degree in molecular genetics from the Washington University School of Medicine and held pre-and post-doctoral fellowships at the National Institutes of Health. We believe that Dr. Huber is qualified to serve on our board of directors due to his extensive background in the pharmaceutical industry and senior management experience.

**Raymond Kelleher, M.D., Ph.D.** Dr. Kelleher has been a member of our board of directors since August 2023. Dr. Kelleher has served as Managing Director at Cormorant Asset Management LLC since July 2020. Dr. Kelleher has also maintained an active clinical neurology practice at Massachusetts General Hospital specializing in neurodegenerative disorders, particularly Alzheimer’s disease and related dementias, since 1994. Dr. Kelleher served as an Assistant Professor of Neurology at Harvard Medical School from July 2005 to October 2023. Dr. Kelleher received his Bachelor of Science degree from Massachusetts Institute of Technology, his Doctor of Philosophy degree from Stanford University and his Doctor of Medicine degree from Stanford University School of Medicine. We believe that Dr. Kelleher is qualified to serve on our board of directors due to his extensive expertise in neurology and background in healthcare investing.

Dr. Kelleher has notified us that he will resign from our board of directors immediately prior to the effectiveness of the registration statement of which this prospectus forms a part. Dr. Kelleher’s resignation is not due to any disagreement with us or any matters relating to our operations, policies or practices.

**John Maraganore, Ph.D.** Dr. Maraganore has been a member of our board of directors since March 2024. Since January 2022, Dr. Maraganore has served as the principal of JMM Innovations, LLC. He has also served as a Venture Partner at ARCH Venture Partners since October 2021, a Venture Advisor at Atlas Venture since January 2022, and a Senior Advisor at Blackstone Life Sciences since January 2022. Previously, Dr. Maraganore was the founding Chief Executive Officer of Alnylam Pharmaceuticals, Inc. (Nasdaq: ALNY), and a member of its board of directors from December 2002 to December 2021. Dr. Maraganore has been a member of the board of directors of Beam Therapeutics Inc. (Nasdaq: BEAM) since November 2021, ProKidney Corporation (Nasdaq: PROK) since July 2022, Takeda Pharmaceutical Company Limited (NYSE: TAK) since June 2022, and Kymera Therapeutics, Inc. (Nasdaq: KYMR) since January 2023. He has also been a member of the board of the Biotechnology Industry Organization since 2017, of which he was chair from 2017 to 2019 and has served as chair emeritus since 2022, and a member of the BIO Executive Committee since June 2013. Dr. Maraganore also previously served on the board of directors of Agios Pharmaceuticals, Inc. (Nasdaq: AGIO) from June 2010 to May 2023. Dr. Maraganore holds a Bachelor of Arts degree in biological sciences, and Master of Science and Doctor of Philosophy degrees in biochemistry and molecular biology, in each case from the University of Chicago. We believe that Dr. Maraganore’s experience as chief executive officer of a public biotechnology company and as a board member of other public biotechnology companies qualify him to serve as a member of our board of directors.

**Jeffrey K. Tong, Ph.D.** Dr. Tong has been a member of our board of directors since December 2022 and previously served as our Treasurer from December 2022 to August 2023. Dr. Tong is a Partner at Third Rock which he joined in May 2016. Earlier in his career, Dr. Tong served as Executive Chairman of the board of directors of Delinia, Inc. (acquired by Celgene Corporation), and President and Chief Executive Officer of Nora Therapeutics, Inc., a private company. He was also a member of the management team at Infinity Pharmaceuticals, Inc. (Nasdaq: INFIQ). Dr. Tong previously served on the board of directors of Nurix Therapeutics, Inc. (Nasdaq: NRIX) from February 2018 to May 2022. Dr. Tong received his educational training at the interface of molecular biology, organic chemistry, and medicine and holds a Bachelor of Arts degree from Harvard College, a Master of Arts degree and Doctor of Philosophy degree from Harvard University, and a

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Master of Medical Sciences degree from the Harvard Medical School. We believe that Dr. Tong is qualified to serve on our board of directors based on his significant experience building and leading successful biotechnology companies and his scientific expertise.

### **Family Relationships**

There are no family relationships among any of our executive officers or directors.

### **Composition of Our Board of Directors**

Our business and affairs are managed under the direction of our board of directors, which will consist of seven members after giving effect to the resignations of Dr. Bredt and Dr. Kelleher immediately prior to the effectiveness of the registration statement of which this prospectus forms a part. 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 additionally as required.

Certain members of our board of directors were elected under the provisions of our second amended and restated certificate of incorporation and agreements with our stockholders. These board composition provisions will terminate upon the completion of this offering. Upon the termination of these provisions, there will be no further contractual obligations regarding the election of our directors. Our nominating and corporate governance committee and our board of directors may therefore consider a broad range of factors relating to the qualifications and background of nominees. Our nominating and corporate governance committee's and our board of directors' priority in selecting board members is identification of persons who will further the interests of our stockholders through their established record of professional accomplishment, the ability to contribute positively to the collaborative culture among board members, knowledge of our business, understanding of the competitive landscape, professional and personal experiences, and expertise relevant to our growth strategy. Our directors hold office until their successors have been elected and qualified or until the earlier of their resignation or removal. Our third amended and restated certificate of incorporation, which will become effective immediately prior to the completion of this offering, and our amended and restated bylaws, which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part, also provide that our directors may be removed only for cause by the affirmative vote of the holders of at least two-thirds of the votes that all our stockholders would be entitled to cast in an annual election of directors, and that any vacancy on our board of directors, including a vacancy resulting from an enlargement of our board of directors, may be filled only by vote of a majority of our directors then in office.

### **Staggered Board**

Our third amended and restated certificate of incorporation, which will become effective immediately prior to the completion of this offering, and our amended and restated bylaws, which will be effective upon the effectiveness of the registration statement of which this prospectus forms a part, will permit our board of directors to establish the authorized number of directors from time to time by resolution. Each director serves until the expiration of the term for which such director was elected or appointed, or until such director's earlier death, resignation or removal. In accordance with our third amended and restated certificate of incorporation, our board of directors will be divided into three classes with staggered three-year terms. At each annual meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. Our directors will be divided among the three classes as follows:

- the Class I directors will be [redacted] and [redacted] and their terms will expire at our first annual meeting of stockholders following this offering, to be held in [redacted] ;
- the Class II directors will be [redacted] and [redacted] and their terms will expire at our second annual meeting of stockholders following this offering, to be held in [redacted] ; and



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- the Class III directors will be \_\_\_\_\_ and \_\_\_\_\_ and their terms will expire at our third annual meeting of stockholders following this offering, to be held in \_\_\_\_\_.

We expect that any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one third of the directors. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control.

This classification of our board of directors may have the effect of delaying or preventing changes in control of our company.

### **Director Independence**

Under the listing standards, requirements and rules of The Nasdaq Stock Market LLC (“Nasdaq Listing Rules”), independent directors must comprise a majority of our board of directors as a listed company within one year of the listing date.

Our board of directors has undertaken a review of the independence of each director. Based on information provided by each director concerning her or his background, employment, and affiliations, including family relationships, our board of directors has determined that \_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_ do not have relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is “independent” as that term is defined under the Nasdaq Listing Rules. Our board of directors has determined that Mr. Ceesay and Dr. Bredt, by virtue of their employment relationships with us, are not independent under applicable rules and regulations of the SEC and the Nasdaq Listing Rules. In making these determinations, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our shares by each non-employee director and the transactions described in the section titled “*Certain Relationships and Related Person Transactions.*”

### **Board Diversity Policies**

In connection with this offering, we intend to adopt policies and procedures for director candidates for our nominating and corporate governance committee, which will provide that the value of diversity should be considered in determining director candidates, as well as other factors, such as a candidate’s character, judgment, skills, education, expertise, and absence of conflicts of interest. Our priority in selection of board members will be identification of members who will further the interests of our stockholders through their established records of professional accomplishment, their ability to contribute positively to the collaborative culture among board members, and their knowledge of our business and understanding of the competitive landscape in which we operate and adherence to high ethical standards. The nominating and corporate governance committee and the full board of directors are committed to creating a board of directors with diversity, including diversity of expertise, experience, background, and gender, and are committed to identifying, recruiting, and advancing candidates offering such diversity in future searches.

### **Board Leadership Structure and Board’s Role in Risk Oversight**

Currently, the role of chairman of our board of directors is separated from the role of chief executive officer. We believe that separating these positions allows our chief executive officer to focus on our day-to-day business, while allowing the chairman of our board to lead the board of directors in its fundamental role of providing advice to and independent oversight of management. Our board of directors recognizes the time, effort and energy that the chief executive officer is required to devote to his position in the current business environment, as



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well as the commitment required to serve as our chair of our board of directors, particularly as the board of directors' oversight responsibilities continue to grow. While our bylaws and corporate governance guidelines do not require that our board chair and chief executive officer positions be separate, our board of directors believes that having separate positions is the appropriate leadership structure for us at this time and demonstrates our commitment to good corporate governance.

Risk is inherent with every business, and how well a business manages risk can ultimately determine its success. We face a number of risks, including risks relating to our financial condition, development and commercialization activities, operations, strategic direction, and intellectual property as more fully discussed in the section titled "*Risk Factors*" appearing elsewhere in this prospectus. Management is responsible for the day-to-day management of risks we face, while our board of directors, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, our board of directors has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate and functioning as designed.

The role of the board of directors in overseeing the management of our risks is conducted primarily through committees of the board of directors, as disclosed in the descriptions of each of the committees below and in the charters of each of the committees. The full board of directors (or the appropriate board committee in the case of risks that are under the purview of a particular committee) discusses with management our major risk exposures, their potential impact on us, and the steps we take to manage them. When a board committee is responsible for evaluating and overseeing the management of a particular risk or risks, the chairperson of the relevant committee reports on the discussion to the full board of directors during the committee reports portion of the next board meeting. This enables the board of directors and its committees to coordinate the risk oversight role, particularly with respect to risk interrelationships.

### **Committees of Our Board of Directors**

Our board of directors has established an audit committee, a compensation committee, and a nominating and corporate governance committee. The composition and responsibilities of each of the committees of our board of directors are described below. Members serve on these committees until their resignation or until otherwise determined by our board of directors. Each committee intends to adopt a written charter that satisfies the application rules and regulation of the SEC and the Nasdaq Listing Rules, which we will post to our website at [www.rapportrx.com](http://www.rapportrx.com) upon the completion of this offering. Our board of directors may establish other committees as it deems necessary or appropriate from time to time.

#### ***Audit Committee***

Upon the completion of this offering, our audit committee will consist of \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_, and the chair of our audit committee will be \_\_\_\_\_. Our board of directors has determined that each member of the audit committee is independent under Nasdaq Listing Rules and Rule 10A-3(b)(1) of the Exchange Act and can read and understand fundamental financial statements in accordance with applicable requirements. Our board of directors has also determined that \_\_\_\_\_ is an "audit committee financial expert" within the meaning of SEC regulations. In arriving at these determinations, our board of directors has examined each audit committee member's scope of experience and the nature of their employment in the corporate finance sector.

The primary purpose of the audit committee is to discharge the responsibilities of our board of directors with respect to our corporate accounting and financial reporting processes, systems of internal control and financial-statement audits, and to oversee our independent registered public accounting firm. Specific responsibilities of our audit committee include:

- helping our board of directors oversee our corporate accounting and financial reporting processes;
- managing the selection, engagement, qualifications, independence and performance of a qualified firm to serve as the independent registered public accounting firm to audit our financial statements;

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- discussing the scope and results of the audit with the independent registered public accounting firm, and reviewing, with management and the independent accountants, our interim and year-end operating results;
- developing procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- reviewing related person transactions;
- establishing insurance coverage for our officers and directors;
- overseeing the preparation of our annual proxy statement, reviewing with management our financial statements to be included in our quarterly reports to be filed with the SEC, and reviewing with management the “*Risk Factors*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” disclosures in our periodic reports filed with the SEC; and
- approving, or, as permitted, pre-approving, audit and permissible non-audit services to be performed by the independent registered public accounting firm.

Our audit committee will operate under a written charter, which will be effective upon the completion of this offering, that satisfies the applicable Nasdaq Listing Rules.

### ***Compensation Committee***

Upon the completion of this offering, our compensation committee will consist of \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_, and the chair of our compensation committee will be \_\_\_\_\_. Our board of directors has determined that each member of the compensation committee is independent under the Nasdaq Listing Rules and is a “non-employee director” as defined in Rule 16b-3 promulgated under the Exchange Act.

The primary purpose of our compensation committee is to discharge the responsibilities of our board of directors in overseeing our compensation policies, plans, and programs and to review and determine the compensation to be paid to our executive officers, directors, and other senior management, as appropriate. Specific responsibilities of our compensation committee include:

- reviewing and approving the compensation of our chief executive officer, other executive officers, and senior management;
- reviewing and recommending to our board of directors the compensation paid to our directors;
- reviewing and approving the compensation arrangements with our executive officers and other senior management;
- administering our equity incentive plans and other benefit programs;
- reviewing, adopting, amending, and terminating incentive compensation and equity plans, severance agreements, profit sharing plans, bonus plans, change-of-control protections, and any other compensatory arrangements for our executive officers and other senior management;
- reviewing, evaluating and recommending to our board of directors succession plans for our executive officers; and
- reviewing and establishing general policies relating to compensation and benefits of our employees, including our overall compensation philosophy.

Our compensation committee will operate under a written charter, which will be effective upon the completion of this offering, that satisfies the applicable Nasdaq Listing Rules.

### ***Nominating and Corporate Governance Committee***

Upon the completion of this offering, our nominating and corporate governance committee will consist of \_\_\_\_\_, \_\_\_\_\_ and \_\_\_\_\_, and the chair of our nominating and corporate governance committee will be \_\_\_\_\_. Our board of directors has determined that each member of the nominating and corporate governance committee is independent under the Nasdaq Listing Rules, a non-employee director, and free from any relationship that would interfere with the exercise of his or her independent judgment.

The primary purpose of the nominating and corporate governance committee is to discharge the responsibilities of our board of directors with respect to our corporate governance functions and to identify, communicate with, evaluate and recommend candidates for our board of directors. Specific responsibilities of our nominating and corporate governance committee include:

- identifying and evaluating candidates, including the nomination of incumbent directors for reelection and nominees recommended by stockholders, to serve on our board of directors;
- considering and making recommendations to our board of directors regarding the composition and chairmanship of the committees of our board of directors;
- instituting plans or programs for the continuing education of our board of directors and orientation of new directors;
- developing and making recommendations to our board of directors regarding corporate governance guidelines and matters; and
- overseeing periodic evaluations of the board of directors' performance, including committees of the board of directors and management.

Our nominating and corporate governance committee will operate under a written charter, which will be effective upon the completion of this offering, that satisfies the applicable Nasdaq Listing Rules.

### **Code of Business Conduct and Ethics**

In connection with this offering, we intend to adopt a written code of business conduct and ethics that applies to all our employees, officers, and directors. This includes our principal executive officer, principal financial officer, and principal accounting officer or controller, or persons performing similar functions. The full text of our code of business conduct and ethics will be posted on our website at [www.rapportrx.com](http://www.rapportrx.com). We intend to disclose on our website any future amendments of our code of business conduct and ethics or waivers that exempt any principal executive officer, principal financial officer, principal accounting officer or controller, persons performing similar functions, or our directors from provisions in the code of business conduct and ethics. 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 only an inactive textual reference.

### **Compensation Committee Interlocks and Insider Participation**

None of the members of the compensation committee is currently, or has been at any time, one of our officers or employees. None of our officers currently serve, or have served during the last calendar year, as a member of the board of directors or compensation committee of any entity that has one or more executive officers serving as a member of our board of directors or compensation committee.

### **Compensation Recovery**

In connection with this offering, we intend to adopt a compensation recovery policy that is compliant with the Nasdaq Listing Rules, as required by the Dodd-Frank Act, to be effective in connection with the effectiveness of the registration statement of which this prospectus forms a part.

## **Limitations on Liability and Indemnification Agreements**

As permitted by Delaware law, provisions in our third amended and restated certificate of incorporation and amended and restated bylaws, both of which will become effective immediately prior to the closing of this offering, limit or eliminate the personal liability of directors and officers for a breach of their fiduciary duty of care as a director or officer. The duty of care generally requires that, when acting on behalf of the corporation, a director and officer exercise an informed business judgment based on all material information reasonably available to him or her. Consequently, a director or officer will not be personally liable to us or our stockholders for monetary damages or breach of fiduciary duty as a director or officer, except for liability for:

- any breach of the director or officer's duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- for our directors, unlawful payments of dividends or unlawful stock repurchases, or redemptions as provided in Section 174 of the Delaware General Corporation Law ("DGCL");
- for our officers, any derivative action by or in the right of the corporation; or
- any transaction from which the director or officer derived an improper personal benefit.

These limitations of liability do not limit or eliminate our rights or any stockholder's rights to seek non-monetary relief, such as injunctive relief or rescission. These provisions will not alter a director or officer's liability under other laws, such as the federal securities laws or other state or federal laws. Our third amended and restated certificate of incorporation that will become effective upon the closing of this offering also authorizes us to indemnify our officers, directors and other agents to the fullest extent permitted under Delaware law.

As permitted by Delaware law, our amended and restated bylaws to be effective immediately prior to the consummation of this offering will provide that:

- we will indemnify our directors, officers, employees and other agents to the fullest extent permitted by law;
- we must advance expenses to our directors and officers, and may advance expenses to our employees and other agents, in connection with a legal proceeding to the fullest extent permitted by law; and
- the rights provided in our amended and restated bylaws are not exclusive.

If Delaware law is amended to authorize corporate action further eliminating or limiting the personal liability of a director or officer, then the liability of our directors or officers will be so eliminated or limited to the fullest extent permitted by Delaware law, as so amended. Our amended and restated bylaws will 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 such insurance.

In addition to the indemnification that will be provided for in our third amended and restated certificate of incorporation and amended and restated bylaws, we plan to enter into separate indemnification agreements with each of our directors and executive officers, which may be broader than the specific indemnification provisions contained in the DGCL. These indemnification agreements may require us, among other things, to indemnify our directors and executive officers for some expenses, including attorneys' fees, expenses, judgments, fines and settlement amounts incurred by a director or executive officer in any action or proceeding arising out of his service 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 provisions and agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

This description of the indemnification provisions of our third amended and restated certificate of incorporation, our amended and restated bylaws and our indemnification agreements is qualified in its entirety by

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reference to these documents, each of which is attached as an exhibit to the registration statement of which this prospectus forms a part.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors, officers and controlling persons pursuant to the foregoing provisions, or otherwise, we have 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.

There is no pending litigation or proceeding naming any of our directors or officers as to which indemnification is being sought, nor are we aware of any pending or threatened litigation that may result in claims for indemnification by any director or officer.

## EXECUTIVE COMPENSATION

The following discussion contains forward looking statements that are based on our current plans, considerations, expectations and determinations regarding our future compensation programs. The actual amount and form of compensation and the compensation policies and practices that we adopt in the future may differ materially from currently planned programs as summarized in this discussion.

As an emerging growth company, we have opted to comply with the executive compensation disclosure rules applicable to “smaller reporting companies,” as such term is defined in the rules promulgated under the Securities Act. The compensation provided to our named executive officers for the fiscal year ended December 31, 2023 is detailed in the 2023 Summary Compensation Table and accompanying footnotes and narrative that follow. Our named executive officers for the fiscal year ended December 31, 2023 are:

- Abraham N. Ceesay, M.B.A., our Chief Executive Officer;
- Reid Huber, Ph.D., our former Chief Executive Officer\*;
- Troy Ignelzi, our Chief Financial Officer; and
- Cheryl Gault, our Chief Operations Officer.

\* Dr. Huber served as our Chief Executive Officer until Mr. Ceesay commenced employment with us in February 2023.

To date, the compensation of our named executive officers has consisted of a combination of base salary, cash bonuses and long-term incentive compensation in the form of restricted stock awards and stock options. Our named executive officers who are full-time employees are eligible to participate in our health and welfare benefit plans and 401(k) plan like all of our full-time employees. As we transition from a private company to a publicly traded company, we intend to evaluate our compensation values and philosophy and compensation plans and arrangements as circumstances require.

### 2023 Summary Compensation Table

The following table shows the total compensation earned by, or paid to, our named executive officers for services rendered to us in all capacities during the fiscal year ended December 31, 2023.

<u>Name and Principal Position</u>	<u>Year</u>	<u>Salary (\$)</u>	<u>Bonus (\$)</u>	<u>Option Awards <sup>(1)</sup> (\$)</u>	<u>Stock Awards <sup>(1)</sup> (\$)</u>	<u>Non-Equity Incentive Plan Compensation <sup>(2)</sup> (\$)</u>	<u>All Other Compensation (\$)</u>	<u>Total (\$)</u>
Abraham N. Ceesay, M.B.A. <i>Chief Executive Officer</i> <sup>(3)</sup>	2023	400,096	250,000 <sup>(4)</sup>	1,513,805	—	231,167	20,772 <sup>(5)</sup>	2,415,840
Reid Huber, Ph.D. <i>Former Chief Financial Officer</i>	2023	—	—	—	—	—	400,225 <sup>(6)</sup>	400,225
Troy Ignelzi <i>Chief Financial Officer</i> <sup>(7)</sup>	2023	69,462	—	2,018,084	—	35,770	7,141 <sup>(8)</sup>	2,130,457
Cheryl Gault <i>Chief Operations Officer</i> <sup>(9)</sup>	2023	132,462	75,000 <sup>(10)</sup>	662,259	838,696	71,540	2,108 <sup>(11)</sup>	1,782,065

- (1) The amounts reported in this column represent the aggregate grant date fair value of stock awards and option awards granted to the named executive officers during 2023, as calculated in accordance with Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 718. Such grant date value does not take into account any estimated forfeitures related to service-based vesting conditions. The assumptions used in the grant date fair value of the awards in this column are described in Note 9—“*Stock-Based Compensation*” to our consolidated financial statements included elsewhere in this prospectus. These awards are described in more detail under the section titled “*Narrative Disclosure to Summary Compensation Table—Equity-Based Compensation*” below.
- (2) The amounts reported represent the prorated annual bonuses each named executive officer earned under our annual cash bonus program based on achievement of company performance and individual performance during the year ended December 31, 2023 for their partial year of employment. For more information on these bonuses, see description of the annual performance bonuses under the section titled “*Narrative Disclosure to Summary Compensation Table—2023 Cash Bonuses*” below.
- (3) Mr. Ceesay commenced employment with us on February 28, 2023. The amount reported as salary reflects the salary actually earned for his partial year of employment.
- (4) The amount reported represents a \$250,000 signing bonus paid to Mr. Ceesay in connection with the commencement of his employment pursuant to the terms of his offer letter, as described below under the section titled “—*Executive Compensation Arrangements—Employment Arrangements in Place Prior to the Offering for Named Executive Officers.*”
- (5) The amount reflects (i) our 401(k) matching contribution in the amount of \$6,755, (ii) the reimbursement of legal fees associated with the negotiation of Mr. Ceesay’s offer letter in the amount of \$10,000, (iii) the reimbursement of Mr. Ceesay’s personal expense in the amount of \$2,292, (iv) Mr. Ceesay’s cell phone reimbursement in the amount of \$675 and (v) Company-paid parking passes in the amount of \$1,050.
- (6) Dr. Huber did not receive any cash compensation from us for his services as our Chief Executive Officer, as his services were provided to us through a service agreement with Third Rock Ventures, LLC (the “TRV Agreement”). As described below under the section titled “*Certain Relationships and Related Person Transactions,*” we incurred costs totaling \$1.2 million during the fiscal year ended December 31, 2023 for the services provided by Third Rock Ventures, LLC, which included, among other things, the services of Dr. Huber. Of the total fees we incurred under the TRV Agreement in the year ended December 31, 2023, \$400,225 was related to the services provided by Dr. Huber.
- (7) Mr. Ignelzi commenced employment with us on November 1, 2023. The amount reported as salary reflects the salary actually earned for his partial year of employment.
- (8) The amount reflects (i) our 401(k) matching contribution in the amount of \$1,292, (ii) Mr. Ignelzi’s cell phone reimbursement in the amount of \$150, (iii) the reimbursement of legal fees associated with the negotiation of Mr. Ignelzi’s offer letter in the amount of \$2,365, and (iv) the reimbursement of commuting expenses incurred in connection with his employment in the amount of \$3,334.
- (9) Ms. Gault commenced employment with us on September 7, 2023. The amount reported as salary reflects the salary actually earned for her partial year of employment.
- (10) The amount reported represents a \$75,000 sign-on bonus paid to Ms. Gault in connection with the commencement of her employment pursuant to the terms of her offer letter, as described below under the section titled “—*Executive Compensation Arrangements—Employment Arrangements in Place Prior to the Offering for Named Executive Officers.*”
- (11) The amount reflects (i) our 401(k) matching contribution in the amount of \$833, (ii) Ms. Gault’s cell phone reimbursement in the amount of \$225 and (iii) Company-paid parking passes in the amount of \$1,050.

## **Narrative Disclosure to Summary Compensation Table**

### ***Compensation Philosophy***

Our executive compensation philosophy is to provide a competitive and market-based total compensation program to attract, motivate, and retain our executive team. Our compensation is based heavily on performance, which aligns with our goal to drive long-term growth and value creation.

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### **2023 Base Salaries**

Our named executive officers each receive a base salary to compensate them for services rendered to our Company. The base salary payable to each named executive officer is intended to provide a fixed component of compensation reflecting the executive's skill set, experience, role and responsibilities. Base salaries may be adjusted from time to time to realign salaries with market levels after taking into account individual responsibilities, performance and experience. As of December 31, 2023, the base salaries for Mr. Ceesay, Mr. Ignelzi and Ms. Gault were \$475,000, \$420,000 and \$420,000, respectively.

### **2023 Cash Bonuses**

For the fiscal year ended December 31, 2023, each of the named executive officers was eligible to earn an annual cash bonus determined by our board of directors in its sole discretion, based on individual performance and achievement of certain corporate performance milestones, including advancing our research and development goals, specifically as it relates to our RAP-219 program, building the leadership team of the organization, and ensuring funding to advance our pipeline. The target annual bonus for each of our named executive officers for the fiscal year ended December 31, 2023 was equal to the percentage of the executive's respective annual base salary specified below:

<u>Name</u>	<u>Target Bonus Percentage</u>
Abraham N. Ceesay, M.B.A.	40%
Troy Ignelzi	35%
Cheryl Gault	35%

### **Equity-Based Compensation**

Although we do not yet have a formal policy with respect to the grant of equity incentive awards to our executive officers, we believe that equity grants provide our executives with a strong link to our long-term performance, create an ownership culture and help to align the interests of our executives and our stockholders. In addition, we believe that equity grants promote executive retention because they incentivize our executive officers to remain in our employment during the vesting period. We have granted our named executive officers restricted stock awards or stock options pursuant to each executive's respective offer letter with us.

For additional information regarding outstanding equity awards held by our named executive officers as of December 31, 2023, see the "Outstanding Equity Awards at 2023 Fiscal Year End" table below.

### **Perquisites/Personal Benefits**

We have provided limited perquisites or personal benefits primarily in the form of (i) legal fee reimbursement in connection with the negotiation of Mr. Ceesay's offer letter and Mr. Ignelzi's offer letter and (ii) reasonable commuting expenses and a potential relocation bonus pursuant to Mr. Ignelzi's offer letter, in each case, as described below under the section titled "—Executive Compensation Arrangements—Employment Arrangements in Place Prior to the Offering for Named Executive Officers."

### **401(k) Plan**

We maintain a retirement savings plan ("401(k) plan") that is intended to qualify for favorable tax treatment under Section 401(a) of the Code, and contains a cash or deferred feature that is intended to meet the requirements of Section 401(k) of the Code. U.S. employees are generally eligible to participate in the 401(k) plan, subject to certain criteria. Participants may make pre-tax and certain after-tax (Roth) salary deferral contributions to the plan from their eligible earnings up to the statutorily prescribed annual limit under the Code. Participants who are 50 years of age or older may contribute additional amounts based on the statutory limits for catch-up contributions. Participant contributions are held in trust as required by law. We make matching contributions equal to 100% of salary deferrals up to 4% of eligible compensation, with 100% immediate vesting.



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### Outstanding Equity Awards at 2023 Fiscal Year End

The following table lists all outstanding equity awards held by our named executive officers as of December 31, 2023.

Name (2)	Vesting Commencement Date	Option Awards (1)				Stock Awards	
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock that have Not Vested (#) (3)	Market Value of Shares or Units of Stock that have Not Vested (\$) (4)
Abraham N. Ceesay, M.B.A.	8/7/2023	—	2,259,411	\$ 0.21	12/05/2033	—	—
	12/9/2022	—	—	—	—	2,762,148	—
	2/21/2023	—	—	—	—	2,438,969	—
Troy Ignelzi	11/1/2023	—	3,012,066	\$ 0.21	12/05/2033	—	—
Cheryl Gault	8/7/2023	—	988,446	\$ 0.21	12/05/2033	—	—
	9/7/2023	—	—	—	—	1,352,735	—

- (1) Each stock option award is subject to the terms of our 2022 Stock Option and Grant Plan, as amended. Unless otherwise noted below, each stock option vests as follows: 25% of the shares subject to the stock option vested on the one-year anniversary of the vesting commencement date, and the remaining 75% of the shares subject to the stock option vest on a monthly basis thereafter, in each case, subject to the NEO's continuous service relationship with us through each applicable vesting date. Each stock option is subject to acceleration in the event of a qualified termination within the change in control period, as described below under the section titled "*—Executive Compensation Arrangements—Employment Arrangements in Place Prior to the Offering for Named Executive Officers.*"
- (2) Dr. Huber served as our Chief Executive Officer until Mr. Ceesay commenced employment with us in February 2023. Dr. Huber did not receive any equity compensation from us for his services as our Chief Executive Officer.
- (3) Each restricted stock award is subject to an individual restricted stock award agreement. The restricted shares shall vest over a four-year period, as follows: 25% of the restricted shares shall vest on the first anniversary following the vesting commencement date, and the remaining 75% of the restricted shares vest on each monthly anniversary thereafter over the following three years, subject to the NEO's continuous service relationship with us through each applicable vesting date. The restricted shares are also subject to certain acceleration of vesting provisions as provided in the each named executive officer's restricted stock agreement and as summarized below under the section titled "*—Executive Compensation Arrangements—Employment Arrangements in Place Prior to the Offering for Named Executive Officers.*"
- (4) The market price for our common stock is based on the assumed initial public offering price of our common stock is based on the assumed initial public offering price of \$ per share, which is the midpoint of the price range set forth on the cover page of this prospectus.

### Executive Compensation Arrangements

We have entered into offer letters with each of our named executive officers. Each offer letter or employment agreement provides for "at-will" employment and the compensation and benefits described below. In connection with this offering, we intend to enter into a new employment agreement with our named executive officers that will be effective as of the closing of this offering, including new severance and change in control benefits.

***Employment Arrangements in Place Prior to the Offering for Named Executive Officers***

*Abraham N. Ceesay, M.B.A.*

On December 12, 2022, we entered into an executive offer letter with Mr. Ceesay (the “Ceesay Offer Letter”) for the position of Chief Executive Officer. The Ceesay Offer Letter provides for Mr. Ceesay’s at-will employment. Mr. Ceesay’s current base salary is \$475,000 and he is eligible to receive an annual bonus with an annual target amount of 40% of his annual base salary. Mr. Ceesay is eligible to participate in the employee benefit plans available to our employees, subject to the terms of such plans. Pursuant to the Ceesay Offer Letter, Mr. Ceesay received a legal fee reimbursement in connection with the negotiation of the Ceesay Offer Letter. Mr. Ceesay also received a \$250,000 signing bonus in connection with the commencement of his employment. This signing bonus is subject to repayment if Mr. Ceesay’s employment is terminated for Cause (as defined in the Ceesay Offer Letter) or he resigns without Good Reason (as defined in the Ceesay Offer Letter) prior to the third anniversary of his start date as follows: 100% must be repaid if the termination occurs less than 12 months following his start date; 50% must be repaid if the termination occurs at least 12 months and less than 24 months following his start date; and 25% must be repaid if the termination occurs at least 24 months but less than 36 months following his start date.

Upon a termination of Mr. Ceesay’s employment by us without Cause or his resignation for Good Reason outside of the Change in Control Period (which is the twelve (12) month period that immediately follows the first event constituting a Change in Control), as such terms are defined in the Ceesay Offer Letter, subject to (i) signing a general release of claims in favor of us and (ii) not breaching any of the post-employment covenants and contractual obligations to us Mr. Ceesay shall be entitled to (A) continued payment of his then current base salary for a period of twelve (12) months (or the base salary in effect prior to the applicable material diminution that constitutes Good Reason, in the event of a resignation for Good Reason) and (B) if Mr. Ceesay was participating in our group health plan immediately prior to the termination date and timely elects continuation coverage under COBRA, a monthly payment equal to the monthly employer contribution that we would have made to provide health insurance to Mr. Ceesay had Mr. Ceesay remained employed by us until the earliest of (a) the twelve (12) month anniversary of the date of termination; (b) Mr. Ceesay’s eligibility for group health plan benefits under any other employer’s group health plan; or (c) cessation of the continuation rights under COBRA. In addition, and subject to the same conditions, upon a termination by us without Cause or his resignation for Good Reason during the Change in Control Period, in addition to the severance pay and benefits set forth in (A) and (B) above, Mr. Ceesay shall be entitled to (i) a lump sum cash payment equal to Mr. Ceesay’s target bonus for the year in which the date of termination occurs, (ii) any bonus award to Mr. Ceesay for the prior calendar year but has not yet been paid, other than the target bonus, and (iii) full acceleration of his then outstanding and unvested time-based equity awards.

Mr. Ceesay has entered into an Employee Confidentiality, Assignment, and Nonsolicitation Agreement that contains various restrictive covenants, including confidentiality and nonsolicitation.

*Troy Ignelzi*

On October 24, 2023, we entered into an executive offer letter with Mr. Ignelzi (the “Ignelzi Offer Letter”) for the position of Chief Financial Officer. The Ignelzi Offer Letter provides for Mr. Ignelzi’s at-will employment. Mr. Ignelzi’s current base salary is \$420,000 and he is eligible to receive an annual bonus with an annual target amount of 35% of his annual base salary. Mr. Ignelzi is eligible to participate in the employee benefit plans available to our employees, subject to the terms of such plans. Mr. Ignelzi is also eligible to receive (a) a reimbursement for all reasonable commuting expenses incurred in performing services, (b) a relocation bonus in the event Mr. Ignelzi purchases a new residence in the Cambridge/Boston area within three (3) years of the employment start date, specific terms of which shall be determined at a future date, and (c) a reimbursement for legal expenses incurred of up to \$5,000.

Upon a termination of Mr. Ignelzi’s employment by us without Cause or his resignation for Good Reason outside of the Change in Control Period (which is the two (2) months before or the twelve (12) month period that

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immediately follows the first event constituting a Change in Control), as such terms are defined in the Ignelzi Offer Letter, subject to (i) signing a general release of claims in favor of us and (ii) not breaching any of the post-employment covenants and contractual obligations to us Mr. Ignelzi shall be entitled to (A) continued payment of his then current base salary for a period of twelve (12) months, and (B) if Mr. Ignelzi was participating in our group health plan immediately prior to the termination date and timely elects continuation coverage under COBRA, a monthly payment equal to the monthly employer contribution that we would have made to provide health insurance to Mr. Ignelzi had Mr. Ignelzi remained employed by us until the earliest of (a) the twelve (12) month anniversary of the date of termination; (b) Mr. Ignelzi's eligibility for group health plan benefits under any other employer's group health plan; or (c) cessation of the continuation rights under COBRA. In addition, and subject to the same conditions, upon a termination by us without Cause or his resignation for Good Reason during the Change in Control Period, in addition to the severance pay and benefits set forth in (A) and (B) above, Mr. Ignelzi shall be entitled to full acceleration of his then outstanding and unvested time-based equity awards.

Mr. Ignelzi has entered into an Employee Confidentiality, Assignment, and Nonsolicitation Agreement that contains various restrictive covenants, including confidentiality and nonsolicitation.

### *Cheryl Gault*

On June 29, 2023, we entered into an executive offer letter with Ms. Gault (the "Gault Offer Letter") for the position of Chief Operating Officer. The Gault Offer Letter provides for Ms. Gault's at-will employment. Ms. Gault's current base salary is \$420,000 and she is eligible to receive an annual bonus with an annual target amount of 35% of her annual base salary. Ms. Gault is eligible to participate in the employee benefit plans available to our employees, subject to the terms of such plans. Ms. Gault also received a \$75,000 signing bonus in connection with the commencement of her employment. This signing bonus is subject to 100% repayment if Ms. Gault's employment is terminated for Cause (as defined in the Gault Offer Letter) or she resigns without Good Reason (as defined in the Offer Letter) prior to the first anniversary of her start date.

Upon a termination of Ms. Gault's employment by us without Cause or her resignation for Good Reason outside of the Change in Control Period (which is the two (2) months before or the twelve (12) month period that immediately follows the first event constituting a Change in Control), as such terms are defined in the Gault Offer Letter, subject to (i) signing a general release of claims in favor of us and (ii) not breaching any of the post-employment covenants and contractual obligations to us Ms. Gault shall be entitled to (A) continued payment of her then current base salary for a period of nine (9) months and (B) if Ms. Gault was participating in our group health plan immediately prior to the termination date and timely elects continuation coverage under COBRA, a monthly payment equal to the monthly employer contribution that we would have made to provide health insurance to Ms. Gault had Ms. Gault remained employed by us until the earliest of (a) the twelve (12) month anniversary of the date of termination; (b) Ms. Gault's eligibility for group health plan benefits under any other employer's group health plan; or (c) cessation of the continuation rights under COBRA for a period of twelve (12) months. In addition, and subject to the same conditions, upon a termination by us without Cause or her resignation for Good Reason during the Change in Control Period, in addition to the severance pay and benefits set forth in (A) and (B) above, Ms. Gault shall be entitled to a full acceleration of her then outstanding and unvested time-based equity awards.

Ms. Gault has entered into an Employee Confidentiality, Assignment, and Nonsolicitation Agreement that contains various restrictive covenants, including confidentiality and nonsolicitation.

## **Employee Benefit and Equity Compensation Plans**

### ***2022 Stock Option and Grant Plan***

Our 2022 Stock Option and Grant Plan was adopted by our board of directors on December 9, 2022 and approved by our stockholders on December 9, 2022. On August 7, 2023, our board of directors adopted and our

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stockholders approved an amendment to the 2022 Stock Option and Grant Plan (as amended, the “2022 Plan”). On February 7, 2024, our board of directors adopted a second amendment to the 2022 Plan and our stockholders approved this amendment on February 26, 2024. The 2022 Plan will continue to govern outstanding equity awards granted thereunder. As of March 25, 2024, options to purchase 22,932,506 shares of our common stock at a weighted-average exercise price of \$0.61 per share and 1,305,000 shares of restricted stock were outstanding under the 2022 Plan, and 1,016,323 shares of our common stock remained available for future issuance under the 2022 Plan. Following this offering, we will not grant any further awards under our 2022 Plan, but all outstanding awards under the 2022 Plan will continue to be governed by their existing terms.

The shares of common stock underlying any awards under the 2022 Plan that are forfeited, canceled, reacquired by us prior to vesting, satisfied without the issuance of stock or otherwise terminated (other than by exercise) and shares withheld upon exercise of an option or settlement of an award to cover the exercise price or tax withholding, are currently added back to the shares of common stock available for issuance under the 2022 Plan. Following this offering, such shares will be added to the shares of common stock available for issuance under the 2024 Plan.

Our board of directors and our compensation committee have acted as administrators of the 2022 Plan. The administrator has the full power, among other things, to select, from among the individuals eligible for awards, the individuals to whom awards will be granted and the number of shares subject to such awards, to make any combination of awards to participants, to accelerate at any time the exercisability or vesting of any award and to determine the specific terms and conditions of each award, subject to the provisions of the 2022 Plan. Persons eligible to participate in the 2022 Plan are officers, employees, non-employee directors, consultants and advisors as selected from time to time by our board in its discretion.

The 2022 Plan permits the granting of nonqualified stock options and options intended to qualify as incentive stock options under Section 422 of the Code. The per share exercise price of each option is determined by our board of directors but may not be less than 100% of the fair market value of the common stock on the date of grant. The term of each option is fixed by the administrator but may not exceed 10 years from the date of grant. The administrator determines at what time or times each option may be exercised.

The 2022 Plan permits the granting of restricted stock awards. Restricted stock awards are grants of common stock that are subject to various restrictions, including restrictions on transferability and forfeitures provisions. Shares of restricted stock will vest, and the restrictions on such shares will lapse, in accordance with terms and conditions established by the plan administrator.

In addition, the 2022 Plan permits the granting of unrestricted stock awards and restricted stock units.

The 2022 Plan provides that upon the effectiveness of a “sale event,” as defined in the 2022 Plan, the administrator may take any one or more of the following actions as to all or any (or any portion of) outstanding option awards: (i) provide that all such awards will be assumed or substituted with substantially equivalent awards by the acquiring or succeeding corporation (or affiliate thereof); (ii) provide that all such awards will terminate or forfeit upon the effective time of any such sale event unless assumed or continued by the successor entity, or new stock options or other awards are substituted therefor; or (iii) provide for a cash payment to the holders of awards for each vested award canceled in the sale event. In addition, the administrator may take one or more of the following actions as to all or any (or any portion of) outstanding restricted stock awards and restricted stock units: (i) provide that all unvested awards will be forfeited immediately prior to the effective time of the sale event unless assumed or continued by the successor entity, or awards of the successor entity or parent thereof are substituted therefore; (ii) in the event of the forfeiture of restricted stock, provide that such restricted stock shall be repurchased; or (iii) provide for a cash payment to the holders of awards for the cancellation of the awards. Upon the occurrence of any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in common stock, the administrator will equitably adjust the

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outstanding awards, which may include adjustments to the number and type of securities subject to such outstanding award and/or the exercise price or grant price, thereof.

Unless otherwise determined by the administrator, awards may generally not be sold, assigned, transferred, pledged or otherwise encumbered by the person to whom they are granted, either voluntarily or by operation of law, except by will or the laws of descent and distribution.

The board of directors may amend, suspend or terminate the 2022 Plan at any time, subject to stockholder approval where such approval is required by applicable law. The administrator of the 2022 Plan may also amend, modify or cancel any outstanding award, provided that no amendment to an award may materially and adversely affect a participant's rights without his or her consent.

### ***2024 Stock Option and Incentive Plan***

Our 2024 Plan was adopted by our board of directors on \_\_\_\_\_, 2024, approved by our stockholders on \_\_\_\_\_, 2024 and will become effective upon the date immediately preceding the date on which the registration statement of which this prospectus is part is declared effective by the SEC. The 2024 Plan will replace the 2022 Plan as our board of directors has determined not to make additional awards under the 2022 Plan following the closing of our initial public offering. However, the 2022 Plan will continue to govern outstanding equity awards granted thereunder. The 2024 Plan allows us to make equity-based and cash-based incentive awards to our officers, employees, directors and consultants.

We have initially reserved \_\_\_\_\_ shares of our common stock for the issuance of awards under the 2024 Plan (the "Initial Limit"). The 2024 Plan provides that the number of shares reserved and available for issuance under the 2024 Plan will automatically increase on January 1, 2025 and each January 1 thereafter, by \_\_\_\_\_ percent of the outstanding number of shares of our common stock on the immediately preceding December 31 or such lesser number of shares as determined by our compensation committee (the "Annual Increase"). The number of shares reserved under the 2024 Plan is subject to adjustment in the event of a stock split, stock dividend or other change in our capitalization.

The shares we issue under the 2024 Plan will be authorized but unissued shares or shares that we reacquire. The shares of common stock underlying any awards under the 2024 Plan and the 2022 Plan that are forfeited, cancelled, held back upon exercise or settlement of an award to satisfy the exercise price or tax withholding, reacquired by us prior to vesting, satisfied without the issuance of stock, expire or are otherwise terminated (other than by exercise) will be added back to the shares of common stock available for issuance under the 2024 Plan.

The maximum number of shares of common stock that may be issued in the form of incentive stock options shall not exceed the Initial Limit, cumulatively increased on January 1, 2025 and on each January 1 thereafter by the lesser of the Annual Increase for such year or \_\_\_\_\_ shares of common stock.

The grant date fair value of all awards made under our 2024 Plan and all other cash compensation paid by us to any non-employee director in any calendar year for services as a non-employee director shall not exceed \$ \_\_\_\_\_; provided, however, that such amount shall be \$ \_\_\_\_\_ for the calendar year in which the applicable non-employee director is initially elected or appointed to the board of directors.

The 2024 Plan will be administered by our compensation committee. Our compensation committee has the full power to select, from among the individuals eligible for awards, the individuals to whom awards will be granted and the number of shares subject to such awards, to make any combination of awards to participants, to accelerate at any time the exercisability or vesting of any award and to determine the specific terms and conditions of each award, subject to the provisions of the 2024 Plan. Persons eligible to participate in the 2024 Plan will be those full or part-time officers, employees, non-employee directors and consultants as selected from time to time by our compensation committee in its discretion.

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The 2024 Plan permits the granting of both options to purchase common stock intended to qualify as incentive stock options under Section 422 of the Code and options that do not so qualify. The option exercise price of each option will be determined by our compensation committee but generally may not be less than 100 percent of the fair market value of our common stock on the date of grant unless the option (i) is granted pursuant to a transaction described in, and in a manner consistent with Section 424(a) of the Code, (ii) is granted to an individual who is not subject to U.S. income tax or (iii) complies with Section 409A of the Code. The term of each option will be fixed by our compensation committee and may not exceed 10 years from the date of grant. Our compensation committee will determine at what time or times each option may be exercised.

Our compensation committee may award stock appreciation rights under the 2024 Plan subject to such conditions and restrictions as it may determine. Stock appreciation rights entitle the recipient to shares of common stock, or cash, equal to the value of the appreciation in our stock price over the exercise price. The exercise price of each stock appreciation right will be determined by our compensation committee but generally may not be less than 100 percent of the fair market value of our common stock on the date of grant unless the stock appreciation right (i) is granted pursuant to a transaction described in, and in a manner consistent with Section 424(a) of the Code, (ii) is granted to an individual who is not subject to U.S. income tax or (iii) complies with Section 409A of the Code. The term of each stock appreciation right will be fixed by our compensation committee and may not exceed 10 years from the date of grant. Our compensation committee will determine at what time or times each stock appreciation right may be exercised.

Our compensation committee may award restricted shares of common stock and restricted stock units to participants subject to such conditions and restrictions as it may determine. These conditions and restrictions may include the achievement of certain performance goals and/or continued employment with us through a specified vesting period. Our compensation committee may also grant shares of common stock that are free from any restrictions under the 2024 Plan. Unrestricted stock may be granted to participants in recognition of past services or for other valid consideration and may be issued in lieu of cash compensation due to such participant.

Our compensation committee may grant dividend equivalent rights to participants that entitle the recipient to receive credits for dividends that would be paid if the recipient had held a specified number of shares of common stock.

Our compensation committee may grant cash bonuses under the 2024 Plan to participants, subject to the achievement of certain performance goals.

The 2024 Plan provides that upon the effectiveness of a “sale event,” as defined in the 2024 Plan, an acquirer or successor entity may assume, continue or substitute outstanding awards under the 2024 Plan. To the extent that awards granted under the 2024 Plan are not assumed or continued or substituted by the successor entity, upon the effective time of the sale event, such awards shall terminate. In the event of such termination, (i) individuals holding options and stock appreciation rights will be permitted to exercise such options and stock appreciation rights (to the extent exercisable) within a specified period of time prior to the sale event or (ii) we may make or provide for a payment, in cash or in kind, to participants holding vested and exercisable options and stock appreciation rights equal (A) the difference between the per share cash consideration payable to stockholders in the sale event and the per share exercise price of the options or stock appreciation rights, multiplied by (B) the number of shares subject to such outstanding vested and exercisable options and stock appreciation rights (to the extent exercisable at prices not in excess of the per share cash consideration), and we may make or provide for a payment, in cash or in kind, to participants holding other vested awards equal to the per share cash consideration multiplied by the number of vested shares underlying such awards.

Our board of directors may amend or discontinue the 2024 Plan and our compensation committee may amend or cancel outstanding awards for purposes of satisfying changes in law or any other lawful purpose, but no such action may adversely affect rights under an award without the holder’s consent. Certain amendments to the 2024 Plan require the approval of our stockholders. The administrator of the 2024 Plan is specifically authorized

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to exercise its discretion to reduce the exercise price of outstanding stock options and stock appreciation rights or effect the repricing of such awards through cancellation and re-grants without stockholder consent. No awards may be granted under the 2024 Plan after the date that is 10 years from the effective date of the 2024 Plan. No awards under the 2024 Plan have been made prior to the date of this prospectus.

### **2024 Employee Stock Purchase Plan**

Our ESPP was adopted by our board of directors on \_\_\_\_\_, 2024, approved by our stockholders on \_\_\_\_\_, 2024 and will become effective on the date immediately preceding the date on which the registration statement of which this prospectus forms a part is declared effective by the SEC. The ESPP is intended to qualify as an “employee stock purchase plan” within the meaning of Section 423 of the Code. The ESPP initially reserves and authorizes the issuance of up to a total of \_\_\_\_\_ shares of our common stock to participating employees. The ESPP provides that the number of shares reserved and available for issuance will automatically increase on January 1, 2025 and each January 1 thereafter through January 1, 2034, by the least of (i) \_\_\_\_\_ shares of common stock, (ii) \_\_\_\_\_ percent of the outstanding number of shares of common stock on the immediately preceding December 31, or (iii) such lesser number of shares of common stock as determined by the administrator of the ESPP. The number of shares reserved under the ESPP is subject to adjustment in the event of a stock split, stock dividend or other change in our capitalization.

All employees employed by us or any designated subsidiary as of the first day of an offering are eligible to participate; provided that the administrator of the ESPP may determine that employees must satisfy one or more of the following service requirements before participating in the ESPP: (1) customary employment with us for more than 20 hours per week and 5 or more months per calendar year, (2) continuous employment with us for a minimum period of time, not to exceed two years, prior to the first date of an offering or (3) such other criteria as the administrator of the ESPP may determine consistent with the requirements of section 423 of the Code. However, any employee who owns 5 percent or more of the total combined voting power or value of all classes of our stock will not be eligible to purchase shares of common stock under the ESPP.

We may make one or more offerings each year to our employees to purchase shares under the ESPP, consisting of one or more purchase periods. Each eligible employee may elect to participate in any offering by submitting an enrollment form at least 15 business days before the applicable offering date.

Each employee who is a participant in the ESPP may purchase shares of our common stock by authorizing payroll deductions of up to \_\_\_\_\_ percent of his or her eligible compensation during an offering period. Unless the participating employee has previously withdrawn from the offering, his or her accumulated payroll deductions will be used to purchase shares of our common stock on the last business day of the offering period at a price equal to 85 percent of the fair market value of the shares of our common stock on the first business day of the offering period or the last business day of the purchase period, whichever is lower, provided that no more than the number of shares of common stock determined by dividing \$25,000 by the fair market value of our common stock on the offering date of the offering (or such other number as established by the administrator in advance of the offering period) may be purchased by any one employee during each offering period. Under applicable tax rules, an employee may purchase no more than \$25,000 worth of shares of our common stock, valued at the start of the purchase period, under the ESPP in any calendar year.

The accumulated payroll deductions of any employee who is not a participant on the last day of an offering period will be refunded. An employee’s rights under the ESPP terminate upon voluntary withdrawal from the plan or when the employee ceases employment with us for any reason.

The ESPP may be terminated or amended by our board of directors at any time. An amendment that increases the number of shares of our common stock authorized under the ESPP and certain other amendments require the approval of our stockholders.



***Senior Executive Cash Incentive Bonus Plan***

On \_\_\_\_\_, 2024 our board of directors adopted the Senior Executive Cash Incentive Bonus Plan (the “Bonus Plan”). The Bonus Plan provides for annual cash bonus payments based upon the attainment of Company and individual performance targets established by our compensation committee. The payment targets will be related to financial and operational measures or objectives with respect to our Company (the “Corporate Performance Goals”) as well as individual performance objectives.

Our compensation committee may select Corporate Performance Goals from among the following: research, pre-clinical, non-clinical, developmental, publication, clinical or regulatory milestones; scientific or technological advances; R&D capabilities; cash flow (including, but not limited to, operating cash flow and free cash flow); revenue; corporate revenue; earnings before interest, taxes, depreciation, and amortization; net income (loss) (either before or after interest, taxes, depreciation, and/or amortization); changes in the market price of our common stock; economic value-added; acquisitions or strategic transactions, including collaborations, joint ventures, or promotion arrangements; operating income (loss); return on capital assets, equity, or investment; stockholder returns; sales; net sales; return on sales; gross or net profit levels; productivity; expense efficiency; margins; operating efficiency; customer satisfaction; working capital; earnings (loss) per share of our common stock; bookings, new bookings, or renewals; sales or market shares; number of customers, number of new customers, or customer references; operating income and/or net annual recurring revenue; organizational health; or any other performance goal as selected by the compensation committee, any of which may be measured in absolute terms, as compared to any incremental increase, in terms of growth, as compared to results of a peer group, against the market as a whole, compared to applicable market indices, and/or measured on a pre-tax or post-tax basis.

Each executive officer who is selected to participate in the Bonus Plan will have a target bonus opportunity set for each performance period. The bonus formulas will be adopted in each performance period by the compensation committee and communicated to each executive. The Corporate Performance Goals will be measured at the end of each performance period after our financial reports have been published or such other appropriate time as the compensation committee determines. If the Corporate Performance Goals and individual performance objectives are met, payments will be made as soon as practicable following the end of each performance period, but no later than 74 days after the end of the fiscal year in which such performance period ends. Subject to the rights contained in any agreement between the executive officer and us, an executive officer must be employed by us on the bonus payment date to be eligible to receive a bonus payment. The Bonus Plan also permits the compensation committee to approve additional bonuses to executive officers in its sole discretion.



## DIRECTOR COMPENSATION

### 2023 Director Compensation Table

The following table presents the total compensation paid by us to non-employee members of our board of directors during the fiscal year ended December 31, 2023. Other than as set forth in the table and described more fully below, we did not pay any compensation, make any equity awards or non-equity awards to, or pay any other compensation to any of the members of our board of directors in 2023 for their services as members of the board of directors. Mr. Ceesay, our Chief Executive Officer, does not receive any compensation from us for his service on our board of directors. See the section titled “*Executive Compensation*” for more information on the compensation paid to or earned by Mr. Ceesay as an employee for year ended December 31, 2023. In addition, Dr. Huber did not receive any compensation from us for his service on our board of directors for year ended December 31, 2023. See the section titled “*Executive Compensation*” for more information on the compensation paid to or earned by Dr. Huber for his services to us as our former Chief Executive Officer through the TRV Agreement for year ended December 31, 2023.

Name <sup>(1)</sup>	Fees Earned or Paid in Cash (\$)	Option Awards(\$) <sup>(2)</sup>	All Other Compensation (\$)	Total (\$)
Steven Paul, M.D. <sup>(3)</sup>	—	548,822	20,165 <sup>(4)</sup>	568,987
Reid Huber, Ph.D.	—	—	400,255 <sup>(4)</sup>	400,255
Jeffrey K. Tong, Ph.D.	—	—	55,500 <sup>(4)</sup>	55,500
James I. Healy, M.D., Ph.D.	—	—	—	—
Raymond Kelleher, M.D., Ph.D.	—	—	—	—
Sanjay Mistry, Ph.D.	—	—	—	—

- (1) As permitted by SEC rules, David Bredt, M.D., Ph.D., our Chief Scientific Officer, has been omitted from the table as he does not earn compensation for his services as a director.
- (2) The amounts reported in this column represent the aggregate grant date fair value of a stock option granted to Dr. Paul during 2023, as calculated in accordance with FASB ASC Topic 718. Such grant date value does not take into account any estimated forfeitures related to service-based vesting conditions. The assumptions used in the grant date fair value of the awards in this column are described in Note 9—“*Stock-Based Compensation*” to our consolidated financial statements included elsewhere in this prospectus.
- (3) As of December 31, 2023, Dr. Paul held 2,500,279 unvested shares of restricted stock and an unexercised stock option to purchase 819,138 shares of our common stock. None of our other non-employee directors held any outstanding unvested stock awards or unexercised stock option.
- (4) Dr. Huber and Dr. Tong did not receive any cash compensation from us for their services as our Chief Executive Officer and Treasurer, respectively, or as members of our board of directors. Dr. Paul did not receive any cash compensation from us for his services as a director. During the year ended December 31, 2023, each of Dr. Paul, Dr. Huber and Dr. Tong provided consulting services to us through the TRV Agreement. As described below under the section titled “*Certain Relationships and Related Party Transactions*,” we incurred costs totaling \$1.2 million during the fiscal year ended December 31, 2023 for the services provided by Third Rock Ventures, LLC, which included, among other things, the consulting services of Dr. Paul, Dr. Huber and Dr. Tong. Of the total fees we incurred under the TRV Agreement in the year ended December 31, 2023, (i) \$20,165 was related to the consulting services provided by Dr. Paul, (ii) \$400,225 was related to the consulting services provided by Dr. Huber and (iii) \$55,500 was related to the consulting services provided by Dr. Tong.

### Non-Employee Director Compensation

Prior to this offering and in connection with Ms. Burrell’s appointment to the board of directors in January 2024, Ms. Burrell entered into an offer letter agreement in connection with her appointment to the board, pursuant to which she is eligible to receive an annual cash retainer of \$30,000 per year, payable in arrears in equal quarterly installments, and a stock option award to purchase 300,000 shares of our common stock. In

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connection with this offering, we intend to adopt a new non-employee director compensation policy that will become effective as of the completion of this offering and will be designed to enable us to attract and retain, on a long-term basis, highly qualified non-employee directors.

Under the policy, our non-employee directors will be eligible to receive cash retainers (which will be payable quarterly in arrears and prorated for partial years of service) and equity awards as set forth below:

<b>Annual Retainer for Board Membership</b>	
\$ _____ for general availability and participation in meetings and conference calls of our Board of Directors	
<b>Additional Annual Retainer for Committee Membership</b>	
Audit Committee Chairperson:	\$ _____
Audit Committee member (other than Chairperson):	\$ _____
Compensation Committee Chairperson:	\$ _____
Compensation Committee member (other than Chairperson):	\$ _____
Nominating and Corporate Governance Committee Chairperson:	\$ _____
Nominating and Corporate Governance Committee member (other than Chairperson):	\$ _____
Science & Technology Committee Chairperson:	\$ _____
Science & Technology Committee member (other than Chairperson):	\$ _____

In addition, our policy will provide that, upon initial election or appointment to our board of directors, each new non-employee director will be granted a one-time grant of a non-statutory stock option to purchase \_\_\_\_\_ shares of our common stock on the date of such director's election or appointment to the board of directors (the "Director Initial Grant"). The Director Initial Grant will vest in substantially equal annual installments over three years, subject to the non-employee director's continued services to us. On the date of each annual meeting of stockholders of our company following the completion of this offering, each non-employee director who will continue as a non-employee director following such meeting will be granted an annual award of a non-statutory stock option to purchase \_\_\_\_\_ shares of common stock (the "Director Annual Grant"). The Director Annual Grant will vest in full on the earlier of the first anniversary of the grant date or on the date of our next annual meeting of stockholders, subject to the non-employee director's continued services to us. If a new non-employee director joins our Board on a date other than the date of our annual meeting of stockholders, then such non-employee director will be granted a pro-rata portion of the Director Annual Grant based on the time between such non-employee director's appointment and such next annual meeting of stockholders on the first eligible grant date following such non-employee director's appointment to our board of directors. Such awards are subject to full acceleration vesting upon the sale of our company.

The aggregate amount of compensation, including both equity compensation and cash compensation, paid to any non-employee director for service as a non-employee director in a calendar year period will not exceed \$ \_\_\_\_\_ in the first calendar year such individual becomes a non-employee director and \$ \_\_\_\_\_ in any other calendar year.

We will reimburse all reasonable out-of-pocket expenses incurred by directors for their attendance at meetings of our board of directors or any committee thereof.

Employee directors will receive no additional compensation for their service as a director.

## CERTAIN RELATIONSHIPS AND RELATED PERSON TRANSACTIONS

In addition to the compensation arrangements, including employment, termination of employment and change in control arrangements, and indemnification arrangements discussed, when required, in the sections titled “*Management*” and “*Executive Compensation*” and the registration rights described in the section titled “*Description of Capital Stock—Registration Rights*,” the following is a description of all transactions since our date of incorporation and each currently proposed transaction in which:

- we have been or are to be a participant;
- the amounts involved exceeded or will exceed the lesser of \$120,000 or 1% of the average of our total assets at year-end for the last two completed fiscal years; and
- any of our directors, executive officers or holders of more than 5% or more of our outstanding capital stock, or any immediate family member of, or person sharing the household with, any of these individuals or entities or affiliated entities, had or will have a direct or indirect material interest.

### Convertible Promissory Notes

In August 2022, we issued convertible promissory notes to Third Rock Ventures V, L.P. and Johnson & Johnson Innovation—JJDC, Inc. (“JJDC”), each in the principal amount of \$2,000,000. In September 2022, we issued additional convertible promissory notes to Third Rock Ventures V, L.P. and JJDC, each in the principal amount of \$2,000,000. Each of notes accrued interest at a rate of 8% per year and converted into shares of our Series A convertible preferred stock, as further described below.

### Series A Convertible Preferred Stock Financing

In December 2022, we issued and sold an aggregate of 40,182,354 of Series A convertible preferred stock at a price per share of \$1.00 to Third Rock Ventures V, L.P. and JJDC, for an aggregate purchase price of approximately \$40.2 million. Included in this amount was approximately \$8.2 million of outstanding principal and interest on convertible promissory notes issued in August and September 2022, all of which converted into Series A convertible preferred stock in this financing in accordance with their terms.

In February 2023, we amended the Series A convertible preferred stock purchase agreement to add an additional investor, ARCH Venture Fund XII, L.P. In conjunction with this amendment, the existing requisite stockholders waived certain milestones to accelerate the milestone tranches. As a result, during February 2023, we issued and sold an aggregate of 60,000,000 of Series A convertible preferred stock at a price per share of \$1.00 to Third Rock Ventures V, L.P., Third Rock Ventures VI, L.P., JJDC and ARCH Venture Fund XII, L.P., for an aggregate purchase price of \$60.0 million.

Each outstanding share of Series A convertible preferred stock will convert into one share of common stock immediately prior to the completion of this offering. The following table summarizes the shares of our Series A convertible preferred stock issued to our related parties:

<u>Purchasers</u> <sup>(1)</sup>	<u>Series A Convertible Preferred Stock</u>	<u>Total Purchase Price</u>
Third Rock Ventures V, L.P. <sup>(2)</sup>	56,091,177	\$ 56,091,177 <sup>(3)</sup>
Third Rock Ventures VI, L.P. <sup>(2)</sup>	8,000,000	\$ 8,000,000
Johnson & Johnson Innovation—JJDC, Inc. <sup>(4)</sup>	16,091,177	\$ 16,091,177 <sup>(5)</sup>
ARCH Venture Fund XII, L.P. <sup>(6)</sup>	20,000,000	\$ 20,000,000

(1) Additional details regarding these stockholders and their equity holdings are included in the section titled “*Principal Stockholders*.”

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- (2) Entities affiliated with Third Rock Ventures beneficially own more than 5% of our outstanding capital stock. Dr. Huber and Dr. Tong, members of our board of directors, were designated to our board of directors by Third Rock Ventures and are each partners at Third Rock Ventures.
- (3) \$52,000,000 of the total purchase price was funded in cash and \$4,091,177 was funded by the conversion of Third Rock Ventures V, L.P.'s convertible promissory note (inclusive of principal and accrued interest).
- (4) JJDC beneficially owns more than 5% of our outstanding capital stock. Dr. Mistry, a former member of our board of directors, was designated to our board of directors by JJDC and is the Vice President of Venture Investments at JJDC.
- (5) \$12,000,000 of the total purchase price was funded in cash and \$4,091,177 was funded by the conversion of JJDC's convertible promissory note (inclusive of principal and accrued interest).
- (6) ARCH Venture Fund XII, L.P. beneficially owns more than 5% of our outstanding capital stock. Dr. Maraganore, a member of our board of directors, was designated to our board of directors by ARCH Venture Fund XII, L.P. and is a venture partner at ARCH Venture Partners.

### **Series B Convertible Preferred Stock Financing**

In August 2023, we issued and sold an aggregate of 51,273,790 of Series B convertible preferred stock at a price per share of \$1.67727, for an aggregate purchase price of approximately \$86.0 million, which included the voluntary early exercise of certain stockholders' milestone tranche shares of Series B convertible preferred stock. In March 2024, we issued and sold an aggregate of 38,157,240 of Series B convertible preferred stock at a price per share of \$1.67727, for an aggregate purchase price of approximately \$64.0 million.

Each outstanding share of Series B convertible preferred stock will convert into one share of common stock immediately prior to the completion of this offering. The following table summarizes the shares of our Series B convertible preferred stock issued to our related parties:

<u>Purchasers (1)</u>	<u>Series B Convertible Preferred Stock</u>	<u>Total Purchase Price</u>
Third Rock Ventures VI, L.P. (2)	298,103	\$ 499,999
Johnson & Johnson Innovation—JJDC, Inc. (3)	298,103	\$ 499,999
ARCH Venture Fund XII, L.P. (4)	11,924,138	\$19,999,999
Entities affiliated with Cormorant (5)	14,905,172	\$24,999,998
Sofinnova Venture Partners XI, L.P. (6)	11,924,138	\$19,999,999
Entities affiliated with Fidelity (7)	14,905,173	\$25,000,000
SMALLCAP World Fund, Inc. (8)	14,905,173	\$25,000,000

(1) Additional details regarding these stockholders and their equity holdings are included in the section titled "*Principal Stockholders.*"

- (2) Entities affiliated with Third Rock Ventures beneficially own more than 5% of our outstanding capital stock. Dr. Huber and Dr. Tong, members of our board of directors, were designated to our board of directors by Third Rock Ventures and are each partners at Third Rock Ventures.
- (3) JJDC beneficially owns more than 5% of our outstanding capital stock. Dr. Mistry, a former member of our board of directors, was designated to our board of directors by JJDC and is the Vice President of Venture Investments at JJDC.
- (4) ARCH Venture Fund XII, L.P. beneficially owns more than 5% of our outstanding capital stock. Dr. Maraganore, a member of our board of directors, was designated to our board of directors by ARCH Venture Fund XII, L.P. and is a venture partner at ARCH Venture Partners.
- (5) Cormorant collectively refers to Cormorant Global Healthcare Master Fund, LP, Cormorant Private Healthcare Fund III, LP, Cormorant Private Healthcare Fund IV, LP and Cormorant Private Healthcare Fund V, LP. Dr. Kelleher, a member of our board of directors, was designated to our board of directors by Cormorant and is a Managing Director at Cormorant.
- (6) Dr. Healy, a member of our board of directors, was designated to our board of directors by Sofinnova Venture Partners XI, L.P. and is Managing Partner of Sofinnova Investments, Inc.

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- (7) Fidelity collectively refers to Fidelity Advisor Series VII: Fidelity Advisor Biotechnology Fund, Fidelity Mt. Vernon Street Trust: Fidelity Series Growth Company Fund, Fidelity Mt. Vernon Street Trust: Fidelity Growth Company Fund, Fidelity Growth Company Commingled Pool and Fidelity Mt. Vernon Street Trust: Fidelity Growth Company K6 Fund. Entities affiliated with Fidelity beneficially own more than 5% of our outstanding capital stock.
- (8) SMALLCAP World Fund, Inc. beneficially owns more than 5% of our outstanding capital stock.

### **Agreements with Stockholders**

#### ***License and Collaboration Agreements***

On August 9, 2022, we entered into an Option and License Agreement with Janssen Pharmaceutica NV (“Janssen”), as amended (the “Janssen License”). Sanjay Mistry, Ph.D., a former member of our board of directors, is Vice President of Venture Investments at JJDC, and JJDC, which is a beneficial owner of more than 5% of our outstanding capital stock, is an affiliate of Janssen. Please see the section titled “*Business—License and Collaboration Agreements*” for a description of the Janssen License.

#### ***Service Agreement with Third Rock Ventures***

Third Rock Ventures, a beneficial owner of more than 5% of our outstanding capital stock, has provided us with business, technical, financial, IT or scientific advice pursuant to a service agreement with Third Rock Ventures, dated August 9, 2022 (“service agreement”). In accordance with the service agreement, during the period from February 10, 2022 (inception) to December 31, 2022 and the year ended December 31, 2023, we incurred costs for services totaling \$2.1 million and \$1.2 million, respectively, which were reimbursed to Third Rock Ventures. Such costs were invoiced without service markups.

#### ***Investors’ Rights Agreement***

We are a party to an amended and restated investors’ rights agreement, dated as of August 7, 2023 (“investors’ rights agreement”), with certain holders of more than 5% of our outstanding capital stock, including entities affiliated with our directors.

The investors’ rights agreement provides certain holders of our convertible preferred stock with a participation right to purchase their pro rata share of new securities that we may propose to sell and issue, subject to certain exceptions. Such participation right will terminate upon the completion of this offering. The investors’ rights agreement further provides certain holders of our convertible preferred stock with certain rights, including certain registration rights with respect to the registrable securities held by them. See the section titled “*Description of Capital Stock—Registration Rights*” for additional information.

#### ***Stockholders Agreement***

We are a party to an amended and restated stockholders agreement, dated as of August 7, 2023 (“stockholders agreement”), with certain holders of more than 5% of our outstanding capital stock, including entities affiliated with our directors. The stockholders agreement provides for drag-along rights in respect of sales by certain holders of our capital stock. The stockholders agreement also contains provisions with respect to the elections of our board of directors and its composition.

The stockholders agreement also provides certain investors the right to purchase all or any portion of transfer stock, as well as the right of co-sale and participate in any proposed transfers. The stockholders agreement will terminate upon completion of this offering.

### **Employment Arrangements**

We have entered into offer letter agreements with certain of our executive officers, and granted stock options to our executive officers, as more fully described in the section titled “*Executive Compensation*.”

### **Equity Grants**

We have granted options to purchase shares of our common stock to certain of our executive officers and directors. For more information regarding the options granted to our executive officers and directors, see the sections titled “*Executive Compensation*” and “*Director Compensation*” included elsewhere in this prospectus.

### **Indemnification Agreements**

Our third amended and restated certificate of incorporation will contain provisions limiting the liability of directors and officers, and our amended and restated bylaws will provide that we will indemnify each of our directors and officers to the fullest extent permitted under Delaware law. Our third amended and restated certificate of incorporation and amended and restated bylaws will also provide our board of directors with discretion to indemnify our employees and other agents when determined appropriate by our board of directors. In addition, we have entered into or intend to enter into an indemnification agreement with each of our directors and executive officers, which will require us to indemnify them. For more information regarding these agreements, see the section titled “*Management—Limitations on Liability and Indemnification Agreements*” included elsewhere in this prospectus.

### **Policies and Procedures for Transactions with Related Persons**

Prior to completion of this offering, we intend to adopt a written policy that our executive officers, directors, nominees for election as a director, beneficial owners of more than 5% of any series of our common stock, and any members of the immediate family of any of the foregoing persons are not permitted to enter into a related person transaction with us without the approval or ratification of our board of directors or our audit committee. Any request for us to enter into a transaction with an executive officer, director, nominee for election as a director, beneficial owner of more than 5% of any series of our common stock, or any member of the immediate family of any of the foregoing persons, in which the amount involved exceeds \$120,000 (or, if less, 1% of the average of our total assets in a fiscal year) and such person would have a direct or indirect interest, must be presented to our board of directors or our audit committee for review, consideration, and approval. In approving or rejecting any such proposal, our board of directors or our audit committee is to consider the material facts of the transaction, including whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related person’s interest in the transaction.

## PRINCIPAL STOCKHOLDERS

The following table sets forth information regarding beneficial ownership of our capital stock as of [redacted], 2024 by:

- each person, or group of affiliated persons, known by us to beneficially own more than 5% of our common stock;
- each of our directors;
- each of our named executive officers; and
- all of our current executive officers and directors as a group.

We have determined beneficial ownership in accordance with the rules of the SEC. Under these rules, beneficial ownership includes any shares of common stock as to which the individual or entity has sole or shared voting power or investment power. Unless otherwise indicated below, to our knowledge the persons and entities named in the table have sole voting and sole investment power with respect to all shares that they beneficially owned, subject to community property laws where applicable. We have deemed shares of common stock subject to options that are currently exercisable or exercisable within 60 days of December 31, 2023 to be outstanding and to be beneficially owned by the person holding the option for the purpose of computing the percentage ownership of that person but have not treated them as outstanding for the purpose of computing the percentage ownership of any other person.

Applicable percentage ownership before the offering is based on an aggregate of 187,178,546 shares of common stock (which includes 19,144,717 shares of restricted common stock) deemed to be outstanding as of December 31, 2023, after giving effect to the automatic conversion of all outstanding shares of convertible preferred stock into [redacted] shares of common stock immediately prior to the completion of this offering, and assuming an initial public offering price of \$ [redacted] per share, which is the midpoint of the price range set forth on the cover page of this prospectus.

Applicable percentage ownership after the offering is based on [redacted] shares of common stock assumed to be outstanding immediately after the completion of this offering (assuming the sale of shares of common stock in this offering and no exercise of the underwriters' option to purchase additional shares).

Unless otherwise indicated, the address for each beneficial owner listed in the table below is c/o Rapport Therapeutics, Inc., 1325 Boylston Street, Suite 401, Boston, MA 02215.

<u>Name of Beneficial Owner</u>	<u>Number of Shares Beneficially Owned</u>	<u>Percentage of Shares Beneficially Owned</u>	
		<u>Before Offering</u>	<u>After Offering</u>
<b>5% or Greater Shareholders:</b>			
ARCH Venture Fund XII, L. P.			
Entities affiliated with Cormorant			
Johnson & Johnson Innovation—JJDC, Inc.			
Entities affiliated with Fidelity			
SMALLCAP World Fund, Inc.			
Entities affiliated with Third Rock Ventures			

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<u>Name of Beneficial Owner</u>	<u>Number of Shares Beneficially Owned</u>	<u>Percentage of Shares Beneficially Owned</u>	
		<u>Before Offering</u>	<u>After Offering</u>
<b>Named Executive Officers and Directors:</b>			
Abraham N. Ceesay, M.B.A., <i>Chief Executive Officer and Director</i>			
Troy Ignelzi, <i>Chief Financial Officer</i>			
Cheryl Gault, <i>Chief Operations Officer</i>			
Reid Huber, Ph.D., <i>Former Chief Executive Officer and Director</i>			
Steven M. Paul, M.D.			
Terry-Ann Burrell, M.B.A.			
James I. Healy, M.D., Ph.D.			
Raymond Kelleher, M.D., Ph.D.			
John Maraganore, Ph.D.			
Jeffrey K. Tong, Ph.D.			
All executive officers and directors as a group (14 persons)			

\* Represents beneficial ownership of less than 1%.



## DESCRIPTION OF CAPITAL STOCK

### General

The following description of our capital stock and certain provisions of our third amended and restated certificate of incorporation and amended and restated bylaws are summaries and are qualified by reference to the third amended and restated certificate of incorporation, which will become effective immediately prior to the completion of this offering, and the amended and restated bylaws, which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part. Copies of these documents have been filed with the SEC as exhibits to our registration statement, of which this prospectus forms a part. The descriptions of the common stock and preferred stock reflect changes to our capital structure that will be in effect on the completion of this offering.

Upon filing of our third amended and restated certificate of incorporation and the completion of this offering, our authorized capital stock will consist of \_\_\_\_\_ shares of common stock, par value \$0.001 per share, and shares of preferred stock, par value \$0.001 per share, all of which shares of preferred stock will be undesignated.

As of December 31, 2023, there were 187,178,546 shares of common stock outstanding (which includes 19,144,717 shares of unvested restricted common stock) and held of record by 57 stockholders. This amount assumes the conversion of all outstanding shares of our convertible preferred stock into common stock, which will occur immediately prior to the completion of this offering.

### Common Stock

Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of the stockholders. The holders of our common stock do not have any cumulative voting rights. Holders of our common stock are entitled to receive ratably any dividends declared by our board of directors out of funds legally available for that purpose, subject to any preferential dividend rights of any outstanding preferred stock. Our common stock has no preemptive rights, conversion rights or other subscription rights or redemption or sinking fund provisions.

In the event of our liquidation, dissolution or winding up, holders of our common stock will be entitled to share ratably in all assets remaining after payment of all debts and other liabilities and any liquidation preference of any outstanding preferred stock. The shares to be issued by us in this offering will be, when issued and paid for, validly issued, fully paid and non-assessable.

### Preferred Stock

Immediately prior to the completion of this offering, all outstanding shares of our convertible preferred stock will be converted into shares of our common stock. Upon the consummation of this offering, our board of directors will have the authority, without further action by our stockholders, to issue up to \_\_\_\_\_ shares of preferred stock in one or more series and to fix the rights, preferences, privileges, and restrictions thereof. These rights, preferences, and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms, and the number of shares constituting, or the designation of, such series, any or all of which may be greater than the rights of common stock. The issuance of our preferred stock could adversely affect the voting power of holders of common stock and the likelihood that such holders will receive dividend payments and payments upon our liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change in control of our Company or other corporate action. Immediately after consummation of this offering, no shares of preferred stock will be outstanding, and we have no present plan to issue any shares of preferred stock.

## **Stock Options**

As of December 31, 2023, 11,790,429 shares of common stock were issuable upon the exercise of outstanding stock options under the 2022 Plan, at a weighted-average exercise price of \$0.21 per share; no shares of common stock were issuable upon exercise of outstanding stock options outside of our 2022 Plan; and \_\_\_\_\_ shares of our common stock reserved for future issuance under the 2024 Plan, which will become effective once the registration statement of which this prospectus forms a part is declared effective, as well as any future automatic annual increases in the number of shares of common stock reserved for issuance under the 2024 Plan and any shares underlying outstanding stock awards granted under the 2022 Plan, that expire or are repurchased, forfeited, cancelled, or withheld. For additional information regarding terms of our equity incentive plans, see the section titled “*Executive Compensation—Employee Benefit and Equity Compensation Plans.*”

## **Registration Rights**

Upon the completion of this offering and subject to the lock-up agreements entered into in connection with this offering and federal securities laws, certain holders of shares of our common stock, including those shares of our common stock that will be issued upon the conversion of our convertible preferred stock in connection with this offering, will initially be entitled to certain rights with respect to registration of such shares under the Securities Act. These shares are referred to as registrable securities. The holders of these registrable securities possess registration rights pursuant to the terms of our third amended and restated investors’ 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 will pay all registration expenses, other than underwriting discounts, selling commissions and stock transfer taxes, 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 and limitations, to limit the number of shares the holders may include. The demand, piggyback and Form S-3 registration rights described below will expire no later than four years after the completion of this offering.

### ***Demand Registration Rights***

Upon the completion of this offering, certain holders of our common stock, including those issuable upon the conversion of shares of our convertible preferred stock upon completion of this offering, will be entitled to certain demand registration rights. At any time beginning 180 days after the completion of this offering, the holders of at least 25% of these shares may request that we register all or a portion of their shares. We are not required to effect more than two registration statements which are declared or ordered effective. Such request for registration must cover shares with an anticipated aggregate offering price of at least \$5 million. With certain exceptions, we are not required to effect the filing of a registration statement during the period starting with the date of the filing of, and ending on a date 60 days following the effective date of the registration statement for this offering.

### ***Piggyback Registration Rights***

In connection with this offering, certain holders of our common stock, including those issuable upon the conversion of shares of our convertible preferred stock upon completion of this offering, were entitled to, and the necessary percentage of holders waived, their rights to notice of this offering and to include their shares of registrable securities in this offering. After this offering, in the event that we propose to register any of our securities under the Securities Act, either for our own account or for the account of other security holders, the holders of these shares will be entitled to certain piggyback registration rights allowing the holder to include their shares in such registration, subject to certain marketing and other limitations.

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### ***Form S-3 Registration Rights***

Upon the completion of this offering, certain holders of our common stock, including those issuable upon the conversion of shares of our convertible preferred stock upon completion of this offering, will be entitled to certain Form S-3 registration rights. Holders of at least 10% of these shares can make a request that we register their shares on Form S-3 if we are qualified to file a registration statement on Form S-3 and if the reasonably anticipated aggregate net proceeds of the shares offered would equal or exceed \$1 million. We will not be required to effect more than two registrations on Form S-3 within any twelve-month period. The right to have such shares registered on Form S-3 is further subject to other specified conditions and limitations.

### ***Expiration of Registration Rights***

The demand registration rights and short-form registration rights granted under the investor rights agreement will terminate upon the earliest of (i) the closing of a “Deemed Liquidation Event,” as such term is defined in our amended and restated certificate of incorporation (as currently in effect), (ii) with respect to each stockholder, such date, on or after the completion of this offering, on which all registrable shares held by such stockholder may immediately be sold during any three-month period pursuant to Rule 144 of the Securities Act or another similar exemption and (iii) the fifth anniversary of the completion of this offering.

### ***Anti-Takeover Effects of Our Certificate of Incorporation and Bylaws and Delaware Law***

Our third amended and restated certificate of incorporation and amended and restated bylaws will include a number of provisions that may have the effect of delaying, deferring or preventing another party from acquiring control of us and encouraging persons considering unsolicited tender offers or other unilateral takeover proposals to negotiate with our board of directors rather than pursue non-negotiated takeover attempts. These provisions include the items described below.

### ***Board Composition and Filling Vacancies***

Our third amended and restated certificate of incorporation will provide for the division of our board of directors into three classes serving staggered three-year terms, with one class being elected each year. Our third amended and restated certificate of incorporation also will provide that directors may be removed only for cause and then only by the affirmative vote of the holders of two-thirds or more of the shares then entitled to vote at an election of directors. Furthermore, any vacancy on our board of directors, however occurring, including a vacancy resulting from an increase in the size of our board, may only be filled by the affirmative vote of a majority of our directors then in office even if less than a quorum. The classification of directors, together with the limitations on removal of directors and treatment of vacancies, has the effect of making it more difficult for stockholders to change the composition of our board of directors.

### ***No Written Consent of Stockholders***

Our third amended and restated certificate of incorporation provides that all stockholder actions are required to be taken by a vote of the stockholders at an annual or special meeting, and that stockholders may not take any action by written consent in lieu of a meeting. This limit may lengthen the amount of time required to take stockholder actions and would prevent the amendment of our amended and restated bylaws or removal of directors by our stockholders without holding a meeting of stockholders.

### ***Meetings of Stockholders***

Our third amended and restated certificate of incorporation and amended and restated bylaws provide that only a majority of the members of our board of directors then in office may call special meetings of stockholders and only those matters set forth in the notice of the special meeting may be considered or acted upon at a special meeting of stockholders. Our bylaws limit the business that may be conducted at an annual meeting of stockholders to those matters properly brought before the meeting.

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### ***Advance Notice Requirements***

Our amended and restated bylaws establish advance notice procedures with regard to stockholder proposals relating to the nomination of candidates for election as directors or new business to be brought before meetings of our stockholders. These procedures provide that notice of stockholder proposals must be timely given in writing to our corporate secretary prior to the meeting at which the action is to be taken. Generally, to be timely, notice must be received at our principal executive offices not less than 90 days nor more than 120 days prior to the first anniversary date of the annual meeting for the preceding year. Our amended and restated bylaws specify the requirements as to form and content of all stockholders' notices. These requirements may preclude stockholders from bringing matters before the stockholders at an annual or special meeting.

### ***Amendment to Certificate of Incorporation and Bylaws***

Any amendment of our third amended and restated certificate of incorporation must first be approved by a majority of our board of directors, and if required by law or our third amended and restated certificate of incorporation, must thereafter be approved by a majority of the outstanding shares entitled to vote on the amendment and a majority of the outstanding shares of each class entitled to vote thereon as a class, except that the amendment of the provisions relating to stockholder action, board composition, and limitation of liability must be approved by not less than two-thirds of the outstanding shares entitled to vote on the amendment, and not less than two-thirds of the outstanding shares of each class entitled to vote thereon as a class. Our amended and restated bylaws may be amended by the affirmative vote of a majority of the directors then in office, subject to any limitations set forth in the amended and restated bylaws; and may also be amended by the affirmative vote of a majority of the outstanding shares entitled to vote on the amendment, voting together as a single class, except that the amendment of the provisions relating to notice of stockholder business and nominations and special meetings must be approved by not less than two-thirds of the outstanding shares entitled to vote on the amendment, and not less than two-thirds of the outstanding shares of each class entitled to vote thereon as a class, or, if our board of directors recommends that the stockholders approve the amendment, by the affirmative vote of the majority of the outstanding shares entitled to vote on the amendment, in each case voting together as a single class.

### ***Undesignated Preferred Stock***

Our third amended and restated certificate of incorporation provides for \_\_\_\_\_ authorized shares of preferred stock. The existence of authorized but unissued shares of preferred stock may enable our board of directors to discourage an attempt to obtain control of us by means of a merger, tender offer, proxy contest, or otherwise. For example, if in the due exercise of its fiduciary obligations, our board of directors were to determine that a takeover proposal is not in the best interests of our stockholders, our board of directors could cause shares of preferred stock to be issued without stockholder approval in one or more private offerings or other transactions that might dilute the voting or other rights of the proposed acquirer or insurgent stockholder or stockholder group. In this regard, our third amended and restated certificate of incorporation grants our board of directors broad power to establish the rights and preferences of authorized and unissued shares of preferred stock. The issuance of shares of preferred stock could decrease the amount of earnings and assets available for distribution to holders of shares of common stock. The issuance may also adversely affect the rights and powers, including voting rights, of these holders and may have the effect of delaying, deterring or preventing a change in control of us.

### **Section 203 of the Delaware General Corporation Law**

Upon completion of this offering, we will be subject to the provisions of Section 203 of the DGCL. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a three-year period following the time that this stockholder becomes an interested stockholder, unless the business combination is approved in a prescribed manner. Under Section 203, a

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business combination between a corporation and an interested stockholder is prohibited unless it satisfies one of the following conditions:

- before the stockholder became interested, our board of directors 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, shares owned by persons who are directors and also officers, and employee stock plans, in some instances, but not the outstanding voting stock owned by the interested stockholder; or
- at or after the time the stockholder became interested, the business combination was approved by our board of directors and authorized at an annual or special meeting of the stockholders by the affirmative vote of at least two-thirds 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, lease, 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.

### **Choice of Forum**

Our amended and restated bylaws will provide that the Court of Chancery of the State of Delaware is the sole and exclusive forum for the following claims or causes of action under the Delaware statutory or common law: (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of, or a claim based on, a breach of a fiduciary duty owed by any of our current or former directors, officers, or other employees or stockholders to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL or our third amended and restated certificate of incorporation or amended and restated bylaws (including the interpretation, validity or enforceability thereof) or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, or (iv) any action asserting a claim governed by the internal affairs doctrine.

However, Section 27 of the Exchange Act creates exclusive federal jurisdiction over all claims brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. Consequently, this choice of forum provision would not apply to claims or causes of action brought to enforce a duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction or the Securities Act. Moreover, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all claims brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder.

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In addition, our amended and restated bylaws will provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause or causes of action arising under the Securities Act, including all causes of action asserted against any defendant to such complaint. For the avoidance of doubt, this provision is intended to benefit and may be enforced by us, our officers and directors, the underwriters to any offering giving rise to such complaint, and any other professional entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying the offering.

While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions, and there can be no assurance that such provisions will be enforced by a court in those other jurisdictions. We note that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder.

Additionally, our amended and restated bylaws will provide that any person or entity holding, owning or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to these provisions.

### **Limitations on Liability and Indemnification**

See the section titled “*Management—Limitations on Liability and Indemnification Agreements*” included elsewhere in this prospectus.

### **Exchange Listing**

Our common stock is currently not listed on any securities exchange. We intend to apply to have our common stock approved for listing on The Nasdaq Global Market under the symbol “RAPP.”

### **Transfer Agent and Registrar**

On the completion of this offering, the transfer agent and registrar for our common stock will be . The transfer agent’s address is .

## SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock. Future sales of substantial amounts of our common stock, including shares issued on the exercise of outstanding options, in the public market after this offering, or the possibility of these sales or issuances occurring, could adversely affect the prevailing market price for our common stock or impair our ability to raise equity capital. Although we intend to apply to list our common stock on The Nasdaq Global Market, we cannot assure you that there will be an active public market for our common stock.

Following the completion of this offering, based on our shares outstanding as of December 31, 2023, a total of \_\_\_\_\_ shares of common stock will be outstanding, assuming no exercise of the underwriters' option to purchase additional shares and no exercise of outstanding options. Of the outstanding shares, all of the shares sold in this offering will be freely tradable, except that any shares held by our affiliates, as that term is defined in Rule 144 under the Securities Act, may only be sold in compliance with the limitations described below.

### Rule 144

In general, under Rule 144 as currently in effect, once we have been subject to public company reporting requirements of Section 13 or Section 15(d) of the Exchange Act for at least 90 days, an eligible stockholder is entitled to sell such shares without complying with the manner of sale, volume limitation, or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. To be an eligible stockholder under Rule 144, such stockholder must not be deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and must have beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than our affiliates. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then such person is entitled to sell such shares without complying with any of the requirements of Rule 144, subject to the expiration of the lock-up agreements described below.

In general, under Rule 144, as currently in effect, our affiliates or persons selling shares on behalf of our affiliates are entitled to sell shares on expiration of the lock-up agreements described below. Beginning 90 days after the date of this prospectus, within any three-month period, such stockholders may sell a number of shares that does not exceed the greater of:

- 1% of the number of shares of common stock then outstanding, which will equal approximately \_\_\_\_\_ shares immediately after this offering, assuming no exercise of the underwriters' option to purchase additional shares of common stock from us; or
- the average weekly trading volume of our common stock on Nasdaq during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

### Rule 701

Rule 701 under the Securities Act ("Rule 701") generally allows a stockholder who was issued shares under a written compensatory plan or contract and who is not deemed to have been an affiliate of our company during the immediately preceding 90 days, to sell these shares in reliance on Rule 144, but without being required to comply with the public information, holding period, volume limitation, or notice provisions of Rule 144. Rule 701 also permits affiliates of our company to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. All holders of Rule 701 shares, however, are required by that rule to wait until 90 days after the date of this prospectus before selling those shares under Rule 701, subject to the expiration of the lock-up agreements described below.

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**Form S-8 Registration Statements**

We intend to file one or more registration statements on Form S-8 under the Securities Act with the SEC to register the offer and sale of shares of our common stock that are issuable under the 2022 Plan, the 2024 Plan, and the ESPP. These registration statements will become effective immediately upon filing. Shares covered by these registration statements will then be eligible for sale in the public markets, subject to vesting restrictions, any applicable lock-up agreements described below, and Rule 144 limitations applicable to affiliates.

**Lock-up Arrangements**

We, all of our directors and executive officers, and the holders of substantially all of our capital stock and securities convertible into or exchangeable for our capital stock have entered into lock-up agreements with the underwriters and/or are subject to market standoff agreements or other agreements with us, which prevents them from selling any of our common stock or any securities convertible into or exercisable or exchangeable for common stock for a period of not less than 180 days from the date of this prospectus without the prior written consent of Goldman Sachs & Co. LLC and Jefferies LLC, subject to certain exceptions. See the section titled “*Underwriting*” appearing elsewhere in this prospectus for more information.

**Registration Rights**

Upon completion of this offering, certain holders of our securities will be entitled to various rights with respect to registration of their shares under the Securities Act. Registration of these shares under the Securities Act would result in these shares becoming fully tradable without restriction under the Securities Act immediately upon the effectiveness of the registration. See the section titled “*Description of Capital Stock—Registration rights*” appearing elsewhere in this prospectus for more information.



## MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES FOR NON-U.S. HOLDERS

The following discussion is a summary of material U.S. federal income tax consequences to non-U.S. holders (as defined below) of the ownership and disposition of our common stock issued pursuant to this offering. This discussion is based on the Internal Revenue Code of 1986, as amended (referred to as the “Code”), Treasury Regulations promulgated thereunder, published rulings and administrative pronouncements of the U.S. Internal Revenue Service (“IRS”) and judicial decisions, all as in effect on 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 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, the alternative minimum tax, or the special tax accounting rules under Section 451(b) of the Code, and also does not address any U.S. federal non-income tax consequences, such as estate or gift tax consequences, or any tax consequences arising under any state, local or non-U.S. tax laws. This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a non-U.S. holder in light of such non-U.S. holder’s particular circumstances. This discussion also does not consider any specific facts or circumstances that may be relevant to non-U.S. 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 pass-through or disregarded entities 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;
- persons who acquire our common stock through the exercise of an option or otherwise as compensation;
- 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 that elect to apply Section 1400Z-2 of the Code to gains recognized with respect to shares of our common stock;
- persons that own, or have owned, actually or constructively, more than 5% of our common stock;
- persons who have elected to mark securities to market; and
- persons holding our common stock as part of a hedging or conversion transaction or straddle, or synthetic security or a constructive sale, 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 generally will depend on the

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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 owning 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 NON-U.S. TAX LAWS AND ANY OTHER U.S. FEDERAL TAX LAWS OR UNDER ANY APPLICABLE INCOME TAX TREATY.

### **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 for U.S. federal income tax purposes:

- a non-resident alien individual;
- a corporation or any organization taxable as a corporation for U.S. federal income taxes that is not created or organized under the laws of the United States, any state thereof, or the District of Columbia; or
- a foreign trust or estate, the income of which is not subject to U.S. federal income tax on a net income basis.

### **Distributions on our common stock**

As described under “*Dividend Policy*,” we do not currently anticipate declaring or paying, for the foreseeable future, any distributions on our capital stock. However, if we were to distribute cash or other property 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 “—Gain on sale or other taxable disposition of our common stock” below.

Subject to the discussions below regarding effectively connected income, backup withholding and FATCA (as defined below), dividends paid to a non-U.S. holder of our common stock 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 withholding agent with a valid IRS Form W-8BEN (in the case of individuals) or IRS Form W-8BEN-E (in the case of entities), or other appropriate form, certifying such holder’s qualification for the reduced rate. This certification must be provided to us or our withholding agent before the payment of the dividends and must be updated periodically. If the non-U.S. holder holds our common 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 withholding agent, either directly or through other intermediaries.

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, if required by an applicable tax treaty, are attributable to such holder’s permanent establishment or fixed base in the United States), the non-U.S. holder generally will be exempt from U.S. federal withholding

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tax. To claim the exemption, the non-U.S. holder generally must furnish a valid IRS Form W-8ECI (or applicable successor form), certifying that the dividends are effectively connected with the non-U.S. Holder's conduct of a trade or business within the United States 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 dividends, as adjusted for certain items.

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 or credit of any excess amounts withheld by timely filing an appropriate claim with the IRS. 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 (as defined below), 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 taxable 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 or fixed base maintained by the non-U.S. holder in the United States;
- the non-U.S. holder is a nonresident alien individual who is present in the United States for a period or periods aggregating 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 during the calendar year in which the sale or other disposition occurs.

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 of the non-U.S. holder (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.

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 worldwide real property interests and our other trade or business assets. We believe that we are not currently and we 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. Even if we are treated as a USRPHC, gain realized by a non-U.S. holder on a disposition of our common stock will not be subject to U.S. federal income tax so long as (1) the non-U.S. holder owned, directly, indirectly and constructively, no more

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than 5% of our common stock at all times within the shorter of (a) the five-year period preceding the disposition or (b) the holder's holding period and (2) our common stock is "regularly traded" on an established securities market within the meaning of applicable U.S. Treasury regulations. There can be no assurance that our common stock qualifies as regularly traded on an established securities market for purposes of the rules described above. 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.

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 the amount of 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 distributions 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 otherwise establishes an exemption, and if the payor does not have actual knowledge, or reason to know, that the holder is a U.S. person who is not an exempt recipient.

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**

Sections 1471 through 1474 of the Code, which are commonly referred to as FATCA, impose 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 substantial 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" (as specially defined under these rules) unless such entity provides the withholding agent a certification that it does not have any "substantial United States owners" or provides information 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 and would have applied also to payments of gross proceeds from the sale or other disposition of our common stock. However, proposed regulations under FATCA provide for the elimination of the federal withholding tax of 30% applicable to gross proceeds of a sale or other disposition of from property of a type that can produce U.S. source dividends or interest. Under these proposed Treasury Regulations (which may be relied upon by taxpayers prior to finalization), FATCA withholding does not apply to gross proceeds from sales or other dispositions of our common stock.

Prospective investors are encouraged to consult with their tax advisors regarding the possible implications of FATCA on their investment in our common stock.

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EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF OWNING AND DISPOSING OF OUR COMMON STOCK, INCLUDING THE CONSEQUENCES OF ANY RECENT AND PROPOSED CHANGE IN APPLICABLE LAW, AS WELL AS TAX CONSEQUENCES ARISING UNDER ANY STATE, LOCAL, NON-U.S. OR U.S. FEDERAL NON-INCOME TAX LAWS.

## UNDERWRITING

We and the underwriters named below have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. Goldman Sachs & Co. LLC, Jefferies LLC, Cowen and Company, LLC and Stifel, Nicolaus & Company, Incorporated are the representatives of the underwriters.

<u>Underwriters</u>	<u>Number of Shares</u>
Goldman Sachs & Co. LLC	
Jefferies LLC	
Cowen and Company, LLC	
Stifel, Nicolaus & Company, Incorporated	
Total	

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

The underwriters have an option to buy up to an additional \_\_\_\_\_ shares of our common stock from us to cover sales by the underwriters of a greater number of shares than the total number set forth in the table above. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by us. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase up to an additional \_\_\_\_\_ shares of our common stock from us.

	<u>No Exercise</u>	<u>Full Exercise</u>
Per Share	\$	\$
Total	\$	\$

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to \$ \_\_\_\_\_ per share from the initial public offering price. After the initial offering of the shares, the representatives may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

We and our officers, directors, and holders of substantially all of our capital stock and securities convertible into or exchangeable for our common stock have agreed or will agree with the underwriters, subject to certain exceptions, not to dispose of or hedge any of our or their common stock or securities convertible into or exchangeable for shares of common stock (collectively, "Lock-Up Securities") during the period from the date of this prospectus continuing through the date 180 days after the date of this prospectus, except with the prior written consent of Goldman Sachs & Co. LLC and Jefferies LLC. See the section titled "*Shares Eligible for Future Sale*" for a discussion of certain transfer restrictions.

The restrictions described in the immediately preceding paragraph do not apply to our officers, directors and holders of substantially all of our capital stock and securities convertible into or exchangeable for our common stock with respect to:

Transfers of Lock-Up Securities (i) as one or more bona fide gifts or charitable contributions, or for bona fide estate planning purposes, (ii) upon death by will, testamentary document or intestate succession, (iii) if the

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lock-up party is a natural person, to any member of the lock-up party's immediate family or to any trust for the direct or indirect benefit of such lock-up party or the immediate family of such lock-up party or, if such lock-up party is a trust, to a trust or beneficiary of the trust or the estate of a beneficiary of such trust, (iv) to a corporation, partnership, limited liability company or other entity of which the lock-up party and the immediate family of the lock-up party 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) above, (vi) if the lock-up party is a corporation, partnership, limited liability company or other business entity, (A) to another corporation, partnership, limited liability company or other business entity that is a subsidiary or an affiliate (as defined in Rule 405 under the Securities Act) of such lock-up party, or to any investment fund or other entity which fund or entity is controlled or managed by the lock-up party or affiliates of such lock-up party (including, for the avoidance of doubt, where the undersigned 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 disposition, transfer or distribution by the lock-up party to its stockholders, partners, members or other equityholders or to the estate of any such stockholders, partners, members or other equityholders, (vii) by operation of law, such as pursuant to a qualified domestic order, divorce settlement, divorce decree or separation agreement, (viii) to us from one of our employees upon death, disability or termination of employment, in each case, of such employee, (ix) if the lock-up party is not one of our officers or directors, in connection with a sale of such lock-up party's shares of common stock acquired (A) from the underwriters in this offering or (B) in open market transactions after the closing date of this offering, or (x) to us in connection with the vesting, settlement or exercise of restricted stock units, options, warrants or other rights to purchase shares of common stock (including, in each case, by way of "net" or "cashless" exercise), including any transfer to us for the payment of tax withholdings or remittance payments due as a result of the vesting, settlement or exercise of such restricted stock units, options, warrants or other rights, or in connection with the conversion of convertible securities, in all such cases pursuant to equity awards granted under a stock incentive plan or other equity award plan, or pursuant to the terms of convertible securities, each as described in this prospectus, provided that any securities received upon such vesting, settlement, exercise or conversion shall be subject to the terms of the lock-up agreement; provided that (A) in the case of clauses (i), (ii), (iii), (iv), (v) and (vi) above, such transfer or distribution shall not involve a disposition for value, (B) in the case of clauses (i), (ii), (iii), (iv), (v), (vi) and (vii) above, it shall be a condition to the transfer or distribution that the donee, devisee, transferee or distributee, as the case may be, shall sign and deliver a lock up agreement containing the same restrictions set forth above, (C) in the case of clauses (ii), (iii), (iv), (v) and (vi) above, no filing by any party (including, without limitation, any donor, donee, devisee, transferor, transferee, distributor or distributee) under the Exchange Act or other public filing, report or announcement reporting a reduction in beneficial ownership of Lock-Up Securities shall be required or shall be voluntarily made in connection with such transfer or distribution, and (D) in the case of clauses (i), (vii), (viii), (ix) and (x) above, no filing under the Exchange Act or other public filing, report or announcement shall be voluntarily made, and if any such filing, report or announcement shall be legally required during the lock-up period, such filing, report or announcement shall clearly indicate in the footnotes thereto (A) the circumstances of such transfer or distribution and (B) in the case of a transfer or distribution pursuant to clauses (i) or (vii) above, that the donee, devisee, transferee or distributee has agreed to be bound by a lock-up agreement containing the same restrictions set forth above.

In addition, the lock-up party may (a) enter into a written plan meeting the requirements of Rule 10b5-1 under the Exchange Act relating to the transfer, sale or other disposition of the lock-up party's Lock-Up Securities, if then permitted by us, provided that none of the securities subject to such plan may be transferred, sold or otherwise disposed of until after the expiration of the lock-up period and no public announcement, report or filing under the Exchange Act, or any other public filing, report or announcement, shall be voluntarily made regarding the establishment of such plan during the lock-up period, and if any such filing, report or announcement shall be legally required during the lock-up period, such filing, report or announcement shall clearly indicate in the footnotes thereto that that none of the securities subject to such plan may be transferred, sold or otherwise disposed of pursuant to such plan until after the expiration of the lock-up period, (b) transfer the lock-up party's Lock-Up Securities to us pursuant to an agreement under which we have the option to repurchase shares or a right of first refusal with respect to transfer of such shares, provided that no filing under

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the Exchange Act or other public filing, report or announcement shall be voluntarily made, and if any such filing, report or announcement shall be legally required during the lock-up period, such filing, report or announcement shall clearly indicate in the footnotes thereto the circumstances of such transfer or distribution, (c) (i) transfer its Lock-Up Securities pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction that is approved by our board of directors and made to all holders of our capital stock involving a change of control of us, in one transaction or a series of related transactions, to a person or group of affiliated persons, of shares of capital stock if, after such transfer, such person or group of affiliated persons would hold at least a majority of our outstanding voting securities (or the voting securities of the surviving entity)) and (ii) enter into any lock-up, voting or similar agreement pursuant to which the undersigned may agree to transfer, sell, tender or otherwise dispose of common stock or other such securities in connection with a transaction described in clause (i); provided that in the event that such tender offer, merger, consolidation or other similar transaction is not completed, the lock-up party's Lock-Up Securities shall remain subject to the provisions of the lock-up agreement, or (d) convert outstanding shares of our convertible preferred stock into shares of common stock, provided that any such shares received upon such conversion shall remain subject to the provisions of the lock-up agreement.

The restrictions on transfers or other dispositions by us described above do not apply to us with respect to:

Prior to the offering, there has been no public market for the shares of our common stock. The initial public offering price has been negotiated among us and the representatives. Among the factors to be considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, will be our historical performance, estimates of the business potential and earnings prospects of us, an assessment of our management and the consideration of the above factors in relation to market valuation of companies in related businesses.

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

In connection with the offering, the underwriters may purchase and sell shares of our common stock in the open market. These transactions may include short sales, stabilizing transactions and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A "covered short position" is a short position that is not greater than the amount of additional shares for which the underwriters' option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to cover the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option described above. "Naked" short sales are any short sales that create a short position greater than the amount of additional shares for which the option described above may be exercised. The underwriters must cover any such naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price



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of our common stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of our common stock. As a result, the price of our common stock may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on the Nasdaq Global Market, in the over-the-counter market or otherwise.

We estimate that our share of the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately \$ . We have agreed to reimburse the underwriters for certain of their expenses in an amount up to \$ .

We have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates may in the future provide, a variety of these services to us and to persons and entities with relationships with us, for which they will receive customary fees and expenses. In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of ours (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with us. For example, affiliates of Goldman Sachs & Co. LLC, including certain investment funds managed by Goldman Sachs & Co. LLC, own an aggregate of 5,365,861 shares of our Series B preferred stock, which will automatically convert into an aggregate of 5,365,861 shares of our common stock in connection with this offering. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

### *European Economic Area*

In relation to each Member State of the European Economic Area (each a Relevant Member), no shares have been offered or will be offered pursuant to the offering to the public in that Relevant Member prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant Member or, where appropriate, approved in another Relevant Member and notified to the competent authority in that Relevant Member, all in accordance with the Prospectus Regulation, except that the shares may be offered to the public in that Relevant Member 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 the 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.

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For the purposes of this provision, the expression an “offer to the public” in relation to the shares in any Relevant Member 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.

### *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 FSMA;

provided that no such offer of the shares shall require the Issuer or Manager to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation. 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.

### *Canada*

The securities may be sold in Canada 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 securities must be made in accordance with an exemption form, 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 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.

### *Hong Kong*

The shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) (Companies (Winding Up and

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Miscellaneous Provisions) Ordinance) or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (Securities and Futures Ordinance), or (ii) to “professional investors” as defined in the Securities and Futures Ordinance and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the 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” in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

### *Singapore*

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the SFA)) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is 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, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for 6 months after that corporation has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer in that corporation’s securities pursuant to Section 275(1A) of the SFA, (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore (Regulation 32).

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, the beneficiaries’ rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that trust has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than \$200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets), (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32.

Solely for the purposes of its obligations pursuant to Section 309B of the SFA, we have determined, and hereby notify all relevant persons (as defined in the CMP Regulations 2018), 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).

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### *Japan*

The securities have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended) (“FIEA”). The securities may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.

### *Australia*

No placement document, prospectus, product disclosure statement or other disclosure document has been lodged with the Australian Securities and Investments Commission, in relation to the offering. This offering document does not constitute a prospectus, product disclosure statement or other disclosure document under the Corporations Act 2001 (the “Corporations Act”), and does not purport to include the information required for a prospectus, product disclosure statement or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons (“Exempt Investors”) who are “sophisticated investors” (within the meaning of Section 708(8) of the Corporations Act), “professional investors” (within the meaning of Section 708(11) of the Corporations Act) or otherwise pursuant to one or more exemptions contained in Section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under Section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This offering document contains general information only and does not take account of the investment objectives, financial situation or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this offering document is appropriate to their needs, objectives and circumstances, and, if necessary, seek expert advice on those matters.

### *Dubai International Financial Centre*

This offering document relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority (“DFSA”). This offering document is intended for distribution only to persons of a type specified in the Offered Securities Rules 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 nor taken steps to verify the information set forth in this prospectus and has no responsibility for the offering document. The securities to which this offering 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 offering document you should consult an authorized financial advisor.

### *Switzerland*

This offering document is not intended to constitute an offer or solicitation to purchase or invest in the shares of our common stock. The shares of common stock may not be publicly offered, directly or indirectly, in

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Switzerland within the meaning of the Swiss Financial Services Act (“FinSA”), and no application has or will be made to admit the shares of common stock to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this offering document nor any other offering or marketing material relating to the shares of common stock constitutes a prospectus pursuant to the FinSA, and neither this offering document nor any other offering or marketing material relating to the shares of common stock may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this offering document nor any other offering or marketing material relating to the offering, us or the securities have been or will be filed with or approved by any Swiss regulatory authority. In particular, this offering document will not be filed with, and the offer of securities will not be supervised by, the Swiss Financial Market Supervisory Authority, and the offer of securities 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 securities.

## LEGAL MATTERS

The validity of the shares of our common stock being offered in this prospectus will be passed upon for us by Goodwin Procter LLP, Boston, Massachusetts. Cooley LLP, New York, New York, is representing the underwriters in this offering.

## EXPERTS

The financial statements as of December 31, 2023 and 2022 and for the year ended December 31, 2023 and the period from February 10, 2022 (inception) to December 31, 2022 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

## WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 (File Number 333- ) under the Securities Act with respect to the shares of common stock offered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all the information set forth in the registration statement, some of which is contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our common stock, we refer you to the registration statement, including the exhibits filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit. The SEC also maintains an internet website that contains reports and other information about issuers, like us, that file electronically with the SEC. The address of that website is [www.sec.gov/edgar](http://www.sec.gov/edgar).

We currently do not file periodic reports with the SEC. On 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 for review at the website of the SEC referred to above.

We also maintain a website at [www.rapportrx.com](http://www.rapportrx.com). Information contained in, or accessible through, our website is not a part of this prospectus, and the inclusion of our website address in this prospectus is only as an inactive textual reference. Upon completion of this offering, you may access, free of charge, our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendment to those reported filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act as soon as reasonably practicable after such material is electronically filed with, or furnished to, the SEC.

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**Report of Independent Registered Public Accounting Firm**

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

***Opinion on the Financial Statements***

We have audited the accompanying consolidated balance sheets of Rapport Therapeutics, Inc. and its subsidiary (the “Company”) as of December 31, 2023 and 2022, and the related consolidated statements of operations and comprehensive loss, of convertible preferred stock and stockholders’ deficit and of cash flows for the year ended December 31, 2023 and for the period from February 10, 2022 (inception) to December 31, 2022, including the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the year ended December 31, 2023 and for the period from February 10, 2022 (inception) to December 31, 2022 in conformity with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated 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 of these consolidated financial statements in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ PricewaterhouseCoopers LLP  
Boston, Massachusetts  
March 27, 2024

We have served as the Company’s auditor since 2023.



**Rapport Therapeutics, Inc.**  
**Consolidated Balance Sheets**  
*(In Thousands, Except Share Data)*

	December 31,	
	2022	2023
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 31,159	\$ 70,169
Short-term investments	—	77,309
Restricted cash	—	85
Prepaid expenses and other current assets	109	3,309
Total current assets	31,268	150,872
Property and equipment, net	335	1,916
Operating lease right-of-use asset	—	2,084
Other assets	—	551
Total assets	\$ 31,603	\$155,423
<b>Liabilities, Convertible Preferred Stock and Stockholders' Deficit</b>		
Current liabilities		
Accounts payable <sup>(1)</sup>	\$ 1,450	\$ 2,502
Accrued expenses and other current liabilities <sup>(1)</sup>	213	5,631
Operating lease liability	—	670
Total current liabilities	1,663	8,803
Series A preferred stock tranche right liability	10,435	—
Series B preferred stock tranche right liability	—	4,200
Operating lease liability, net of current portion	—	1,476
Total liabilities	12,098	14,479
Commitments and contingencies (Note 14)		
Series A convertible preferred stock, \$0.001 par value; 100,182,354 shares authorized as of December 31, 2022 and 2023; 40,182,354 and 100,182,354 shares issued and outstanding as of December 31, 2022 and 2023, respectively; liquidation preference of \$40,182 and \$100,182 as of December 31, 2022 and 2023, respectively	29,567	89,487
Series B convertible preferred stock, \$0.001 par value; zero and 89,431,030 shares authorized as of December 31, 2022 and 2023, respectively; zero and 51,273,790 shares issued and outstanding as of December 31, 2022 and 2023, respectively; liquidation preference of zero and \$86,000 as of December 31, 2022 and 2023, respectively	—	77,091
Stockholders' deficit		
Common stock, \$0.001 par value; 150,000,000 and 250,000,000 shares authorized at December 31, 2022 and 2023, respectively; 30,725,019 and 35,722,402 shares issued and outstanding as of December 31, 2022 and 2023, respectively	31	36
Additional paid-in capital	559	19,764
Accumulated other comprehensive income	—	4
Accumulated deficit	(10,652)	(45,438)
Total stockholders' deficit	(10,062)	(25,634)
Total liabilities, convertible preferred stock, and stockholders' deficit	\$ 31,603	\$155,423

(1) Includes related party amounts of \$0.7 million and \$0.2 million (accounts payable) and less than \$0.1 million and zero (accrued expenses) as of December 31, 2022 and 2023, respectively (see Notes 5 and 13).

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

**Rapport Therapeutics, Inc.**  
**Consolidated Statements of Operations and Comprehensive Loss**  
*(In Thousands, except share and per share data)*

	For the period from February 10, 2022 (inception) to December 31, 2022	For the year ended December 31, 2023
Operating expenses		
Related party acquired in-process research and development	\$ 5,000	\$ —
Research and development <sup>(1)</sup>	4,115	27,999
General and administrative <sup>(2)</sup>	1,252	8,180
Total operating expenses	<u>10,367</u>	<u>36,179</u>
Loss from operations	(10,367)	(36,179)
Other income (expense):		
Interest income	—	2,527
Interest expense	(285)	—
Change in fair value of preferred stock tranche right liability	—	(1,124)
Total other income (expense), net	<u>(285)</u>	<u>1,403</u>
Net loss before income taxes	(10,652)	(34,776)
Provision for income taxes	—	10
Net loss	<u>\$ (10,652)</u>	<u>\$ (34,786)</u>
Net loss per share attributable to common stockholders, basic and diluted	<u>(1.60)</u>	<u>(2.70)</u>
Weighted-average common shares outstanding, basic and diluted	6,656,667	12,896,713
Comprehensive loss:		
Net loss	<u>\$ (10,652)</u>	<u>\$ (34,786)</u>
Change in unrealized gains on investments, net of tax	—	4
Total other comprehensive income	<u>—</u>	<u>4</u>
Comprehensive loss	<u>\$ (10,652)</u>	<u>\$ (34,782)</u>

- (1) Includes related party amounts of \$1.6 million and \$0.7 million for the period from February 10, 2022 (inception) to December 31, 2022 and for the year ended December 31, 2023, respectively (see Note 13).
- (2) Includes related party amount of \$0.6 million and \$0.9 million for the period from February 10, 2022 (inception) to December 31, 2022 and for the year ended December 31, 2023, respectively (see Note 13).

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

**Rapport Therapeutics, Inc.**  
**Consolidated Statements of Convertible Preferred Stock and Stockholders' Deficit**  
*(In Thousands, Except Share Data)*

	Series A Convertible Preferred Stock		Series B Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount				
<b>Balance at February 10, 2022 (inception)</b>	—	\$ —	—	\$ —	—	\$ —	\$ —	\$ —	\$ —	\$ —
Settlement of convertible promissory notes and accrued interest to Series A Convertible preferred stock, net of Series A preferred stock tranche right liability of \$2,125	8,182,354	6,057	—	—	—	—	—	—	—	—
Issuance of Series A convertible preferred stock, net of Series A preferred stock tranche right liability of \$8,310 and issuance costs of \$180	32,000,000	23,510	—	—	—	—	—	—	—	—
Issuance of common stock	—	—	—	—	10,000,000	10	—	—	—	10
Issuance of restricted common stock	—	—	—	—	20,725,019	21	—	—	—	21
Stock-based compensation expense	—	—	—	—	—	—	559	—	—	559
Net loss	—	—	—	—	—	—	—	—	(10,652)	(10,652)
<b>Balance at December 31, 2022</b>	<u>40,182,354</u>	<u>\$ 29,567</u>	<u>—</u>	<u>\$ —</u>	<u>30,725,019</u>	<u>\$ 31</u>	<u>\$ 559</u>	<u>\$ —</u>	<u>\$ (10,652)</u>	<u>\$ (10,062)</u>
Issuance of Series A convertible preferred stock for the settlement of the second and third tranche right liability, net of issuance costs of \$80	60,000,000	\$ 59,920	—	—	—	—	11,465	—	—	11,465
Issuance of Series B Convertible Preferred Stock, net of Series B preferred stock tranche right liability of \$4,619 and issuance costs of \$632	—	—	46,504,135	\$ 69,860	—	—	2,887	—	—	2,887
Issuance of Series B Convertible Preferred Stock for the settlement of the second tranche right liability	—	—	4,769,655	\$ 7,231	—	—	1,283	—	—	1,283
Issuance of restricted common stock	—	—	—	—	5,397,383	5	49	—	—	54
Repurchase of unvested restricted common stock	—	—	—	—	(400,000)	—	(4)	—	—	(4)
Stock-based compensation expense	—	—	—	—	—	—	3,525	—	—	3,525
Net loss	—	—	—	—	—	—	—	—	(34,786)	(34,786)
Change in unrealized gain on investments, net of tax	—	—	—	—	—	—	—	4	—	4
<b>Balance at December 31, 2023</b>	<u>100,182,354</u>	<u>\$ 89,487</u>	<u>51,273,790</u>	<u>\$ 77,091</u>	<u>35,722,402</u>	<u>\$ 36</u>	<u>\$ 19,764</u>	<u>\$ 4</u>	<u>\$ (45,438)</u>	<u>\$ (25,634)</u>

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

**Rapport Therapeutics, Inc.**  
**Consolidated Statements of Cash Flows**  
*(In Thousands)*

	For the period from February 10, 2022 (inception) to December 31, 2022	For the year ended December 31, 2023
<b>Cash flows from operating activities:</b>		
Net loss	\$ (10,652)	\$ (34,786)
Adjustments to reconcile net loss to net cash used in operating activities		
Related party acquired in-process research & development	5,000	—
Non-cash interest (income) expense	285	(6)
Depreciation and amortization	15	112
Net (accretion) and amortization of investments in marketable securities	—	(75)
Change in fair value of preferred stock tranche right liability	—	1,124
Non-cash lease expense	—	206
Stock-based compensation expense	559	3,525
Series A and B preferred stock issuance costs allocated to tranche right liabilities	63	67
Changes in operating assets and liabilities:		
Prepaid expenses and other current assets	(109)	(3,200)
Other assets	—	(240)
Accounts payable	1,445	856
Accrued expenses and other current liabilities	152	5,380
Operating lease liabilities	—	(144)
Net cash used in operating activities	<u>(3,242)</u>	<u>(27,181)</u>
<b>Cash flows from investing activities</b>		
Related party acquired in-process research & development	(5,000)	—
Purchases of short-term investments	—	(77,224)
Purchases of property and equipment	(284)	(1,636)
Net cash used in investing activities	<u>(5,284)</u>	<u>(78,860)</u>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of Series A convertible preferred stock, including tranche rights, net of issuance costs paid	31,756	59,920
Proceeds from issuance of Series B convertible preferred stock, including tranche rights, net of issuance costs paid	—	85,300
Proceeds from issuance of convertible promissory notes	8,000	—
Payment of debt issuance costs	(102)	—
Proceeds from issuance of common stock and restricted common stock	31	54
Repurchase of unvested restricted common stock	—	(4)
Payment of deferred offering costs	—	(134)
Net cash provided by financing activities	<u>39,685</u>	<u>145,136</u>
<b>Net increase in cash, cash equivalents, and restricted cash</b>	<u>31,159</u>	<u>39,095</u>
Cash, cash equivalents, and restricted cash at beginning of period	—	31,159
Cash, cash equivalents, and restricted cash at end of period	<u>\$ 31,159</u>	<u>\$ 70,254</u>

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

**Rapport Therapeutics, Inc.**  
**Consolidated Statements of Cash Flows**  
*(In Thousands)*

	For the period from February 10, 2022 (inception) to December 31, 2022	For the year ended December 31, 2023
<b>Supplemental cash flow information:</b>		
Right-of-use assets obtained in exchange for operating lease liabilities	\$ —	\$ 2,290
<b>Supplemental disclosure for noncash investing and financing activities:</b>		
Settlement of Series A preferred stock tranche right liability	\$ —	\$ 11,465
Settlement of Series B preferred stock tranche right liability	\$ —	\$ 513
Settlement of convertible promissory notes and accrued interest to Series A convertible preferred stock	\$ 8,182	\$ —
Deferred offering costs included in accrued expenses at period end	\$ —	\$ 177
Purchases of property and equipment included in accounts payable and accrued expenses at period end	\$ 66	\$ 123
Unrealized gain on short-term investments	\$ —	\$ 4
<b>Reconciliation of cash, cash equivalents and restricted cash</b>		
Cash and cash equivalents	\$ 31,159	\$ 70,169
Restricted cash	—	85
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	\$ 31,159	\$ 70,254

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

**Rapport Therapeutics, Inc.**  
**Notes to Consolidated Financial Statements**

**1. Nature of the Business and Basis of Presentation**

Rapport Therapeutics, Inc., together with its consolidated subsidiary (the “Company”) is a clinical-stage biopharmaceutical company focused on discovery and development of transformational small molecule medicines for patients suffering from central nervous system disorders. The Company was incorporated in the state of Delaware in February 2022 as Precision Neuroscience NewCo, Inc. In October 2022, the Company changed its name to Rapport Therapeutics, Inc. The Company is located in Boston, Massachusetts and San Diego, California.

The Company is subject to risks and uncertainties common to early stage companies in the biotechnology industry, including, but not limited to, completing preclinical studies and clinical trials, obtaining regulatory approval for product candidates, market acceptance of products, development by competitors of new technological innovations, dependence on key personnel, the ability to attract and retain qualified employees, reliance on third-party organizations, protection of proprietary technology, compliance with government regulations, and the ability to raise additional capital to fund operations. The Company’s product candidates currently under development will require significant additional research and development efforts, including extensive preclinical and clinical testing and regulatory approval prior to commercialization. These efforts require significant amounts of additional capital, adequate personnel and infrastructure, and extensive compliance-reporting capabilities. Even if the Company’s development efforts are successful, it is uncertain when, if ever, the Company will realize significant revenue from product sales.

The accompanying consolidated financial statements have been prepared on the basis of continuity of operations, realization of assets and the satisfaction of liabilities and commitments in the ordinary course of business. Through December 31, 2023, the Company has funded its operations primarily with proceeds from the sale of convertible notes and convertible preferred stock. The Company has incurred recurring losses since its inception, including net losses of \$10.7 million for the period from February 10, 2022 (inception) to December 31, 2022 and \$34.8 million for the year ended December 31, 2023. In addition, as of December 31, 2023, the Company had an accumulated deficit of \$45.4 million. The Company expects to continue to generate operating losses for the foreseeable future. As of the issuance date of the consolidated financial statements for the year ended December 31, 2023, the Company expects that its cash and cash equivalents and short-term investments will be sufficient to fund its operating expenses and capital expenditure requirements through at least 12 months from the issuance of the consolidated financial statements. The future viability of the Company beyond that point is dependent on its ability to raise additional capital to finance its operations.

The Company is seeking to complete an initial public offering (“IPO”) of its common stock. Upon the completion of a qualified public offering on specified terms, the Company’s outstanding convertible preferred stock will convert into shares of common stock (see Note 7). In the event the Company does not complete an IPO, the Company will seek additional funding through private equity financings, debt financings or other capital sources, including collaborations with other companies or other strategic transactions. The Company may not be able to obtain funding on acceptable terms, or at all. The terms of any financing may adversely affect the holdings or the rights of the Company’s stockholders.

If the Company is unable to obtain funding it could be forced to delay, reduce or eliminate some or all of its research and development programs, which could adversely affect its business prospects, or it may be unable to continue operations. Although management continues to pursue these plans, there is no assurance that the Company will be successful in obtaining sufficient funding on terms acceptable to the Company to fund continuing operations, if at all.

**Rapport Therapeutics, Inc.**  
**Notes to Consolidated Financial Statements**

***Basis of Presentation***

The accompanying consolidated financial statements reflect the operations of the Company. Intercompany balances and transactions have been eliminated in consolidation. The accompanying consolidated financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America (“GAAP”). Any reference in these notes to applicable guidance is meant to refer to the authoritative GAAP as found in the Accounting Standards Codification (“ASC”) and Accounting Standards Updates (“ASU”) of the Financial Accounting Standards Board (“FASB”).

**2. Summary of Significant Accounting Policies**

***Use of Estimates***

The preparation of the Company’s consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant estimates and assumptions reflected within these consolidated financial statements include, but are not limited to, research and development expenses and accruals, the valuation of the Company’s common stock and stock-based awards and the valuation of preferred stock tranche right liability. The Company bases its estimates on known trends and other market-specific or relevant factors that it believes to be reasonable under the circumstances. On an ongoing basis, management evaluates its estimates, as there are changes in circumstances, facts and experience. Changes in estimates are recorded in the period in which they become known. Actual results may differ materially from those estimates or assumptions.

***Concentrations of Credit Risk***

Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash and cash equivalents and short-term investments. The Company maintains its cash and cash equivalents at high-quality and accredited financial institutions in amounts that could exceed federally insured limits. Cash equivalents are invested in money market funds. However, the Company does not believe that it is subject to unusual credit risk beyond the normal credit risk associated with commercial banking relationships. The Company’s short-term investments consist of U.S. Treasury bills and government securities and as a result, the Company believes represent minimal credit risk.

***Cash and Cash Equivalents***

The Company considers all highly liquid investments with an original maturity of three months or less at the time of initial purchase to be cash equivalents. As of December 31, 2022 and 2023 the amount of cash equivalents included in cash and cash equivalents totaled zero and \$47.3 million, respectively.

***Restricted cash***

Restricted cash consisted of a letter of credit totaling zero and \$85 thousand as of December 31, 2022 and 2023, respectively, that is required to be maintained in connection with the Company’s lease arrangement. The letter of credit is in the name of the Company’s landlord and is required to fulfill lease requirements in the event the Company should default on its lease obligation.

***Short-term investments***

The Company’s short-term investments consist of investments in debt securities, including U.S. Treasury securities, with remaining maturities beyond three months at the date of purchase that are available to be

**Rapport Therapeutics, Inc.**  
**Notes to Consolidated Financial Statements**

converted into cash to fund its current operations. The Company had no short-term investments as of December 31, 2022. As of December 31, 2023, all of the Company's debt securities were classified as available-for-sale and were carried at fair market value (see Note 3). The unrealized gains on the Company's available-for-sale debt securities are recorded in other comprehensive income in the consolidated statements of operations and comprehensive loss.

Short-term debt securities in an unrealized loss position are evaluated for impairment at least quarterly. For available-for-sale debt securities in an unrealized loss position, the Company first assesses whether or not it intends to sell, or it is more likely than not that it will be required to sell the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the investment security's amortized cost basis is written down to fair value through net income.

For available-for-sale debt securities that do not meet the aforementioned criteria, the Company evaluates whether the decline in fair value has resulted from credit losses or other factors. In conducting this assessment for debt securities in an unrealized loss position, management evaluates the extent to which fair value is less than amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security, among other factors.

If this assessment indicates that a credit loss exists, the present value of cash flows expected to be collected from the investment security are compared to the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses is recorded for the credit loss, limited by the amount that the fair value is less than the amortized cost basis. Any unrealized loss that has not been recorded through an allowance for credit loss is recognized in other comprehensive income. As of December 31, 2022 and 2023, there was no allowance for credit losses recorded on the Company's consolidated balance sheet.

The Company's interest income consists of interest earned from cash, cash equivalents, and short-term investments.

***Deferred Offering Costs***

The Company capitalizes certain legal, professional, accounting and other third-party fees that are directly associated with in-process equity financings as deferred offering costs until such financings are consummated. After consummation of an equity financing, these costs are recorded as a reduction of the proceeds from the offering, either as a reduction of the carrying value of the convertible preferred stock or in stockholders' equity (deficit) as a reduction of additional paid-in capital generated as a result of the offering. Should the in-process equity financing be abandoned, the deferred offering costs would be expensed immediately as a charge to operating expenses in the consolidated statements of operations and comprehensive loss. As of December 31, 2022 and 2023, there were zero and \$0.3 million, respectively, of deferred offering costs capitalized and included in other assets on the balance sheet.

***Fair Value Measurements***

Certain assets and liabilities are carried at fair value under GAAP. 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



**Rapport Therapeutics, Inc.**  
**Notes to Consolidated Financial Statements**

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 that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

The Company's cash equivalents, short-term investments, and preferred stock tranche right liabilities are carried at fair value, determined according to the fair value hierarchy described above (see Note 3). The carrying values of the Company's accounts payable and accrued expenses approximate their fair values due to the short-term nature of these liabilities.

### ***Property and Equipment***

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization expense is recognized using the straight-line method over the estimated useful life of each asset as follows:

<b><u>Asset Classification</u></b>	<b><u>Estimated Useful Life</u></b>
Computer equipment	3 years
Lab equipment	5 years
Leasehold Improvements	Shorter of remaining lease term or useful life

Costs for capital assets not yet placed into service are capitalized and are depreciated once placed into service. Upon retirement or sale, the cost of assets disposed of and the related accumulated depreciation and amortization are removed from the accounts and any resulting gain or loss is included in loss from operations. Expenditures for repairs and maintenance that do not improve or extend the life of the respective assets are charged to expense as incurred.

### ***Impairment of Long-Lived Assets***

Long-lived assets consist primarily of property and equipment, and operating lease right-of-use assets. Long-lived assets to be held and used are tested for recoverability whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. Factors that the Company considers in deciding when to perform an impairment review include significant underperformance of the business in relation to expectations, significant negative industry or economic trends and significant changes or planned changes in the use of the assets. If an impairment review is performed to evaluate a long-lived asset group for recoverability, the Company compares forecasts of undiscounted cash flows expected to result from the use and eventual disposition of the long-lived asset group to its carrying value. If such asset group is considered to not be recoverable, the impairment loss to be recognized is measured based on the excess of the carrying value of the impaired asset group over its fair value.

For the period from February 10, 2022 (inception) to December 31, 2022 and for the year ended December 31, 2023, the Company did not recognize any impairment losses on long-lived assets.

**Rapport Therapeutics, Inc.**  
**Notes to Consolidated Financial Statements**

***Segment Information***

The Company operates and manages its business as a single segment for the purposes of assessing performance and making operating decisions. The Company's chief executive officer, who is the chief operating decision maker, reviews the Company's financial information on a consolidated basis for purposes of evaluating financial performance and allocating resources. All of the Company's long-lived assets are located in the United States.

***Classification and Accretion of Convertible Preferred Stock***

The Company's Series A convertible preferred stock and Series B convertible preferred stock (together, the "Convertible Preferred Stock") are classified outside of stockholders' deficit on the Company's consolidated balance sheet because the holders of such stock have certain liquidation preference in the event of a deemed liquidation that, in certain situations, is not solely within the control of the Company and would result in the redemption of the then-outstanding Convertible Preferred Stock. Because the occurrence of a deemed liquidation event is not currently probable, the carrying values of the Convertible Preferred Stock are not being accreted to their redemption values. Subsequent adjustments to the carrying values of the Convertible Preferred Stock would be made only when a deemed liquidation event becomes probable.

The Company recorded the Convertible Preferred Stock at fair value upon issuance, net of tranche right liabilities (see Note 7) and associated issuance costs.

***Preferred Stock Tranche Right Liabilities***

The purchase agreements for the Company's Convertible Preferred Stock (see Note 7) provided investors the obligation to participate in subsequent offerings of Convertible Preferred Stock and the Company an obligation to issue additional Convertible Preferred Stock, at the initial offering price, when certain conditions are met.

The Company classified the preferred stock tranche right as a liability on its consolidated balance sheet as each preferred stock tranche right is a freestanding financial instrument that may require the Company to transfer assets to settle its obligation (upon events that are outside of its control). The preferred stock tranche right liability was initially recorded at fair value upon the date of issuance and is subsequently remeasured to fair value at each reporting date. Changes in the fair value of the preferred stock tranche right liability are recognized as a component of other income (expense) in the consolidated statement of operations and comprehensive loss. Any issuance costs allocated to the preferred stock tranche right liability were immediately expensed.

***Research and Development Expenses***

Costs for research and development activities are expensed as incurred. Research and development expenses consist of costs incurred in connection with performing research and development activities, including amounts incurred under agreements with external vendors and consultants engaged to perform preclinical and clinical studies and to manufacture research and development materials for use in such studies, salaries and related personnel costs, stock-based compensation, consultant fees, and third-party license fees.

Upfront payments under license agreements are expensed upon receipt of the license, and annual maintenance fees under license agreements are expensed over the maintenance period. Milestone payments under license agreements are accrued, with a corresponding expense being recognized, in the period in which the milestone is determined to be probable of achievement and the related amount is reasonably estimable. Contingent milestone payments, if any, are expensed when the milestone results are probable and estimable, which is generally upon the achievement of the milestone.

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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. The prepaid amounts are expensed as the related goods are delivered or the services are performed.

***Acquired In-Process Research and Development***

The Company measures and recognizes asset acquisitions or licenses of intellectual property that are not deemed to be business combinations based on the cost to acquire or license the asset or group of assets, which includes transaction costs. Goodwill is not recognized in asset acquisitions. In an asset acquisition or license of intellectual property, the cost allocated to acquire in-process research and development (“IPR&D”) with no alternative future use is recognized as research and development expense on the acquisition date.

Upfront payments are expensed in the period in which they are incurred and milestone payments are accrued for and expensed in the period in which achievement of the milestone is probable. These costs are immediately expensed provided that the product candidate has not achieved regulatory approval for marketing and absent obtaining such approval, has no alternative future use. Once regulatory approval has been obtained, milestone payments are capitalized and amortized over the remaining useful life of the related product. Acquired IPR&D for the period from February 10, 2022 (inception) to December 31, 2022 consisted of \$5.0 million of upfront and option payments to a Related Party in conjunction with the technology license arrangement (see Note 12). There was no acquired IPR&D for the year ended December 31, 2023.

***Patent Costs***

All patent-related costs incurred in connection with filing and prosecuting patent applications are expensed as incurred due to the uncertainty about the recovery of the expenditure. Amounts incurred are classified as general and administrative expenses in the consolidated statements of operations and comprehensive loss.

***Contingencies***

The Company is subject to contingent liabilities, such as legal proceedings and claims, that arise in the ordinary course of business activities. The Company accrues for loss contingencies when losses become probable and are reasonably estimable. If the reasonable estimate of the loss is a range and no amount within the range is a better estimate, the minimum amount of the range is recorded as a liability on the consolidated balance sheets. The Company does not accrue for contingent losses that, in its judgment, are considered to be reasonably possible, but not probable; however, it discloses the range of reasonably possible losses. As of December 31, 2022 and 2023, no liabilities were recorded for loss contingencies (see Note 14).

***Stock-Based Compensation***

The Company measures all stock options granted to employees, directors and non-employees based on the fair value of the awards on the date of grant using the Black-Scholes option-pricing model. For awards to non-employees, the expected term of the option is equal to the contractual term of the non-employees’ service agreement. The Company measures restricted stock awards using the difference, if any, between the purchase price per share of the award and the fair value of the Company’s common stock at the date of grant.

The Company grants stock options and restricted stock awards that are subject to either service or performance-based vesting conditions. Compensation expense for awards to employees and directors with service-based vesting conditions is recognized using the straight-line method over the requisite service period, which is generally the vesting period of the respective award. Compensation expense for awards to

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non-employees with service-based vesting conditions is recognized in the same manner as if the Company had paid cash in exchange for the goods or services, which is generally over the vesting period of the award. Forfeitures are accounted for as they occur. Compensation expense for awards to employees and non-employees with service and performance-based vesting conditions is recognized based on the grant-date fair value over the requisite service period using the accelerated attribution method to the extent achievement of the performance condition is probable. As of each reporting date, the Company estimates the probability that specified performance criteria will be met and does not recognize compensation expense until it is probable that the performance-based vesting condition will be achieved.

The Company classifies stock-based compensation expense in its consolidated statements of operations and comprehensive loss in the same manner in which the award recipient's payroll costs are classified or in which the award recipient's service payments are classified.

***Comprehensive Loss***

Comprehensive loss includes net loss as well as other changes in stockholders' deficit that result from transactions and economic events other than those with stockholders. For the period from February 10, 2022 (inception) to December 31, 2022 there was no difference between net loss and comprehensive loss. For the year ended December 31, 2023, comprehensive loss includes unrealized gains on short-term investments.

***Net Loss per Share Attributable to Common Stockholders***

The Company applies the two-class method when computing net loss per share attributable to common stockholders as the Company has issued shares that meet the definition of participating securities. The two-class method determines net loss per share for each class of common and participating securities according to dividends declared or accumulated and participation rights in undistributed earnings. The two-class method requires income (loss) available to common stockholders for the period to be allocated between common and participating securities based upon their respective rights to share in the undistributed earnings as if all income (loss) for the period had been distributed. The Company considers its Convertible Preferred Stock to be participating securities as, in the event a dividend is paid on common stock, the holders of Convertible Preferred Stock would be entitled to receive dividends on a basis consistent with the common stockholders. There is no allocation required under the two-class method during periods of loss since the participating securities do not have a contractual obligation to share in the losses of the Company.

Basic net income (loss) per share attributable to common stockholders is computed by dividing the net income (loss) attributable to common stockholders by the weighted-average number of common shares outstanding for the period, excluding potentially dilutive common shares and unvested restricted common stock. Diluted net income (loss) per share attributable to common stockholders is computed by adjusting net loss attributable to common stockholders to reallocate undistributed earnings based on the potential impact of dilutive securities. Diluted net income (loss) per share attributable to common stockholders is computed by dividing the diluted net income (loss) attributable to common stockholders by the weighted-average number of common shares outstanding for the period, including potential dilutive common shares. For purposes of this calculation, the Company's outstanding stock options, unvested restricted common stock, and convertible preferred stock are considered potential dilutive common shares.

The Company reported net loss and net loss attributable to common stockholders for the period from February 10, 2022 (inception) to December 31, 2022 and for the year ended December 31, 2023.

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***Leases***

The Company determines if an arrangement is a lease at inception. Operating lease right-of-use (“ROU”) assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. As the Company’s leases do not provide an implicit rate, it uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of lease payments. The operating lease ROU asset also includes any lease payments made and is reduced by lease incentives. The Company’s lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. Lease expense for lease payments is recognized on a straight-line basis over the lease term in general and administrative expenses. The Company classifies leases at the lease commencement date as operating or finance leases and records a right-of-use asset and a lease liability on the consolidated balance sheet for all leases with an initial lease term of greater than 12 months. Leases with an initial term of 12 months or less are not recorded in the balance sheet, but payments are recognized as expense on a straight-line basis over the lease term. The Company has elected not to recognize leases with terms of 12 months or less. The Company enters into contracts that contain both lease and non-lease components. Non-lease components may include maintenance, utilities, and other operating costs. The Company combines the lease and non-lease components of fixed costs in its lease arrangements as a single lease component. Variable costs, such as utilities or maintenance costs, are not included in the measurement of right-of-use assets and lease liabilities, but rather are expensed when the event determining the amount of variable consideration to be paid occurs.

***Income Taxes***

The Company accounts for income taxes using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the consolidated financial statements or in the Company’s tax returns. Deferred tax assets and liabilities are determined based on the differences between the financial statement basis and tax basis of assets and liabilities using enacted tax rates in effect for the years in which the differences are expected to reverse. Changes in deferred tax assets and liabilities are recorded in the provision for income taxes. The Company assesses the likelihood that its deferred tax assets will be recovered from future taxable income and, to the extent it believes, based upon the weight of available evidence, that it is more likely than not that all or a portion of the deferred tax assets will not be realized, a valuation allowance is established through a charge to income tax expense. Potential for recovery of deferred tax assets is evaluated by estimating the future taxable profits expected and considering prudent and feasible tax planning strategies.

The Company accounts for uncertainty in income taxes recognized in the consolidated financial statements by applying a two-step process to determine the amount of tax benefit to be recognized. First, the tax position must be evaluated to determine the likelihood that it will be sustained upon external examination by the taxing authorities. If the tax position is deemed more likely than not to be sustained, the tax position is then assessed to determine the amount of benefit to recognize in the consolidated financial statements. The amount of the benefit that may be recognized is the largest amount that has a greater than 50 percent likelihood of being realized upon ultimate settlement. The provision for income taxes includes the effects of any resulting tax reserves, or unrecognized tax benefits, that are considered appropriate as well as the related net interest and penalties. The Company had accrued no amounts for interest or penalties related to uncertain tax positions as of December 31, 2022 and 2023.

***Recently Adopted Accounting Pronouncements***

In February 2016, the FASB issued Accounting Standards Update (“ASU”) 2016-02, Leases (Topic 842), which requires a lessee to recognize assets and liabilities on the balance sheet for operating leases and changes

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many key definitions, including the definition of a lease. The new standard includes a short-term lease exception for leases with a term of 12 months or less, as part of which a lessee can make an accounting policy election not to recognize lease assets and lease liabilities. Lessees will continue to differentiate between finance leases (previously referred to as capital leases) and operating leases using classification criteria that are substantially similar to the previous guidance. Finally, in June 2020, the FASB issued ASU 2020-05, Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities, whereby the effective date of this standard was deferred to annual reporting periods beginning after December 15, 2021 and interim periods within annual reporting periods beginning after December 15, 2022, and early adoption was still permitted. The Company adopted ASC 842, as amended on February 10, 2022 (inception). Adoption of the standard had no impact on the Company's consolidated statement of operations and comprehensive loss or statement of cash flows.

In June 2016, the FASB issued ASU No. 2016-13, Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"), which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost. ASU 2016-13 replaces the existing incurred loss impairment model with an expected loss model. It also eliminates the concept of other-than-temporary impairment and requires credit losses related to available-for-sale debt securities to be recorded through an allowance for credit losses rather than as a reduction in the amortized cost basis of the securities. These changes will result in the earlier recognition of credit losses, if any. In May 2019, the FASB issued ASU No. 2019-05, Financial Instruments—Credit Losses (Topic 326): Targeted Transition Relief ("ASU 2019-05"), which provides additional implementation guidance on the previously issued ASU 2016-13. For the Company, both ASU 2016-13 and ASU 2019-05 are effective for fiscal years beginning after December 15, 2022, with early adoption permitted. The Company adopted the standard effective February 10, 2022 (inception) on a prospective basis which did not have a material impact on the Company's consolidated financial statements.

In August 2020, the FASB issued ASU No. 2020-06, Debt, Debt with Conversion and Other Options (Subtopic 470-20g) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity, which, among other things, provides guidance on how to account for contracts on an entity's own equity. This ASU simplifies the accounting for certain financial instruments with characteristics of liabilities and equity. Specifically, the ASU eliminated the need for the Company to assess whether a contract on the entity's own equity (1) permits settlement in unregistered shares, (2) whether counterparty rights rank higher than shareholder's rights, and (3) whether collateral is required. In addition, the ASU requires incremental disclosure related to contracts on the entity's own equity and clarifies the treatment of certain financial instruments accounted for under this ASU on earnings per share. The ASU also simplifies the accounting for convertible instruments by removing the beneficial conversion feature and cash conversion feature separation models. This ASU may be applied on a full retrospective or modified retrospective basis. This ASU is effective for (i) smaller reporting companies for fiscal years beginning after December 15, 2023 and (ii) all other public entities for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Company adopted this standard on February 10, 2022 (inception). Adoption of the standard had no impact on the Company's financial position or results of operations.

In October 2021, the FASB issued ASU No. 2021-08, Accounting for Contract Assets and Contract Liabilities from Contracts with Customers (Topic 805), which requires contract assets and contract liabilities acquired in a business combination to be recognized and measured by the acquirer on the acquisition date in accordance with ASC 606, Revenue from Contracts with Customers, as if it had originated the contracts. This approach differs from the current requirement to measure contract assets and contract liabilities acquired in a business combination at fair value. The amendments in this update are effective for (i) public business entities for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years and (ii) all

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other entities for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted for both interim and annual financial statements that have not yet been issued or made available for issuance. The amendments in this update are to be applied prospectively to business combinations occurring on or after the effective date. The Company adopted this standard effective January 1, 2023. Adoption of the standard has had no impact on the Company's consolidated financial statements.

***Recently Issued Accounting Pronouncements Not Yet Adopted***

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies and adopted by the Company as of the specified effective date. The Company qualifies as an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 and has elected not to "opt out" of the extended transition related to complying with new or revised accounting standards, which means that when a standard is issued or revised and it has different application dates for public and non-public companies, the Company can adopt the new or revised standard at the time non-public companies adopt the new or revised standard and can do so until such time that the Company either (i) irrevocably elects to "opt out" of such extended transition period or (ii) no longer qualifies as an emerging growth company. The Company may choose to early adopt any new or revised accounting standards whenever such early adoption is permitted for non-public companies.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting-Improvements to Reportable Segment Disclosures, which is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The guidance is to be applied retrospectively to all prior periods presented in the financial statements. Upon transition, the segment expense categories and amounts disclosed in the prior periods should be based on the significant segment expense categories identified and disclosed in the period of adoption. We are currently evaluating the potential impact of adopting this new guidance on our consolidated financial statements and related disclosures. This ASU will have no impact on the Company's consolidated balance sheet or results of operations.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires public entities to disclose specific categories in the effective tax rate reconciliation, as well as additional information for reconciling items that exceed a quantitative threshold. ASU 2023-09 also requires all entities to disclose income taxes paid disaggregated by federal, state and foreign taxes, and further disaggregated for specific jurisdictions that exceed 5% of total income taxes paid, among other expanded disclosures. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2023-09.

### **3. Fair Value Measurements**

The following tables present the Company's fair value hierarchy for its assets and liabilities that are measured at fair value on a recurring basis and indicate the level within the fair value hierarchy of the valuation techniques the Company utilized to determine such fair value (in thousands):

	Fair Value Measurements at			
	December 31, 2022:			
	Level 1	Level 2	Level 3	Total
Liabilities:				
Series A preferred stock tranche right liability	\$ —	\$ —	\$ 10,435	\$ 10,435
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 10,435</u>	<u>\$ 10,435</u>

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	Fair Value Measurements at			
	December 31, 2023:			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Cash equivalents:				
Money market funds	\$ 23,441		\$ —	\$ 23,441
US Treasury bills	—	23,832	—	\$ 23,832
Short-term investments:				
U.S. Treasury bills and government securities	—	77,309	—	\$ 77,309
	<u>\$ 23,441</u>	<u>\$ 101,141</u>	<u>\$ —</u>	<u>\$ 124,582</u>
<b>Liabilities</b>				
Series B preferred stock tranche right liability	\$ —	\$ —	\$ 4,200	\$ 4,200
	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 4,200</u>	<u>\$ 4,200</u>

Money market funds are highly liquid and actively traded marketable securities that generally transact at a stable \$1.00 net asset value representing its estimated fair value. For the period from February 10, 2022 (inception) to December 31, 2022 and the year ended December 31, 2023, there were no transfers between Level 1, Level 2 and Level 3.

The Company classifies its U.S. Treasury securities as short-term because they are available to be converted into cash to fund current operations. The fair value of the Company's U.S. Treasury bills and government securities are classified as Level 2 because they are valued using observable inputs to quoted market prices, benchmark yields, reported trades, broker/dealer quotes or alternative pricing sources with reasonable levels of price transparency and U.S. Treasury securities.

The underlying securities held in the money market funds held by the Company are all government backed securities.

Short-term investments consisted of the following (in thousands):

	December 31, 2023			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
<b>Short-term investments:</b>				
U.S. Treasury bills and government securities	\$ 77,305	\$ 4	\$ —	\$ 77,309
	<u>\$ 77,305</u>	<u>\$ 4</u>	<u>\$ —</u>	<u>\$ 77,309</u>

The contractual maturities of the Company's short-term investments in available-for-sale debt securities held were as follows (in thousands):

	December 31, 2022	December 31, 2023
Due within one year	\$ —	\$ 77,309
	<u>\$ —</u>	<u>\$ 77,309</u>



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***Valuation of Preferred Stock Tranche Right Liability***

The Series A and Series B preferred stock tranche right liabilities in the table above are composed of the fair value of obligations to issue Series A convertible preferred stock and Series B convertible preferred stock, respectively (see Note 7), either upon achievement of certain specified milestones, upon the waiver of such milestone achievement by a majority vote of the respective series convertible preferred stockholders or in relation to the Series B convertible preferred stock, upon a shareholder exercising its right to early exercise the tranche right. The fair value of the tranche right liability was determined based on significant inputs not observable in the market, which represented a Level 3 measurement within the fair value hierarchy. The fair value of the tranche right liabilities were determined using a Contingent Forward Analysis, which is a scenario-based lattice model that accounts for the different possible milestone scenarios and their associated probabilities, as estimated by the Company. The valuation model considered the probability of closing the tranche, the estimated future value of the Convertible Preferred Stock to be issued at each closing and the investment required at each closing. Future values were converted to present value using a discount rate appropriate for probability-adjusted cash flows. The risk-free rate was determined by reference to the U.S. Treasury yield curve for time periods approximately equal to the remaining estimated time to each tranche closing.

***Series A Preferred Stock Tranche Right Liability***

The significant unobservable inputs used in the valuation model to measure the Series A preferred stock tranche right liability that is categorized within Level 3 of the fair value hierarchy as of December 31, 2022 are as follows:

	<b>Second Tranche Milestone</b>	<b>Third Tranche Milestone</b>
Probability of meeting Series A milestones	50%	30%
Milestone achievement date	6/30/2023	12/31/2023
Risk-free rate	4.70%	4.70%
Expected value of Series A if milestones are not met	\$ 0.33	\$ 0.53

The following table provides a roll-forward of the aggregate fair value of the Company's Series A preferred stock tranche right liability, for which fair value is determined using Level 3 inputs (in thousands):

	<b>Series A Preferred Stock Tranche Right Liability</b>
Balances at February 10, 2022 (inception)	\$ —
Initial fair value of Series A preferred stock tranche right liability	10,435
Balance as of December 31, 2022	10,435
Change in fair value of Series A preferred stock tranche right liability	1,030
Settlement of Series A preferred stock tranche right liability upon waiver	(11,465)
Balance as of December 31, 2023	\$ —

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**Series B Preferred Stock Tranche Right Liability**

The significant unobservable inputs used in the valuation model to measure the Series B preferred stock tranche right liability that is categorized within Level 3 of the fair value hierarchy as of December 31, 2023 are as follows:

	<b>Second Tranche Milestone</b>
Probability of meeting Series B milestone	80%
Milestone achievement date	12/31/2024
Risk-free rate	4.79%
Expected value of Series B if milestones are not met	\$ 0.84

The following table provides a roll-forward of the aggregate fair value of the Company's Series B preferred stock tranche right liability, for which fair value is determined using Level 3 inputs (in thousands):

	<b>Series B Preferred Stock Tranche Right Liability</b>
Balance as of December 31, 2022	\$ —
Initial fair value of Series B preferred stock tranche right liability	4,619
Settlement of Series B preferred stock tranche right liability upon early exercise	(513)
Change in fair value of Series B preferred stock tranche right liability	94
Balance as of December 31, 2023	<u>\$ 4,200</u>

**4. Property and Equipment, Net**

Property and equipment, net consisted of the following (in thousands):

	<b>As of December 31,</b>	
	<b>2022</b>	<b>2023</b>
Lab equipment	\$ 295	\$ 1,719
Computer equipment	—	43
Leasehold improvements	—	255
Construction in process	55	26
Total property and equipment	<u>\$ 350</u>	<u>\$ 2,043</u>
Less: Accumulated depreciation	(15)	(127)
	<u>335</u>	<u>1,916</u>

Depreciation expense of property and equipment for the period from February 10, 2022 (inception) to December 31, 2022 and for the year ended December 31, 2023 was \$15 thousand and \$0.1 million, respectively.

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**5. Accrued Expenses and Other Current Liabilities**

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

	<u>As of December 31,</u>	
	<u>2022</u>	<u>2023</u>
Research and development	\$ 120	\$ 2,645
Professional fees	49	459
Related party consulting fees	30	—
Employee related	—	2,413
Accrued other	14	114
	<u>\$ 213</u>	<u>\$ 5,631</u>

**6. Convertible Promissory Notes**

In August and September 2022, the Company issued a total of four Convertible Promissory Notes (the “Notes” or the “Convertible Notes”) as part of a series of Convertible Notes to two Related Parties (the “Holders”) (see Note 13). The Convertible Notes had an aggregate principal amount of \$8.0 million, which consisted of \$4.0 million to each of the Holders, and bore interest at a rate of 8% per annum computed on the basis of a 365-day year and maturity dates 12 months from the date of issuance. Upon initial issuance the Notes were recorded net of \$0.1 million of related issuance costs.

The Notes are automatically converted into the series of convertible preferred equity securities sold in a qualified financing event with total proceeds not less than \$30 million upon the closing of such financing. Holders of the Notes also have the option to convert their Notes into the series of capital stock sold in a non-qualifying financing event. The conversion price shall equal to the lesser of (i) 100% of the per share price paid by investors in the financing event or (ii) a per share price derived from assuming a fully-diluted pre-money valuation for a financing of \$10 million.

In addition, upon specified events such as a change of control or sale of substantially all of the Company’s assets, the Notes are redeemable at 100% of principal and accrued interest.

In December 2022, in conjunction with the Company’s Series A convertible preferred stock financing, the Holders exercised their right to exchange the Notes, plus accrued interest, for an aggregate of 8,182,354 shares of Series A convertible preferred stock. At the time of settlement, the Notes had an unamortized discount of \$77 thousand, which was recorded as a loss on extinguishment of debt within interest expense in the consolidated statement of operations and comprehensive loss. The fair value of the Series A convertible preferred stock issued in exchange for the Notes of \$8.2 million was offset by \$2.1 million related to the Series A preferred stock tranche right liability, as discussed below.

**7. Convertible Preferred Stock**

The Company has issued Series A convertible preferred stock and Series B convertible preferred stock.

***Series A Convertible Preferred Stock and Series A Preferred Stock Tranche Right Liability***

In December 2022, the Company completed its first closing of Series A convertible preferred stock and issued and sold 32,000,000 shares of Series A convertible preferred stock, at a price of \$1.00 per share, for cash proceeds of \$31.8 million, net of issuance costs of \$0.2 million, of which \$63 thousand was allocated to the

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tranche right and recognized in the statement of operations and comprehensive loss as general and administrative expense. Contemporaneously, investors converted their Convertible Promissory Notes (Note 6) with a principal and accrued interest amount of \$8.2 million for 8,182,354 shares of Series A convertible preferred stock, bringing the total number of shares of Series A convertible preferred stock issued to 40,182,354.

The purchase agreement for the Series A convertible preferred stock provided investors the obligation to purchase an additional 60,000,000 shares of Series A convertible preferred stock (the "Series A Milestone Tranches") at a price of \$1.00 per share in the subsequent second and third tranche closings upon the achievement of specified second and third tranche milestones by the Company or the right to purchase additional shares upon waiving of such milestone achievement by a majority vote of Series A convertible preferred stockholders. Within 30 days prior to a Deemed Liquidation Event (see definition below), investors can also choose to early exercise their tranche right by providing the Company a written notice.

Upon the first closing of the Series A convertible preferred stock in December 2022, the Company recorded a preferred stock tranche right liability of \$10.4 million and a corresponding reduction to the carrying value of the Series A convertible preferred stock. There was no change in the fair value of the Series A preferred stock tranche right liability from December 9, 2022, to December 31, 2022 and therefore, the Company did not recognize any other income or expenses related to the tranche right liability for the year ended December 31, 2022.

In February 2023, the Company amended the Series A convertible preferred stock purchase agreement to add an additional investor, who purchased 10,000,000 shares, at the price of \$1.00 per share, resulting in cash proceeds of \$10.0 million, less \$19 thousand of issuance costs and to amend the total number of shares subject to the Series A Milestone Tranches from 60,000,000 to 50,000,000.

In conjunction with the amendment to the Series A convertible preferred stock purchase agreement, the Company's existing Series A convertible preferred stockholders agreed to waive the second and third tranche milestones and exercised the tranche right in February 2023. As a result, an aggregate of 50,000,000 shares of Series A convertible preferred stock were issued and sold at a price of \$1.00 per share, resulting in total cash proceeds of \$50 million, less \$61 thousand of issuance costs. As a result of this issuance, the Series A preferred stock tranche right liability with a then fair value of \$11.5 million immediately prior to the amendment and waiver, was settled in full and recognized in additional paid-in capital as a capital contribution.

***Series B Convertible Preferred Stock and Series B Preferred Stock Tranche Right Liability***

In August 2023, the Company issued and sold 46,504,135 shares of Series B convertible preferred stock, at a price of \$1.67727 per share for cash proceeds of \$77.3 million, net of issuance costs of \$0.7 million, of which \$67 thousand was allocated to the tranche right and recognized in the statement of operations and comprehensive loss as general and administrative expense. The 46,504,135 shares include the 10,731,725 shares that were early exercised on the original issuance date (discussed below).

The purchase agreement for the Series B convertible preferred stock provided investors the obligation to purchase an additional 42,926,895 shares of Series B convertible preferred stock (the "Series B Milestone Tranche") at a price of \$1.67727 per share in the subsequent closing upon the achievement of a specified milestone by the Company or the right to purchase additional shares upon waiving of such milestone achievement by a majority vote of Series B convertible preferred stockholders. Additionally, each stockholder of Series B convertible preferred stock has the right to early exercise the tranche right by providing three days advance written notice. Upon the closing of the Series B convertible preferred stock, the Company recorded a

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preferred stock tranche right liability of \$4.6 million and a corresponding reduction to the carrying value of the Series B convertible preferred stock.

Concurrent with the original issuance of the Series B convertible preferred stock, six stockholders exercised their right to early exercise the Series B preferred stock tranche right and purchased 10,731,725 shares. Consequently, the Company recognized \$1.2 million in additional paid-in capital associated with the simultaneous original issuance and early exercise. Additionally, the investors paid a premium of \$1.7 million for these shares over their fair value which was also recorded in additional paid-in capital.

Subsequent to the original issuance, one stockholder exercised its right to early exercise the Series B preferred stock tranche right and purchased 4,769,655 shares of Series B convertible preferred stock for cash proceeds of \$8.0 million. The fair value of the associated tranche right liability that was settled at the time of the sale of \$0.5 million was recognized in additional paid-in capital. Additionally, the investor paid a premium of \$0.8 million for these shares over their fair value which was also recorded in additional paid-in capital as a capital contribution.

As of December 31, 2023, the Company remeasured the Series B tranche right liability to be \$4.2 million and recognized \$0.1 million in other expense for the change in the fair value of the Series B tranche right liability during the year.

Upon issuance of each series of Preferred Stock, the Company assessed the embedded conversion and liquidation features of the securities and determined that such features did not require the Company to separately account for these features.

Convertible Preferred Stock consisted of the following (in thousands, except share amounts):

	December 31, 2022					
	Preferred Stock Authorized	Preferred Stock Issued and Outstanding	Carrying Value	Liquidation Preference	Conversion Price per share	Common Stock Issuable Upon Conversion
Series A Convertible Preferred Stock	100,182,354	40,182,354	\$ 29,567	\$ 40,182	\$ 1.00	40,182,354
	100,182,354	40,182,354	\$ 29,567	\$ 40,182		40,182,354
	December 31, 2023					
	Preferred Stock Authorized	Preferred Stock Issued and Outstanding	Carrying Value	Liquidation Preference	Conversion Price per share	Common Stock Issuable Upon Conversion
Series A Convertible Preferred Stock	100,182,354	100,182,354	\$ 89,487	\$ 100,182	\$ 1.00	100,182,354
Series B Convertible Preferred Stock	89,431,030	51,273,790	77,091	86,000	\$ 1.67727	51,273,790
	<b>189,613,384</b>	<b>151,456,144</b>	<b>\$166,578</b>	<b>\$186,182</b>		<b>151,456,144</b>

The holders of the Convertible Preferred Stock have the following rights and preferences:

***Voting***

The holders of the Convertible Preferred Stock are entitled to vote, together with the holders of common stock, as a single class, on all matters submitted to the shareholders for a vote and are entitled to the number of

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votes equal to the number of shares of common stock into which the Convertible Preferred Stock could convert on the record date for determination of shareholders entitled to vote. A majority vote of the holders of Convertible Preferred Stock along with a majority vote of the Series B convertible preferred stock (the "Required Vote") is required to, among others, liquidate or dissolve the Company, amend the certificate of incorporation or bylaws, reclassify common stock or establish another class of capital stock, create shares that would rank senior to or authorize additional shares of Convertible Preferred Stock, declare a dividend or make a distribution, or change the authorized number of directors constituting the board of directors.

In addition, the holders of shares of Series A convertible preferred stock, voting exclusively and as a separate class, are entitled to elect up to three directors of the Company. The holders of shares of Series B convertible preferred stock, voting exclusively and as a separate class, are entitled to elect up to two directors of the Company.

***Conversion***

Each share of Series A convertible preferred stock is convertible into common stock, at any time, at the option of the holder, and without the payment of additional consideration, at the applicable conversion ratio then in effect, provided that such holder may waive such option to convert upon written notice to the Company. Holders of Series B convertible preferred stock are not entitled to elect to convert shares of Series B convertible preferred stock into shares of Common Stock at any time during the period commencing on the date of the first issuance of the Series B convertible preferred stock and ending immediately following the earliest to occur of (i) the Series B Milestone Tranche closing, (ii) the achievement of the second tranche milestone, (iii) the date such holder's obligation to purchase its Second Tranche Shares is fulfilled, (iv) the termination of such holder's obligations to complete the Series B Milestone Tranche closing and (v) such date as agreed to by the Company and the holders of a majority of the then outstanding shares of Series B convertible preferred stock, voting as a separate, exclusive class. In addition, each share of Convertible Preferred Stock will be automatically converted into shares of common stock at the then-effective applicable conversion ratio upon either (i) the closing of a firm-commitment underwritten public offering of its common stock at a price per share of at least \$1.71668 resulting in at least \$50.0 million of gross proceeds, net of underwriting discount and commissions, to the Company, or (ii) the date specified by vote or written consent of the holders of the Required Vote, voting as a single class.

The conversion ratio of each class of Convertible Preferred Stock is determined by dividing the Applicable Original Issue Price of each class of Convertible Preferred Stock by the Conversion Price of each class. As of December 31, 2022 and 2023, the Conversion Price was \$1.00 per share for Series A convertible preferred stock and \$1.67727 per share for Series B convertible preferred stock, each subject to appropriate adjustment in the event of any share dividend, share split, combination or other similar recapitalization with respect to the Convertible Preferred Stock.

There shall be no adjustment in the conversion price of the Convertible Preferred Stock as the result of the issuance or deemed issuance of additional shares of the Company's common stock if the Company receives written notice from the holders of the Required Vote of the then outstanding shares of Convertible Preferred Stock agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of additional shares of the Company's common stock.

In the event that any holder of Convertible Preferred Stock who is required to participate in a subsequent closing pursuant to the purchase agreement does not purchase the aggregate number of subsequent closing shares, then each share of Convertible Preferred Stock held by such holder shall automatically be converted into shares of common stock at a ratio of one share of common stock for every ten shares of Convertible Preferred Stock held immediately prior to the consummation of such subsequent closing.

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***Dividends***

The holders of the Convertible Preferred Stock shall be entitled to receive, only when, as and if declared by the Board of Directors, non-cumulative dividends at the rate of 8% of the Applicable Original Issue Price of the Convertible Preferred Stock (the “Preferred Dividend”).

The Company shall not declare, pay or set aside any dividends on common shares of the Company unless the holders of Convertible Preferred Stock then outstanding shall first receive, or simultaneously receive, the Preferred Dividend on each outstanding Convertible Preferred Stock and a dividend on each outstanding Convertible Preferred Stock in an amount at least equal to the product of (1) the dividend payable on each share of such class or series determined, as if all shares of such class or series had been converted into common stock and (2) the number of shares of common stock issuable upon conversion of a share of such series of Convertible Preferred Stock, in each case calculated on the record date for determination of the holders entitled to receive such dividend. As of December 31, 2022 and 2023, no cash dividends have been declared or paid.

***Liquidation***

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Company, or upon the occurrence of a Deemed Liquidation Event (as defined below), the holders of shares of Convertible Preferred Stock then outstanding shall be entitled, on a pari passu basis among the series of Convertible Preferred Stock, to be paid out of the assets or funds of the Company available for distribution to stockholders before any payment is made to the holders of common stock. The holders of Convertible Preferred Stock are entitled to an amount per share equal to the greater of (i) the Applicable Original Issue Price, plus any dividends declared but unpaid thereon, or (ii) the amount that would have been payable had all shares of each series of Convertible Preferred Stock been converted into common stock immediately prior to such liquidation, dissolution, winding up or Deemed Liquidation Event (as defined below). After the payment in full of the Convertible Preferred Stock preference amount, the remaining assets of the Company available for distribution to stockholders shall be distributed among the holders of common stock on a pro rata basis.

Unless at least the holders of the Required Vote, elect otherwise, a Deemed Liquidation Event shall include a merger, consolidation, or share exchange (other than one in which stockholders of the Company own a majority by voting power of the outstanding shares of the surviving or acquiring corporation) or a sale, lease, transfer, exclusive license or other disposition of all or substantially all of the assets of the Company, or the closing of the transfer of 50% or more of the Company’s outstanding voting stock, or any merger or consolidation in connection with a SPAC transaction or reverse merger transaction.

***Redemption***

The Convertible Preferred Stock does not have redemption rights, except for the contingent redemption upon the occurrence of a Deemed Liquidation Event.

**8. Common Stock**

The voting, dividend and liquidation rights of the holders of the Company’s common stock are subject to and qualified by the rights, powers and preferences of the holders of the Convertible Preferred Stock set forth above. Each share of common stock entitles the holder to one vote, together with the holders of the Convertible Preferred Stock, on all matters submitted to the stockholders for a vote. The holders of common stock are entitled to receive dividends, if any, as declared by the Company’s board of directors, subject to the preferential dividend rights of Convertible Preferred Stock. As of December 31, 2022 and 2023, no dividends have been declared or paid.

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As of December 31, 2022 and 2023, the Company had reserved 102,932,354 and 204,544,236 shares of common stock, respectively, of which 100,182,354 and 189,613,384 were reserved for the potential conversion of shares of Series A convertible preferred stock and Series B convertible preferred stock, respectively, and 2,750,000 and 14,930,852 for issuance under the 2022 Stock Option and Grant Plan.

**9. Stock-Based Compensation**

The Company's 2022 Stock Option and Grant Plan (the "2022 Plan") provides for the Company to grant incentive stock options ("ISO") or non-qualified stock options, unrestricted stock awards, restricted stock awards and restricted stock units (collectively, the "Awards") to the employees, directors, and consultants of the Company. The 2022 Plan is administered by the board of directors, or at the discretion of the board of directors, by a committee of the board of directors. The exercise prices, vesting and other restrictions are determined at the discretion of the board of directors, or its committee if so delegated.

As of December 31, 2022, the total number of shares of common stock authorized and issuable under the 2022 Plan was 2,750,000. In August 2023, the Company's board of directors further increased the number of shares of common stock reserved for issuance under the plan from 2,750,000 shares to 14,930,852 shares. As of December 31, 2023, 1,835,423 shares remain available for future grants. Shares of unused common stock underlying any Awards that are forfeited, canceled or reacquired by the Company prior to vesting will again be available for the grant of awards under the 2022 Plan. As of December 31, 2023, the Company has issued 24,417,402 shares of restricted stock awards outside of the 2022 plan which will be settled using the Company's authorized common shares.

The exercise price for stock options granted may not be less than the 100% of the fair market value of the Company's common stock on the date of grant, as determined by the board of directors. In the case of an ISO granted to an employee who owns stock representing more than 10% of the voting power of all classes of stock ("10% Owner") as determined by the board of directors as of the date of grant, the exercise price per share shall not be less than 110% of the fair market value on the grant date. The Company's board of directors determines the fair market value of the Company's common stock, taking into consideration its most recently available valuation of common stock performed by third parties as well as additional factors which may have changed since the date of the most recent contemporaneous valuation through the date of grant. Unless otherwise provided, at the time of grant, the options granted pursuant to the 2022 Plan have a ten year contractual term from the date of grant, or five years from the date of grant in the case of an ISO that is granted to a 10% Owner.

The vesting periods for awards issued inside of the plan generally vest over four years and for awards issued outside of the plan, vesting can differ, however they generally vest over a period of 4 years. Some grantees' stock-compensation awards may contain an acceleration vesting clause that would result in their unvested shares to become fully vested upon the occurrence of a change in control event.

***Stock Option Valuation***

The fair value of each stock option grant is estimated on the grant date using the Black-Scholes option-pricing model. 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 peer 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. For options with service-based vesting conditions, the expected term of the Company's options has been determined utilizing the "simplified" method for awards that qualify as "plain-vanilla" options. 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



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the expected term of the award. The expected dividend yield is based on the fact that the Company has never paid cash dividends on common stock and does not expect to pay any cash dividends in the foreseeable future.

The following table presents the assumptions used in the Black-Scholes option-pricing model to determine the fair value of stock options granted:

	For the period from February 10, 2022 (inception) to December 31, 2022	Year Ended December 31, 2023
Expected volatility	—	95.45% - 99.20%
Risk-free interest rate	—	4.14% - 4.23%
Expected dividend yield	—	0.00%
Expected term (in years)	—	4.0 - 6.0
Fair value of common stock	—	\$ 0.74

**Stock Options**

There were no stock options granted for the period from February 10, 2022 (inception) to December 31, 2022.

The following table summarizes the Company's stock option activity for the year ended December 31, 2023:

	Number of Shares	Weighted- Average Exercise Price per share	Weighted- Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Balance at December 31, 2022	—	—	—	—
Granted	11,790,429	0.21		
Exercised	—	—		
Forfeited	—	—		
Expired	—	—		
Options outstanding at December 31, 2023	11,790,429	\$ 0.21	9.83	\$ 6,249
Options vested and exercisable at December 31, 2023	—	—	—	—
Options vested and expected to vest at December 31, 2023	11,790,429	\$ 0.21	9.83	\$ 6,249

The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying stock options and the estimated fair value of the Company's common stock for those stock options that had exercise prices lower than the estimated fair value of the Company's common stock.

The weighted-average grant-date fair value of stock options granted for the year ended December 31, 2023 was \$0.67 per share. As of December 31, 2023, there was \$7.7 million of total unrecognized compensation cost related to unvested stock options. The Company expects to recognize such amount over a remaining weighted-average period of 3.68 years.

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**Restricted Stock Awards (“RSA”)**

The Company awards restricted stock both under the 2022 Plan as well as outside of the 2022 Plan. During the period from February 10, 2022 (inception) to December 31, 2022 and for the year ended December 31, 2023, the Company issued service-based RSAs and performance-based RSAs.

For restricted stock issued under the 2022 Plan, for a period of up to 6 months from a grantee’s termination, the Company has the right and option to repurchase unvested RSAs at the lower of (i) the original purchase price per share or (ii) the fair market value per share as of the date of the Company elects to exercise its repurchase right. In September 2023, the Company exercised its option to repurchase 400,000 unvested RSAs at their original purchase price after the grantee ceased providing services.

For restricted stock issued outside of the 2022 Plan, for a period of up to 90 days from a grantee’s termination, the Company has the right and option to repurchase unvested restricted common stock at the original repurchase price per share paid by the grantee.

For the period from February 10, 2022 (inception) to December 31, 2022, the Company issued 12,212,269 shares of restricted stock outside of the 2022 Plan. For the year ended December 31, 2023, the Company issued 12,205,133 shares of restricted stock outside of the 2022 Plan and 1,705,000 shares of restricted stock under the 2022 Plan. Shares of restricted common stock granted to employees and directors are not deemed, for accounting purposes, to be outstanding until those shares have vested.

During the period from February 10, 2022 (inception) to December 31, 2022, 14,563,417 service-based restricted shares and 6,161,602 performance-based restricted shares were legally issued, but 4,661,747 and 3,851,003 shares, respectively, were not considered granted for accounting purposes because individuals did not begin providing services until the year ended December 31, 2023.

Each award type is discussed below.

*Service-Based RSAs*

The majority of the RSAs have service-based vesting conditions and vest over a period from immediately to four years. Compensation expense is recognized on a straight-line basis over the requisite service period.

The following table summarizes the Company’s service-based RSA grant activity for the year ended December 31, 2023:

	RSAs	Weighted- Average Grant Date Fair Value
Unvested shares at December 31, 2022	8,448,769	\$ 0.34
Granted	9,196,504	0.49
Vested	(3,661,404)	0.39
Forfeited	(400,000)	0.53
Unvested shares at December 31, 2023	<u>13,583,869</u>	<u>\$ 0.42</u>

The aggregate fair value of service-based RSAs that vested during the period from February 10, 2022 (inception) to December 31, 2022 and for the year ended December 31, 2023, was \$0.5 million and \$2.2 million,

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respectively. The aggregate intrinsic value of restricted stock awards is calculated as the positive difference between the prices paid, if any, of the restricted stock awards and the fair value of the Company's common stock

As of December 31, 2023, there was \$5.4 million of total unrecognized compensation cost related to unvested service-based RSAs which the Company expects to recognize over a weighted-average period of 2.96 years.

*Performance-Based RSAs*

The Company has also granted performance-based RSAs to certain employees and directors with a vesting commencement date contingent upon the subsequent closing of the Company's Series A convertible preferred stock financing. The Company has determined that it has met all the conditions to establish the grant date for these performance-based RSAs at the original issuance date. Therefore, these awards are deemed to contain an implied performance condition. The vesting of the performance-based RSAs is also subject to grantees' continued service until the 4<sup>th</sup> anniversary date of the closing of a subsequent financing.

Share-based compensation expense associated with the performance-based RSAs is recognized if the performance condition is considered probable of achievement. As of December 31, 2022, the Company has concluded that it was not probable that the performance condition related to performance-based RSAs would be achieved, and as a result no compensation expense was recorded. In February 2023, the existing Series A convertible preferred stock investors waived the second and third tranche milestones and the Company closed on the sale of its second and third tranches of Series A convertible preferred stock. As a result, the performance condition was deemed to be met. The Company recognized \$1.6 million of compensation expense for the performance-based RSAs for the year ended December 31, 2023.

The following table summarizes the Company's performance-based RSA grant activity for the year ended December 31, 2023:

	<u>RSAs</u>	<u>Weighted- Average Grant Date Fair Value</u>
Unvested shares at December 31, 2022	2,310,600	\$ 0.34
Granted	4,713,629	0.46
Vested	(1,463,381)	0.42
Forfeited	—	—
Unvested shares at December 31, 2023	<u>5,560,848</u>	<u>\$ 0.42</u>

The aggregate fair value of performance-based RSAs that vested during the period from February 10, 2022 (inception) to December 31, 2022 and for the year ended December 31, 2023, was zero and \$0.8 million, respectively.

The aggregate intrinsic value of restricted stock awards is calculated as the positive difference between the prices paid, if any, of the restricted stock awards and the fair value of the Company's common stock.

As of December 31, 2023, there was \$1.3 million of total unrecognized compensation cost related to unvested performance-based restricted common stock which the Company expects to recognize over a weighted-average period of 1.88 years.

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**Stock-Based Compensation**

The Company recorded stock-based compensation expense for stock options of zero and \$0.2 million and for RSAs of \$0.6 million and \$3.3 million in the period from February 10, 2022 (inception) to December 31, 2022, and during the year ended December 31, 2023, respectively. The following table below summarizes the classification of the Company's stock-based compensation expense related to stock options and restricted common stock awards in the consolidated statements of operations and comprehensive loss (in thousands):

	Period from February 10, 2022 (inception) to December 31, 2022	For the year ended December 31, 2023
General and Administrative	\$ 53	\$ 1,637
Research and Development	506	1,888
	<u>\$ 559</u>	<u>\$ 3,525</u>

**10. Leases**

**Operating Lease**

In June 2023, the Company entered into a lease for its corporate headquarters in Boston, Massachusetts. The lease commenced August 31, 2023 with an initial term of 40 months. The monthly lease payments are \$66 thousand for the first 12 months, with 2% escalation each year. In conjunction with the lease, the Company paid a security deposit of \$0.1 million, which is recorded on the Company's consolidated balance sheet as restricted cash as of December 31, 2023.

Right-of-use lease assets and lease liabilities are reported in the Company's consolidated balance sheets as follows (in thousands):

	Period from February 10, 2022 (inception) to December 31, 2022	Year Ended December 31, 2023
<b>Operating lease</b>		
Operating lease right-of-use assets, net	\$ —	\$ 2,084
Operating lease right-of-use liabilities, current	—	670
Operating lease right-of-use liabilities, non-current	—	1,476
Total operating lease liabilities	<u>\$ —</u>	<u>\$ 2,146</u>

The components of operating lease costs were as follows (in thousands):

	Period from February 10, 2022 (inception) to December 31, 2022	Year Ended December 31, 2023
Operating lease costs	\$ —	\$ 261
Variable lease costs	—	9
Short-term lease costs	71	382

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Other information related to leases was as follows (in thousands):

**Supplemental cash flow information**

	Period from February 10, 2022 (inception) to December 31, 2022	Year Ended December 31, 2023
Cash flows included in the measurement of lease liabilities:		
Cash paid for amounts included in the measurement of operating lease liabilities	\$ —	\$ 199
Right-of-use lease assets obtained in exchange for new operating lease liabilities	\$ —	\$ 2,290

**Lease term and discount rate**

	December 31,	
	2022	2023
Weighted-average remaining lease term—operating lease	—	3
Weighted-average discount rate—operating lease	—	7.29%

As of December 31, 2023, maturities of operating lease liabilities for each of the following five years and a total thereafter were as follows (in thousands):

2024	\$ 805
2025	820
2026	766
Total minimum future lease payments	\$ 2,391
Less: Imputed interest	(245)
Total lease liabilities	<u>\$ 2,146</u>

**11. Income Taxes**

For the period from February 10, 2022 (inception) to December 31, 2022 and for the year ended December 31, 2023, the Company recorded a tax provision of zero and \$10 thousand, respectively. In addition, the Company has recorded a full valuation allowance against its net deferred tax assets as of December 31, 2022 and 2023.

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The components of income tax provision are as follows (in thousands):

	Period from February 10, 2022 (inception) to December 31, 2022	Year Ended December 31, 2023
<b>Components of income tax provision</b>		
Current Provision:		
Federal	\$ —	\$ —
State	—	10
<b>Total current provision</b>	<b>—</b>	<b>10</b>
Deferred income tax provision (benefit)		
Federal	—	—
State	—	—
<b>Total deferred income tax provision (benefit)</b>	<b>—</b>	<b>—</b>
<b>Total provision for (benefit from) income taxes</b>	<b>\$ —</b>	<b>\$ 10</b>

A reconciliation of the U.S. federal statutory income tax rate to the Company's effective income tax rate is as follows:

	Period from February 10, 2022 (inception) to December 31, 2022	Year Ended December 31, 2023
<b>Rate Reconciliation</b>		
Statutory U.S. federal rate	21.00%	21.00%
Permanent Differences	-0.69%	-0.84%
State income taxes, net of federal benefit	2.32%	6.47%
Research and development credits	1.86%	3.64%
Valuation allowance	-24.50%	-30.30%
<b>Effective tax rate</b>	<b>-0.01%</b>	<b>-0.03%</b>

The Company accounts for income taxes in accordance with ASC Topic 740. Deferred income tax assets and liabilities are determined based upon temporary differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

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Net deferred tax assets (liabilities) consisted of the following (in thousands):

	As of December 31,	
	2022	2023
<b>Deferred Tax Summary</b>		
Deferred tax assets:		
US and State net operating loss carryforwards	\$ 119	\$ 1,345
Capitalized research and development costs	972	7,307
Depreciation	9	—
License fees capitalization	1,131	1,211
Stock-based compensation	128	1,041
Research and development credit carryforwards	250	1,837
Lease liability	—	567
Accruals and other	—	635
Total deferred tax assets	2,609	13,943
Deferred tax liabilities		
Depreciation	—	(27)
Right-of-Use Asset	—	(551)
481(a) Adjustment	—	(220)
Total deferred tax liabilities	—	(798)
Valuation Allowance	(2,609)	(13,145)
Net deferred tax assets (liabilities)	\$ —	\$ —

As of December 31, 2022 and 2023, the Company had U.S. federal net operating loss carryforwards of \$0.6 million and \$6.0 million and state net operating loss carryforwards of zero and \$1.6 million, respectively. Federal losses have an indefinite carryforward period, but can only offset 80% of federal taxable income in a given year. Losses for state purposes begin to expire in 2042. As of December 31, 2022 and 2023, the Company had federal research and development tax credit carryforwards of \$0.2 million and \$1.5 million, respectively, and state research and development tax credit carryforwards of \$0.1 million and \$0.5 million, respectively, which begin to expire in 2042 and 2037.

Management of the Company has evaluated the positive and negative evidence bearing upon the realizability of its deferred tax assets, which are comprised principally of amortizable license fees, capitalized research and development expenses, and net operating loss carryforwards. Under the applicable accounting standards, management has considered the Company's activity and concluded that it is more likely than not that the Company will not recognize the benefits of domestic deferred tax assets. Accordingly, a full valuation allowance of \$2.6 million as of December 31, 2022 and \$13.1 million as of December 31, 2023, respectively, was recorded. Changes in valuation allowance for deferred tax assets during the period from February 10, 2022 (inception) to December 31, 2022 and for the year ended December 31, 2023 related primarily to the increases in NOLs, research and development tax credit carryforwards, capitalized research and development expenses pursuant to IRC Section 174, and stock-based compensation were as follows:

	Period from February 10, 2022 (inception) to December 31, 2022	Year Ended December 31, 2023
Valuation allowance at February 10, 2022 (inception)	\$ —	\$ (2,609)
Decreases recorded as benefit to income tax provision	—	—
Increases recorded to income tax provision	(2,609)	(10,536)
Valuation allowance as of end of year	\$ (2,609)	\$ (13,145)

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The federal and state net operating loss and research and development credit carryforwards may be subject to a substantial annual limitation under Section 382 of the Internal Revenue Code of 1986, and similar state provisions, due to ownership change limitations that have occurred previously or that could occur in the future. These ownership changes may limit the amount of net operating loss and research and development credit carryforwards that can be utilized annually to offset future taxable income and tax, respectively. As of December 31, 2023, the Company has not completed a 382 study to assess whether a change of ownership has occurred since its formation.

Section 174 made by the Tax Cuts and Jobs Act of 2017 (the TCJA) for tax year beginning on or after Jan. 1, 2022, no longer permits an immediate deduction for research and development expenditures in the tax year that such costs are incurred. Section 174 costs are expenditures which represent research and development costs that are incident to the development or improvement of a product, process, formula, invention, computer software or technique. The research and experimental (“R&E”) expenses under Section 174 must be capitalized and amortized over five years for research performed in the U.S. and 15 years for research performed outside the U.S. We have included the impact of this provision, which results in a deferred tax asset of approximately \$1.0 million as of December 31, 2022 and \$7.3 million as of December 31, 2023.

The Company adopted the authoritative guidance on accounting for and disclosure of uncertain tax positions, which requires the Company to determine whether a tax position of the Company is more likely than not to be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits of the position. For tax positions meeting the more likely than not threshold, the tax amount recognized in the financial statements is reduced by the largest benefit that has a greater than fifty percent likelihood of being realized upon the ultimate settlement with the relevant taxing authority. As of December 31, 2023, the Company had not recorded any reserves for uncertain tax positions or related interest and penalties. The Company’s policy is to record interest and penalties related to income taxes as part of the tax provision.

The Company files income tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal and state jurisdictions in the United States and other countries, where applicable. There are currently no pending tax examinations. The Company is open to federal and state tax examination under statute from 2022 to present. Carryforward attributes from prior years can be adjusted upon examination by federal and state tax authorities to the extent utilized in an open tax year or in future periods.

There are no tax matters under discussion with taxing authorities that are expected to have a material effect on the Company’s consolidated financial statements.

## **12. Related Party License Agreement**

In August 2022, the Company entered into an option and license agreement with Janssen Pharmaceutical NV (“Janssen License”) under which the Company received an exclusive option to obtain from Janssen (a) a worldwide exclusive license for the research, development, and commercialization of transmembrane AMPAR regulatory protein-g8 (“TARPG8”) products for the diagnosis, treatment, prophylaxis or palliation of any disease or condition in humans or other animals (the “Field”) and (b) an assignment of certain patents related to TARPG8, in each case of (a)-(b), subject to certain retained rights by Janssen. Pursuant to the Janssen License, the Company also received a worldwide, royalty-free, non-exclusive license (exclusive under certain joint patents) for the research, development, and commercialization of certain neuronal nicotinic acetylcholine (“nACh”) products in the Field.

In conjunction with the Janssen License, the Company made a non-refundable, non-creditable upfront payment of \$1.0 million to Janssen after entering into the Janssen License. In October 2022, the Company



**Rapport Therapeutics, Inc.**  
**Notes to Consolidated Financial Statements**

exercised the option and paid a non-refundable, non-creditable option fee of \$4.0 million to Janssen. If the Company succeeds in developing and commercializing TARPg8 products, Janssen will be eligible to receive (i) up to \$76.0 million in development milestone payments and up to \$40.0 million in sales milestone payments for the product containing the lead TARPg8 development candidate, and (ii) up to \$25.0 million in development milestone payments and up to \$42.0 million in sales milestone payments for other products containing a non-lead TARPg8 development candidate.

Janssen is also eligible to receive (a) royalties ranging from mid-single digits to high single digits on worldwide net sales of any products containing a TARPg8 development candidate and (b) royalties ranging from low-single digits to mid-single digits for other TARPg8 products that do not contain a TARPg8 development candidate, in each case of (a) and (b), subject to potential reductions following the expiration of valid claims and regulatory exclusivity covering such TARPg8 products, the launch of certain generic products and the application of certain anti-stacking reductions for third party IP payments, subject to a customary reduction floor. The royalties for any TARPg8 product will expire on a country-by-country basis upon the latest to occur of (i) the expiration of all valid patent claims covering such product in such country, (ii) the expiration of all regulatory exclusivities in such country, and (iii) a specified number of years following the first commercial sale of such product in such country.

The Company has the right to terminate the Janssen License for any or no reason upon providing prior written notice to Janssen upon ninety (90) days' prior written notice to Janssen. Either party may terminate the license agreement in its entirety for the other party's material breach if such party fails to cure the breach or upon certain insolvency events involving the other party.

The Company determined that the Janssen License represented an asset acquisition, rather than a business combination, as substantially all of the fair value of the assets acquired in the Janssen License was concentrated in a single asset, the TARPg8 compound, which was in early stage of development at the time of acquisition. As the IPR&D asset was determined to have no alternative future use, the Company recognized the aggregate acquisition cost as related party acquired in-process research and development expense in the consolidated statement of operations and comprehensive loss for the period from February 10, 2022 (inception) to December 31, 2022. For the period from February 10, 2022 (inception) to December 31, 2022 and the year ended December 31, 2023, the Company recognized \$5.0 million and zero of related party acquired in-process research and development expense in connection with the consideration due under the Janssen License.

### **13. Related Party Transactions**

#### ***Janssen***

Janssen, counterparty to the Janssen License, is a related party to a founding investor in the Company, Johnson & Johnson Innovation—JJDC, Inc., as both entities are direct subsidiaries of Johnson & Johnson, Inc. For the period from February 10, 2022 (inception) to December 31, 2022 and for the year ended December 31, 2023, the Company incurred costs of \$0.1 million and \$0.4 million, respectively, which was recognized as research and development expense in the consolidated statement of operations and comprehensive loss, to Janssen for the use of lab space in California. As of December 31, 2022 and 2023, there were no related party transactions in accounts payable. As of December 31, 2022 and 2023, \$11 thousand and zero was included in accrued expenses, respectively.

#### ***Third Rock Ventures***

Third Rock Ventures LLC ("Third Rock") is a founding investor in the Company. For the period from February 10, 2022 (inception) to December 31, 2022 and for the year ended December 31, 2023, the Company

**Rapport Therapeutics, Inc.**  
**Notes to Consolidated Financial Statements**

incurred costs of \$2.1 million and \$1.2 million, respectively, of which \$1.5 million and \$0.3 million, respectively was recognized as research and development expense, and \$0.6 million and \$0.9 million, respectively, was recognized as general and administrative expense in the consolidated statement of operations and comprehensive loss, to Third Rock primarily for management consulting and other various start-up support activities. As of December 31, 2022 and 2023, \$0.7 million and \$0.2 million, respectively, was included in accounts payable. As of December 31, 2022 and 2023, \$19 thousand and zero, respectively was included in accrued expenses.

**14. Commitments and Contingencies**

***Indemnification Agreements***

In the ordinary course of business, the Company may provide indemnification of varying scope and terms to vendors, lessors, business partners 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. In addition, the Company has entered into indemnification agreements with the board of directors that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is, in many cases, unlimited. To date, the Company has not incurred any material costs as a result of such indemnifications. The Company is not aware of any indemnification arrangements that could have a material effect on its financial position, results of operations or cash flows, and it has not accrued any liabilities related to such obligations in its consolidated financial statements as of December 31, 2022 and 2023.

***Legal Proceedings***

From time to time, the Company may become involved in legal proceedings or other litigation relating to claims arising in the ordinary course of business. The Company accrues a liability for such matters when it is probable that future expenditures will be made and that such expenditures can be reasonably estimated. Significant judgment is required to determine both probability and estimated exposure amount. Legal fees and other costs associated with such proceedings are expensed as incurred. As of December 31, 2022 and 2023, the Company was not a party to any material legal proceedings or claims.

***NeuroPace Master Services Agreement and Statement of Work***

In November 2023, the Company entered into a master services agreement (the “NeuroPace Agreement”) with NeuroPace Inc. (“NeuroPace”), the manufacturer and distributor of the RNS system. Pursuant to the NeuroPace Agreement and in accordance with statement of work agreements entered into from time to time, NeuroPace provides the Company with certain services with respect to data from the RNS systems used in our clinical trials. The NeuroPace Agreement also grants the Company a royalty-free, worldwide, exclusive, non-transferable license to all data collected by the RNS systems in its Phase 2a clinical trial and the outcomes of algorithms that are applied to such data, as well as the ability to publish the outcomes of algorithms, subject to certain conditions. The consideration the Company will pay to NeuroPace for such services is set out in each statement of work agreement.

The NeuroPace Agreement contains an exclusivity provision providing that, at any time while providing services under the NeuroPace Agreement and for a period after the final clinical study report, NeuroPace may not perform any services that are the same as the services covered by the NeuroPace Agreement to any business that directly competes with us, subject to the specific terms of the NeuroPace Agreement. The NeuroPace Agreement also contains standard representations and warranties, confidentiality and intellectual property protective provisions and indemnification terms.

**Rapport Therapeutics, Inc.**  
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The NeuroPace Agreement expires on the later of three years from the effective date or the completion of all services under all statement of work agreements entered into prior to the third anniversary of the effective date. Either party may terminate the NeuroPace Agreement or any statement of work agreement (i) without cause by giving written notice to the other party within a specified period of time, (ii) by giving written notice upon a curable material breach that is not remediated within a specified period of time, or (iii) immediately upon written notice in the event of a material breach that cannot be cured.

Concurrently with the execution of the NeuroPace Agreement, the parties also entered into an initial statement of work under the NeuroPace Agreement, as amended in March 2024 (the “NeuroPace SOW”), pursuant to which NeuroPace agreed to provide services related to the Company’s Phase 2a clinical trial of RAP-219, including, among other things, clinical trial readiness support, identification of potential patients satisfying the enrollment criteria and RNS system data reporting and data analysis. Pursuant to the payment schedule set out in the NeuroPace SOW, we will pay NeuroPace an aggregate of up to \$3.7 million over a period of approximately two years in connection with NeuroPace’s provision of services and achievement of certain patient enrollment and deliverable milestones. During the year ended December 31, 2023, the Company paid NeuroPace \$1.5 million, which is recorded as prepaid expenses and other current assets in the consolidated balance sheet.

### 15. Net Loss per Share

The Company calculated basic and diluted net loss per share attributable to common stockholders using the two-class method required for companies with participating securities. The Company considers Series A convertible preferred stock and Series B convertible preferred stock to be participating securities as the holders are entitled to receive cumulative dividends as well as residuals in liquidation.

Under the two-class method, basic net loss per share available to common stockholders was calculated by dividing the net loss available to common stockholder by the weighted-average number of shares of common stock outstanding during the period, which excludes unvested restricted stock. The net loss available to common stockholders was not allocated to the Series A convertible preferred stock or Series B convertible preferred stock as the holders of Convertible Preferred Stock did not have a contractual obligation to share in losses. Diluted net loss per share available to common stockholders was computed by giving effect to all potentially dilutive common stock equivalents outstanding for the period. For purposes of this calculation, preferred stock, unvested restricted stock and stock options were considered common stock equivalents but had been excluded from the calculation of diluted net loss per share available to common stockholders as their effect was anti-dilutive. In periods in which the Company reports a net loss available to common stockholders, diluted net loss per share available to common stockholders is the same as basic net loss per share available to common stockholders, since dilutive common shares are not assumed to have been issued if their effect is anti-dilutive.

	<b>Period from February 10, 2022 (inception) to December 31, 2022</b>	<b>Year ended December 31, 2023</b>
<b>Numerator:</b>		
Net loss attributable to common stockholders	\$ (10,652)	\$ (34,786)
<b>Denominator:</b>		
Weighted-average common shares outstanding, basic and diluted	6,656,667	12,896,713
Net loss attributable to common stockholders, basic and diluted	\$ (1.60)	(2.70)

**Rapport Therapeutics, Inc.**  
**Notes to Consolidated Financial Statements**

For purposes of this calculation, the Company excluded the following potential common shares, presented based on amounts outstanding at each period end, from the computation of diluted net loss per share available to common shareholders for the periods indicated because including them would have had an anti-dilutive effect:

	Period from February 10, 2022 (inception) to December 31, 2022	Year ended December 31, 2023
Series A convertible preferred stock	40,182,354	100,182,354
Series B convertible preferred stock	—	51,273,790
Options to purchase common stock	—	11,790,429
Unvested restricted common stock—service based	8,448,769	13,583,869
Unvested restricted common stock—performance based	2,310,600	5,560,848
Total	<u>50,941,723</u>	<u>182,391,290</u>

## 16. Subsequent Events

For its consolidated financial statements as of December 31, 2023, the Company has evaluated subsequent events through March 27, 2024, the date on which those consolidated financial statements were available to be issued.

### *Leases*

In February 2024, the Company entered into a lease for laboratory and office space in San Diego, California with a lease term of 5 years for which the Company expects to pay \$9.6 million over the lease term.

### *Grant of Stock Options under the 2022 Plan*

In January, February and March 2024, the Company granted options for the purchase of an aggregate of 300,000, 1,130,000 and 9,712,077 shares of common stock, at an exercise price of \$0.21, \$0.52 and \$1.12 per share, respectively. The aggregate grant-date fair value of the options granted has not yet been determined. It is expected to be recognized as stock-based compensation expense over a period of 4.0 years.

### *Series B Preferred Stock Tranche Right Settlement*

In February 2024, the Company's existing Series B convertible preferred stockholders voted to waive the second tranche milestones and subsequently exercised the tranche right in March 2024. As a result, an aggregate of 38,157,240 shares of Series B convertible preferred stock were issued and sold at a price of \$1.67727 per share, resulting in total cash proceeds of \$64.0 million, less \$87 thousand of issuance costs.

### *Increase in Shares Authorized for Issuance under the 2022 Plan*

In March 2024, the Company amended the 2022 Plan to increase the aggregate number of shares of the Company's common stock reserved for issuance pursuant to the 2022 Plan by 10,322,977 shares for a total reserved for issuance of 25,253,829 shares.

**Shares**



**Common Stock**

**Goldman Sachs & Co. LLC**

**Jefferies**

**TD Cowen**

**Stifel**

Through and including \_\_\_\_\_, 2024 (the 25<sup>th</sup> day after the date of this prospectus), all dealers effecting transactions in our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to a dealer's obligation to deliver a prospectus when acting as an underwriter and with respect to an unsold allotment or subscription.

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**PART II**  
**INFORMATION NOT REQUIRED IN PROSPECTUS**

Unless otherwise indicated, all references to “Rapport,” the “company,” “we,” “our,” “us” or similar terms refer to Rapport Therapeutics, Inc. and its wholly owned, consolidated subsidiary, or either or both of them as the context may require.

**Item 13. Other Expenses of Issuance and Distribution.**

The following table sets forth all expenses to be paid by us, other than underwriting discounts and commissions, in connection with this offering. 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 (“Nasdaq”) listing fee.

SEC registration fee	\$	*
FINRA filing fee		*
Nasdaq Global Market listing fee		*
Printing and mailing expenses		*
Legal fees and expenses		*
Accounting fees and expenses		*
Custodian transfer agent and registrar fees and expenses		*
Miscellaneous expenses		*
<b>Total</b>	<b>\$</b>	<b>*</b>

\* To be provided by amendment.

**Item 14. Indemnification of Directors and Officers.**

Section 145 of the Delaware General Corporation Law (“DGCL”) authorizes a corporation to indemnify its directors and officers against liabilities arising out of actions, suits and proceedings to which they are made or threatened to be made a party by reason of the fact that they have served or are currently serving as a director or officer to a corporation. The indemnity may cover expenses (including attorneys’ fees) judgments, fines, and amounts paid in settlement actually and reasonably incurred by the director or officer in connection with any such action, suit or proceeding. Section 145 permits corporations to pay expenses (including attorneys’ fees) incurred by directors and officers in advance of the final disposition of such action, suit or proceeding. In addition, Section 145 provides that a corporation has the power to purchase and maintain insurance on behalf of its directors and officers against any liability asserted against them and incurred by them in their capacity as a director or officer, or arising out of their status as such, whether or not the corporation would have the power to indemnify the director or officer against such liability under Section 145.

We will adopt provisions in our third amended and restated certificate of incorporation, which will become effective immediately prior to the completion of this offering, and the amended and restated bylaws, which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part, that limit or eliminate the personal liability of our directors and officers to the fullest extent permitted by the DGCL, as it now exists or may in the future be amended. Consequently, our directors and officers will not be personally liable to us or our stockholders for monetary damages or breach of fiduciary duty as directors or officers, except for liability for:

- any breach of their duty of loyalty to us or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;

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- for our directors, any unlawful payments related to dividends or unlawful stock purchases, redemptions or other distributions;
- any transaction from which they derived an improper personal benefit; or
- for our officers, any derivative action by or in the right of the corporation.

These limitations of liability do not alter director and officer liability under the federal securities laws and do not affect the availability of equitable remedies such as an injunction or rescission.

In addition, our amended and restated bylaws will provide that:

- we will indemnify our directors, officers and, in the discretion of our board of directors, certain employees to the fullest extent permitted by the DGCL, as it now exists or may in the future be amended; and
- we will advance reasonable expenses, including attorneys' fees, to our directors and, in the discretion of our board of directors, to our officers and certain employees, in connection with legal proceedings relating to their service for or on behalf of us, subject to limited exceptions.

We have entered into indemnification agreements with each of our directors and intend to enter into such agreements with our executive officers. These agreements provide that we will indemnify each of our directors, our executive officers and, at times, their affiliates to the fullest extent permitted by Delaware law. We will advance expenses, including attorneys' fees (but excluding judgments, fines and settlement amounts), to each indemnified director, executive officer or affiliate in connection with any proceeding in which indemnification is available and we will indemnify our directors and officers for any action or proceeding arising out of that person's services as a director or officer brought on behalf of us or in furtherance of our rights. Additionally, certain of our directors or officers may have certain rights to indemnification, advancement of expenses or insurance provided by their affiliates or other third parties, which indemnification relates to and might apply to the same proceedings arising out of such director's or officer's services as a director referenced herein. Nonetheless, we have agreed in the indemnification agreements that our obligations to those same directors or officers are primary and any obligation of such affiliates or other third parties to advance expenses or to provide indemnification for the expenses or liabilities incurred by those directors are secondary.

We also maintain general liability insurance which covers certain liabilities of our directors and officers arising out of claims based on acts or omissions in their capacities as directors or officers, including liabilities under the Securities Act of 1933, as amended ("Securities Act").

The underwriting agreement filed as Exhibit 1.1 to this registration statement provides for indemnification of us and our directors and officers by the underwriters against certain liabilities under the Securities Act and the Securities Exchange Act of 1934.

### **Item 15. Recent Sales of Unregistered Securities.**

Set forth below is information regarding securities we have issued within the past three years that were not registered under the Securities Act.

#### ***(a) Preferred Stock Issuances***

From December 2022 through February 2023, we sold an aggregate of 100,182,354 shares of Series A convertible preferred stock to accredited investors at a purchase price of \$1.00 per share, for an aggregate purchase price of approximately \$100.1 million.

From August 2023 through March 2024, we sold an aggregate of 89,431,030 shares of Series B convertible preferred stock to accredited investors at a purchase price of \$1.67727 per share, for an aggregate purchase price of approximately \$150.0 million.

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### **(b) Common Stock Issuances**

From February 2022 through May 2022, we sold an aggregate of 10,000,000 shares of Common Stock to accredited investors at a purchase price of \$0.001 per share, for an aggregate purchase price of approximately \$10 thousand.

From November 2022 through May 2023, we granted to our employees, consultants, and other service providers shares of restricted Common Stock representing an aggregate of 26,122,402 shares of restricted Common Stock.

### **(c) Convertible Notes**

From August 2022 to September 2022, we issued convertible promissory notes having an aggregate principal amount of \$8.0 million.

The offers, sales and issuances of the securities described above were deemed to be exempt under Section 4(a)(2) of the Securities Act or Rule 506 of Regulation D under the Securities Act as a transaction by an issuer not involving a public offering. The recipients of securities in each of these transactions acquired the securities for investment only and not with a view to or for sale in connection with any distribution thereof and appropriate legends were affixed to the securities issued in these transactions. Each of the recipients of securities in these transactions was an accredited investor within the meaning of Rule 501 of Regulation D under the Securities Act and had adequate access, through employment, business or other relationships, to information about us. No underwriters were involved in these transactions.

### **(d) Grants and exercises of stock options**

In May 2023, we granted to our employees, consultants, and other service providers shares of restricted Common Stock representing an aggregate of 1,705,000 shares of restricted Common Stock under our 2022 Plan.

Since December 2023, we have granted certain employees, consultants, and directors options to purchase an aggregate of 22,932,506 shares of our common stock under our 2022 Plan, at exercise prices ranging from \$0.21 to \$1.12 per share.

The offers, sales and issuances of the securities described above were deemed to be exempt from registration under Rule 701 promulgated under the Securities Act as transactions under compensatory benefit plans and contracts relating to compensation, or under Section 4(a)(2) of the Securities Act as a transaction by an issuer not involving a public offering. The recipients of such securities were our directors, employees or bona fide consultants and received the securities under our equity incentive plans. Appropriate legends were affixed to the securities issued in these transactions. Each of the recipients of securities in these transactions had adequate access, through employment, business or other relationships, to information about us.

## **Item 16. Exhibits and Financial Statement Schedules.**

(a) Exhibits.

<b>Exhibit Number</b>	<b>Description</b>
1.1*	Form of Underwriting Agreement.
3.1	Second Amended and Restated Certificate of Incorporation, as amended, as currently in effect.
3.2*	Form of Third Amended and Restated Certificate of Incorporation, to be in effect immediately prior to the completion of this offering.
3.3	Bylaws, as currently in effect.



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<b>Exhibit Number</b>	<b>Description</b>
3.4*	Form of Amended and Restated Bylaws, to be in effect as of the effectiveness of the registration statement of which this prospectus forms a part.
4.1*	Specimen Common Stock Certificate.
4.2+	Amended and Restated Investors' Rights Agreement, by and between the Registrant and certain of its stockholders, dated as of August 7, 2023.
5.1*	Opinion of Goodwin Procter LLP.
10.1#	2022 Stock Option and Grant Plan, as amended, and form of award agreements thereunder.
10.2*#	Rapport Therapeutics, Inc. 2024 Stock Option and Incentive Plan and form of award agreements thereunder.
10.3*#	Rapport Therapeutics, Inc. 2024 Employee Stock Purchase Plan.
10.4*#	Form of Indemnification Agreement, by and between the Registrant and its directors and executive officers.
10.5*#	Senior Executive Cash Incentive Bonus Plan.
10.6*#	Non-Employee Director Compensation Policy.
10.7*#	Employment Agreement, by and between the Registrant and Abraham N. Ceesay, M.B.A., to be in effect upon the closing of this offering.
10.8*#	Employment Agreement, by and between the Registrant and Troy Ignelzi, to be in effect upon the closing of this offering.
10.9*#	Employment Agreement, by and between the Registrant and Cheryl Gault, to be in effect upon the closing of this offering.
10.10*†+	Option and License Agreement, by and between the Registrant and Janssen Pharmaceutica NV, dated August 9, 2022, as amended.
10.11†+	Master Services Agreement, by and between the Registrant and NeuroPace Inc., dated November 28, 2023.
10.12†+	Statement of Work #1, by and between the Registrant and NeuroPace Inc., dated November 28, 2023, as amended March 1, 2024.
10.13*+	Sublease Agreement, by and between the Registrant and Whoop, Inc., dated June 15, 2023.
10.14*+	License Agreement, by and between the Registrant and ARE-SD Region No. 61, LLC, dated December 21, 2023.
10.15*+	Lease Agreement, by and between the Registrant and ARE-9880 Campus Point, LLC, dated February 12, 2024.
21.1	Subsidiaries of Registrant.
23.1*	Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm.
23.2*	Consent of Goodwin Procter LLP (included in Exhibit 5.1).
24.1*	Power of Attorney (included on signature page).
107*	Filing Fee Table.

\* To be filed by amendment.

# Indicates a management contract or any compensatory plan, contract or arrangement.

† Certain portions of this document that constitute confidential information have been redacted pursuant to Item 601(b)(10) of Regulation S-K.

+ Certain exhibits and schedules to these agreements have been omitted pursuant to Item 601(a)(5) and (6) of Regulation S-K. The registrant will furnish copies of any of the exhibits and schedules to the Securities and Exchange Commission upon request.

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### (b) Financial Statement Schedules.

All financial statement schedules are omitted because the information required to be set forth therein is not applicable or is shown in the financial statements or the notes thereto.

### **Item 17. Undertakings.**

Insofar as indemnification for liabilities arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the 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 Act and will be governed by the final adjudication of such issue.

The registrant hereby undertakes that:

- (a) The Registrant will provide to the underwriter at the closing as specified in the underwriting agreement, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.
- (b) For purposes of determining any liability under the Securities Act of 1933, as amended, the information omitted from a form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in the form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act of 1933, as amended, shall be deemed to be part of this registration statement as of the time it was declared effective.
- (c) For the purpose of determining any liability under the Securities Act of 1933, as amended, 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, the registrant has duly caused this Registration Statement on Form S-1 to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Boston, Massachusetts, on the \_\_\_\_\_ of \_\_\_\_\_, 2024.

### RAPPORT THERAPEUTICS, INC.

By: \_\_\_\_\_  
Name: Abraham N. Ceesay, M.B.A.  
Title: Chief Executive Officer and Director

## POWER OF ATTORNEY AND SIGNATURES

Each individual whose signature appears below hereby constitutes and appoints Abraham N. Ceesay, M.B.A. and Troy Ignelzi as such person's true and lawful attorney-in-fact and agent with full power of substitution and resubstitution, for such person in such person's name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement (or any Registration Statement for the same offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act of 1933), and to file the same, with all exhibits thereto, and all documents in connection therewith, with the Securities and Exchange Commission granting unto each said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as such person might or could do in person, hereby ratifying and confirming all that any said attorney-in-fact and agent, or any substitute or substitutes of any of them, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, as amended, this Registration Statement and Power of Attorney has been signed by the following person in the capacities and on the date indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
_____ Abraham N. Ceesay, M.B.A.	Chief Executive Officer and Director ( <i>Principal Executive Officer</i> )	, 2024
_____ Troy Ignelzi	Chief Financial Officer ( <i>Principal Financial Officer and Principal Accounting Officer</i> )	, 2024
_____ Steven M. Paul, M.D.	Director and Chairman	, 2024
_____ David Bredt, M.D., Ph.D.	Chief Scientific Officer and Director	, 2024
_____ Terry-Ann Burrell, M.B.A.	Director	, 2024
_____ James I. Healy, M.D., Ph.D.	Director	, 2024

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<u>Signature</u>	<u>Title</u>	<u>Date</u>
_____ Reid Huber, Ph.D.	Director	, 2024
_____ Raymond Kelleher, M.D., Ph.D.	Director	, 2024
_____ John Maraganore, Ph.D.	Director	, 2024
_____ Jeffrey K. Tong, Ph.D.	Director	, 2024

**SECOND AMENDED AND RESTATED  
CERTIFICATE OF INCORPORATION  
OF  
RAPPORT THERAPEUTICS, INC.**

(Pursuant to Sections 242 and 245 of the  
General Corporation Law of the State of Delaware)

Rapport Therapeutics, Inc., a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the “**General Corporation Law**”).

**DOES HEREBY CERTIFY:**

1. That the name of this corporation is Rapport Therapeutics, Inc., and that this corporation was originally incorporated pursuant to the General Corporation Law on February 10, 2022 under the name Precision Neuroscience NewCo, Inc. The name of the corporation was changed on October 7, 2022 to Rapport Therapeutics, Inc. The corporation’s certificate of incorporation was amended by that certain certificates of amendment dated as of May 10, 2022, August 9, 2022, October 7, 2022 and November 28, 2022 and further amended by that certain Amended and Restated Certificate of Incorporation dated as of December 9, 2022.

2. That the Board of Directors (as defined below) duly adopted resolutions proposing to amend and restate the Amended and Restated Certificate of Incorporation (as defined below) of this corporation, declaring said amendment and restatement to be advisable and in the best interests of this corporation and its stockholders, and authorizing the appropriate officers of this corporation to solicit the consent of the stockholders therefor, which resolution setting forth the proposed amendment and restatement is as follows:

**RESOLVED**, that the Amended and Restated Certificate of Incorporation of this corporation, as amended, be amended and restated in its entirety to read as follows:

**FIRST:** The name of this corporation is Rapport Therapeutics, Inc. (the “**Corporation**”).

**SECOND:** The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle, 19801. The name of its registered agent at such address is The Corporation Trust Company.

**THIRD:** The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law.

**FOURTH:** The total number of shares of all classes of stock which the Corporation shall have authority to issue is (i) 250,000,000 shares of Common Stock, \$0.001 par value per share (“**Common Stock**”) and (ii) 189,613,384 shares of Preferred Stock, \$0.001 par value per share (“**Preferred Stock**”).

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

## A. COMMON STOCK

1. **General.** The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights, powers and preferences of the holders of the Preferred Stock set forth herein.

2. **Voting.** The holders of the Common Stock are entitled to one vote for each share of Common Stock held at all meetings of stockholders (and written actions in lieu of meetings); **provided, however,** that, except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to the Corporation's Certificate of Incorporation (as amended and/or restated from time to time, the "**Certificate of Incorporation**") that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to the Certificate of Incorporation or pursuant to the General Corporation Law. There shall be no cumulative voting. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by (in addition to any vote of the holders of one or more series of Preferred Stock that may be required by the terms of the Certificate of Incorporation) the affirmative vote of the holders of shares of capital stock of the Corporation representing a majority of the votes represented by all outstanding shares of capital stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law.

## B. PREFERRED STOCK

Preferred Stock may be issued from time to time in one or more series, each of such series to consist of such number of shares and to have such terms, rights, powers and preferences, and the qualifications and limitations with respect thereto, as stated or expressed herein.

100,182,354 shares of the authorized Preferred Stock of the Corporation are hereby designated the "**Series A Preferred Stock**" and 89,431,030 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series B Preferred Stock**", each with the following rights, preferences, powers, privileges and restrictions, qualifications and limitations. Unless otherwise indicated, references to "sections" or "subsections" in this Part B of this Article Fourth refer to sections and subsections of Part B of this Article Fourth. The Series A Preferred Stock and the Series B Preferred Stock may be referred to collectively as the "**Preferred Stock.**"

### 1. Dividends.

The holders of then outstanding shares of Preferred Stock shall be entitled to receive, only when, as and if declared by the Board of Directors, out of any funds and assets legally available therefor, dividends at the rate of 8% of the Applicable Original Issue Price (as defined below) for each share of Preferred Stock from and after the Filing Date, prior and in preference to any declaration or payment of any other dividend (other than dividends on shares of Common Stock payable in shares of Common Stock). The right to receive dividends on shares of Preferred Stock pursuant to the preceding sentence of this Section 1 shall not be cumulative, and no right to dividends shall accrue to holders of Preferred Stock by reason of the fact that dividends on said shares are not declared. The Corporation shall not declare, pay or set aside any dividends on shares of any other class or series of capital stock of the Corporation (other than dividends on shares of Common Stock payable in shares of Common Stock) unless (in addition to the obtaining of any consents required elsewhere in this Amended and Restated Certificate of Incorporation) the holders of the Preferred Stock then outstanding shall first receive, or simultaneously receive, in addition to the dividends payable pursuant to the first sentence of this Section 1, a dividend on each outstanding share of Preferred Stock in an amount at least equal to (i) in the case of a dividend on Common Stock or any class or series that is convertible into Common Stock, that dividend per share of Preferred Stock as would equal the product of (A) the dividend payable on each share of such class or series determined, if applicable, as if all

shares of such class or series had been converted into Common Stock and (B) the number of shares of Common Stock issuable upon conversion of a share of such class or series of Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend or (ii) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of Preferred Stock determined by (A) dividing the amount of the dividend payable on each share of such class or series of capital stock by the original issuance price of such class or series of capital stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such class or series) and (B) multiplying such fraction by an amount equal to the Applicable Original Issue Price (as defined below); provided that, if the Corporation declares, pays or sets aside, on the same date, a dividend on shares of more than one (1) class or series of capital stock of the Corporation, the dividend payable to the holders of Preferred Stock pursuant to this Section 1 shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest Preferred Stock dividend. As of the date and time of the filing of the Certificate of Incorporation (such date and time, the “**Filing Date**”), the “**Series A Original Issue Price**” shall mean \$1.00 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock occurring after the Filing Date. As of the Filing Date, the “**Series B Original Issue Price**” shall mean \$1.67727 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series B Preferred Stock occurring after the Filing Date. The Series A Original Issue Price, in the case of the Series A Preferred Stock, and the Series B Original Issue Price in the case of the Series B Preferred Stock, are individually or collectively, as applicable, referred to herein as the “**Applicable Original Issue Price.**”

## 2. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales.

2.1 Preferential Payments to Holders of Preferred Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of shares of Preferred Stock then outstanding shall be entitled to be paid, *pari passu* among the series of Preferred Stock, out of the assets of the Corporation available for distribution to its stockholders, and in the event of a Deemed Liquidation Event (as defined below), the holders of shares of Preferred Stock then outstanding shall be entitled to be paid, *pari passu* among the series of Preferred Stock, out of the assets of the consideration payable to stockholders in such Deemed Liquidation Event or out of the Available Proceeds (as defined below), as applicable, before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to the greater of (i) the Applicable Original Issue Price, plus any dividends declared but unpaid thereon, or (ii) such amount per share as would have been payable had all shares of Series A Preferred Stock or Series B Preferred Stock, as applicable, been converted into Common Stock pursuant to Section 4 immediately prior to such liquidation, dissolution, winding up of the Corporation or Deemed Liquidation Event. The amount which a holder of a share of Preferred Stock is entitled to receive pursuant to the first sentence of this Subsection 2.1 in the case of the Series A Preferred Stock is hereinafter referred to as the “**Series A Liquidation Amount**” and in the case of the Series B Preferred Stock is hereinafter referred to as the “**Series B Liquidation Amount**”. “**Applicable Liquidation Amount**” refers to the Series A Liquidation Amount with respect to the Series A Preferred Stock and the Series B Liquidation Amount with respect to the Series B Preferred Stock. If upon any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Preferred Stock the full amount to which they shall be entitled under this Subsection 2.1, the holders of shares of Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of the shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

**2.2 Payments to Holders of Common Stock.** In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, after the payment in full of all Applicable Liquidation Amounts required to be paid to the holders of shares of Preferred Stock, the remaining assets of the Corporation available for distribution to its stockholders or, in the case of a Deemed Liquidation Event, the consideration not payable to holders of shares of Preferred Stock pursuant to Section 2.1 or the remaining Available Proceeds, as the case may be, shall be distributed among the holders of shares of Common Stock, pro rata based on the number of shares held by each such holder.

### **2.3 Deemed Liquidation Events.**

**2.3.1 Definition.** Each of the following events shall be considered a “**Deemed Liquidation Event**” unless the holders of (i) a majority of the then outstanding shares of Preferred Stock, voting or consenting together as a single class on an as-converted basis, and (ii) a majority the then outstanding shares of Series B Preferred Stock, voting as a separate, exclusive class (clauses (i) and (ii) collectively, the “**Required Vote**”), elect otherwise by written notice sent to the Corporation at least ten (10) days prior to the effective date of any such event:

(a) a merger or consolidation in which

(i) the Corporation is a constituent party or

(ii) a subsidiary of the Corporation is a constituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation, except any such merger or consolidation involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation; or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation;

(b) (1) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole or (2) the sale or disposition (whether by merger, consolidation or otherwise, and whether in a single transaction or a series of related transactions) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation;

(c) The closing of the transfer in one transaction or series of related transactions to a group of affiliated persons (other than an underwriter of the Corporation’s securities), of the Corporation’s securities if, after such closing, such person or group of affiliated persons would hold shares fifty percent (50%) or more of the outstanding voting stock of the Corporation (or surviving entity) other than in connection with a bona fide equity financing primarily for capital raising purposes; or

(d) any merger or consolidation in connection with a SPAC Transaction (as defined below) or Reverse Merger Transaction (as defined below):

“**SPAC Transaction**” is any business combination pursuant to which the Corporation is merged into, or otherwise combines with, a special purpose acquisition company (a “**SPAC**”) listed on a “national securities exchange”, or a subsidiary of such SPAC, and the shares of capital stock of the Corporation



outstanding immediately prior to such transaction continue to represent, or are converted into or exchanged for shares of capital stock (or securities convertible into or exchangeable for shares of capital stock) that represent, immediately following such combination, a majority, by voting power, of the capital stock of (A) the surviving or resulting corporation; or (B) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such combination or consolidation, the parent corporation of such surviving or resulting corporation; provided that the cash resources of the SPAC, excluding the cash resources of the Corporation, but inclusive of amounts released from the SPAC's associated trust fund and other proceeds to the SPAC from contemporaneous sales of securities upon the consummation of the SPAC's business combination with the Corporation, exceeds \$10,000,000.

“**Reverse Merger Transaction**” is any business combination pursuant to which the Corporation is merged into, or otherwise combines with, a public company (a “**Pubco**”) listed on a “national securities exchange”, or a subsidiary of such Pubco, and the shares of capital stock of the Corporation outstanding immediately prior to such transaction continue to represent, or are converted into or exchanged for shares of capital stock (or securities convertible into or exchangeable for shares of capital stock) that represent, immediately following such combination, a majority, by voting power, of the capital stock of (A) the surviving or resulting corporation; or (B) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such combination or consolidation, the parent corporation of such surviving or resulting corporation, provided that the cash resources of the Pubco, excluding the cash resources of the Corporation, but inclusive of proceeds to the Pubco or the Corporation from contemporaneous sales of securities upon the consummation of the Reverse Merger Transaction, exceeds \$10,000,000.

### 2.3.2 Effecting a Deemed Liquidation Event; Redemption.

(a) The Corporation shall not have the power to effect a Deemed Liquidation Event referred to in Subsection 2.3.1(a)(i) above unless the agreement or plan of merger or consolidation for such transaction (the “**Merger Agreement**”) provides that the consideration payable to the stockholders of the Corporation in such Deemed Liquidation Event shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2 above.

(b) In the event of a Deemed Liquidation Event referred to in Subsection 2.3.1(a)(ii), or 2.3.1(b) above, if the Corporation does not effect a dissolution of the Corporation under the General Corporation Law within thirty (30) days after such Deemed Liquidation Event, then (i) the Corporation shall send a written notice to each holder of Preferred Stock no later than the thirtieth (30<sup>th</sup>) day after the Deemed Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause (ii) to require the redemption of such shares of Preferred Stock, and (ii) if the holders representing the Required Vote request in a written instrument delivered to the Corporation, the Corporation shall use the consideration received by the Corporation for such Deemed Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the Board of Directors of the Corporation (the “**Board of Directors**”) (together with any other assets of the Corporation available for distribution to its stockholders as determined in good faith by the Board of Directors, the “**Available Proceeds**”)), all to the extent permitted by Delaware law governing distributions to stockholders, on the sixtieth (60<sup>th</sup>) day after such Deemed Liquidation Event (the “**Redemption Date**”), to redeem all outstanding shares of Preferred Stock at a price per share equal to the Applicable Liquidation Amount (the “**Redemption Price**”). Notwithstanding the foregoing, in the event of a redemption pursuant to the preceding sentence, if the Available Proceeds are not sufficient to redeem all outstanding shares of Preferred Stock, or if the Corporation does not have sufficient lawfully available funds to effect such redemption, the Corporation shall ratably redeem a pro rata portion of each holder's shares of Preferred Stock to the fullest extent of such Available Proceeds or such lawfully available funds, as the case may be, based on the respective amounts which would otherwise be payable in respect of the shares to be redeemed if the Available Proceeds or such lawfully available funds were sufficient to redeem all such shares, and shall redeem the

remaining shares as soon as it may lawfully do so under Delaware law governing distributions to stockholders. The provisions of Subsections 2.3.2(c)(i) through 2.3.2(c)(iii) below shall apply to the redemption of the Preferred Stock pursuant to this Subsection 2.3.2(b). Prior to the distribution or redemption provided for in this Subsection 2.3.2(b), the Corporation shall not expend or dissipate the consideration received for such Deemed Liquidation Event, except to discharge expenses incurred in connection with such Deemed Liquidation Event or in the ordinary course of business.

(c) In connection with this Section 2.3.2 only, the holders of the Preferred Stock shall have redemption rights as follows:

(i) If on the Redemption Date, Delaware law governing distributions to stockholders prevents the Corporation from redeeming all shares of Preferred Stock to be redeemed, the Corporation shall ratably (in proportion to each holder's respective aggregate Applicable Liquidation Amounts) redeem the maximum number of shares that it may redeem consistent with such law, and shall redeem the remaining shares as soon as it may lawfully do so under such law.

(ii) If on the applicable Redemption Date the applicable Redemption Price payable upon redemption of the shares of Preferred Stock to be redeemed on such Redemption Date is paid or tendered for payment or deposited with an independent payment agent so as to be available therefor, then notwithstanding that the certificates evidencing any of the shares of Preferred Stock so called for redemption shall not have been surrendered, all rights with respect to such shares shall forthwith after the Redemption Date terminate, except only the right of the holders to receive the applicable Redemption Price without interest upon surrender of their certificate or certificates therefor.

(iii) Any shares of Preferred Stock that are redeemed or otherwise acquired by the Corporation or any of its subsidiaries shall be automatically and immediately cancelled and retired and shall not be reissued, sold or transferred. Neither the Corporation nor any of its subsidiaries may exercise any voting or other rights granted to the holders of Preferred Stock following redemption.

2.3.3 Amount Deemed Paid or Distributed. If the amount deemed paid or distributed under this Subsection 2.3 is made in property other than in cash, the value of such payment or distribution shall be the fair market value of such property, determined as follows:

(a) For securities not subject to investment letters or other similar restrictions on free marketability,

(i) if traded on a securities exchange, the value shall be deemed to be the average of the closing prices of the securities on such exchange or market over the 30-period ending three (3) days prior to the closing of such transaction;

(ii) if actively traded over-the-counter, the value shall be deemed to be the average of the closing bid prices over the 30-day period ending three (3) days prior to the closing of such transaction; or

(iii) if there is no active public market, the value shall be the fair market value thereof, as determined in good faith by the Board of Directors.

(b) The method of valuation of securities subject to investment letters or other similar restrictions on free marketability (other than restrictions arising solely by virtue of a stockholder's status as an affiliate or former affiliate) shall take into account an appropriate discount (as determined in good faith by the Board of Directors) from the market value as determined pursuant to clause (a) above so as to reflect the approximate fair market value thereof.

(c) For any property not addressed by Subsection 2.3.3(a) or Subsection 2.3.3(b), the value of such property, shall be determined in good faith by the Board of Directors, including a majority of the Preferred Directors (as defined below).

2.3.4 Allocation of Escrow or Contingent Payments. In the event of a Deemed Liquidation Event pursuant to Subsection 2.3.1(a)(i), if any portion of the consideration payable to the stockholders of the Corporation is payable only upon satisfaction of contingencies (the “**Additional Consideration**”), the Merger Agreement shall provide that (a) the portion of such consideration that is not Additional Consideration (such portion, the “**Initial Consideration**”) shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2 as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation Event and (b) any Additional Consideration which becomes payable to the stockholders of the Corporation upon satisfaction of such contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2 after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this Subsection 2.3.4, consideration placed into escrow or retained as holdback to be available for satisfaction of indemnification or similar obligations or otherwise subject to contingencies in connection with such Deemed Liquidation Event shall be deemed to be Additional Consideration.

### 3. Voting.

3.1 General. On any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written consent of stockholders in lieu of a meeting), each holder of outstanding shares of Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Preferred Stock held by such holder are convertible as of the record date for determining stockholders entitled to vote on such matter. Except as provided by law or by the other provisions of the Certificate of Incorporation, holders of Preferred Stock shall vote together with the holders of Common Stock as a single class and on an as-converted to Common Stock basis.

3.2 Election of Directors. The holders of record of the shares of Series A Preferred Stock, exclusively and as a separate class, shall be entitled to elect up to three (3) directors of the Corporation (each, a “**Series A Director**” and collectively, the “**Series A Directors**”). The holders of record of the shares of Series B Preferred Stock, exclusively and as a separate class, shall be entitled to elect up to two (2) directors of the Corporation (the “**Series B Directors**” and, together with the Series A Directors, the “**Preferred Directors**”). Any Preferred Directors elected as provided in the preceding sentences may be removed without cause by, and only by, the affirmative vote of the holders of the shares of the class or series of capital stock entitled to elect such director or directors, given either at a special meeting of such stockholders in lieu of a meeting duly called for that purpose or pursuant to a written consent of stockholders. If the holders of shares of Preferred Stock fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors, voting exclusively and as a separate class, then any directorship not so filled shall remain vacant until such time as the holders of the Preferred Stock elect a person to fill such directorship by vote or written consent in lieu of a meeting; and no such directorship may be filled by stockholders of the Corporation other than by the stockholders of the Corporation that are entitled to elect a person to fill such directorship, voting exclusively and as a separate class. The holders of record of the shares of Common Stock and of any other class or series of voting stock (including the Preferred Stock), exclusively and voting together as a single class, shall be entitled to elect the balance of the total number of directors of the Corporation. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director. Except as otherwise provided in this Subsection 3.2, a vacancy in any directorship filled by the holders of any class or series shall be filled only by vote or written consent in lieu of a meeting of the holders of such class or series or by any remaining director or directors elected by the holders of such class or series pursuant to this Subsection 3.2.

**3.3 Preferred Stock Protective Provisions.** At any time when any shares of Preferred Stock are outstanding, the Corporation or any of its subsidiaries, shall not, either directly or indirectly by amendment, merger, consolidation, recapitalization, reclassification, statutory conversion or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of the holders representing the Required Vote, given in writing or by vote at a meeting, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect.

3.3.1 liquidate, dissolve or wind-up the business and affairs of the Corporation, effect any merger, acquisition or consolidation or any other Deemed Liquidation Event, or consent to any of the foregoing;

3.3.2 amend, alter, waive or repeal any provision of the Certificate of Incorporation or Bylaws of the Corporation;

3.3.3 create or authorize the creation of or issue or obligate itself to issue shares of any other security convertible into or exercisable for any equity security or increase the authorized number of shares of Preferred Stock or of any additional class or series of capital stock unless it ranks junior to the Preferred Stock with respect to its rights, preferences and privileges;

3.3.4 (i) reclassify, alter or amend any existing security of the Corporation that is *pari passu* with the Preferred Stock in respect of the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends or rights of redemption, if such reclassification, alteration or amendment would render such other security senior to the Preferred Stock in respect of any such right, preference, or privilege or (ii) reclassify, alter or amend any existing security of the Corporation that is junior to the A Preferred Stock in respect of the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends or rights of redemption, if such reclassification, alteration or amendment would render such other security senior to or *pari passu* with the Preferred Stock in respect of any such right, preference or privilege;

3.3.5 purchase or redeem or pay or declare any dividend, other than dividends on the Preferred Stock, or make any distribution on any shares of capital stock prior to the Preferred Stock, other than Common Stock or Options to acquire Common Stock repurchased from former employees or consultants in connection with the cessation of their employment/services, pursuant to the provisions of existing plans or agreements;

3.3.6 create, adopt, amend, terminate or repeal any equity (or equity-linked) compensation plan;

3.3.7 increase or decrease the authorized number of directors constituting the Board of Directors;

3.3.8 create or hold capital stock in any subsidiary that is not a wholly-owned subsidiary of the Corporation or dispose of any subsidiary stock or all or substantially all of any subsidiary assets;

3.3.9 sell, assign, license, pledge or encumber material technology or intellectual property, other than licenses granted in the ordinary course of business; or

#### 4. Optional Conversion.

The holders of the Preferred Stock shall have conversion rights as follows (the “**Conversion Rights**”):

##### 4.1 Right to Convert.

4.1.1 Conversion Ratio. Subject to the provisions of Section 4.1.3 below, each share of Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing the Applicable Original Issue Price by the Applicable Conversion Price (as defined below) in effect at the time of conversion; provided that such holder may waive such option to convert upon written notice to the Company. As of the Filing Date, the “**Series A Conversion Price**” is equal to \$1.00. As of the Filing Date, the “**Series B Conversion Price**” is equal to \$1.67727. The Series A Conversion Price, in the case of the Series A Preferred Stock, and the Series B Conversion Price in the case of the Series B Preferred Stock, are individually or collectively, as applicable, referred to herein as the “**Applicable Conversion Price**”. Such Applicable Conversion Price, and the rate at which shares of Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below after the Filing Date.

4.1.2 Termination of Conversion Rights. In the event of a notice of redemption of any shares of Preferred Stock pursuant to Subsection 2.3.2(b), the Conversion Rights of the shares designated for redemption shall terminate at the close of business on the last full day preceding the date fixed for redemption, unless the Redemption Price is not fully paid on such Redemption Date, in which case the Conversion Rights for such shares shall continue until such price is paid in full. In the event of a liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event, the Conversion Rights shall terminate at the close of business on the last full day preceding the date fixed for the payment of any such amounts distributable on such event to the holders of Preferred Stock; provided that the foregoing termination of Conversion Rights shall not affect the amount(s) otherwise paid or payable in accordance with Subsection 2.1 to holders of Preferred Stock pursuant to such liquidation, dissolution or winding up of the Corporation or a Deemed Liquidation Event.

4.1.3 Non-Conversion Period. Notwithstanding anything to the contrary contained in the Certificate of Incorporation, a holder of Series B Preferred Stock shall not be entitled pursuant to this Section 4.1 to elect to convert shares of Series B Preferred Stock into shares of Common Stock at any time during the period commencing on the date and time of the first issuance of the Series B Preferred Stock and ending on the Business Day immediately following the earliest to occur of (i) the Second Tranche Closing (if such holder is not a Defaulting Purchaser), (ii) the Outside Date, (iii) the date such holder’s obligation to purchase its Second Tranche Shares is fulfilled whether by such holder or its Affiliates, (iv) the termination of such holder’s obligations to complete the Second Tranche Closing pursuant to the Purchase Agreement and (v) such date as agreed to by the Corporation and the holders of a majority of the then outstanding shares of Series B Preferred Stock, voting as a separate, exclusive class. Capitalized terms used in this Section 4.1.3 and not defined in this Section 4.1.3 shall have the meanings ascribed to such terms in the Purchase Agreement. For the avoidance of doubt, nothing in this Section 4.1.3 shall interfere with the treatment of the Series B Preferred Stock on an as-converted to Common Stock basis where the context so requires in the Certificate of Incorporation, including, without limitation, voting provisions and determination of the Series B Liquidation Amount.

4.2 Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of a share of Common Stock as determined in good faith by the Board of Directors. Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of shares of Preferred Stock the holder is at the time converting into Common Stock and the aggregate number of shares of Common Stock issuable upon such conversion.

#### 4.3 Mechanics of Conversion.

4.3.1 Notice of Conversion. In order for a holder of Preferred Stock to voluntarily convert shares of Preferred Stock into shares of Common Stock, such holder shall (a) provide written notice to the Corporation's transfer agent at the office of the transfer agent for the Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent) that such holder elects to convert all or any number of such holder's shares of Preferred Stock and, if applicable, any event on which such conversion is contingent and (b), if such holder's shares are certificated, surrender the certificate or certificates for such shares of Preferred Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent), together with written notice that such holder elects to convert all or any number of the shares of Preferred Stock represented by such certificate or certificates and, if applicable, any event on which such conversion is contingent. Such notice shall state such holder's name or the names of the nominees in which such holder wishes the certificate or certificates for shares of Common Stock to be issued. If required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such notice and, if applicable, certificates (or lost certificate affidavit and agreement) shall be the time of conversion (the "**Conversion Time**"), and the shares of Common Stock issuable upon conversion of the specified shares shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Conversion Time (i) issue and deliver to such holder of Preferred Stock, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof and a certificate for the number (if any) of the shares of Preferred Stock represented by the surrendered certificate that were not converted into Common Stock, (ii) pay in cash such amount as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and (iii) pay all declared but unpaid dividends on the shares of Preferred Stock converted.

4.3.2 Reservation of Shares. The Corporation shall at all times when the Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Preferred Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to the Certificate of Incorporation. Before taking any action which would cause an adjustment reducing the Applicable Conversion Price below the then par value of the shares of Common Stock issuable upon conversion of the Preferred Stock, the Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and non-assessable shares of Common Stock at such adjusted Applicable Conversion Price.

4.3.3 Effect of Conversion. All shares of Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Conversion Time, except only the right of the holders thereof to receive shares of Common Stock in exchange therefor, to receive payment of any dividends declared but unpaid thereon and to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion as provided in Subsection 4.2. Any shares of Preferred Stock so converted shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Preferred Stock accordingly.

4.3.4 No Further Adjustment. Upon any such conversion, no adjustment to the Applicable Conversion Price shall be made for any dividends on the Preferred Stock surrendered for conversion or on the Common Stock delivered upon conversion.

4.3.5 Taxes. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Preferred Stock pursuant to this Section 4. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

#### 4.4 Adjustments to Conversion Price for Diluting Issues.

4.4.1 Special Definitions. For purposes of this Article Fourth, the following definitions shall apply:

(a) “**Option**” shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

(b) “**Convertible Securities**” shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options.

(c) “**Additional Shares of Common Stock**” shall mean all shares of Common Stock issued (or, pursuant to Subsection 4.4.3 below, deemed to be issued) by the Corporation after the Filing Date, other than (1) the following shares of Common Stock and (2) shares of Common Stock deemed issued pursuant to the following Options and Convertible Securities (clauses (1) and (2), collectively, “**Exempted Securities**”):

(i) shares of Common Stock, Options or Convertible Securities issued as a dividend or distribution on, or upon the conversion of, Preferred Stock and shares of Common Stock actually issued upon the exercise of such Options, or upon the conversion or exchange of such Convertible Securities or, in the case of Convertible Securities and Options therefor, upon the conversion or exchange of such Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security;

(ii) shares of Common Stock, Options or Convertible Securities issued by reason of a dividend, stock split, split-up or other distribution on shares of Common Stock that is covered by Subsection 4.5, 4.6, 4.7 or 4.8 below, and shares of Common Stock actually issued upon the exercise of such Options, or upon the conversion or exchange of such Convertible Securities or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security;

(iii) shares of Common Stock issued in a QPO (as defined below).

(iv) shares of Common Stock or Options issued to employees or directors of, or consultants or advisors to, the Corporation or any of its subsidiaries pursuant to a plan, agreement or arrangement approved by the Board of Directors, including a majority of the Preferred Directors, and shares of Common Stock actually issued upon the exercise or conversion of such Options, in each case provided such issuance is pursuant to the terms of such Option;

(v) shares of Common Stock, Options or Convertible Securities issued to banks, equipment lessors or other financial institutions, or to real property lessors, pursuant to a debt financing, equipment leasing or real property leasing transaction approved by the Board of Directors, including a majority of the Preferred Directors, and shares of Common Stock actually issued upon the exercise of such Options, or upon the conversion or exchange of such Convertible Securities or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security;

(vi) shares of Common Stock, Options or Convertible Securities issued in connection with sponsored research, collaboration, technology license, development, OEM, marketing or other similar agreements or strategic partnerships approved by the Board of Directors, including a majority of the Preferred Directors, and shares of Common Stock issuable upon the exercise of such Options, or upon the conversion or exchange of such Convertible Securities or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security; and

(vii) shares of Common Stock, Options or Convertible Securities issued as acquisition consideration pursuant to the acquisition of another corporation by the Corporation by merger, purchase of substantially all of the assets or other reorganization or to a joint venture agreement, provided that such issuances are approved by the Board of Directors, including a majority of the Preferred Directors, and shares of Common Stock issuable upon the exercise of such Options, or upon the conversion or exchange of such Convertible Securities or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security.

4.4.2 No Adjustment of Applicable Conversion Price. No adjustment in the Applicable Conversion Price of a series of Preferred Stock shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders representing the Required Vote agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock.



#### 4.4.3 Deemed Issue of Additional Shares of Common Stock.

(a) If the Corporation at any time or from time to time after the Filing Date shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which are themselves Exempted Securities) or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

(b) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to the Applicable Conversion Price pursuant to the terms of Subsection 4.4.4, are revised as a result of an amendment to such terms or if any other adjustment is made pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, the Applicable Conversion Price computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with respect thereto) shall be readjusted to such Applicable Conversion Price as would have been obtained had such revised terms been in effect upon the original date of issuance of such Option or Convertible Security. Notwithstanding the foregoing, no readjustment pursuant to this clause (b) shall have the effect of increasing the Applicable Conversion Price to an amount which exceeds the lower of (i) the Applicable Conversion Price in effect immediately prior to the original adjustment made as a result of the issuance of such Option or Convertible Security, or (ii) the Applicable Conversion Price that would have resulted from any issuances of Additional Shares of Common Stock (other than deemed issuances of Additional Shares of Common Stock as a result of the issuance of such Option or Convertible Security) between the original adjustment date and such readjustment date.

(c) If the terms of any Option or Convertible Security (excluding Options or Convertible Securities which are themselves Exempted Securities), the issuance of which did not result in an adjustment to the Applicable Conversion Price pursuant to the terms of Subsection 4.4.4 (either because the consideration per share (determined pursuant to Subsection 4.4.5) of the Additional Shares of Common Stock subject thereto was equal to or greater than the Applicable Conversion Price then in effect, or because such Option or Convertible Security was issued before the Filing Date), are revised after the Filing Date as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any decrease in the consideration payable to the Corporation upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended or adjusted, and the Additional Shares of Common Stock subject thereto (determined in the manner provided in Subsection 4.4.3(a)) shall be deemed to have been issued effective upon such increase or decrease becoming effective.

(d) Upon the expiration or termination of any unexercised Option or unconverted or unexchanged Convertible Security (or portion thereof) which resulted (either upon its original issuance or upon a revision of its terms) in an adjustment to the Applicable Conversion Price pursuant to the terms of Subsection 4.4.4, the Applicable Conversion Price shall be readjusted to such Applicable Conversion Price as would have been obtained had such Option or Convertible Security (or portion thereof) never been issued.

(e) If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, is calculable at the time such Option or Convertible Security is issued or amended but is subject to adjustment based upon subsequent events, any adjustment to the Applicable Conversion Price provided for in this Subsection 4.4.3 shall be effected at the time of such issuance or amendment based on such number of shares or amount of consideration without regard to any provisions for subsequent adjustments (and any subsequent adjustments shall be treated as provided in clauses (b) and (c) of this Subsection 4.4.3). If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, cannot be calculated at all at the time such Option or Convertible Security is issued or amended, any adjustment to the Applicable Conversion Price that would result under the terms of this Subsection 4.4.3 at the time of such issuance or amendment shall instead be effected at the time such number of shares and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming for purposes of calculating such adjustment to the Applicable Conversion Price that such issuance or amendment took place at the time such calculation can first be made.

4.4.4 Adjustment of Applicable Conversion Price Upon Issuance of Additional Shares of Common Stock. In the event the Corporation shall at any time or from time to time after the Filing Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant to Subsection 4.4.3), without consideration or for a consideration per share less than the Applicable Conversion Price as in effect immediately prior to such issuance or deemed issuance, then the Applicable Conversion Price shall be reduced, concurrently with such issuance or deemed issuance, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula:

$$CP_2 = CP_1 * (A + B) \div (A + C).$$

For purposes of the foregoing formula, the following definitions shall apply:

(a) “CP<sub>2</sub>” shall mean such Applicable Conversion Price in effect immediately after such issuance or deemed issuance of Additional Shares of Common Stock;

(b) “CP<sub>1</sub>” shall mean such Applicable Conversion Price in effect immediately prior to such issuance or deemed issuance of Additional Shares of Common Stock;

(c) “A” shall mean the number of shares of Common Stock outstanding immediately prior to such issuance or deemed issuance of Additional Shares of Common Stock (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issuance or deemed issuance or upon conversion or exchange of Convertible Securities (including the Preferred Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue);

(d) “B” shall mean the number of shares of Common Stock that would have been issued if such Additional Shares of Common Stock had been issued or deemed issued at a price per share equal to CP<sub>1</sub> (determined by dividing the aggregate consideration received by the Corporation in respect of such issue by CP<sub>1</sub>); and

(e) “C” shall mean the number of such Additional Shares of Common Stock issued or deemed issued in such transaction.

4.4.5 Determination of Consideration. For purposes of this Subsection 4.4, the consideration received by the Corporation for the issuance or deemed issuance of any Additional Shares of Common Stock shall be computed as follows:

(a) Cash and Property: Such consideration shall:

(i) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation, excluding amounts paid or payable for accrued interest;

(ii) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors; and

(iii) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received that is attributable to the Additional Shares of Common Stock, computed as provided in clauses (i) and (ii) above, as determined in good faith by the Board of Directors.

(b) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Subsection 4.4.3, relating to Options and Convertible Securities, shall be determined by dividing:

(i) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

(ii) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities.

4.4.6 Multiple Closing Dates. In the event the Corporation shall issue on more than one date Additional Shares of Common Stock that are a part of one transaction or a series of related transactions and that would result in an adjustment to the Applicable Conversion Price pursuant to the terms of Subsection 4.4.4 above then, upon the final such issuance, the Applicable Conversion Price shall be readjusted to give effect to all such issuances as if they occurred on the date of the first such issuance (and without giving effect to any additional adjustments as a result of any such subsequent issuances within such period).

4.5 Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the Filing Date effect a subdivision of the outstanding Common Stock, the Applicable Conversion Price in effect immediately before that subdivision shall be proportionately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding. If the Corporation shall at any time or from time to time after the Filing Date combine the outstanding shares of Common Stock, the Applicable Conversion Price in effect immediately before such combination shall be proportionately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the aggregate number of shares of Common Stock outstanding. Any adjustment under this Subsection 4.5 shall become effective at the close of business on the date the subdivision or combination becomes effective.

4.6 Adjustment for Certain Dividends and Distributions. In the event the Corporation at any time or from time to time after the Filing Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable on the Common Stock in additional shares of Common Stock, then and in each such event the Applicable Conversion Price in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the Applicable Conversion Price then in effect by a fraction:

(1) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(2) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution.

Notwithstanding the foregoing, (a) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Applicable Conversion Price shall be recomputed accordingly as of the close of business on such record date and thereafter the Applicable Conversion Price shall be adjusted pursuant to this Subsection 4.6 as of the time of actual payment of such dividends or distributions; and (b) no such adjustment shall be made with respect to the Applicable Conversion Price if the holders of the applicable series of Preferred Stock simultaneously receive a dividend or other distribution of shares of Common Stock in a number equal to the number of shares of Common Stock as they would have received if all outstanding shares of the applicable series of Preferred Stock had been converted into Common Stock on the date of such event.

4.7 Adjustments for Other Dividends and Distributions. In the event the Corporation at any time or from time to time after the Filing Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation (other than a distribution of shares of Common Stock in respect of outstanding shares of Common Stock) or in other property and the provisions of Section 1 do not apply to such dividend or distribution, then and in each such event the holders of Preferred Stock shall receive, simultaneously with the distribution to the holders of Common Stock, a dividend or other distribution of such securities or other property in an amount equal to the amount of such securities or other property as they would have received if all outstanding shares of Preferred Stock had been converted into Common Stock on the date of such event.

4.8 Adjustment for Merger or Reorganization, etc. Subject to the provisions of Subsection 2.3, if there shall occur any reorganization, recapitalization, reclassification, consolidation, merger or statutory conversion involving the Corporation in which the Common Stock (but not the Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction covered by Subsections 4.5, 4.6 or 4.7), then, following any such reorganization, recapitalization, reclassification, consolidation, merger or statutory conversion, each share of Preferred Stock shall thereafter be convertible in lieu of the Common Stock into which it was convertible prior to such event into the kind and amount of securities, cash or other property which a holder of the number of shares of Common Stock of the Corporation issuable upon conversion of one share of the applicable series of Preferred Stock immediately prior to such reorganization, recapitalization, reclassification, consolidation, merger or statutory conversion would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors, including a majority of the Preferred Directors)

shall be made in the application of the provisions in this Section 4 with respect to the rights and interests thereafter of the holders of Preferred Stock, to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of the Applicable Conversion Price) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of the applicable series of Preferred Stock. For the avoidance of doubt, nothing in this Section 4.8 shall be construed as preventing the holders of Preferred Stock from seeking any appraisal rights to which they are otherwise entitled under the General Corporation Law in connection with a merger or statutory conversion triggering an adjustment hereunder, nor shall this Subsection 4.8 be deemed conclusive evidence of the fair value of the shares of Preferred Stock in any such appraisal proceeding.

4.9 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of the Applicable Conversion Price pursuant to this Section 4, the Corporation at its expense shall, as promptly as reasonably practicable but in any event not later than fifteen (15) days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of the applicable series of Preferred Stock a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which the applicable series of Preferred Stock is convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, as promptly as reasonably practicable after the written request at any time of any holder of Preferred Stock (but in any event not later than fifteen (15) days thereafter), furnish or cause to be furnished to such holder a certificate setting forth (i) the Applicable Conversion Price then in effect, and (ii) the number of shares of Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the conversion of the applicable series of Preferred Stock.

4.10 Notice of Record Date. In the event:

(a) the Corporation shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of the Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(b) of any capital reorganization of the Corporation, any reclassification of the Common Stock, or any Deemed Liquidation Event; or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation,

then, and in each such case, the Corporation will send or cause to be sent to the holders of the Preferred Stock a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation, winding-up or a Deemed Liquidation Event is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon the conversion of the Preferred Stock) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation, winding-up or a Deemed Liquidation Event, and the amount per share and character of such exchange applicable to the Preferred Stock and the Common Stock. Such notice shall be sent at least ten (10) days prior to the record date or effective date for the event specified in such notice.

## 5. Mandatory Conversion.

5.1 Trigger Events. Upon either (a) the date and time, or the occurrence of an event, specified by vote or written consent of holders representing the Required Vote or (b) the closing of the sale of shares of Common Stock to the public at a price per share of at least \$1.71668 (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Common Stock) in a firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended (the “**Securities Act**”), provided that such offering results in at least \$50 million of gross proceeds, after deducting the underwriting discounts and commissions, to the Corporation and in connection with such offering the Common Stock is listed for trading on the Nasdaq Stock Market’s National Market, the New York Stock Exchange or another exchange or marketplace approved by the Board of Directors, including the approval of a majority of the Preferred Directors (such an event a “**QPO**”) (the date and time specified or the time of the event specified in such vote or written consent, or the time of such closing, respectively, is referred to herein as the “**Mandatory Conversion Time**”), (i) all outstanding shares of Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective conversion rate thereof, and (ii) such shares of Preferred Stock may not be reissued by the Corporation.

5.2 Procedural Requirements. All holders of record of shares of Preferred Stock shall be sent written notice of the Mandatory Conversion Time and the place designated for mandatory conversion of all such shares of Preferred Stock pursuant to this Section 5. Such notice need not be sent in advance of the occurrence of the Mandatory Conversion Time. Upon receipt of such notice, each holder of shares of Preferred Stock shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Preferred Stock converted pursuant to Subsection 5.1, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the Mandatory Conversion Time (notwithstanding the failure of the holder or holders thereof to surrender any certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of any certificate or certificates of such holders (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Subsection 5.2. As soon as practicable after the Mandatory Conversion Time and, if applicable, the surrender of any certificate or certificates (or lost certificate affidavit and agreement) for Preferred Stock, the Corporation shall (a) issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof and (b) pay cash as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and the payment of any declared but unpaid dividends on the shares of Preferred Stock converted. Such converted Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Preferred Stock accordingly.

### 5A. Special Mandatory Conversion.

5A.1. Milestone Trigger Event. If a holder of Series B Preferred Stock becomes a Defaulting Purchaser (as defined in the Series B Preferred Stock Purchase Agreement, dated on or about the Filing Date, by and among the Corporation and the other parties listed therein as “**Purchasers**” (as such may be amended in accordance with the terms thereof, the “**Purchase Agreement**”)), then each share of Series B Preferred Stock held by such holder shall then be automatically, and without any further action on

the part of such holder, be converted into that number of shares of Common Stock equal to the product of (a) 0.10 multiplied by (b) the quotient of the Series B Original Issue Price divided by the Series B Conversion Price then in effect for such share of Series B Preferred Stock immediately prior to the consummation of the Second Tranche Closing, rounding down to the nearest whole share, effective concurrently with the Second Tranche Closing. Such conversion is referred to as a “**Special Mandatory Conversion.**”

5A.2. Procedural Requirements. Upon a Special Mandatory Conversion, each holder of shares of Series B Preferred Stock converted pursuant to Subsection 5A.1 shall be sent written notice of such Special Mandatory Conversion and the place designated for mandatory conversion of all such shares of Series B Preferred Stock pursuant to this Subsection 5A. Upon receipt of such notice, each holder of such shares of Series B Preferred Stock in certificated form shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that any such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Series B Preferred Stock converted pursuant to Subsection 5A.1, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the time of the Special Mandatory Conversion (notwithstanding the failure of the holder or holders thereof to surrender any certificates for such shares at or prior to such time), except only the rights of the holders thereof, upon surrender of any certificate or certificates of such holders therefor (or lost certificate affidavit and agreement), to receive the items provided for in the next sentence of this Subsection 5A.2. As soon as practicable after the Special Mandatory Conversion and, if applicable, the surrender of any certificate or certificates (or lost certificate affidavit and agreement) for Series B Preferred Stock so converted, the Corporation shall (a) issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof and (b) pay cash as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and the payment of any declared but unpaid dividends on the shares of Series B Preferred Stock converted.

5A.3. Effect of Mandatory Conversion. Such converted Series B Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Series B Preferred Stock accordingly.

6. Redeemed or Otherwise Acquired Shares. Any shares of Preferred Stock that are redeemed, converted or otherwise acquired by the Corporation or any of its subsidiaries shall be automatically and immediately cancelled and retired and shall not be reissued, sold or transferred. Neither the Corporation nor any of its subsidiaries may exercise any voting or other rights granted to the holders of Preferred Stock following redemption, conversion or acquisition.

7. Waiver. Any of the rights, powers, preferences and other terms of the Preferred Stock set forth herein may be waived on behalf of all holders of Preferred Stock by the affirmative written consent or vote of the holders representing the Required Vote.

8. Notices. Any notice required or permitted by the provisions of this Article Fourth to be given to a holder of shares of Preferred Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the General Corporation Law, and shall be deemed sent upon such mailing or electronic transmission.

**FIFTH:** Subject to any additional vote required by the Certificate of Incorporation, in furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, repeal, alter, amend and rescind any or all of the Bylaws of the Corporation.

**SIXTH:** Subject to any additional vote required by the Certificate of Incorporation, the number of directors of the Corporation shall be determined in the manner set forth in the Bylaws of the Corporation. Each director shall be entitled to one (1) vote on each matter presented to the Board of Directors; provided, however, that, so long as the holders of Preferred Stock are entitled to elect a Preferred Director, the affirmative vote of a majority of the Preferred Directors shall be required for the authorization by the Board of Directors of any of the matters set forth in Section 5.4 of the Amended and Restated Investors' Rights Agreement, dated on or about the Filing Date, by and among the Corporation and the other parties thereto, as such agreement may be amended from time to time.

**SEVENTH:** Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

**EIGHTH:** Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

**NINTH:** To the fullest extent permitted by law, a director or officer of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director or officer. If the General Corporation Law or any other law of the State of Delaware is amended after approval by the stockholders of this Article Ninth to authorize corporate action further eliminating or limiting the personal liability of directors or officers, then the liability of a director or officer of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law as so amended. Solely for purposes of this Article Ninth, "officer" shall have the meaning provided in Section 102(b)(7) of the General Corporation Law as amended from time to time.

Any repeal or modification of the foregoing provisions of this Article Ninth by the stockholders of the Corporation shall not adversely affect any right or protection of a director or officer of the Corporation existing at the time of, or increase the liability of any director or officer of the Corporation with respect to any acts or omissions of such director or officer occurring prior to, such repeal or modification.

**TENTH:** To the fullest extent permitted by applicable law, the Corporation is authorized to provide indemnification of (and advancement of expenses to) directors, officers and agents of the Corporation (and any other persons to which General Corporation Law permits the Corporation to provide indemnification) through Bylaw provisions, agreements with such agents or other persons, vote of stockholders or disinterested directors or otherwise, in excess of the indemnification and advancement otherwise permitted by Section 145 of the General Corporation Law.

Any amendment, repeal or modification of the foregoing provisions of this Article Tenth shall not (a) adversely affect any right or protection of any director, officer or other agent of the Corporation existing at the time of such amendment, repeal or modification or (b) increase the liability of any director of the Corporation with respect to any acts or omissions of such director, officer or agent occurring prior to, such amendment, repeal or modification.



**ELEVENTH:** The Corporation renounces, to the fullest extent permitted by law, any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An “**Excluded Opportunity**” is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of (i) any director of the Corporation who is not an employee of the Corporation or any of its subsidiaries, or (ii) any holder of Preferred Stock or any partner, member, director, stockholder, employee, affiliate or agent of any such holder, other than someone who is an employee of the Corporation or any of its subsidiaries (collectively, the persons referred to in clauses (i) and (ii) are “**Covered Persons**”), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person’s capacity as a director of the Corporation. Any repeal or modification of this Article Eleventh will only be prospective and will not affect the rights under this Article Eleventh in effect at the time of the occurrence of any actions or omissions to act giving rise to liability.

**TWELFTH:** Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery in the State of Delaware shall be the sole and exclusive forum for any stockholder (including a beneficial owner) to bring (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation’s stockholders, (iii) any action asserting a claim against the Corporation, its directors, officers or employees arising pursuant to any provision of the Delaware General Corporation Law or the Corporation’s certificate of incorporation or bylaws or (iv) any action asserting a claim against the Corporation, its directors, officers or employees governed by the internal affairs doctrine, except for, as to each of (i) through (iv) above, any claim as to which the Court of Chancery determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten (10) days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, or for which the Court of Chancery does not have subject matter jurisdiction. If any provision or provisions of this Article Twelfth shall be held to be invalid, illegal or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Article Twelfth (including, without limitation, each portion of any sentence of this Article Twelfth containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby.

\* \* \*

3. That the foregoing amendment and restatement was approved by the holders of the requisite number of shares of this corporation in accordance with Section 228 of the General Corporation Law.

4. That this Second Amended and Restated Certificate of Incorporation, which restates and integrates and further amends the provisions of this Corporation’s Certificate of Incorporation, has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law.

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**IN WITNESS WHEREOF**, this Second Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on this 7<sup>th</sup> day of August, 2023.

By: /s/ Abraham N. Ceesay  
Name: Abraham N. Ceesay  
Title: Chief Executive Officer

**SIGNATURE PAGE TO AMENDED AND RESTATED CERTIFICATE OF INCORPORATION**

**CERTIFICATE OF AMENDMENT  
TO THE  
CERTIFICATE OF INCORPORATION  
OF  
RAPPORT THERAPEUTICS, INC.**

Rapport Therapeutics, Inc. (the “**Corporation**”), a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the “**General Corporation Law**”),

**DOES HEREBY CERTIFY:**

**FIRST:** That the name of this Corporation is Rapport Therapeutics, Inc., and that this corporation was originally incorporated pursuant to the General Corporation Law on February 10, 2022.

**SECOND:** That the Board of Directors of the corporation adopted resolutions setting forth the proposed amendment to the Certificate of Incorporation of the Corporation (the “Certificate of Incorporation”), declaring said amendment to be advisable and in the best interests of the Corporation and its stockholders and authorizing the appropriate officers of the Corporation to solicit the consent of the stockholders therefor, which resolutions setting forth the proposed amendment are substantially as follows:

**RESOLVED,** that Article FOURTH, Section B, Subsection 5.1, of the Certificate of Incorporation be amended and restated to read in its entirety as follows:

1.1 “5.1 Trigger Events. Upon either (a) the date and time, or the occurrence of an event, specified by vote or written consent of holders representing the Required Vote or (b) the closing of the sale of shares of Common Stock to the public at a price per share of at least \$1.67727 (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Common Stock) in a firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended (the “**Securities Act**”), provided that such offering results in at least \$50 million of gross proceeds, after deducting the underwriting discounts and commissions, to the Corporation and in connection with such offering the Common Stock is listed for trading on the Nasdaq Stock Market’s National Market, the New York Stock Exchange or another exchange or marketplace approved by the Board of Directors, including the approval of a majority of the Preferred Directors (such an event a “**QPO**”) (the date and time specified or the time of the event specified in such vote or written consent, or the time of such closing, respectively, is referred to herein as the “**Mandatory Conversion Time**”), (i) all outstanding shares of Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective conversion rate thereof, and (ii) such shares of Preferred Stock may not be reissued by the Corporation.”

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**THIRD:** That thereafter said amendment was duly adopted in accordance with the provisions of Section 242 of the General Corporation Law of the State of Delaware by written consent of the stockholders holding the requisite number of shares required by statute given in accordance with and pursuant to Section 228 of the General Corporation Law of the State of Delaware.

*[Remainder of page intentionally left blank]*

**IN WITNESS WHEREOF**, the undersigned has duly executed this Certificate of Amendment in the name and on behalf of the Corporation as of this 28th day of February, 2024.

By: /s/ Abraham Ceesay

Name: Abraham Ceesay

Title: President and Chief Executive Officer

[Signature Page to Charter Amendment]

**BY-LAWS**  
**of**  
**PRECISION NEUROSCIENCE NEWCO, INC.**  
**(the “Corporation”)**

1. Stockholders

(a) Annual Meeting. The annual meeting of stockholders shall be held for the election of directors each year at such place, date and time as shall be designated by the Board of Directors. Any other proper business may be transacted at the annual meeting. If no date for the annual meeting is established or said meeting is not held on the date established as provided above, a special meeting in lieu thereof may be held or there may be action by written consent of the stockholders on matters to be voted on at the annual meeting, and such special meeting or written consent shall have for the purposes of these By-laws or otherwise all the force and effect of an annual meeting.

(b) Special Meetings. Special meetings of stockholders may be called by the Chief Executive Officer, if one is elected, or, if there is no Chief Executive Officer, a President, or by the Board of Directors, but such special meetings may not be called by any other person or persons. The call for the meeting shall state the place, date, hour and purposes of the meeting. Only the purposes specified in the notice of special meeting shall be considered or dealt with at such special meeting.

(c) Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a notice stating the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present and vote at such meeting, and, in the case of a special meeting, the purpose or purposes of the meeting, shall be given by the Secretary (or other person authorized by these By-laws or by law) not less than ten (10) nor more than sixty (60) days before the meeting to each stockholder entitled to vote thereat and to each stockholder who, under the Certificate of Incorporation or under these By-laws is entitled to such notice. If mailed, notice is given when deposited in the mail, postage prepaid, directed to such stockholder at such stockholder’s address as it appears in the records of the Corporation. Without limiting the manner by which notice otherwise may be effectively given to stockholders, any notice to stockholders may be given by electronic transmission in the manner provided in Section 232 of the Delaware General Corporation Law (the “DGCL”).

If a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place, if any, 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 such adjourned meeting are announced at the meeting at which the adjournment is taken, except that if the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

(d) Quorum. The holders of a majority in interest of all stock issued, outstanding and entitled to vote at a meeting, present in person or represented by proxy, shall constitute a quorum. Any meeting may be adjourned from time to time by a majority of the votes properly cast upon the question, whether or not a quorum is present. The stockholders present at a duly constituted meeting may continue to transact business until adjournment notwithstanding the withdrawal of enough stockholders to reduce the voting shares below a quorum.

(e) Voting and Proxies. Except as otherwise provided by the Certificate of Incorporation or by law, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by such stockholder which has voting power upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by either written proxy or by a transmission permitted by Section 212(c) of the DGCL, but no proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period or is irrevocable and coupled with an interest. Proxies shall be filed with the Secretary of the meeting, or of any adjournment thereof. Except as otherwise limited therein, proxies shall entitle the persons authorized thereby to vote at any adjournment of such meeting.

(f) Action at Meeting. When a quorum is present, any matter before the meeting shall be decided by vote of the holders of a majority of the shares of stock voting on such matter except where a larger vote is required by law, by the Certificate of Incorporation or by these By-laws. Any election of directors by stockholders shall be determined by a plurality of the votes cast, except where a larger vote is required by law, by the Certificate of Incorporation or by these By-laws. The Corporation shall not directly or indirectly vote any share of its own stock; provided, however, that the Corporation may vote shares which it holds in a fiduciary capacity to the extent permitted by law.

(g) Presiding Officer. Meetings of stockholders shall be presided over by the Chairman of the Board, if one is elected, or in his or her absence, the Vice Chairman of the Board, if one is elected, or if neither is elected or in their absence, a President. The Board of Directors shall have the authority to appoint a temporary presiding officer to serve at any meeting of the stockholders if the Chairman of the Board, the Vice Chairman of the Board or a President is unable to do so for any reason.

(h) Conduct of Meetings. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the presiding officer of any meeting of stockholders 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 appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the presiding officer of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for

maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chairman of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the presiding officer of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

(i) Action without a Meeting. Unless otherwise provided in the Certificate of Incorporation, any action required or permitted by law to be taken at any annual or special meeting of stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office, by hand or by certified mail, return receipt requested, or to the Corporation's principal place of business or to the officer of the Corporation having custody of the minute book. Every written consent shall bear the date of signature and no written consent shall be effective unless, within sixty (60) days of the earliest dated consent delivered pursuant to these By-laws, written consents signed by a sufficient number of stockholders entitled to take action are delivered to the Corporation in the manner set forth in these By-laws. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

(j) Stockholder Lists. The officer who has charge of the stock ledger of the Corporation shall prepare and make, at least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Nothing contained in this Section 1(j) shall require the Corporation to include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, for a period of at least ten (10) days prior to the meeting in the manner provided by law. The list shall also be open to the examination of any stockholder during the whole time of the meeting as provided by law.

## 2. Directors

(a) Powers. The business of the Corporation shall be managed by or under the direction of a Board of Directors who may exercise all the powers of the Corporation except as otherwise provided by law, by the Certificate of Incorporation or by these By-laws. In the event of a vacancy in the Board of Directors, the remaining directors, except as otherwise provided by law, may exercise the powers of the full Board until the vacancy is filled.



(b) Number and Qualification. Unless otherwise provided in the Certificate of Incorporation or in these By-laws, the number of directors which shall constitute the whole board shall be determined from time to time by resolution of the Board of Directors. Directors need not be stockholders.

(c) Vacancies; Reduction of Board. A majority of the directors then in office, although less than a quorum, or a sole remaining Director, may fill vacancies in the Board of Directors occurring for any reason and newly created directorships resulting from any increase in the authorized number of directors. In lieu of filling any vacancy, the Board of Directors may reduce the number of directors.

(d) Tenure. Except as otherwise provided by law, by the Certificate of Incorporation or by these By-laws, directors shall hold office until their successors are elected and qualified or until their earlier resignation or removal. Any director may resign at any time upon notice given in writing or by electronic transmission to the Corporation. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

(e) Removal. To the extent permitted by law, a director may be removed from office with or without cause by vote of the holders of a majority of the shares of stock entitled to vote in the election of directors.

(f) Meetings. Regular meetings of the Board of Directors may be held without notice at such time, date and place as the Board of Directors may from time to time determine. Special meetings of the Board of Directors may be called, orally or in writing, by the Chief Executive Officer, if one is elected, or, if there is no Chief Executive Officer, the President, or by two or more Directors, designating the time, date and place thereof. Directors may participate in meetings of the Board of Directors by means of conference telephone or other communications equipment by means of which all directors participating in the meeting can hear each other, and participation in a meeting in accordance herewith shall constitute presence in person at such meeting.

(g) Notice of Meetings. Notice of the time, date and place of all special meetings of the Board of Directors shall be given to each director by the Secretary, or Assistant Secretary, or in case of the death, absence, incapacity or refusal of such persons, by the officer or one of the directors calling the meeting. Notice shall be given to each director in person, by telephone, or by facsimile, electronic mail or other form of electronic communications, sent to such director's business or home address at least twenty-four (24) hours in advance of the meeting, or by written notice mailed to such director's business or home address at least forty-eight (48) hours in advance of the meeting.

(h) Quorum. At any meeting of the Board of Directors, the greater of (a) a majority of the directors then in office at the time quorum is to be determined and (b) one-third of the total number of directors fixed pursuant to Section 2(b) of these By-laws shall constitute a quorum for the transaction of business. Less than a quorum may adjourn any meeting from time to time and the meeting may be held as adjourned without further notice.

(i) Action at Meeting. At any meeting of the Board of Directors at which a quorum is present, unless otherwise provided in the following sentence, a majority of the directors present may take any action on behalf of the Board of Directors, unless a larger number is required by law, by the Certificate of Incorporation or by these By-laws. So long as there are two (2) or fewer Directors, any action to be taken by the Board of Directors shall require the approval of all Directors.

(j) Action by Consent. Any action required or permitted to be taken at any meeting of the Board of Directors may be taken without a meeting if all members of the Board of Directors consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the records of the meetings of the Board of Directors. 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.

(k) Committees. The Board of Directors may, by resolution passed by a majority of the whole Board of Directors, establish one or more committees, each committee to consist of one or more directors. 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. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members 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.

Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have the power or authority in reference to the following: (i) approving or adopting, or recommending to the stockholders, any action or matter expressly required by the DGCL to be submitted to stockholders for approval or (ii) adopting, amending or repealing any provision of these By-laws.

Except as the Board of Directors may otherwise determine, any such committee may make rules for the conduct of its business, but in the absence of such rules its business shall be conducted so far as possible in the same manner as is provided in these By-laws for the Board of Directors. All members of such committees shall hold their committee offices at the pleasure of the Board of Directors, and the Board may abolish any committee at any time.

### 3. Officers

(a) Enumeration. The officers of the Corporation shall consist of one or more Presidents (who, if there is more than one, shall be referred to as Co-Presidents), a Treasurer, a Secretary, and such other officers, including, without limitation, a Chief Executive Officer and one or more Vice Presidents (including Executive Vice Presidents or Senior Vice Presidents), Assistant Vice Presidents, Assistant Treasurers and Assistant Secretaries, as the Board of Directors may determine. The Board of Directors may elect from among its members a Chairman of the Board and a Vice Chairman of the Board.

(b) Election. The Presidents, Treasurer and Secretary shall be elected annually by the Board of Directors at their first meeting following the annual meeting of stockholders. Other officers may be chosen by the Board of Directors at such meeting or at any other meeting.

(c) Qualification. No officer need be a stockholder or Director. Any two or more offices may be held by the same person. Any officer may be required by the Board of Directors to give bond for the faithful performance of such officer's duties in such amount and with such sureties as the Board of Directors may determine.

(d) Tenure. Except as otherwise provided by the Certificate of Incorporation or by these By-laws, each of the officers of the Corporation shall hold office until the first meeting of the Board of Directors following the next annual meeting of stockholders and until such officer's successor is elected and qualified or until such officer's earlier resignation or removal. Any officer may resign by delivering his or her written resignation to the Corporation, and such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

(e) Removal. The Board of Directors may remove any officer with or without cause by a vote of a majority of the directors then in office.

(f) Vacancies. Any vacancy in any office may be filled for the unexpired portion of the term by the Board of Directors.

(g) Chairman of the Board and Vice Chairman. Unless otherwise provided by the Board of Directors, the Chairman of the Board of Directors, if one is elected, shall preside, when present, at all meetings of the stockholders and the Board of Directors. The Chairman of the Board shall have such other powers and shall perform such duties as the Board of Directors may from time to time designate.

Unless otherwise provided by the Board of Directors, in the absence of the Chairman of the Board, the Vice Chairman of the Board, if one is elected, shall preside, when present, at all meetings of the stockholders and the Board of Directors. The Vice Chairman of the Board shall have such other powers and shall perform such duties as the Board of Directors may from time to time designate.

(h) Chief Executive Officer. The Chief Executive Officer, if one is elected, shall have such powers and shall perform such duties as the Board of Directors may from time to time designate.

(i) Presidents. The Presidents shall, subject to the direction of the Board of Directors, each have general supervision and control of the Corporation's business and any action that would typically be taken by a President may be taken by any Co-President. If there is no Chairman of the Board or Vice Chairman of the Board, a President shall preside, when present, at all meetings of stockholders and the Board of Directors. The Presidents shall have such other powers and shall perform such duties as the Board of Directors may from time to time designate.

(j) Vice Presidents and Assistant Vice Presidents. Any Vice President (including any Executive Vice President or Senior Vice President) and any Assistant Vice President shall have such powers and shall perform such duties as the Board of Directors may from time to time designate.

(k) Treasurer and Assistant Treasurers. The Treasurer shall, subject to the direction of the Board of Directors, have general charge of the financial affairs of the Corporation and shall cause to be kept accurate books of account. The Treasurer shall have custody of all funds, securities, and valuable documents of the Corporation, except as the Board of Directors may otherwise provide. The Treasurer shall have such other powers and shall perform such duties as the Board of Directors may from time to time designate.

Any Assistant Treasurer shall have such powers and perform such duties as the Board of Directors may from time to time designate.

(l) Secretary and Assistant Secretaries. The Secretary shall record the proceedings of all meetings of the stockholders and the Board of Directors (including committees of the Board) in books kept for that purpose. In the absence of the Secretary from any such meeting an Assistant Secretary, or if such person is absent, a temporary secretary chosen at the meeting, shall record the proceedings thereof. The Secretary shall have charge of the stock ledger (which may, however, be kept by any transfer or other agent of the Corporation) and shall have such other duties and powers as may be designated from time to time by the Board of Directors.

Any Assistant Secretary shall have such powers and perform such duties as the Board of Directors may from time to time designate.

(m) Other Powers and Duties. Subject to these By-laws, each officer of the Corporation shall have in addition to the duties and powers specifically set forth in these By-laws, such duties and powers as are customarily incident to such officer's office, and such duties and powers as may be designated from time to time by the Board of Directors.

#### 4. Capital Stock

(a) Certificates of Stock. Each stockholder shall be entitled to a certificate of the capital stock of the Corporation in such form as may from time to time be prescribed by the Board of Directors. Such certificate shall be signed by, or in the name of, the Corporation by any two (2) authorized officers of the Corporation. Such signatures may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed on such certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the time of its issue. Every certificate for shares of stock which are subject to any restriction on transfer and every certificate issued when the Corporation is authorized to issue more than one class or series of stock shall contain such legend with respect thereto as is required by law. The Corporation shall be permitted to issue fractional shares.

(b) Transfers. Subject to any restrictions on transfer, shares of stock may be transferred on the books of the Corporation by the surrender to the Corporation or its transfer agent of the certificate therefor properly endorsed or accompanied by a written assignment or power of attorney properly executed, with transfer stamps (if necessary) affixed, and with such proof of the authenticity of signature as the Corporation or its transfer agent may reasonably require.

(c) Record Holders. Except as may otherwise be required by law, by the Certificate of Incorporation or by these By-laws, the Corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to vote with respect thereto, regardless of any transfer, pledge or other disposition of such stock, until the shares have been transferred on the books of the Corporation in accordance with the requirements of these By-laws.

It shall be the duty of each stockholder to notify the Corporation of such stockholder's post office address.

(d) Record Date. 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, or to consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or 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 shall not precede the date on which it is established, and which shall not be more than sixty (60) nor less than ten (10) days before the date of such meeting, more than ten (10) days after the date on which the record date for stockholder consent without a meeting is established, nor more than sixty (60) days prior to any other action. In such case only stockholders of record on such record date shall be so entitled notwithstanding any transfer of stock on the books of the Corporation after the record date.

If no record date is fixed, (i) 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, (ii) the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is necessary, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in this state, to its principal place of business, or to an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded, and (iii) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

(e) Lost Certificates. The Corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or his legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

## 5. Indemnification

(a) Definitions. For purposes of this Section 5:

(i) “Corporate Status” describes the status of a person who is serving or has served (A) as a Director of the Corporation, (B) as an Officer of the Corporation, (C) as a Non-Officer Employee of the Corporation, or (D) as a director, partner, trustee, officer, employee or agent of any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan, foundation, association, organization or other legal entity for which such person is or was serving at the request of the Corporation. For purposes of this Section 5(a)(i), a Director, Officer or Non-Officer Employee of the Corporation who is serving or has served as a director, partner, trustee, officer, employee or agent of a Subsidiary shall be deemed to be serving at the request of the Corporation. Notwithstanding the foregoing, “Corporate Status” shall not include the status of a person who is serving or has served as a director, officer, employee or agent of a constituent corporation absorbed in a merger or consolidation transaction with the Corporation with respect to such person’s activities prior to said transaction, unless specifically authorized by the Board of Directors or the stockholders of the Corporation;

(ii) “Director” means any person who serves or has served the Corporation as a director on the Board of Directors of the Corporation;

(iii) “Disinterested Director” means, with respect to each Proceeding in respect of which indemnification is sought hereunder, a Director of the Corporation who is not and was not a party to such Proceeding;

(iv) “Expenses” means all reasonable attorneys fees, retainers, court costs, transcript costs, fees of expert witnesses, private investigators and professional advisors (including, without limitation, accountants and investment bankers), travel expenses, duplicating costs, printing and binding costs, costs of preparation of demonstrative evidence and other courtroom presentation aids and devices, costs incurred in connection with document review, organization, imaging and computerization, telephone charges, postage, delivery service fees, and all other disbursements, costs or expenses of the type customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, settling or otherwise participating in, a Proceeding;

(v) “Liabilities” means judgments, damages, liabilities, losses, penalties, excise taxes, fines and amounts paid in settlement;

(vi) “Non-Officer Employee” means any person who serves or has served as an employee or agent of the Corporation, but who is not or was not a Director or Officer;

(vii) "Officer" means any person who serves or has served the Corporation as an officer of the Corporation appointed by the Board of Directors of the Corporation;

(viii) "Proceeding" means any threatened, pending or completed action, suit, arbitration, alternate dispute resolution mechanism, inquiry, investigation, administrative hearing or other proceeding, whether civil, criminal, administrative, arbitrate or investigative; and

(ix) "Subsidiary" shall mean any corporation, partnership, limited liability company, joint venture, trust or other entity of which the Corporation owns (either directly or through or together with another Subsidiary of the Corporation) either (i) a general partner, managing member or other similar interest or (ii) (A) 50% or more of the voting power of the voting capital equity interests of such corporation, partnership, limited liability company, joint venture or other entity, or (B) 50% or more of the outstanding voting capital stock or other voting equity interests of such corporation, partnership, limited liability company, joint venture or other entity.

(b) Indemnification of Directors and Officers. Subject to the operation of Section 5(d) of these By-laws, each Director and Officer shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), and to the extent authorized in subsections (i) through (iv) of this Section 5(b).

(i) Actions, Suits and Proceedings Other than By or In the Right of the Corporation. Each Director and Officer shall be indemnified and held harmless by the Corporation against any and all Expenses and Liabilities that are incurred or paid by such Director or Officer or on such Director's or Officer's behalf in connection with any Proceeding or any claim, issue or matter therein (other than an action by or in the right of the Corporation), which such Director or Officer is, or is threatened to be made, a party to or participant in by reason of such Director's or Officer's Corporate Status, if such Director or Officer acted in good faith and in a manner such Director or Officer reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful.

(ii) Actions, Suits and Proceedings By or In the Right of the Corporation. Each Director and Officer shall be indemnified and held harmless by the Corporation against any and all Expenses that are incurred by such Director or Officer or on such Director's or Officer's behalf in connection with any Proceeding or any claim, issue or matter therein by or in the right of the Corporation, which such Director or Officer is, or is threatened to be made, a party to or participant in by reason of such Director's or Officer's Corporate Status, if such Director or Officer acted in good faith and in a manner such Director or Officer reasonably believed to be in or not opposed to the best interests of the Corporation; provided, however, that no indemnification shall be

made under this Section 5(b)(ii) in respect of any claim, issue or matter as to which such Director or Officer shall have been finally adjudged by a court of competent jurisdiction to be liable to the Corporation, unless, and only to the extent that, the Court of Chancery or another court in which such Proceeding was brought shall determine upon application that, despite adjudication of liability, but in view of all the circumstances of the case, such Director or Officer is fairly and reasonably entitled to indemnification for such Expenses that such court deems proper.

(iii) Survival of Rights. The rights of indemnification provided by this Section 5(b) shall continue as to a Director or Officer after he or she has ceased to be a Director or Officer and shall inure to the benefit of his or her heirs, executors, administrators and personal representatives.

(iv) Actions by Directors or Officers. Notwithstanding the foregoing, the Corporation shall indemnify any Director or Officer seeking indemnification in connection with a Proceeding initiated by such Director or Officer only if such Proceeding (including any parts of such Proceeding not initiated by such Director or Officer) was authorized in advance by the Board of Directors of the Corporation, unless such Proceeding was brought to enforce such Officer's or Director's rights to indemnification or, in the case of Directors, advancement of Expenses under these By-laws in accordance with the provisions set forth herein.

(c) Indemnification of Non-Officer Employees. Subject to the operation of Section 5(d) of these By-laws, each Non-Officer Employee may, in the discretion of the Board of Directors of the Corporation, be indemnified by the Corporation to the fullest extent authorized by the DGCL, as the same exists or may hereafter be amended, against any or all Expenses and Liabilities that are incurred by such Non-Officer Employee or on such Non-Officer Employee's behalf in connection with any threatened, pending or completed Proceeding, or any claim, issue or matter therein, which such Non-Officer Employee is, or is threatened to be made, a party to or participant in by reason of such Non-Officer Employee's Corporate Status, if such Non-Officer Employee acted in good faith and in a manner such Non-Officer Employee reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal proceeding, had no reasonable cause to believe his or her conduct was unlawful. The rights of indemnification provided by this Section 5(c) shall exist as to a Non-Officer Employee after he or she has ceased to be a Non-Officer Employee and shall inure to the benefit of his or her heirs, personal representatives, executors and administrators. Notwithstanding the foregoing, the Corporation may indemnify any Non-Officer Employee seeking indemnification in connection with a Proceeding initiated by such Non-Officer Employee only if such Proceeding was authorized in advance by the Board of Directors of the Corporation.

(d) Determination. Unless ordered by a court, no indemnification shall be provided pursuant to this Section 5 to a Director, to an Officer or to a Non-Officer Employee unless a determination shall have been made that such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the Corporation and, with respect to any criminal Proceeding, such person had no reasonable cause to believe his or her conduct was unlawful. Such determination shall be made by (i) a majority vote of the Disinterested Directors, even though less than a quorum of the Board of Directors, (ii) a



committee comprised of Disinterested Directors, such committee having been designated by a majority vote of the Disinterested Directors (even though less than a quorum), (iii) if there are no such Disinterested Directors, or if a majority of Disinterested Directors so directs, by independent legal counsel in a written opinion, or (iv) by the stockholders of the Corporation.

(e) Advancement of Expenses to Directors Prior to Final Disposition.

(i) The Corporation shall advance all Expenses incurred by or on behalf of any Director in connection with any Proceeding in which such Director is involved by reason of such Director's Corporate Status within thirty (30) days after the receipt by the Corporation of a written statement from such Director requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by such Director and shall be preceded or accompanied by an undertaking by or on behalf of such Director to repay any Expenses so advanced if it shall ultimately be determined that such Director is not entitled to be indemnified against such Expenses. Notwithstanding the foregoing, the Corporation shall advance all Expenses incurred by or on behalf of any Director seeking advancement of expenses hereunder in connection with a Proceeding initiated by such Director only if such Proceeding (including any parts of such Proceeding not initiated by such Director) was (A) authorized by the Board of Directors of the Corporation, or (B) brought to enforce such Director's rights to indemnification or advancement of Expenses under these By-laws.

(ii) If a claim for advancement of Expenses hereunder by a Director is not paid in full by the Corporation within thirty (30) days after receipt by the Corporation of documentation of Expenses and the required undertaking, such Director may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim and if successful in whole or in part, such Director shall also be entitled to be paid the expenses of prosecuting such claim. The failure of the Corporation (including its Board of Directors or any committee thereof, independent legal counsel, or stockholders) to make a determination concerning the permissibility of such advancement of Expenses under this Section 5 shall not be a defense to an action brought by a Director for recovery of the unpaid amount of an advancement claim and shall not create a presumption that such advancement is not permissible. The burden of proving that a Director is not entitled to an advancement of expenses shall be on the Corporation.

(iii) In any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that the Director has not met any applicable standard for indemnification set forth in the DGCL.

(f) Advancement of Expenses to Officers and Non-Officer Employees Prior to Final Disposition.

(i) The Corporation may, at the discretion of the Board of Directors of the Corporation, advance any or all Expenses incurred by or on behalf of any Officer or any Non-Officer Employee in connection with any Proceeding in which such person is involved by reason of his or her Corporate Status as an Officer or Non-Officer Employee upon the receipt by the Corporation of a statement or statements from such Officer or Non-Officer Employee requesting such advance or advances from time to time, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by such Officer or Non-Officer Employee and shall be preceded or accompanied by an undertaking by or on behalf of such person to repay any Expenses so advanced if it shall ultimately be determined that such Officer or Non-Officer Employee is not entitled to be indemnified against such Expenses.

(ii) In any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that the Officer or Non-Officer Employee has not met any applicable standard for indemnification set forth in the DGCL.

(g) Contractual Nature of Rights.

(i) The provisions of this Section 5 shall be deemed to be a contract between the Corporation and each Director and Officer entitled to the benefits hereof at any time while this Section 5 is in effect, in consideration of such person's past or current and any future performance of services for the Corporation. Neither amendment, repeal or modification of any provision of this Section 5 nor the adoption of any provision of the Certificate of Incorporation inconsistent with this Section 5 shall eliminate or reduce any right conferred by this Section 5 in respect of any act or omission occurring, or any cause of action or claim that accrues or arises or any state of facts existing, at the time of or before such amendment, repeal, modification or adoption of an inconsistent provision (even in the case of a proceeding based on such a state of facts that is commenced after such time), and all rights to indemnification and advancement of Expenses granted herein or arising out of any act or omission shall vest at the time of the act or omission in question, regardless of when or if any proceeding with respect to such act or omission is commenced. The rights to indemnification and to advancement of expenses provided by, or granted pursuant to, this Section 5 shall continue notwithstanding that the person has ceased to be a director or officer of the Corporation and shall inure to the benefit of the estate, heirs, executors, administrators, legatees and distributees of such person.

(ii) If a claim for indemnification hereunder by a Director or Officer is not paid in full by the Corporation within sixty (60) days after receipt by the Corporation of a written claim for indemnification, such Director or Officer may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim, and if successful in whole or in part, such Director or Officer shall also be entitled to be paid the expenses of prosecuting such claim. The failure of the Corporation (including its Board of Directors or any committee thereof, independent legal counsel, or stockholders) to make a determination concerning the permissibility of such indemnification under this Section 5 shall not be a defense to an action brought by a Director or Officer for recovery of the unpaid amount of an indemnification claim and shall not create a presumption that such indemnification is not permissible. The burden of proving that a Director or Officer is not entitled to indemnification shall be on the Corporation.

(iii) In any suit brought by a Director or Officer to enforce a right to indemnification hereunder, it shall be a defense that such Director or Officer has not met any applicable standard for indemnification set forth in the DGCL.

(h) Non-Exclusivity of Rights. The rights to indemnification and advancement of Expenses set forth in this Section 5 shall not be exclusive of any other right which any Director, Officer, or Non-Officer Employee may have or hereafter acquire under any statute, provision of the Certificate or these By-laws, agreement, vote of stockholders or Disinterested Directors or otherwise.

(i) Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any Director, Officer or Non-Officer Employee against any liability of any character asserted against or incurred by the Corporation or any such Director, Officer or Non-Officer Employee, or arising out of any such person's Corporate Status, whether or not the Corporation would have the power to indemnify such person against such liability under the DGCL or the provisions of this Section 5.

(j) Other Indemnification. The Corporation's obligation, if any, to indemnify or provide advancement of Expenses to any person under this Section 5 as a result of such person serving, at the request of the Corporation, as a director, partner, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be reduced by any amount such person may collect as indemnification or advancement of Expenses from such other corporation, partnership, joint venture, trust, employee benefit plan or enterprise (the "Primary Indemnitor"). Any indemnification or advancement of Expenses under this Section 5 owed by the Corporation as a result of a person serving, at the request of the Corporation, as a director, partner, trustee, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall only be in excess of, and shall be secondary to, the indemnification or advancement of Expenses available from the applicable Primary Indemnitor(s) and any applicable insurance policies.

## 6. Miscellaneous Provisions

(a) Fiscal Year. Except as otherwise determined by the Board of Directors, the fiscal year of the Corporation shall end on December 31 of each year.

(b) Seal. The Board of Directors shall have power to adopt and alter the seal of the Corporation.

(c) Execution of Instruments. Subject to any limitations which may be set forth in a resolution of the Board of Directors, all deeds, leases, transfers, contracts, bonds, notes and other obligations to be entered into by the Corporation in the ordinary course of its business without director action may be executed on behalf of the Corporation by, a President, or by any other officer, employee or agent of the Corporation as the Board of Directors may authorize.

(d) Voting of Securities. Unless the Board of Directors otherwise provides, a President, any Vice President or the Treasurer may waive notice of and act on behalf of this Corporation, or appoint another person or persons to act as proxy or attorney in fact for this Corporation with or without discretionary power and/or power of substitution, at any meeting of stockholders or shareholders of any other corporation or organization, any of whose securities are held by this Corporation.

(e) Resident Agent. The Board of Directors may appoint a resident agent upon whom legal process may be served in any action or proceeding against the Corporation.

(f) Corporate Records. The original or attested copies of the Certificate of Incorporation, By-laws and records of all meetings of the incorporators, stockholders and the Board of Directors and the stock and transfer records, which shall contain the names of all stockholders, their record addresses and the amount of stock held by each, shall be kept at the principal office of the Corporation, at the office of its counsel, or at an office of its transfer agent.

(g) Certificate of Incorporation. All references in these By-laws to the Certificate of Incorporation shall be deemed to refer to the Certificate of Incorporation of the Corporation, as amended and in effect from time to time.

(h) Amendments. These By-laws may be altered, amended or repealed, and new By-laws may be adopted, by the stockholders or by the Board of Directors; provided, that (a) the Board of Directors may not alter, amend or repeal any provision of these By-laws which by law, by the Certificate of Incorporation or by these By-laws requires action by the stockholders and (b) any alteration, amendment or repeal of these By-laws by the Board of Directors and any new By-law adopted by the Board of Directors may be altered, amended or repealed by the stockholders.

(i) Waiver of Notice. Whenever notice is required to be given under any provision of these By-laws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time of the event for which notice is to be given, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person 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. Neither the business to be transacted at, nor the purpose of, any meeting needs to be specified in any written waiver or any waiver by electronic transmission.

Adopted February 10, 2022

**RAPPORT THERAPEUTICS, INC.**  
**AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT**

**August 7, 2023**

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Schedule A - Schedule of Investors

## AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

THIS AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (this "**Agreement**"), is made as of the 7<sup>th</sup> day of August, 2023, by and among Rapport Therapeutics, Inc., a Delaware corporation (the "**Company**") and each of the investors listed on Schedule A hereto, each of which is referred to in this Agreement as an "**Investor**," together with any subsequent investor, or transferees, who become parties hereto as "Investors" pursuant to Subsection 6.9, collectively, the "**Investors**".

### RECITALS

**WHEREAS**, certain of the Investors (the "**Existing Investors**") hold shares of Series A Preferred Stock and possess registration rights, information rights, rights of first offer, and other rights pursuant to an Investors' Rights Agreement, dated as of December 9, 2022 and amended on February 17, 2023, between the Company and such Existing Investors (the "**Prior Agreement**");

**WHEREAS**, the Existing Investors are holders of a majority of Registrable Securities (as defined in Prior Agreement) and desire to amend and restate the Prior Agreement in its entirety and to accept the rights created pursuant to this Agreement in lieu of the rights granted to them under the Prior Agreement; and

**WHEREAS**, certain of the Investors are parties to that certain Series B Preferred Stock Purchase Agreement of even date herewith by and among the Company and such Investors (as the same may be amended or restated from time to time, the "**Purchase Agreement**"), under which certain of the Company's and such Investors' obligations are conditioned upon the execution and delivery of this Agreement by the Investors, Existing Investors holding a majority of the Registrable Securities and the Company.

**NOW, THEREFORE**, the Company and the Existing Investors hereby agree to amend and restate the Prior Agreement in its entirety as set forth herein, and all of the parties hereto further agree as follows:

1. **Definitions.** For purposes of this Agreement:

1.1 "**Affiliate**" means, with respect to any specified Person, any other Person who or which, directly or indirectly, controls, is controlled by, or is under common control with such specified Person, including, without limitation, any partner, member, officer, director, trustee or employee of such specified Person and any venture capital fund or other investment fund now or hereafter existing that is controlled by or under common control with one or more general partners, managing members or investment advisers of, or shares the same management company or investment adviser with, such specified Person. Third Rock Ventures V, L.P. ("**TRV Fund V**"), Third Rock Ventures VI, L.P. ("**TRV Fund VI**") and, together with TRV Fund V, ("**TRV**"), Johnson & Johnson Innovation – JJDC, Inc. ("**JJDC**"), ARCH Venture Fund XII, L.P. ("**ARCH**"), Cormorant, Sofinnova, GS, the T. Rowe Price Investors, the Fidelity Investors, Surveyor, SMALLCAP World Fund, Inc. (the "**Capital Group Investor**") and the Company shall not be deemed to be Affiliated for the purposes of this Agreement; provided that, for the avoidance of doubt, (i) the entities comprising Cormorant are Affiliates of each other, (ii) the entities comprising GS are Affiliates of each other, (iii) the T. Rowe Price Investors are Affiliates of each other and (iv) the Fidelity Investors are Affiliates of each other.

1.2 "**Board of Directors**" means the Company's Board of Directors.

1.3 "**Business Day**" means a day (i) other than Saturday or Sunday and (ii) on which commercial banks are open for business in the Commonwealth of Massachusetts.



1.4 “**Certificate of Incorporation**” means the Company’s Second Amended and Restated Certificate of Incorporation, as the same may be amended, restated or otherwise modified from time to time.

1.5 “**Common Stock**” means shares of the Company’s common stock, par value \$0.001 per share.

1.6 “**Competitor**” means a Person engaged, directly or indirectly (including through any partnership, limited liability company, corporation, joint venture or similar arrangement (whether now existing or formed hereafter)), in activities or a line of business that are directly or indirectly competitive with Company’s business as then conducted or as then proposed to be conducted, but shall not include any financial investment firm or collective investment vehicle that, together with its Affiliates, holds less than twenty percent (20)% of the outstanding equity of any Competitor and does not, nor do any of its Affiliates, have a right to designate any members of the board of directors of any Competitor. Notwithstanding anything herein to the contrary, the Company acknowledges and agrees that none of TRV, JJDC, ARCH, Cormorant, Sofinnova, GS, the T. Rowe Price Investors, the Fidelity Investors, Surveyor, the Capital Group Investor, Perceptive nor any of their respective Affiliates, shall be deemed to be a Competitor for purposes of this Agreement.

1.7 “**Converted Preferred Holder**” means any Investor that holds shares of Common Stock issued to such Investor upon conversion of Series B Preferred Stock pursuant to a Special Mandatory Conversion (as defined in the Certificate of Incorporation) or an Investor that becomes a Defaulting Purchaser (as defined in the Purchase Agreement).

1.8 “**Cormorant**” means, collectively, Cormorant Global Healthcare Master Fund, LP, Cormorant Private Healthcare Fund III, LP, Cormorant Private Healthcare Fund IV, LP and Cormorant Private Healthcare Fund V, LP.

1.9 “**Damages**” means any loss, damage, claim or liability (joint or several) to which a party hereto may become subject under the Securities Act, the Exchange Act, or other federal or state law, insofar as such loss, damage, claim or liability (or any action in respect thereof) arises out of or is based upon: (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement of the Company, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto; (ii) an omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; or (iii) any violation or alleged violation by the indemnifying party (or any of its agents or Affiliates) of the Securities Act, the Exchange Act, any state securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act, or any state securities law.

1.10 “**Deemed Liquidation Event**” shall have the meaning given to such term in the Certificate of Incorporation.

1.11 “**Derivative Securities**” means any securities or rights convertible into, or exercisable or exchangeable for (in each case, directly or indirectly), Common Stock, including options and warrants.

1.12 “**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

1.13 “**Excluded Registration**” means (i) a registration relating to the sale or grant of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, equity incentive or similar plan; (ii) a registration relating to an SEC Rule 145 transaction; (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities; or (iv) a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered.

1.14 “**Fidelity**” means Fidelity Management & Research Company LLC or any successor or affiliated investment adviser to the Fidelity Investors.

1.15 “**Fidelity Investors**” means the Investors advised or sub-advised by Fidelity.

1.16 “**Form S-1**” means such form under the Securities Act as in effect on the date hereof or any successor registration form under the Securities Act subsequently adopted by the SEC.

1.17 “**Form S-3**” means such form under the Securities Act as in effect on the date hereof, any successor registration form under the Securities Act subsequently adopted by the SEC or any other registration form under the Securities Act adopted by the SEC that permits incorporation of substantial information by reference to other documents filed by the Company with the SEC.

1.18 “**GAAP**” means generally accepted accounting principles in the United States as in effect from time to time.

1.19 “**GS**” means West Street Life Sciences I, LP, WSLs Offshore Investments, SLP, WSLs Emp Onshore Investments, L.P., WSLs Emp Offshore Investments, L.P. and Broad Street Principal Investments LLC, together with their respective Affiliates.

1.20 “**Holder**” means any holder of Registrable Securities who is a party to this Agreement.

1.21 “**Immediate Family Member**” means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, life partner or similarly statutorily recognized domestic partner, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including, adoptive relationships, of a natural person referred to herein.

1.22 “**Initiating Holders**” means, collectively, Holders who properly initiate a registration request under this Agreement.

1.23 “**IPO**” means the Company’s first underwritten public offering of its Common Stock under the Securities Act.

1.24 “**Major Investor**” means, except as otherwise agreed in writing by the Company with an Investor, any Investor that, individually or together with such Investor’s Affiliates, holds (a) at least 2,146,344 shares of Registrable Securities (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof) at or after the Initial Closing (as defined in the Purchase Agreement) but before the Second Tranche Closing (as defined in the Purchase Agreement) or (b) at least 5,365,861 shares of Registrable Securities (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof) at or after the Second Tranche Closing and, in any case, that is not a Converted Preferred Holder.

1.25 “**New Securities**” means, collectively, equity securities of the Company, whether or not currently authorized, as well as rights, options, or warrants to purchase such equity securities, or securities of any type whatsoever that are, or may become, convertible or exchangeable into or exercisable for such equity securities, excluding in all cases shares of Series B Preferred Stock issued pursuant to the Purchase Agreement.

1.26 “**Perceptive**” means Perceptive Life Sciences Master Fund, Ltd.

1.27 “**Person**” means any individual, corporation, partnership, trust, limited liability company, association or other entity.

1.28 “**Preferred Directors**” means, collectively, the Series A Directors and the Series B Directors.

1.29 “**Preferred Stock**” means, collectively, all shares of Series A Preferred Stock and Series B Preferred Stock.

1.30 “**Registrable Securities**” means (i) the Common Stock issuable or issued upon conversion of the Preferred Stock, excluding any Common Stock issued upon conversion of the Series B Preferred Stock pursuant to the “Special Mandatory Conversion” provisions of the Certificate of Incorporation; (ii) any Common Stock, or any Common Stock issued or issuable (directly or indirectly) upon conversion and/or exercise of any other securities of the Company, acquired by the Investors after the date hereof; (iii) the Common Stock held by TRV, JJDC, or any Affiliate thereof as of the date hereof and (iv) any Common Stock issued as (or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares referenced in clauses (i), (ii) and (iii) above; provided that, (A) in all cases, any Registrable Securities sold by a Person in a transaction in which the applicable rights under this Agreement are not assigned pursuant to Subsection 6.1 shall cease to be Registrable Securities, and (B) for purposes of Section 2 Registrable Securities for which registration rights have terminated pursuant to Subsection 2.13 of this Agreement shall cease to be Registrable Securities.

1.31 “**Registrable Securities then outstanding**” means the number of shares at a point in time determined by adding the number of shares of outstanding Common Stock that are Registrable Securities at such time and the number of shares of Common Stock issuable (directly or indirectly) at such time pursuant to then exercisable and/or convertible securities that are Registrable Securities.

1.32 “**Restricted Securities**” means the securities of the Company required to be notated with the legend set forth in Subsection 2.12(b) hereof.

1.33 “**SEC**” means the Securities and Exchange Commission.

1.34 “**SEC Rule 144**” means Rule 144 promulgated by the SEC under the Securities Act, or any successor provisions

1.35 “**SEC Rule 145**” means Rule 145 promulgated by the SEC under the Securities Act, or any successor provisions.

1.36 “**Securities Act**” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

1.37 “**Selling Expenses**” means all underwriting discounts, selling commissions, and stock transfer taxes applicable to the sale of Registrable Securities, and fees and disbursements of counsel for any Holder, except for the fees and disbursements of the Selling Holder Counsel (as defined below) or Holder IPO Counsel (as defined below) borne and paid by the Company as provided in Subsection 2.6.

1.38 “**Series A Directors**” means the directors of the Company that the holders of record of Series A Preferred Stock are entitled to elect pursuant to the Certificate of Incorporation.

1.39 “**Series A Preferred Stock**” means shares of the Company’s Series A Preferred Stock, par value \$0.001 per share.

1.40 “**Series B Directors**” means the directors of the Company that the holders of record of Series B Preferred Stock are entitled to elect pursuant to the Certificate of Incorporation.

1.41 “**Series B Preferred Stock**” means shares of the Company’s Series B Preferred Stock, par value \$0.001 per share.

1.42 “**Sofinnova**” means Sofinnova Venture Partners XI, L.P.

1.43 “**Stockholders Agreement**” means the Amended and Restated Stockholders Agreement dated as of the date hereof, by and among the Company, the Investors, and Key Holders (as defined therein), as the same may be amended, restated or otherwise modified from time to time.

1.44 “**Surveyor**” means Citadel Multi-Strategy Equities Master Fund Ltd. and its Affiliates.

1.45 “**T. Rowe Price**” means T. Rowe Price Associates, Inc. or any successor or affiliated investment adviser to the T. Rowe Price Investors.

1.46 “**T. Rowe Price Investors**” means the Investors advised or sub-advised by T. Rowe Price.

2. Registration Rights. The Company covenants and agrees as follows:

2.1 Demand Registration.

(a) Form S-1 Demand. If at any time after the earlier of (i) five (5) years after the date of this Agreement or (ii) six (6) months after the effective date of the registration statement for the IPO, if the Company receives a request from Holders of at least twenty-five percent (25%) of the Registrable Securities then outstanding that the Company file a Form S-1 registration statement with respect to at least twenty-five percent (25%) of the Registrable Securities then outstanding, having the anticipated aggregate offering price, net of Selling Expenses, of at least \$5.0 million, then the Company shall (x) within ten (10) days after the date such request is given, give notice thereof (the “**Demand Notice**”) to all Holders other than the Initiating Holders; and (y) as soon as practicable, and in any event within sixty (60) days after the date such request is given by the Initiating Holders, file a Form S-1 registration statement under the Securities Act covering all Registrable Securities that the Initiating Holders requested to be registered and any additional Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within twenty (20) days of the date the Demand Notice is given, and in each case, subject to the limitations of Subsections 2.1(c) and 2.3.

(b) Form S-3 Demand. If at any time when it is eligible to use a Form S-3 registration statement, the Company receives a request from Holders of at least ten percent (10%) of the Registrable Securities then outstanding that the Company file a Form S-3 registration statement with respect to outstanding Registrable Securities of such Holders having an anticipated aggregate offering price, net of Selling Expenses, of at least \$1 million, then the Company shall (i) within ten (10) days after the date such request is given, give a Demand Notice to all Holders other than the Initiating Holders; and (ii) as soon as practicable, and in any event within forty-five (45) days after the date such request is given by the Initiating Holders, file a Form S-3 registration statement under the Securities Act covering all Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within twenty (20) days of the date the Demand Notice is given, and in each case, subject to the limitations of Subsections 2.1(c) and 2.3.

(c) Notwithstanding the foregoing obligations, if the Company furnishes to Holders requesting a registration pursuant to this Subsection 2.1 a certificate signed by the Company's chief executive officer or other most senior executive officer then in office stating that in the good faith judgment of the Board of Directors it would be materially detrimental to the Company and its stockholders for such registration statement to either become effective or remain effective for as long as such registration statement otherwise would be required to remain effective, because such action would (i) materially interfere with a significant acquisition, corporate reorganization, or other similar transaction involving the Company; (ii) require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential; or (iii) render the Company unable to comply with requirements under the Securities Act or Exchange Act, then the Company shall have the right to defer taking action with respect to such filing, and any time periods with respect to filing or effectiveness thereof shall be tolled correspondingly, for a period of not more than one hundred twenty (120) days after the request of the Initiating Holders is given; provided, however, that the Company may not invoke this right more than once in any twelve (12) month period, nor shall the Company invoke this right more than twice in all periods; and provided further that the Company shall not register any securities for its own account or that of any other stockholder during either one hundred twenty (120) day period other than an Excluded Registration.

(d) The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Subsection 2.1(a)(i) during the period that is sixty (60) days before the Company's good faith estimate of the date of filing of, and ending on a date that is one hundred eighty (180) days after the effective date of, a Company-initiated registration, provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; (ii) after the Company has effected two (2) registrations pursuant to Subsection 2.1(a); or (iii) if the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Subsection 2.1(b). The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Subsection 2.1(b): (i) during the period that is thirty (30) days before the Company's good faith estimate of the date of filing of, and ending on a date that is ninety (90) days after the effective date of, a Company-initiated registration, provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; or (ii) if the Company has effected two (2) registrations pursuant to Subsection 2.1(b) within the twelve (12) month period immediately preceding the date of such request. A registration shall not be counted as "effected" for purposes of this Subsection 2.1(d) until such time as the applicable registration statement has been declared effective by the SEC, unless the Initiating Holders withdraw their request for such registration, elect not to pay the registration expenses therefor, and forfeit their right to one demand registration statement pursuant to Subsection 2.6, in which case such withdrawn registration statement shall be counted as "effected" for purposes of this Subsection 2.1(d); provided, that if such withdrawal is during a period the Company has deferred taking action pursuant to Subsection 2.1(c), then the Initiating Holders may withdraw their request for registration and such registration will not be counted as "effected" for purposes of this Subsection 2.1(d).

**2.2 Company Registration.** If the Company proposes to register (including, for this purpose, a registration effected by the Company for stockholders other than the Holders) any of its Common Stock under the Securities Act in connection with the public offering of such securities solely for cash (other than in an Excluded Registration), the Company shall, at such time, promptly give each Holder notice of such registration. Upon the request of each Holder given within twenty (20) days after such notice is given by the Company, the Company shall, subject to the provisions of Subsection 2.3, cause to be registered all of the Registrable Securities that each such Holder has requested to be included in such registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Subsection 2.2 before the effective date of such registration, whether or not any Holder has elected to include Registrable Securities in such registration. The expenses (other than Selling Expenses) of such withdrawn registration shall be borne by the Company in accordance with Subsection 2.6.

### **2.3 Underwriting Requirements.**

(a) If, pursuant to Subsection 2.1, the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to Subsection 2.1, and the Company shall include such information in the Demand Notice. The underwriter(s) will be selected by the Company and shall be reasonably acceptable to a majority in interest of the Initiating Holders. In such event, the right of any Holder to include such Holder's Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in Subsection 2.4(e)) enter into an underwriting agreement in customary form with the underwriter(s) selected for such underwriting; provided, however, that no Holder (or any of their assignees) shall be required to make any representations, warranties or indemnities except as they relate to such Holder's ownership of shares and authority to enter into the underwriting agreement and to such Holder's intended method of distribution, and the liability of such Holder shall be several and not joint, and limited to an amount equal to the net proceeds from the offering received by such Holder. Notwithstanding any other provision of this Subsection 2.3, if the managing underwriter advises the Initiating Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, then the Initiating Holders shall so advise all Holders of Registrable Securities that otherwise would be underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwriting shall be allocated among such Holders of Registrable Securities, including the Initiating Holders, in proportion (as nearly as practicable) to the number of Registrable Securities owned by each Holder or in such other proportion as shall mutually be agreed to by all such selling Holders; provided, however, that the number of Registrable Securities held by the Holders to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest one hundred (100) shares.

(b) In connection with any offering involving an underwriting of shares of the Company's capital stock pursuant to Subsection 2.2, the Company shall not be required to include any of the Holders' Registrable Securities in such underwriting unless the Holders accept the terms of the underwriting as agreed upon between the Company and its underwriters, and then only in such quantity as the underwriters in their sole discretion determine will not jeopardize the success of the offering by the Company. If the total number of securities, including Registrable Securities, requested by stockholders to be included in such offering exceeds the number of securities to be sold (other than by the Company) that the underwriters in their reasonable discretion determine is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, which the underwriters and the Company in their sole discretion determine will not

jeopardize the success of the offering. If the underwriters determine that less than all of the Registrable Securities requested to be registered can be included in such offering, then the Registrable Securities that are included in such offering shall be allocated among the selling Holders in proportion (as nearly as practicable to) the number of Registrable Securities owned by each selling Holder or in such other proportions as shall mutually be agreed to by all such selling Holders. To facilitate the allocation of shares in accordance with the above provisions, the Company or the underwriters may round the number of shares allocated to any Holder to the nearest one hundred (100) shares. Notwithstanding the foregoing, in no event shall (i) the number of Registrable Securities included in the offering be reduced unless all other securities (other than securities to be sold by the Company) are first entirely excluded from the offering or (ii) the number of Registrable Securities included in the offering be reduced below thirty percent (30%) of the total number of securities included in such offering, unless such offering is the IPO, in which case the selling Holders may be excluded further if the underwriters make the determination described above and no other stockholder's securities are included in such offering. For purposes of the provision in this Subsection 2.3(b) concerning apportionment, for any selling Holder that is a partnership, limited liability company, or corporation, the partners, members, retired partners, retired members, stockholders, and Affiliates of such Holder, or the estates and Immediate Family Members of any such partners, retired partners, members, and retired members and any trusts for the benefit of any of the foregoing Persons, shall be deemed to be a single "selling Holder," and any pro rata reduction with respect to such "selling Holder" shall be based upon the aggregate number of Registrable Securities owned by all Persons included in such "selling Holder," as defined in this sentence.

(c) For purposes of Subsection 2.1, a registration shall not be counted as "effected" if, as a result of an exercise of the underwriter's cutback provisions in Subsection 2.3(a) and (b), less than the total number of Registrable Securities that Holders have requested to be included in such registration statement are actually included.

**2.4 Obligations of the Company.** Whenever required under this Section 2 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its commercially reasonable efforts to cause such registration statement to become effective and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to one hundred twenty (120) days or, if earlier, until the distribution contemplated in the registration statement has been completed; provided, however, that (i) such one hundred twenty (120) day period shall be extended for a period of time equal to the period the Holder refrains, at the request of an underwriter of Common Stock (or other securities) of the Company, from selling any securities included in such registration, and (ii) in the case of any registration of Registrable Securities on Form S-3 that are intended to be offered on a continuous or delayed basis, subject to compliance with applicable SEC rules, such one hundred twenty (120) day period shall be extended for up to one hundred eighty (180) days, if necessary, to keep the registration statement effective until all such Registrable Securities are sold;

(b) prepare and file with the SEC such amendments and supplements to such registration statement, and the prospectus used in connection with such registration statement, as may be necessary to comply with the Securities Act in order to enable the disposition of all securities covered by such registration statement; provided, however, that as far in advance as reasonably practicable before filing any registration statement or any supplement or amendment thereto (for purposes of this Subsection 2.4, supplements and amendments shall not be deemed to include any filing that the Company is required to make pursuant to the Exchange Act), the Company shall furnish to each selling Holder and its representatives copies of all documents proposed to be filed (including, without limitation, all exhibits and documents to be incorporated by reference therein, subject to confidentiality obligations binding upon the

Company) and provide each selling Holder and their representatives the opportunity to object to any information pertaining to such selling Holder (or any of its Affiliates) and its plan of distribution that is contained therein, and the Company shall, subject to applicable law, make any corrections reasonably requested by such selling Holder prior to filing such registration statement or supplement or amendment thereto.

(c) furnish to the selling Holders such numbers of copies of a prospectus, including a preliminary prospectus, as required by the Securities Act, and such other documents as the Holders may reasonably request in order to facilitate their disposition of their Registrable Securities;

(d) use its commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or blue-sky laws of such jurisdictions as shall be reasonably requested by the selling Holders; provided that the Company shall not be required to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(e) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the underwriter(s) of such offering;

(f) use its commercially reasonable efforts to cause all such Registrable Securities covered by such registration statement to be listed on a national securities exchange or trading system and each securities exchange and trading system (if any) on which similar securities issued by the Company are then listed;

(g) provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Agreement and provide a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(h) promptly make available for inspection by the selling Holders, any underwriters participating in any disposition pursuant to such registration statement, and any attorney or accountant or other agent retained by any such underwriter or selected by the selling Holders, all financial and other records, pertinent corporate documents, and properties of the Company, and cause the Company's officers, directors, employees, and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant, or agent, in each case, as necessary or advisable to verify the accuracy of the information in such registration statement and to conduct appropriate due diligence in connection therewith;

(i) notify each selling Holder, promptly after the Company receives notice thereof, of the time when such registration statement has been declared effective or a supplement to any prospectus forming a part of such registration statement has been filed; and

(j) after such registration statement becomes effective, notify each selling Holder of any request by the SEC that the Company amend or supplement such registration statement or prospectus.

In addition, the Company shall ensure that, at all times after any registration statement covering a public offering of securities of the Company under the Securities Act shall have become effective, its insider trading policy shall provide that the Company's directors may implement a trading program under Rule 10b5-1 of the Exchange Act.



2.5 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 2 with respect to the Registrable Securities of any selling Holder that such Holder shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as is reasonably required to effect the registration of such Holder's Registrable Securities.

2.6 Expenses of Registration. All expenses (other than Selling Expenses) incurred in connection with registrations, filings, or qualifications pursuant to Section 2, or pursuant to an IPO, including all registration, filing, and qualification fees; printers' and accounting fees; fees and disbursements of counsel for the Company; and the reasonable fees and disbursements, not to exceed \$50,000, of one counsel for, if pursuant to Section 2, the selling Holders ("**Selling Holder Counsel**") or, if otherwise pursuant to an IPO, the Holders ("**Holder IPO Counsel**"), in each case, selected by the Holders of a majority in interest of the Registrable Securities, shall be borne and paid by the Company; provided, however, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Subsection 2.1 if the registration request is subsequently withdrawn at the request of the Holders of a majority in interest of the Registrable Securities to be registered (in which case all selling Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration), unless the Holders of a majority of the Registrable Securities agree to forfeit their right to one registration pursuant to Subsections 2.1(a) or 2.1(b), as the case may be; provided further that if, at the time of such withdrawal, the Holders shall have learned of a material adverse change in the condition, business, or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness after learning of such information then the Holders shall not be required to pay any of such expenses and shall not forfeit their right to one registration pursuant to Subsections 2.1(a) or 2.1(b). All Selling Expenses relating to Registrable Securities registered pursuant to this Section 2 shall be borne and paid by the Holders pro rata on the basis of the number of Registrable Securities registered on their behalf.

2.7 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any registration pursuant to this Agreement as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

2.8 Indemnification. If any Registrable Securities are included in a registration statement under this Section 2:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each selling Holder, and the Affiliates, partners, members, officers, directors, and stockholders of each such Holder (and the partners, members, officers, directors, employees and stockholders of each Holder's Affiliates); legal counsel, accountants and investment advisers for each such Holder (and any such Holder's Affiliates); any underwriter (as defined in the Securities Act) for each such Holder; and each Person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any Damages, and the Company will pay to each such Holder, underwriter, controlling Person, or other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Subsection 2.8(a) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, nor shall the Company be liable for any Damages to the extent that they arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of any such Holder, underwriter, controlling Person, or other aforementioned Person expressly for use in connection with such registration except to the extent such information has been corrected in a subsequent writing prior to or concurrently with the sale of Registrable Securities to the Person asserting the claim.

(b) To the extent permitted by law, each selling Holder, severally and not jointly, will indemnify and hold harmless the Company, and each of its directors, each of its officers who has signed the registration statement, each Person (if any), who controls the Company within the meaning of the Securities Act, legal counsel and accountants for the Company, any underwriter (as defined in the Securities Act), any other Holder selling securities in such registration statement, and any controlling Person of any such underwriter or other Holder, against any Damages, in each case only to the extent that such Damages arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of such selling Holder expressly for use in connection with such registration and has not been corrected in a subsequent writing prior to or concurrently with the sale of Registrable Securities to the Person asserting the claim; and each such selling Holder will pay to the Company and each other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Subsection 2.8(b) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Holder, which consent shall not be unreasonably withheld; and provided further that in no event shall the aggregate amounts payable by any Holder by way of indemnity or contribution under Subsections 2.8(b) and 2.8(d), exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of fraud or willful misconduct by such Holder.

(c) Promptly after receipt by an indemnified party under this Subsection 2.8 of notice of the commencement of any action (including any governmental action) for which a party may be entitled to indemnification hereunder, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Subsection 2.8, give the indemnifying party notice of the commencement thereof. The indemnifying party shall have the right to participate in such action and, to the extent the indemnifying party so desires, participate jointly with any other indemnifying party to which notice has been given, and to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such action. The failure to give notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of any liability to the indemnified party under this Subsection 2.8, to the extent that such failure materially prejudices the indemnifying party's ability to defend such action. The failure to give notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Subsection 2.8.

(d) To provide for just and equitable contribution to joint liability under the Securities Act in any case in which either: (i) any party otherwise entitled to indemnification hereunder makes a claim for indemnification pursuant to this Subsection 2.8 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case, notwithstanding the fact that this Subsection 2.8 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of any party hereto for which indemnification is provided under this Subsection 2.8, then, and in each such case, such parties will contribute to the aggregate losses, claims, Damages, liabilities, or expenses to which they may be subject (after contribution from others) in such proportion as is appropriate to reflect the relative fault of each of the indemnifying party and the indemnified party in connection with the statements, omissions, or other actions that resulted in such loss, claim, Damage, liability, or expense, as well as to reflect any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among

other things, whether the untrue or allegedly untrue statement of a material fact, or the omission or alleged omission of a material fact, relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission; provided, however, that, in any such case (x) no Holder will be required to contribute any amount in excess of the public offering price of all such Registrable Securities offered and sold by such Holder pursuant to such registration statement, and (y) no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation; and provided further that in no event shall a Holder's liability pursuant to this Subsection 2.8(d), when combined with the amounts paid or payable by such Holder pursuant to Subsection 2.8(b), exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of willful misconduct or fraud by such Holder.

(e) Notwithstanding the foregoing, to the extent that the provisions on indemnification and contribution contained in the underwriting agreement entered into in connection with the underwritten public offering are in conflict with the foregoing provisions, the provisions in the underwriting agreement shall control.

(f) Unless otherwise superseded by an underwriting agreement entered into in connection with the underwritten public offering, the obligations of the Company and Holders under this Subsection 2.8 shall survive the completion of any offering of Registrable Securities in a registration under this Section 2, and otherwise shall survive the termination of this Agreement.

2.9 Reports Under Exchange Act. With a view to making available to the Holders the benefits of SEC Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S-3, the Company shall:

(a) make and keep available adequate current public information, as those terms are understood and defined in SEC Rule 144, at all times after the effective date of the registration statement filed by the Company for the IPO;

(b) use commercially reasonable efforts to file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after the Company has become subject to such reporting requirements); and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) to the extent accurate, a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after ninety (90) days after the effective date of the registration statement filed by the Company for the IPO), the Securities Act, and the Exchange Act (at any time after the Company has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold pursuant to Form S-3 (at any time after the Company so qualifies); (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company; and (iii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration (at any time after the Company has become subject to the reporting requirements under the Exchange Act) or pursuant to Form S-3 (at any time after the Company so qualifies to use such form).

2.10 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders of a majority in interest of the Registrable Securities then outstanding, enter into any agreement with any holder or prospective holder of any securities of the Company that would allow such holder or prospective holder (i) to include such securities in any registration unless, under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of such securities will not reduce the number of the Registrable Securities of the Holders that are included or (ii) to demand for registration of any securities held by such holder or prospective holder; provided that this limitation shall not apply to Registrable Securities acquired by any additional Investor who becomes a party to this Agreement in accordance with Subsection 6.9.

2.11 “Market Stand-off” Agreement. Each Holder hereby agrees that, if required by the managing underwriter, it will not, during the period commencing on the date of the final prospectus relating to the IPO, and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days) (i) lend; offer; pledge; sell; contract to sell; sell any option or contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Common Stock held immediately before the effective date of the registration statement for the IPO or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash, or otherwise. The foregoing provisions of this Subsection 2.11 shall apply only to the IPO, shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, shall not apply to distributions to current or former partners, members or stockholders of a Holder in the Company to its Affiliates or any of the Holder’s stockholders, members, partners or other equity holders; provided that the Affiliate, stockholder member, partner or other equity holder of the Holder agrees to be bound in writing by the restrictions set forth herein, shall not apply to any transactions (including, without limitation, any swap, hedge or similar agreement or arrangement) or announcements, in each case, relating to securities (including shares of Common Stock) purchased or acquired in the IPO or in open market or other transactions on or following the IPO or that otherwise do not involve or relate to securities of the Company owned by a Holder prior to the IPO, and shall be applicable to the Holders only if all officers, directors and stockholders individually (and together with their Affiliates) owning more than one percent (1%) of the Company’s outstanding Common Stock (after giving effect to conversion into Common Stock of all outstanding Preferred Stock) are subject to the same restrictions. The underwriters in connection with such registration are intended third-party beneficiaries of this Subsection 2.11 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such registration that are consistent with this Subsection 2.11 or that are necessary to give further effect thereto. The Company agrees to use its reasonable efforts to obtain the agreement of the managing underwriter to periodic early releases of portions of the securities subject to such lock-up agreements upon the request of a Holder to such early release, provided that in the event of any early release, all Holders will be released on a pro rata basis from such agreements. In the event that the Company or the managing underwriter waives or terminates any of the restrictions contained in this Subsection 2.11 or in a lock-up agreement with respect to the securities of any Holder, officer, director or greater than one percent stockholder of the Company (in any such case, the **“Released Securities”**), the restrictions contained in this Subsection 2.11 and in any lock-up agreements executed by the Holders shall be waived or terminated, as applicable, to the same extent and with respect to the same percentage of securities of each Holder as the percentage of Released Securities represent with respect to the securities held by the applicable Holder, officer, director or greater than one percent stockholder. Notwithstanding anything contained in this Subsection 2.11 to the contrary, the Company and each other party hereto acknowledge and agree that nothing in this Agreement or in any agreement that any Holder enters into pursuant to this Subsection 2.11 shall restrict any of such Holder’s (or any of such Holder’s Affiliates’) brokerage, investment advisory, financial advisory, anti-raid advisory, principaling, merger advisory, financing, asset management, trading, market making, arbitrage, investment activity or any other similar activity conducted in the ordinary course of business.

## 2.12 Restrictions on Transfer.

(a) The Preferred Stock and the Registrable Securities shall not be sold, pledged, or otherwise transferred, and the Company shall not recognize and shall issue stop-transfer instructions to its transfer agent with respect to any such sale, pledge, or transfer, except upon the conditions specified in this Agreement, which conditions are intended to ensure compliance with the provisions of the Securities Act. A transferring Holder will cause any proposed purchaser, pledgee, or transferee of the Preferred Stock or the Registrable Securities held by such Holder to agree to take and hold such securities subject to the provisions and upon the conditions specified in this Agreement. Notwithstanding the foregoing, the Company shall not require any transferee of shares pursuant to an effective registration statement or, following the IPO, pursuant to SEC Rule 144, in each case, to be bound by the terms of this Agreement. For the avoidance of doubt, a customary arrangement in connection with the deposit of Registrable Securities in a non-margin custodial account shall not be deemed a sale, transfer or pledge for purposes of this Agreement so long as such Registrable Securities are in certificated form (it being understood that the Company may require the exchange of any such certificated securities for book-entry shares upon the IPO).

(b) Each certificate, instrument, or book entry representing (i) the Preferred Stock, (ii) the Registrable Securities, and (iii) any other securities issued in respect of the securities referenced in clauses (i) and (ii), upon any stock split, stock dividend, recapitalization, merger, consolidation, or similar event, shall (unless otherwise permitted by the provisions of Subsection 2.12(c)) be notated with a legend substantially in the following form:

THE SECURITIES REPRESENTED HEREBY HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. SUCH SHARES MAY NOT BE SOLD, PLEDGED, OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR A VALID EXEMPTION FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SAID ACT.

THE SECURITIES REPRESENTED HEREBY MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

The Holders consent to the Company making a notation in its records and giving instructions to any transfer agent of the Restricted Securities in order to implement the restrictions on transfer set forth in this Subsection 2.12.

(c) The Holder of such Restricted Securities, by acceptance of ownership thereof, agrees to comply in all respects with the provisions of this Section 2. Before any proposed sale, pledge, or transfer of any Restricted Securities, unless there is in effect a registration statement under the Securities Act covering the proposed transaction, or following the IPO, the transfer is made pursuant to SEC Rule 144, the Holder thereof shall give notice to the Company of such Holder's intention to effect such sale, pledge, or transfer, provided that, following the IPO, no such notice shall be required if the intended sale, pledge or transfer complies with SEC Rule 144. Each such notice shall describe the manner and circumstances of the proposed sale, pledge, or transfer in sufficient detail and, if reasonably requested by the Company, shall be accompanied at such Holder's expense by either (i) a written opinion of legal counsel who shall, and whose legal opinion shall, be reasonably satisfactory to the Company (it being agreed that a

Holder's internal counsel shall be deemed to be reasonably satisfactory to the Company), addressed to the Company, to the effect that the proposed transaction may be effected without registration under the Securities Act; (ii) a "no action" letter from the SEC to the effect that the proposed sale, pledge, or transfer of such Restricted Securities without registration will not result in a recommendation by the staff of the SEC that action be taken with respect thereto; or (iii) any other evidence reasonably satisfactory to counsel to the Company to the effect that the proposed sale, pledge, or transfer of the Restricted Securities may be effected without registration under the Securities Act, whereupon the Holder of such Restricted Securities shall be entitled to sell, pledge, or transfer such Restricted Securities in accordance with the terms of the notice given by the Holder to the Company. The Company will not require such a legal opinion or "no action" letter (x) in any transaction in compliance with SEC Rule 144; (y) in any transaction in which such Holder distributes Restricted Securities to an Affiliate of such Holder for no consideration; or (z) in any internal transaction in which such Holder transfers Restricted Securities to an Affiliate of such Holder that is an entity and that is ultimately controlled by the same parent company as the Holder (or is the ultimate parent company of the Holder); provided that, other than in connection with a transaction in compliance with SEC Rule 144 following the IPO, and in the case of clauses (y) and (z), each transferee agrees in writing to be subject to the terms of this Subsection 2.12. Notwithstanding the foregoing, the Company shall be obligated to reissue promptly unlegended certificates or book entries at the request of any Holder thereof if the Company has completed its IPO and the Holder shall have obtained an opinion of counsel (which counsel may be counsel to the Company) to the effect that the securities proposed to be disposed of may lawfully be so disposed of without registration, qualification and legend, provided that the second legend listed above shall be removed only at such time as the Holder of such certificate is no longer subject to any restrictions hereunder. Each certificate, instrument, or book entry representing the Restricted Securities transferred as above provided shall be notated with, except if such transfer is made pursuant to SEC Rule 144 or pursuant to an effective registration statement, the appropriate restrictive legend set forth in Subsection 2.12(b), except that such certificate instrument, or book entry shall not be notated with such restrictive legend if, in the opinion of counsel for such Holder and the Company, such legend is not required in order to establish compliance with any provisions of the Securities Act.

2.13 Termination of Registration Rights. The right of any Holder to request registration or inclusion of Registrable Securities in any registration pursuant to Subsections 2.1 or 2.2 shall terminate upon the earliest to occur of:

(a) the closing of a Deemed Liquidation Event, as such term is defined in the Certificate of Incorporation, in which the consideration received by the Investors in such Deemed Liquidation Event is in the form of cash and/or publicly traded securities, or if the Investors receive registration rights from the acquiring company or other successor to the Company reasonably comparable to those set forth in this Section 2.

(b) such time after consummation of the IPO and expiration of the applicable lock-up period associated with the IPO as SEC Rule 144 or another similar exemption under the Securities Act is available for the sale of all of such Holder's shares without limitation during a three-month period without registration;

(c) the fifth (5<sup>th</sup>) anniversary of the IPO.

2.14 Termination of Certain Rights of Converted Preferred Holder. Notwithstanding anything contained in this Section 2 or any other provision of this Agreement to the contrary, no Converted Preferred Holder nor any of its transferees to whom shares of capital stock of the Company are transferred by such Converted Preferred Holder after it has become such shall have any registration rights pursuant to this Section 2; provided, however, such Converted Preferred Holder (and any such transferee) shall remain obligated under Subsections 2.11 and 2.12 hereof as if a "Holder" for purposes of such subsections.

3. Information Rights.

3.1 Delivery of Financial Statements. The Company shall deliver to each Major Investor the required items listed below, provided that the Board of Directors has not reasonably determined that such Major Investor is a Competitor of the Company:

(a) as soon as practicable, but in any event within ninety (90) days after the end of each fiscal year of the Company, unaudited statements of income and of cash flows for such fiscal year, and an unaudited balance sheet and a statement of stockholders' equity as of the end of such fiscal year, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(b) as soon as practicable, but in any event within one hundred eighty (180) days after the end of the fiscal year of the Company ending December 31, 2023, and within one hundred twenty (120) days after the end of each fiscal year of the Company beginning with the fiscal year ending December 31, 2024, (i) a balance sheet as of the end of such year, (ii) statements of income and of cash flows for such year, and (iii) a statement of stockholders' equity as of the end of such year, all such financial statements audited and certified by independent public accountants of nationally or regionally recognized standing selected by the Company;

(c) as soon as practicable but in any event within forty-five (45) days after the end of each quarter of each fiscal year of the Company, unaudited statements of income and of cash flows for such fiscal quarter, and an unaudited balance sheet and a statement of stockholders' equity as of the end of such fiscal quarter, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(d) as soon as practicable, but in any event within forty-five (45) days after the end of each quarter of each fiscal year of the Company, a statement showing the number of shares of each class and series of capital stock and securities convertible into or exercisable for shares of capital stock outstanding at the end of the period, the Common Stock issuable upon conversion or exercise of any outstanding securities convertible or exercisable for Common Stock and the exchange ratio or exercise price applicable thereto, and the number of shares of issued stock options and stock options not yet issued but reserved for issuance, if any, all in sufficient detail as to permit each Major Investor to calculate their respective percentage equity ownership in the Company, and certified by the chief financial officer or chief executive officer of the Company as being true, complete, and correct;

(e) as soon as practicable, but in any event within thirty (30) days before the end of each fiscal year, a budget and business plan for the next fiscal year (collectively, the "**Budget**"), approved by the Board of Directors, including a majority of the Preferred Directors, and prepared on a monthly basis, including balance sheets, income statements, and statements of cash flow for such months and, promptly after prepared, any other budgets or revised budgets prepared by the Company; and

(f) such other information relating to the financial condition, business, prospects, or corporate affairs of the Company as any Major Investor may from time to time reasonably request; provided, however, that the Company shall not be obligated under this Section 3.1 to provide information (i) that the Company reasonably determines in good faith to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in a form acceptable to the Company); or (ii) the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

If, for any period, the Company has any subsidiary whose accounts are consolidated with those of the Company, then in respect of such period the financial statements delivered pursuant to the foregoing sections shall be the consolidating financial statements of the Company and all such consolidated subsidiaries.

Notwithstanding anything else in this Section 3.1 to the contrary, the Company may cease providing the information set forth in this Section 3.1 during the period starting with the date thirty (30) days before the Company's good-faith estimate of the date of filing of a registration statement if it reasonably concludes it must do so to comply with the SEC rules applicable to such registration statement and related offering; provided that the Company's covenants under this Section 3.1 shall be reinstated at such time as the Company is no longer actively employing its commercially reasonable efforts to cause such registration statement to become effective.

3.2 Inspection. The Company shall permit each Major Investor (provided that the Board of Directors has not reasonably determined that such Major Investor is a Competitor of the Company), at such Major Investor's expense, to visit and inspect the Company's properties; examine its books of account and records; and discuss the Company's affairs, finances, and accounts with its officers, during normal business hours of the Company as may be reasonably requested by the Major Investor; provided, however, that the Company shall not be obligated pursuant to this Subsection 3.2 to provide access to any information that it reasonably and in good faith considers to be a trade secret or confidential information (unless covered by an enforceable confidentiality agreement, in form acceptable to the Company) or the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

3.3 Termination of Information and Inspection Rights. The covenants set forth in Subsection 3.1 and Subsection 3.2 shall terminate and be of no further force or effect upon the earliest to occur of (i) immediately before, but subject to, the consummation of the IPO, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, (iii) upon a Deemed Liquidation Event, as such term is defined in the Certificate of Incorporation; provided, that, with respect to clause (iii), the covenants set forth in Section 3.1 shall only terminate if the consideration received by the Investors in such Deemed Liquidation Event is in the form of cash and/or publicly traded securities or if the Investors receive financial information from the acquiring company or other successor to the Company comparable to those set forth in Section 3.1 or (iv) with respect to any Investor (and its Affiliates), upon such Investor becoming (if at all) a Converted Preferred Holder.

3.4 Confidentiality. Each Investor agrees that such Investor will keep confidential and will not disclose, divulge, or use for any purpose (other than to monitor or make decisions with respect to its investment in the Company) any confidential information obtained from the Company pursuant to the terms of this Agreement (including notice of the Company's intention to file a registration statement), unless such confidential information (a) is known or becomes known to the public in general (other than as a result of a breach of this Subsection 3.4 by such Investor), (b) is or has been independently developed or conceived by such Investor without use of the Company's confidential information, or (c) is or has been made known or disclosed to such Investor by a third party without a breach of any obligation of confidentiality such third party may have to the Company; provided, however, that an Investor may disclose confidential information (i) to its attorneys, accountants, consultants, advisors and other professionals (collectively "**Representatives**") to the extent reasonably necessary to obtain their services in connection with monitoring its investment in the Company; (ii) to any prospective purchaser of any Registrable Securities from such Investor, if such prospective purchaser agrees to be bound by the provisions of this Subsection 3.4; (iii) in the ordinary course of business to any existing or prospective, direct or indirect, Affiliate, partner, member, stockholder, or wholly owned subsidiary of such Investor and any Representatives, employees or Affiliates of any of the foregoing, provided that such Investor informs such recipient that such information is confidential and directs such recipient to maintain the confidentiality of such



information; (iv) as may otherwise be required by law, regulation, rule, court order or subpoena, provided that, with respect to this clause (iv), such Investor promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure; or (v) to the extent required in connection with any routine or periodic examination or similar process by any regulatory or self-regulatory body or authority not specifically directed at the Company or the confidential information obtained from the Company pursuant to the terms of the Agreement, including, without limitation, quarterly or annual reports.

#### 4. Rights to Future Stock Issuances.

##### 4.1 Right of First Offer.

(a) Subject to the terms and conditions of this Section 4.1 and applicable securities laws, if the Company proposes to offer or sell any New Securities, the Company shall first offer such New Securities to each Major Investor, provided that the Board of Directors has not reasonably determined that such Major Investor is a Competitor of the Company. A Major Investor shall be entitled to apportion the right of first offer hereby granted to it among itself and its Affiliates in such proportions as it deems appropriate, provided that each such Affiliate (x) is not a Competitor of the Company as reasonably determined by the Board of Directors, and (y) agrees to enter into this Agreement and the Stockholders Agreement of even date herewith among the Company, the Investors and the other parties named therein, as an “Investor” under each such agreement (provided that any Competitor shall not be entitled to any rights as a Major Investor under Subsections 3.1, 3.2 and 4.1 hereof).

(b) Notwithstanding anything to the contrary herein, for so long as TRV is deemed a Major Investor, TRV shall have the right to apportion its right of first offer of New Securities pursuant to Section 4.1(a), among itself, its Affiliates, and such unaffiliated third parties as TRV reasonably deems appropriate (each such Affiliate or unaffiliated third party, a “**Permitted TRV Transferee**”), provided that each such Permitted TRV Transferee (x) is not a Competitor of the Company as reasonably determined by the Board of Directors, and (y) agrees to enter into or join this Agreement and any other stockholder agreement with the Company that TRV is party to or would become a party to if it exercised its right of first offer, as an “Investor” under each such agreement. TRV shall provide the Company with advanced written notice of any such apportionment of rights to a Permitted TRV Transferee prior to the deadline set forth in Section 4.1(e) by which TRV is required to notify the Company of TRV’s or its Permitted TRV Transferees’ as applicable, intention to exercise its right of first offer with respect to a given issuance of New Securities, and TRV and the Permitted TRV Transferee shall provide the Company with such other information as the Company reasonably requests in connection with such apportionment of rights to such Permitted TRV Transferee.

(c) Notwithstanding anything to the contrary herein, for so long as JJDC is deemed a Major Investor, JJDC shall have the right to apportion its right of first offer of New Securities pursuant to Section 4.1(a), and in the same proportion as TRV elects to apportion under Section 4.1(b) above, among itself, its Affiliates, and such unaffiliated third parties as JJDC reasonably deems appropriate (each such Affiliate or unaffiliated third party, a “**Permitted JJDC Transferee**”), provided that each such Permitted JJDC Transferee (x) is not a Competitor of the Company as reasonably determined by the Board of Directors, and (y) agrees to enter into or join this Agreement and any other stockholder agreement with the Company that JJDC is party to or would become a party to if it exercised its right of first offer, as an “Investor” under each such agreement. JJDC shall provide the Company with advanced written notice of any such apportionment of rights to a Permitted JJDC Transferee prior to the deadline set forth in Section 4.1(e) by which JJDC is required to notify the Company of JJDC’s or its Permitted JJDC Transferees’ as applicable, intention to exercise its right of first offer with respect to a given issuance of New Securities, and JJDC and the Permitted JJDC Transferee shall provide the Company with such other information as the Company reasonably requests in connection with such apportionment of rights to such Permitted JJDC Transferee.

(d) Notwithstanding anything to the contrary herein, for so long as ARCH is deemed a Major Investor, ARCH shall have the right to apportion its right of first offer of New Securities pursuant to Section 4.1(a), and in the same proportion as TRV elects to apportion under Section 4.1(b) above, among itself, its Affiliates, and such unaffiliated third parties as ARCH reasonably deems appropriate (each such Affiliate or unaffiliated third party, a “**Permitted ARCH Transferee**”), provided that each such Permitted ARCH Transferee (x) is not a Competitor of the Company as reasonably determined by the Board of Directors, and (y) agrees to enter into or join this Agreement and any other stockholder agreement with the Company that ARCH is party to or would become a party to if it exercised its right of first offer, as an “Investor” under each such agreement. ARCH shall provide the Company with advanced written notice of any such apportionment of rights to a Permitted ARCH Transferee prior to the deadline set forth in Section 4.1(e) by which ARCH is required to notify the Company of ARCH’s or its Permitted ARCH Transferees’ as applicable, intention to exercise its right of first offer with respect to a given issuance of New Securities, and ARCH and the Permitted ARCH Transferee shall provide the Company with such other information as the Company reasonably requests in connection with such apportionment of rights to such Permitted ARCH Transferee.

(e) The Company shall give notice (the “**Offer Notice**”) to each Major Investor, stating (i) its bona fide intention to offer such New Securities, (ii) the number of such New Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Securities.

(f) By notification to the Company within twenty (20) days after the Offer Notice is given, each Major Investor may elect to purchase or otherwise acquire, at the price and on the terms specified in the Offer Notice, up to that portion of such New Securities which equals the proportion that the Common Stock then held by such Major Investor (including all shares of Common Stock then issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held by such Major Investor) bears to the total number of shares of Common Stock of the Company then outstanding (assuming full conversion and/or exercise, as applicable, of all Preferred Stock and other Derivative Securities then outstanding). At the expiration of such twenty (20) day period, the Company shall promptly notify each Major Investor that elects to purchase or acquire all the shares available to it (each, a “**Fully Exercising Investor**”) of any other Major Investor’s failure to do likewise. During the ten (10) day period commencing after the Company has given such notice, each Fully Exercising Investor may, by giving notice to the Company, elect to purchase or acquire, in addition to the number of shares specified above, up to that portion of the New Securities for which such Major Investors were entitled to subscribe, but that were not subscribed for by the Major Investors, which is equal to the proportion that the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of Preferred Stock and any other Derivative Securities then held, by such Fully Exercising Investor bears to the number of shares of Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held, by all Fully Exercising Investors who wish to purchase such unsubscribed shares. The closing of any sale pursuant to Section 4.1(b) or (c) shall occur within the later of one hundred twenty (120) days after the date that the Offer Notice is given and the date of initial sale of New Securities pursuant to Section 4.1(d).

(g) If fewer than all New Securities referred to in the Offer Notice are elected to be purchased or acquired as provided in Section 4.1(e), the Company may, during the ninety (90) day period following the expiration of the periods provided in Section 4.1(e), offer and sell the remaining unsubscribed portion of such New Securities to any Person or Persons at a price not less than, and upon terms no more favorable to the offeree than, those specified in the Offer Notice. If the Company does not enter into an agreement for the sale of the New Securities within such period, or if such agreement is not consummated within thirty (30) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first reoffered to the Major Investors in accordance with this Section 4.1.

(h) The right of first offer in this Section 4.1 shall not be applicable to (i) Exempted Securities (as defined in the Certificate of Incorporation), (ii) shares of Common Stock issued in the IPO and (iii) for the avoidance of doubt, the issuance of shares of Series B Preferred Stock to the Purchasers (as defined in the Purchase Agreement) pursuant to Section 1.2(b) of the Purchase Agreement.

(i) The rights of the Major Investors to purchase New Securities under this Section 4.1 may be modified or waived in accordance with Section 6.6; provided, however, that in the event such rights to purchase New Securities under this Section 4.1 are waived and any Major Investor(s) purchase New Securities, the Company shall give notice to the other Major Investors within thirty (30) days after the initial issuance of New Securities. Such notice shall describe the type, price, and terms of the New Securities. Each such other Major Investor shall have twenty (20) days from the date such notice is given to elect to purchase on similar terms and conditions in a subsequent closing up to the number of New Securities that would, if purchased by such Major Investor, maintain such Major Investor's percentage-ownership position, calculated as set forth in Section 4.1(e) before giving effect to the issuance of such New Securities.

4.2 Termination. The covenants set forth in Section 4.1 shall terminate and be of no further force or effect upon the earliest to occur of (i) immediately before, but subject to, the consummation of the IPO, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, (iii) upon a Deemed Liquidation Event in which the consideration received by the Investors is in the form of cash and/or publicly traded securities, or if the Investors receive participation rights from the acquiring company or other successor to the Company reasonably comparable to those set forth in this Section 4 or (iv) with respect to any Major Investor, upon such Major Investor becoming (if at all) a Converted Preferred Holder.

## 5. Additional Covenants.

5.1 Insurance. The Company shall maintain from financially sound and reputable insurers Directors and Officers liability insurance in an amount satisfactory to the Board of Directors and no less than \$3,000,000 and will use commercially reasonable efforts to cause such insurance policy to be maintained until such time as the Board of Directors (including each Preferred Director) determines that such insurance should be discontinued.

5.2 Employee Agreements. The Company will cause each Person hereafter employed by it or by any subsidiary (or engaged by the Company or any subsidiary as a consultant/independent contractor) with access to confidential information and/or trade secrets to enter into a nondisclosure, proprietary rights assignment, non-solicitation and, to the extent permitted by applicable law, one (1) year noncompetition agreement, in a form reasonably acceptable to the Holders of a majority of the Preferred Stock. In addition, the Company shall not amend, modify, terminate, waive, or otherwise alter, in whole or in part, any of the above-referenced agreements or any restricted stock agreement between the Company and any employee, without the approval of the Board of Directors.

5.3 Employee Stock. Unless otherwise approved by the Board of Directors, all employees of the Company who purchase, receive options to purchase, or receive awards of shares of the Company's capital stock after the date hereof shall be required to execute restricted stock or option agreements, as applicable, providing for (i) vesting of shares over a four (4) year period, with the first twenty-five percent

(25%) of such shares vesting following twelve (12) months of continued employment or service from the date of grant, and the remaining shares vesting in equal monthly installments over the following thirty-six (36) months, provided continued employment or service, and (ii) a market stand-off provision substantially similar to that in Subsection 2.11. In addition, unless otherwise approved by the Board of Directors, the Company (x) shall not offer or allow any acceleration of vesting, and (y) shall retain (and not waive) a “right of first refusal” on employee transfers of shares of Common Stock until the Company’s IPO and shall have the right to repurchase unvested shares at cost upon termination of employment of a holder of restricted stock.

5.4 Matters Requiring Preferred Directors Approval. So long as any shares of Preferred Stock remain outstanding, the Company hereby covenants and agrees with each of the Investors that it shall not, without first obtaining the approval of the Board of Directors, including a majority of the Preferred Directors:

- (a) make, or permit any subsidiary to make, any loan or advance to, or own any stock or other securities of, any subsidiary or other corporation, partnership, or other entity unless it is wholly owned by the Company;
- (b) create any subsidiary;
- (c) make, or permit any subsidiary to make, any loan or advance to any Person, including, without limitation, any employee or director of the Company or any subsidiary, except advances and similar expenditures in the ordinary course of business or under the terms of an employee stock or option plan approved by the Board of Directors;
- (d) guarantee, directly or indirectly, or permit any subsidiary to guarantee, directly or indirectly, any indebtedness except for trade accounts of the Company or any subsidiary arising in the ordinary course of business;
- (e) create, adopt, amend, terminate or repeal any equity (or equity-linked) compensation plan or amend or waive any of the terms of any option or other grant pursuant to any such plan;
- (f) make any investment inconsistent with any investment policy approved by the Board of Directors;
- (g) incur indebtedness in excess of \$500,000 in the aggregate that is not covered by the Budget, other than trade credit incurred in the ordinary course of business;
- (h) otherwise enter into or be a party to any transaction with any director, officer or employee of the Company or any “associate” (as defined in Rule 12b-2 promulgated under the Exchange Act) of any such Person;
- (i) hire, terminate, or change the compensation of the executive officers, including approving any option grants or stock awards to executive officers; or
- (j) change the principal business of the Company, or enter into a new line of business, or exit the existing line of business of the Company.

5.5 Board Matters. Unless otherwise determined by the vote of a majority of the directors then in office, the Board of Directors shall meet at least four (4) times per year and at least once per quarter, in accordance with an agreed-upon schedule. The Company shall reimburse the non-employee directors for all reasonable out-of-pocket travel expenses incurred (consistent with the Company's policies) in connection with their role as a director. Each non-employee director shall be entitled in such Person's discretion to be a member of any committee of the Board of Directors.

5.6 Successor Indemnification. If the Company or any of its successors or assignees consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger, then to the extent necessary, proper provision shall be made so that the successors and assignees of the Company assume the obligations of the Company with respect to indemnification of members of the Board of Directors as in effect immediately before such transaction, whether such obligations are contained in the Company's Bylaws, the Certificate of Incorporation, or elsewhere, as the case may be.

5.7 Indemnification Matters.

(a) The Certificate of Incorporation and Bylaws (as such Bylaws of the Company may be amended from time to time) shall provide (i) for limitation of the liability of directors to the maximum extent permitted by law, and (ii) for indemnification of directors for acts on behalf of the Company to the maximum extent permitted by law. In the event any suit is filed or claim is asserted against a director or former director of the Company as a result of such director's or former director's service on the Board of Directors, the Company will provide such director or former director access to all records and files of the Company as he or she may reasonably request in defending against or preparing to defend against any such suit or claim.

(b) The Company hereby acknowledges that one or more of the directors nominated by Holders of Preferred Stock may have certain rights to indemnification, advancement of expenses and/or insurance provided by one or more of the Investors and certain of their Affiliates (collectively, the "**Fund Indemnitors**") for alleged acts or omissions in their capacities as directors of the Company. The Company hereby agrees (i) that it is the indemnitor of first resort (i.e., its obligations to any such director are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by such director are secondary), (ii) that it shall be required to advance the full amount of expenses incurred by such director and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement by or on behalf of any such director to the extent legally permitted and as required by the Certificate of Incorporation or Bylaws of the Company (or any agreement between the Company and such director), without regard to any rights such director may have against the Fund Indemnitors, and, (iii) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Fund Indemnitors on behalf of any such director with respect to any claim for which such director has sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such director against the Company. Such directors and the Fund Indemnitors are intended third-party beneficiaries of this Section 5.7 and shall have the right, power and authority to enforce the provisions of this Section 5.7 as though they were a party to this Agreement.

5.8 Right to Conduct Activities. The Company hereby agrees and acknowledges that TRV (together with its Affiliates), JJDC (together with its Affiliates), ARCH (together with its Affiliates), Cormorant (together with its Affiliates), Sofinnova (together with its Affiliates), GS (together with its Affiliates), Surveyor (together with its Affiliates), each T. Rowe Price Investor (together with its Affiliates), each Fidelity Investor (together with its Affiliates) and the Capital Group Investor (together with its Affiliates) (each, an "**Investing Entity**") invests in or may hereafter invest in one or more other portfolio

companies (“**PortCos**”), some of which may be deemed competitive with the Company’s business (as currently conducted or as currently proposed to be conducted). Nothing in this Agreement (but subject to the last proviso of this Section 5.8) shall preclude or in any way restrict the Investors from evaluating or purchasing securities, including publicly traded securities, of a particular enterprise, or investing or participating in any particular enterprise whether or not such enterprise has products or services which compete with those of the Company; and the Company hereby agrees that (a) no Investing Entity shall be deemed to be a Competitor of the Company in respect of any investment such Investing Entity makes in any PortCo, and (b) to the extent permitted under applicable law, no Investing Entity shall be liable to the Company for any claim arising out of, or based upon, (i) the investment by such Investing Entity in any entity competitive with the Company, or (ii) actions taken by any partner, officer or other representative of such Investing Entity to assist any such competitive company, whether or not such action was taken as a member of the board of directors of such competitive company or otherwise, and whether or not such action has a detrimental effect on the Company; provided, however, that the foregoing shall not relieve (x) any of the Investors from liability associated with the unauthorized disclosure of the Company’s confidential information obtained pursuant to this Agreement, or (y) any director or officer of the Company from any liability associated with his or her fiduciary duties to the Company.

5.9 Anti-Harassment Policy. The Company shall, within ninety (90) days following the Initial Closing (as defined in the Purchase Agreement), adopt and thereafter maintain in effect (i) a Code of Conduct governing appropriate workplace behavior and (ii) an Anti-Harassment and Discrimination Policy prohibiting discrimination and harassment at the Company. Such policy shall be reviewed and approved by the Board of Directors.

5.10 FCPA. The Company covenants that it shall not (and shall not permit any of its subsidiaries or Affiliates or any of its or their respective directors, officers, managers, employees, independent contractors, representatives or agents to) promise, authorize or make any payment, or otherwise contribute any item of value, directly or indirectly, to any third party, including any Non-U.S. Official (as such term is defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended (the “**FCPA**”)), in each case, in violation of the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. The Company further covenants that it shall (and shall cause each of its subsidiaries and Affiliates to) cease all of its or their respective activities, as well as remediate any actions taken by the Company, its subsidiaries or Affiliates, or any of their respective directors, officers, managers, employees, independent contractors, representatives or agents in violation of the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. The Company further covenants that it shall (and shall cause each of its subsidiaries and Affiliates to) maintain systems of internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) to ensure compliance with the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. Upon request, the Company agrees to provide responsive information and/or certifications concerning its compliance with applicable anti-corruption laws. The Company shall promptly notify each Investor if the Company becomes aware of any Enforcement Action (as defined in the Purchase Agreement). The Company shall, and shall cause any direct or indirect subsidiary or entity controlled by it, whether now in existence or formed in the future, to comply with the FCPA. The Company shall use its best efforts to cause any direct or indirect subsidiary, whether now in existence or formed in the future, to comply in all material respects with all applicable laws.

5.11 Cybersecurity. The Company shall, within one hundred eighty (180) days following the Initial Closing (as defined in the Purchase Agreement), use commercially reasonable efforts to (a) identify and restrict access (including through physical and/or technical controls) to the Company’s confidential business information and trade secrets and any information about identified or identifiable natural persons maintained by or on behalf of the Company (collectively, “**Protected Data**”) to those individuals who have a need to access it and (b) implement reasonable physical, technical and administrative safeguards designed to protect the confidentiality, integrity and availability of its technology and systems (including servers,

laptops, desktops, cloud, containers, virtual environments and data centers) and all Protected Data. The Company shall evaluate on a periodic basis at least annually whether such safeguards should be updated to maintain a level of security appropriate to the risk posed to Company systems and Protected Data. The Company shall educate its employees about the proper use and storage of Protected Data, including periodic training as determined reasonably necessary by the Company or the Board of Directors.

5.12 Real Property Holding Corporation. Promptly following (and in any event within ten (10) days after receipt of) written request by an Investor, the Company shall provide such Investor with a written statement informing such Investor whether such Investor's interest in the Company constitutes a United States real property interest. The Company's determination shall comply with the requirements of Treasury Regulation Section 1.897-2(h)(1) or any successor regulation, and the Company shall provide timely notice to the Internal Revenue Service, in accordance with and to the extent required by Treasury Regulation Section 1.897-2(h)(2) or any successor regulation, that such statement has been made. The Company's obligation to furnish such written statement shall continue notwithstanding the fact that a class of the Company's stock may be regularly traded on an established securities market or the fact that there is no Preferred Stock then outstanding.

5.13 Equity Incentive Reserve. Immediately prior to the Second Tranche Closing (as defined in the Purchase Agreement), the Company shall increase the number of shares of Common Stock reserved for issuance under its 2022 Stock Option and Grant Plan such that the number of shares of Common Stock reserved under such 2022 Stock Option and Grant Plan, inclusive of certain restricted stock grants of the Company, equals eighteen percent (18%) of the Company's fully diluted capitalization.

5.14 Termination of Covenants. The covenants set forth in this Section 5, except for Sections 5.6 and 5.7, shall terminate and be of no further force or effect upon the earliest to occur of (i) immediately before but subject to the consummation of an IPO or (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) upon a Deemed Liquidation Event.

## 6. Miscellaneous

6.1 Successors and Assigns. The rights under this Agreement may be assigned (but only with all related obligations) by a Holder to a transferee of Registrable Securities that (i) is an Affiliate, partner, member, retired partner, retired member or stockholder of a Holder; (ii) is a Holder's Immediate Family Member or trust for the benefit of an individual Holder or one or more of such Holder's Immediate Family Members; or (iii) after such transfer, either (A) qualifies as a Major Investor or (B) holds 100% of such transferring Holder's Registrable Securities; provided, however, that (x) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee and the Registrable Securities with respect to which such rights are being transferred; and (y) such transferee agrees in a written instrument delivered to the Company to be bound by and subject to the terms and conditions of this Agreement, including the provisions of Subsection 2.11. For the purposes of determining the number of shares of Registrable Securities held by a transferee, the holdings of a transferee (1) that is an Affiliate, limited partner, retired partner, member, retired member, or stockholder of a Holder; (2) who is a Holder's Immediate Family Member; or (3) that is a trust for the benefit of an individual Holder or such Holder's Immediate Family Member shall be aggregated together and with those of the transferring Holder and its Affiliates; provided further that all transferees who would not qualify individually for assignment of rights shall, as a condition to the applicable transfer, establish a single attorney-in-fact for the purpose of exercising any rights, receiving notices, or taking any action under this Agreement. The terms and conditions of this Agreement inure to the benefit of and are binding upon the respective successors and permitted assignees of the parties, including without limitation, the Investor's Affiliates. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assignees any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

6.2 Governing Law. This Agreement shall be governed by the internal laws of the State of Delaware, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Delaware.

6.3 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Counterparts may be delivered via electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, [www.docusign.com](http://www.docusign.com)) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

6.4 Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

#### 6.5 Notices.

(a) All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given: (a) upon personal delivery to the party to be notified; (b) when sent, if sent by confirmed electronic mail and sent during normal business hours of the recipient, and if not so confirmed, then on the next Business Day; (c) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (d) one (1) Business Day after the Business Day of deposit with a nationally recognized overnight courier, freight prepaid, specifying next Business Day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their addresses as set forth on Schedule A hereto, or to the principal office of the Company and to the attention of the Chief Executive Officer, in the case of the Company, or to such E-mail address or address as subsequently modified by written notice given in accordance with this Section 6.5. If notice is given to the Company, a copy, which shall not constitute notice, shall also be sent to Stephanie Richards at Goodwin Procter LLP, 100 Northern Avenue, Boston, MA 02210.

(b) Consent to Electronic Notice. Each Investor consents to the delivery of any stockholder notice pursuant to the Delaware General Corporation Law (the “**DGCL**”), as amended or superseded from time to time, by electronic transmission pursuant to Section 232 of the DGCL (or any successor thereto) at the electronic mail address set forth below such Investor’s name on the Schedules hereto, as updated from time to time by notice to the Company, or as on the books of the Company. Each Investor agrees to promptly notify the Company of any change in its electronic mail address, and that failure to do so shall not affect the foregoing.

6.6 Amendments and Waivers. Any term of this Agreement may be amended, modified or terminated and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of (i) the Company, (ii) the holders of a majority of the Registrable Securities then outstanding and (iii) the holders of a majority of the Registrable Securities underlying the Series B Preferred Stock; provided that the Company may in its sole discretion waive compliance with Section 2.12(c) (and the Company’s failure to object promptly in writing after notification of a proposed assignment allegedly in violation of Section 2.12(c) shall be deemed to be a waiver); and provided further that any provision hereof may be waived by any waiving party on such party’s own behalf, without the consent of any other party. Notwithstanding the foregoing, (i) this Agreement may not be amended, modified or terminated and the observance of any term hereof may not be waived with respect to any Investor without the written consent of such Investor, unless



such amendment, modification, termination, or waiver applies to all Investors in the same fashion; (ii) this clause (ii) and Sections 3.1, 3.2 and 4.1 and any other section of this Agreement applicable to the Major Investors may not be amended, modified, terminated or waived without the written consent of the Holders of at least the majority of the Registrable Securities then outstanding and held by the Major Investors, (iii) this clause (iii) and Sections 1.1, 1.6, 1.28, 4.1(b), 4.1(i), 5.8 and 5.10 may not be amended, modified, terminated or waived with respect to TRV without the written consent of TRV, (iv) this clause (iv) and Sections 1.1, 1.6, 1.28, 3, 4.1(c), 4.1(i), 5.8, 5.10, and any provisions hereof, the amendment, modification, termination or waiver of which would adversely and disproportionately affect JJDC's rights or obligations hereunder, may not be amended, modified, terminated or waived with respect to JJDC without the written consent of JJDC, (v) this clause (v) and Sections 1.1, 1.6, 4.1(d), 4.1(i) and 5.8 may not be amended, modified, terminated or waived with respect to ARCH without the written consent of ARCH, (vi) this clause (vi) and Sections 1.1, 1.6, 1.8, 4.1(i) and 5.8 may not be amended, modified, terminated or waived with respect to Cormorant without the written consent of Cormorant; (vii) this clause (vii) and Sections 1.1, 1.6, 1.42, 4.1(i) and 5.8 may not be amended, modified, terminated or waived with respect to Sofinnova without the written consent of Sofinnova; (viii) this clause (viii) and Sections 1.1, 1.6, 1.45, 1.46, 4.1(i) and 5.8 may not be amended, modified, terminated or waived with respect to the T. Rowe Price Investors without the written consent of the T. Rowe Price Investors holding a majority of the Registrable Securities held by the T. Rowe Price Investors; (ix) this clause (ix) and Sections 1.1, 1.6, 1.19, 4.1(i) and 5.8 may not be amended, modified, terminated or waived with respect to GS without the written consent of GS; and (x) this clause (x) and Sections 1.1, 1.6, 1.44, 4.1(i) and 5.8 may not be amended, modified, terminated or waived with respect to Surveyor without the written consent of Surveyor; (xi) this clause (xi) and Sections 1.1, 1.6, 1.14, 1.15, 3, 4.1(i) and 5.8 may not be amended, modified, terminated or waived with respect to the Fidelity Investors without the written consent of the Fidelity Investors holding a majority of the Registrable Securities held by the Fidelity Investors; (xii) this clause (xii) and Sections 1.1, 1.6, 4.1(i) and 5.8 may not be amended, modified, terminated or waived with respect to the Capital Group Investors without the written consent of the Capital Group Investor; (xiii) this clause (xiii) and Section 1.6 may not be amended, modified, terminated or waived with respect to Perceptive without the written consent of Perceptive; and (xiv) if any amendment, modification, termination or waiver of this clause (xiv) or Section 1.24 would result in any Major Investor becoming ineligible for Major Investor status, then such amendment, modification, termination or waiver shall require the written consent of such Major Investor. Notwithstanding the foregoing, Schedule A hereto may be amended by the Company from time to time to add transferees of any Registrable Securities in compliance with the terms of this Agreement without the consent of the other parties; and Schedule A hereto may also be amended by the Company after the date of this Agreement without the consent of the other parties to add information regarding any additional Investor who becomes a party to this Agreement in accordance with Section 6.9. The Company shall give prompt notice of any amendment or termination hereof or waiver hereunder to any party hereto that did not consent in writing to such amendment, modification, termination, or waiver. Any amendment, modification, termination, or waiver effected in accordance with this Section 6.6 shall be binding on all parties hereto, regardless of whether any such party has consented thereto. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision.

6.7 Severability. In case any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and such invalid, illegal, or unenforceable provision shall be reformed and construed so that it will be valid, legal, and enforceable to the maximum extent permitted by law.

6.8 Aggregation of Stock. All shares of Registrable Securities held or acquired by Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement and such Affiliated Persons may apportion such rights as among themselves in any manner they deem appropriate.

6.9 Additional Investors. Notwithstanding anything to the contrary contained herein, if after the date hereof the Company issues additional shares of the Series B Preferred Stock to a Person who is not already a party to this Agreement (any such Person, a “**New Investor**”), as a condition to the issuance of such shares the Company shall require that such New Investor become a party to this Agreement by executing and delivering a counterpart signature page or joinder agreement to this Agreement, and thereafter shall be deemed an “Investor” for all purposes hereunder. No action or consent by the Investors shall be required for such joinder to this Agreement by such additional Investor, so long as such additional Investor has agreed in writing to be bound by all of the obligations as an “Investor” hereunder. Schedule A to this Agreement shall be updated to reflect the issuance of Series B Preferred Stock to a New Investor. Further, notwithstanding anything to the contrary contained herein, the rights and obligations of each Fidelity Investor and of Sofinnova under this Agreement shall only become effective upon such Investor’s purchase of the shares of Series B Preferred Stock pursuant to Section 1.2(b) of the Purchase Agreement.

6.10 Entire Agreement. This Agreement (including any Schedules and Exhibits hereto) constitutes the full and entire understanding and agreement among the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties is expressly canceled. Upon the effectiveness of this Agreement, the Prior Agreement shall be deemed amended and restated and superseded and replaced in its entirety by this Agreement, and shall be of no further force and effect.

6.11 Submission to Jurisdiction. The parties hereto submit to the exclusive jurisdiction of any federal or state court located within the Commonwealth of Massachusetts over any dispute arising out of or relating to the Agreement or any of the transactions contemplated hereby and each party hereby agrees that all claims in respect of such dispute or any suit, action or proceeding related thereto may be heard and determined in such courts. The parties waive, to the fullest extent permitted by applicable law, any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute. Each of the parties hereto agrees that a judgment in any such dispute may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law.

WAIVER OF JURY TRIAL: EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE OTHER TRANSACTION AGREEMENTS, THE SECURITIES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

6.12 Delays or Omissions. Except as set forth in Section 2.12(c) (with respect to the Company’s failure to object promptly to a transfer), no delay or omission to exercise any right, power, or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power, or remedy of such nonbreaching or nondefaulting party, nor

shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

**COMPANY:**

**RAPPORT THERAPEUTICS, INC.**

By: /s/ Abraham N. Ceesay

\_\_\_\_\_  
Name: Abraham N. Ceesay

Title: Chief Executive Officer

**RAPPORT THERAPEUTICS, INC.**  
**2022 STOCK OPTION AND GRANT PLAN**

**SECTION 1. GENERAL PURPOSE OF THE PLAN; DEFINITIONS**

The name of the plan is the Rapport Therapeutics, Inc. 2022 Stock Option and Grant Plan (the “Plan”). The purpose of the Plan is to encourage and enable the officers, employees, directors, Consultants and other key persons of Rapport Therapeutics, Inc., a Delaware corporation (including any successor entity, the “Company”) and its Subsidiaries, upon whose judgment, initiative and efforts the Company largely depends for the successful conduct of its business, to acquire a proprietary interest in the Company.

The following terms shall be defined as set forth below:

“*Affiliate*” of any Person means a Person that directly or indirectly, through one or more intermediaries, controls, is controlled by or is under common control with the first mentioned Person. A Person shall be deemed to control another Person if such first Person possesses directly or indirectly the power to direct, or cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, by contract or otherwise.

“*Award*” or “*Awards*,” except where referring to a particular category of grant under the Plan, shall include Incentive Stock Options, Non-Qualified Stock Options, Restricted Stock Awards, Unrestricted Stock Awards, Restricted Stock Units or any combination of the foregoing.

“*Award Agreement*” means a written or electronic agreement setting forth the terms and provisions applicable to an Award granted under the Plan. Each Award Agreement may contain terms and conditions in addition to those set forth in the Plan; *provided, however*, in the event of any conflict in the terms of the Plan and the Award Agreement, the terms of the Plan shall govern.

“*Board*” means the Board of Directors of the Company.

“*Cause*” shall have the meaning as set forth in the Award Agreement(s). In the case that any Award Agreement does not contain a definition of “Cause,” it shall mean (i) the grantee’s dishonest statements or acts with respect to the Company or any Affiliate of the Company, or any current or prospective customers, suppliers vendors or other third parties with which such entity does business; (ii) the grantee’s commission of (A) a felony or (B) any misdemeanor involving moral turpitude, deceit, dishonesty or fraud; (iii) the grantee’s failure to perform his assigned duties and responsibilities to the reasonable satisfaction of the Company which failure continues, in the reasonable judgment of the Company, after written notice given to the grantee by the Company; (iv) the grantee’s gross negligence, willful misconduct or insubordination with respect to the Company or any Affiliate of the Company; or (v) the grantee’s material violation of any provision of any agreement(s) between the grantee and the Company relating to noncompetition, nonsolicitation, nondisclosure and/or assignment of inventions.

“*Chief Executive Officer*” means the Chief Executive Officer of the Company or, if there is no Chief Executive Officer, then the President of the Company.

“*Code*” means the Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.

“*Committee*” means the Committee of the Board referred to in Section 2.

“*Consultant*” means any natural person that provides bona fide services to the Company (including a Subsidiary), and such services are not in connection with the offer or sale of securities in a capital-raising transaction and do not directly or indirectly promote or maintain a market for the Company’s securities.

“*Disability*” means “disability” as defined in Section 422(c) of the Code.

“*Effective Date*” means the date on which the Plan is adopted as set forth on the final page of the Plan.

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

“*Fair Market Value*” of the Stock on any given date means the fair market value of the Stock determined in good faith by the Committee based on the reasonable application of a reasonable valuation method not inconsistent with Section 409A of the Code. If the Stock is admitted to trade on a national securities exchange, the determination shall be made by reference to the closing price reported on such exchange. If there is no closing price for such date, the determination shall be made by reference to the last date preceding such date for which there is a closing price. If the date for which Fair Market Value is determined is the first day when trading prices for the Stock are reported on a national securities exchange, the Fair Market Value shall be the “Price to the Public” (or equivalent) set forth on the cover page for the final prospectus relating to the Company’s Initial Public Offering.

“*Good Reason*” shall have the meaning as set forth in the Award Agreement(s). In the case that any Award Agreement does not contain a definition of “Good Reason,” it shall mean (i) a material diminution in the grantee’s base salary except for across-the-board salary reductions similarly affecting all or substantially all similarly situated employees of the Company or (ii) a change of more than 50 miles in the geographic location at which the grantee provides services to the Company, so long as the grantee provides at least 90 days notice to the Company following the initial occurrence of any such event and the Company fails to cure such event within 30 days thereafter.

“*Grant Date*” means the date that the Committee designates in its approval of an Award in accordance with applicable law as the date on which the Award is granted, which date may not precede the date of such Committee approval.

“*Holder*” means, with respect to an Award or any Shares, the Person holding such Award or Shares, including the initial recipient of the Award or any Permitted Transferee.

“*Incentive Stock Option*” means any Stock Option designated and qualified as an “incentive stock option” as defined in Section 422 of the Code.

“*Initial Public Offering*” means the consummation of the first firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act covering the offer and sale by the Company of its equity securities, as a result of or following which the Stock shall be publicly held.

“*Non-Qualified Stock Option*” means any Stock Option that is not an Incentive Stock Option.

“*Option*” or “*Stock Option*” means any option to purchase shares of Stock granted pursuant to Section 5.

“*Permitted Transferees*” shall mean any of the following to whom a Holder may transfer Shares hereunder (as set forth in Section 9(a)(ii)(A)): the Holder’s child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including adoptive relationships, any person sharing the Holder’s household (other than a tenant or employee), a trust in which these persons have more than fifty percent of the beneficial interest, a foundation in which these persons control the management of assets, and any other entity in which these persons own more than fifty percent of the voting interests; *provided, however*, that any such trust does not require or permit distribution of any Shares during the term of the Award Agreement unless subject to its terms. Upon the death of the Holder, the term Permitted Transferees shall also include such deceased Holder’s estate, executors, administrators, personal representatives, heirs, legatees and distributees, as the case may be.

“*Person*” shall mean any individual, corporation, partnership (limited or general), limited liability company, limited liability partnership, association, trust, joint venture, unincorporated organization or any similar entity.

“*Restricted Stock Award*” means Awards granted pursuant to Section 6 and “*Restricted Stock*” means Shares issued pursuant to such Awards.

“*Restricted Stock Unit*” means an Award of phantom stock units to a grantee, which may be settled in cash or Shares as determined by the Committee, pursuant to Section 8.

“*Sale Event*” means the consummation of (i) the dissolution or liquidation of the Company, (ii) the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, (iii) a merger, reorganization or consolidation pursuant to which the holders of the Company’s outstanding voting power immediately prior to such transaction do not own a majority of the outstanding voting power of the surviving or resulting entity (or its ultimate parent, if applicable), (iv) the acquisition of all or a majority of the outstanding voting stock of the Company in a single transaction or a series of related transactions by a Person or group of Persons, or (v) any other acquisition of the business of the Company, as determined by the Board; *provided, however*, that the Company’s Initial Public Offering, any subsequent public offering or another capital raising event, or a merger effected solely to change the Company’s domicile shall not constitute a “Sale Event.”

“*Section 409A*” means Section 409A of the Code and the regulations and other guidance promulgated thereunder.

“*Securities Act*” means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

“*Service Relationship*” means any relationship as a full-time employee, part-time employee, director or other key person (including Consultants) of the Company or any Subsidiary or any successor entity (e.g., a Service Relationship shall be deemed to continue without interruption in the event an individual’s status changes from full-time employee to part-time employee or Consultant).

“*Shares*” means shares of Stock.

“*Stock*” means the Common Stock, par value \$0.001 per share, of the Company.

“*Subsidiary*” means any corporation or other entity (other than the Company) in which the Company has more than a 50 percent interest, either directly or indirectly.

“*Ten Percent Owner*” means an employee who owns or is deemed to own (by reason of the attribution rules of Section 424(d) of the Code) more than 10 percent of the combined voting power of all classes of stock of the Company or any parent of the Company or any Subsidiary.

“*Termination Event*” means the termination of the Award recipient’s Service Relationship with the Company and its Subsidiaries for any reason whatsoever, regardless of the circumstances thereof, and including, without limitation, upon death, disability, retirement, discharge or resignation for any reason, whether voluntarily or involuntarily. The following shall not constitute a Termination Event: (i) a transfer to the service of the Company from a Subsidiary or from the Company to a Subsidiary, or from one Subsidiary to another Subsidiary or (ii) an approved leave of absence for military service or sickness, or for any other purpose approved by the Committee, if the individual’s right to re-employment is guaranteed either by a statute or by contract or under the policy pursuant to which the leave of absence was granted or if the Committee otherwise so provides in writing.

“*Unrestricted Stock Award*” means any Award granted pursuant to Section 7 and “*Unrestricted Stock*” means Shares issued pursuant to such Awards.

## SECTION 2. ADMINISTRATION OF PLAN; COMMITTEE AUTHORITY TO SELECT GRANTEES AND DETERMINE AWARDS

(a) Administration of Plan. The Plan shall be administered by the Board, or at the discretion of the Board, by a committee of the Board, comprised of not less than two directors. All references herein to the “Committee” shall be deemed to refer to the group then responsible for administration of the Plan at the relevant time (i.e., either the Board of Directors or a committee or committees of the Board, as applicable).



(b) Powers of Committee. The Committee shall have the power and authority to grant Awards consistent with the terms of the Plan, including the power and authority:

(i) to select the individuals to whom Awards may from time to time be granted;

(ii) to determine the time or times of grant, and the amount, if any, of Incentive Stock Options, Non-Qualified Stock Options, Restricted Stock Awards, Unrestricted Stock Awards, Restricted Stock Units, or any combination of the foregoing, granted to any one or more grantees;

(iii) to determine the number of Shares to be covered by any Award and, subject to the provisions of the Plan, the price, exercise price, conversion ratio or other price relating thereto;

(iv) to determine and, subject to Section 12, to modify from time to time the terms and conditions, including restrictions, not inconsistent with the terms of the Plan, of any Award, which terms and conditions may differ among individual Awards and grantees, and to approve the form of Award Agreements;

(v) to accelerate at any time the exercisability or vesting of all or any portion of any Award;

(vi) to impose any limitations on Awards, including limitations on transfers, repurchase provisions and the like, and to exercise repurchase rights or obligations;

(vii) subject to Section 5(a)(ii) and any restrictions imposed by Section 409A, to extend at any time the period in which Stock Options may be exercised; and

(viii) at any time to adopt, alter and repeal such rules, guidelines and practices for administration of the Plan and for its own acts and proceedings as it shall deem advisable; to interpret the terms and provisions of the Plan and any Award (including Award Agreements); to make all determinations it deems advisable for the administration of the Plan; to decide all disputes arising in connection with the Plan; and to otherwise supervise the administration of the Plan.

All decisions and interpretations of the Committee shall be binding on all persons, including the Company and all Holders.

(c) Award Agreement. Awards under the Plan shall be evidenced by Award Agreements that set forth the terms, conditions and limitations for each Award.

(d) Indemnification. Neither the Board nor the Committee, nor any member of either or any delegate thereof, shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with the Plan, and the members of the Board and the Committee (and any delegate thereof) shall be entitled in all cases to indemnification and reimbursement by the Company in respect of any claim, loss, damage or expense (including, without limitation, reasonable attorneys' fees) arising or resulting therefrom to the fullest extent permitted by law and/or under the Company's governing documents, including its certificate of incorporation or bylaws, or any directors' and officers' liability insurance coverage which may be in effect from time to time and/or any indemnification agreement between such individual and the Company.

(e) Foreign Award Recipients. Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in other countries in which the Company and any Subsidiary operate or have employees or other individuals eligible for Awards, the Committee, in its sole discretion, shall have the power and authority to: (i) determine which Subsidiaries, if any, shall be covered by the Plan; (ii) determine which individuals, if any, outside the United States are eligible to participate in the Plan; (iii) modify the terms and conditions of any Award granted to individuals outside the United States to comply with applicable foreign laws; (iv) establish subplans and modify exercise procedures and other terms and procedures, to the extent the Committee determines such actions to be necessary or advisable (and such subplans and/or modifications shall be attached to the Plan as appendices); provided, however, that no such subplans and/or modifications shall increase the share limitation contained in Section 3(a) hereof; and (v) take any action, before or after an Award is made, that the Committee determines to be necessary or advisable to obtain approval or comply with any local governmental regulatory exemptions or approvals.

### SECTION 3. STOCK ISSUABLE UNDER THE PLAN; MERGERS AND OTHER TRANSACTIONS; SUBSTITUTION

(a) Stock Issuable. The maximum number of Shares reserved and available for issuance under the Plan shall be [2,750,000] Shares, subject to adjustment as provided in Section 3(b). For purposes of this limitation, the Shares underlying any Awards that are forfeited, canceled, reacquired by the Company prior to vesting, satisfied without the issuance of Stock or otherwise terminated (other than by exercise) and Shares that are withheld upon exercise of an Option or settlement of an Award to cover the exercise price or tax withholding shall be added back to the Shares available for issuance under the Plan. Subject to such overall limitations, Shares may be issued up to such maximum number pursuant to any type or types of Award, and no more than [27,500,000] Shares may be issued pursuant to Incentive Stock Options. The Shares available for issuance under the Plan may be authorized but unissued Shares or Shares reacquired by the Company.

(b) Changes in Stock. Subject to Section 3(c) hereof, if, as a result of any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Company's capital stock, the outstanding Shares are increased or decreased or are exchanged for a different number or kind of shares or other securities of the Company, or additional Shares or new or different shares or other securities of the Company or other non-cash assets are distributed with respect to such Shares or other securities, in each case, without the receipt of consideration by the Company, or, if, as a result of any merger or consolidation, or sale of all or substantially all of the assets of the Company, the outstanding Shares are converted into or exchanged for other securities of the Company or any successor entity (or a parent or subsidiary thereof), the Committee shall make an appropriate and proportionate adjustment in (i) the maximum number of Shares reserved for issuance under the Plan, (ii) the number and kind of Shares or other securities subject to any then outstanding Awards under the Plan, (iii) the repurchase price, if any, per Share subject to each outstanding Award, and (iv) the exercise price for each Share subject to any then outstanding Stock Options under the Plan, without changing the aggregate exercise price (i.e., the exercise price multiplied by the number of Stock Options) as to which such Stock Options remain exercisable. The Committee shall in any event make such adjustments as may be required by Section 25102(o) of the California Corporation Code

and the rules and regulations promulgated thereunder. The adjustment by the Committee shall be final, binding and conclusive. No fractional Shares shall be issued under the Plan resulting from any such adjustment, but the Committee in its discretion may make a cash payment in lieu of fractional shares.

(c) Sale Events.

(i) Options.

(A) In the case of and subject to the consummation of a Sale Event, the Plan and all outstanding Options issued hereunder shall terminate upon the effective time of any such Sale Event unless assumed or continued by the successor entity, or new stock options or other awards of the successor entity or parent thereof are substituted therefor, with an equitable or proportionate adjustment as to the number and kind of shares and, if appropriate, the per share exercise prices, as such parties shall agree (after taking into account any acceleration hereunder and/or pursuant to the terms of any Award Agreement).

(B) In the event of the termination of the Plan and all outstanding Options issued hereunder pursuant to Section 3(c), each Holder of Options shall be permitted, within a period of time prior to the consummation of the Sale Event as specified by the Committee, to exercise all such Options which are then exercisable or will become exercisable as of the effective time of the Sale Event; *provided, however*, that the exercise of Options not exercisable prior to the Sale Event shall be subject to the consummation of the Sale Event.

(C) Notwithstanding anything to the contrary in Section 3(c)(i)(A), in the event of a Sale Event, the Company shall have the right, but not the obligation, to make or provide for a cash payment to the Holders of Options, without any consent of the Holders, in exchange for the cancellation thereof, in an amount equal to the difference between (A) the value as determined by the Committee of the consideration payable per share of Stock pursuant to the Sale Event (the "Sale Price") times the number of Shares subject to outstanding Options being cancelled (to the extent then vested and exercisable, including by reason of acceleration in connection with such Sale Event, at prices not in excess of the Sale Price) and (B) the aggregate exercise price of all such outstanding vested and exercisable Options.

(ii) Restricted Stock and Restricted Stock Unit Awards.

(A) In the case of and subject to the consummation of a Sale Event, all unvested Restricted Stock and unvested Restricted Stock Unit Awards (other than those becoming vested as a result of the Sale Event) issued hereunder shall be forfeited immediately prior to the effective time of any such Sale Event unless assumed or continued by the successor entity, or awards of the successor entity or parent thereof are substituted therefor, with an equitable or proportionate adjustment as to the number and kind of shares subject to such awards as such parties shall agree (after taking into account any acceleration hereunder and/or pursuant to the terms of any Award Agreement).

(B) In the event of the forfeiture of Restricted Stock pursuant to Section 3(c)(ii)(A), such Restricted Stock shall be repurchased from the Holder thereof at a price per share equal to the original per share purchase price paid by the Holder (subject to adjustment as provided in Section 3(b)) for such Shares.

(C) Notwithstanding anything to the contrary in Section 3(c)(ii)(A), in the event of a Sale Event, the Company shall have the right, but not the obligation, to make or provide for a cash payment to the Holders of Restricted Stock or Restricted Stock Unit Awards, without consent of the Holders, in exchange for the cancellation thereof, in an amount equal to the Sale Price times the number of Shares subject to such Awards, to be paid at the time of such Sale Event or upon the later vesting of such Awards.

#### SECTION 4. ELIGIBILITY

Grantees under the Plan will be such full or part-time officers and other employees, directors, Consultants and key persons of the Company and any Subsidiary who are selected from time to time by the Committee in its sole discretion; provided, however, that Awards shall be granted only to those individuals described in Rule 701(c) of the Securities Act.

#### SECTION 5. STOCK OPTIONS

Upon the grant of a Stock Option, the Company and the grantee shall enter into an Award Agreement. The terms and conditions of each such Award Agreement shall be determined by the Committee, and such terms and conditions may differ among individual Awards and grantees.

Stock Options granted under the Plan may be either Incentive Stock Options or Non-Qualified Stock Options. Incentive Stock Options may be granted only to employees of the Company or any Subsidiary that is a “subsidiary corporation” within the meaning of Section 424(f) of the Code. To the extent that any Option does not qualify as an Incentive Stock Option, it shall be deemed a Non-Qualified Stock Option.

(a) Terms of Stock Options. The Committee in its discretion may grant Stock Options to those individuals who meet the eligibility requirements of Section 4. Stock Options shall be subject to the following terms and conditions and shall contain such additional terms and conditions, not inconsistent with the terms of the Plan, as the Committee shall deem desirable.

(i) Exercise Price. The exercise price per share for the Shares covered by a Stock Option shall be determined by the Committee at the time of grant but shall not be less than 100 percent of the Fair Market Value on the Grant Date. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the exercise price per share for the Shares covered by such Incentive Stock Option shall not be less than 110 percent of the Fair Market Value on the Grant Date.

(ii) Option Term. The term of each Stock Option shall be fixed by the Committee, but no Stock Option shall be exercisable more than ten years from the Grant Date. In the case of an Incentive Stock Option that is granted to a Ten Percent Owner, the term of such Stock Option shall be no more than five years from the Grant Date.

(iii) Exercisability; Rights of a Stockholder. Stock Options shall become exercisable and/or vested at such time or times, whether or not in installments, as shall be determined by the Committee at or after the Grant Date. The Award Agreement may permit a grantee to exercise all or a portion of a Stock Option immediately at grant; provided that the Shares issued upon such exercise shall be subject to restrictions and a vesting schedule identical to the vesting schedule of the related Stock Option, such Shares shall be deemed to be Restricted Stock for purposes of the Plan, and the optionee may be required to enter into an additional or new Award Agreement as a condition to exercise of such Stock Option. An optionee shall have the rights of a stockholder only as to Shares acquired upon the exercise of a Stock Option and not as to unexercised Stock Options. An optionee shall not be deemed to have acquired any Shares unless and until a Stock Option shall have been exercised pursuant to the terms of the Award Agreement and this Plan and the optionee's name has been entered on the books of the Company as a stockholder.

(iv) Method of Exercise. Stock Options may be exercised by an optionee in whole or in part, by the optionee giving written or electronic notice of exercise to the Company, specifying the number of Shares to be purchased. Payment of the purchase price may be made by one or more of the following methods (or any combination thereof) to the extent provided in the Award Agreement:

(A) In cash, by certified or bank check, by wire transfer of immediately available funds, or other instrument acceptable to the Committee;

(B) If permitted by the Committee, by the optionee delivering to the Company a promissory note, if the Board has expressly authorized the loan of funds to the optionee for the purpose of enabling or assisting the optionee to effect the exercise of his or her Stock Option; provided, that at least so much of the exercise price as represents the par value of the Stock shall be paid in cash if required by state law;

(C) If permitted by the Committee and the Initial Public Offering has occurred (or the Stock otherwise becomes publicly-traded), through the delivery (or attestation to the ownership) of Shares that have been purchased by the optionee on the open market or that are beneficially owned by the optionee and are not then subject to restrictions under any Company plan. To the extent required to avoid variable accounting treatment under ASC 718 or other applicable accounting rules, such surrendered Shares if originally purchased from the Company shall have been owned by the optionee for at least six months. Such surrendered Shares shall be valued at Fair Market Value on the exercise date;

(D) If permitted by the Committee and the Initial Public Offering has occurred (or the Stock otherwise becomes publicly-traded), by the optionee delivering to the Company a properly executed exercise notice together with irrevocable instructions to a broker to promptly deliver to the Company cash or a check payable and acceptable to the Company for the purchase price; provided that in the event the optionee chooses to pay the purchase price as so provided, the optionee and the broker shall comply with such procedures and enter into such agreements of indemnity and other agreements as the Committee shall prescribe as a condition of such payment procedure; or

(E) If permitted by the Committee, and only with respect to Stock Options that are not Incentive Stock Options, by a “net exercise” arrangement pursuant to which the Company will reduce the number of Shares issuable upon exercise by the largest whole number of Shares with a Fair Market Value that does not exceed the aggregate exercise price.

Payment instruments will be received subject to collection. No certificates for Shares so purchased will be issued to the optionee or, with respect to uncertificated Stock, no transfer to the optionee on the records of the Company will take place, until the Company has completed all steps it has deemed necessary to satisfy legal requirements relating to the issuance and sale of the Shares, which steps may include, without limitation, (i) receipt of a representation from the optionee at the time of exercise of the Option that the optionee is purchasing the Shares for the optionee’s own account and not with a view to any sale or distribution of the Shares or other representations relating to compliance with applicable law governing the issuance of securities, (ii) the legending of the certificate (or notation on any book entry) representing the Shares to evidence the foregoing restrictions, and (iii) obtaining from optionee payment or provision for all withholding taxes due as a result of the exercise of the Option. The delivery of certificates representing the shares of Stock (or the transfer to the optionee on the records of the Company with respect to uncertificated Stock) to be purchased pursuant to the exercise of a Stock Option will be contingent upon (A) receipt from the optionee (or a purchaser acting in his or her stead in accordance with the provisions of the Stock Option) by the Company of the full purchase price for such Shares and the fulfillment of any other requirements contained in the Award Agreement or applicable provisions of laws and (B) if required by the Company, the optionee shall have entered into any stockholders agreements or other agreements with the Company and/or certain other of the Company’s stockholders relating to the Stock. In the event an optionee chooses to pay the purchase price by previously-owned Shares through the attestation method, the number of Shares transferred to the optionee upon the exercise of the Stock Option shall be net of the number of Shares attested to.

(b) Annual Limit on Incentive Stock Options. To the extent required for “incentive stock option” treatment under Section 422 of the Code, the aggregate Fair Market Value (determined as of the Grant Date) of the Shares with respect to which Incentive Stock Options granted under the Plan and any other plan of the Company or its parent and any Subsidiary that become exercisable for the first time by an optionee during any calendar year shall not exceed \$100,000 or such other limit as may be in effect from time to time under Section 422 of the Code. To the extent that any Stock Option exceeds this limit, it shall constitute a Non-Qualified Stock Option.

(c) Termination. Any portion of a Stock Option that is not vested and exercisable on the date of termination of an optionee’s Service Relationship shall immediately expire and be null and void. Once any portion of the Stock Option becomes vested and exercisable, the optionee’s right to exercise such portion of the Stock Option (or the optionee’s representatives and legatees as applicable) in the event of a termination of the optionee’s Service Relationship shall continue until the earliest of: (i) the date which is: (A) 12 months following the date on which the optionee’s Service Relationship terminates due to death or Disability (or such longer period of time as determined by the Committee and set forth in the applicable Award Agreement), or (B) three months following the date on which the optionee’s Service Relationship terminates if the termination is due to any reason other than death or Disability (or such longer period of time as

determined by the Committee and set forth in the applicable Award Agreement), or (ii) the Expiration Date set forth in the Award Agreement; provided that notwithstanding the foregoing, an Award Agreement may provide that if the optionee's Service Relationship is terminated for Cause, the Stock Option shall terminate immediately and be null and void upon the date of the optionee's termination and shall not thereafter be exercisable.

## SECTION 6. RESTRICTED STOCK AWARDS

(a) Nature of Restricted Stock Awards. The Committee may, in its sole discretion, grant (or sell at par value or such other purchase price determined by the Committee) to an eligible individual under Section 4 hereof a Restricted Stock Award under the Plan. The Committee shall determine the restrictions and conditions applicable to each Restricted Stock Award at the time of grant. Conditions may be based on continuing employment (or other Service Relationship), achievement of pre-established performance goals and objectives and/or such other criteria as the Committee may determine. Upon the grant of a Restricted Stock Award, the Company and the grantee shall enter into an Award Agreement. The terms and conditions of each such Award Agreement shall be determined by the Committee, and such terms and conditions may differ among individual Awards and grantees.

(b) Rights as a Stockholder. Upon the grant of the Restricted Stock Award and payment of any applicable purchase price, a grantee of Restricted Stock shall be considered the record owner of and shall be entitled to vote the Restricted Stock if, and to the extent, such Shares are entitled to voting rights, subject to such conditions contained in the Award Agreement. The grantee shall be entitled to receive all dividends and any other distributions declared on the Shares; provided, however, that the Company is under no duty to declare any such dividends or to make any such distribution. Unless the Committee shall otherwise determine, certificates evidencing the Restricted Stock shall remain in the possession of the Company until such Restricted Stock is vested as provided in subsection (d) below of this Section, and the grantee shall be required, as a condition of the grant, to deliver to the Company a stock power endorsed in blank and such other instruments of transfer as the Committee may prescribe.

(c) Restrictions. Restricted Stock may not be sold, assigned, transferred, pledged or otherwise encumbered or disposed of except as specifically provided herein or in the Award Agreement. Except as may otherwise be provided by the Committee either in the Award Agreement or, subject to Section 12 below, in writing after the Award Agreement is issued, if a grantee's Service Relationship with the Company and any Subsidiary terminates, the Company or its assigns shall have the right, as may be specified in the relevant instrument, to repurchase some or all of the Shares subject to the Award at such purchase price as is set forth in the Award Agreement.

(d) Vesting of Restricted Stock. The Committee at the time of grant shall specify in the Award Agreement the date or dates and/or the attainment of pre-established performance goals, objectives and other conditions on which the substantial risk of forfeiture imposed shall lapse and the Restricted Stock shall become vested, subject to such further rights of the Company or its assigns as may be specified in the Award Agreement.

## SECTION 7. UNRESTRICTED STOCK AWARDS

The Committee may, in its sole discretion, grant (or sell at par value or such other purchase price determined by the Committee) to an eligible person under Section 4 hereof an Unrestricted Stock Award under the Plan. Unrestricted Stock Awards may be granted in respect of past services or other valid consideration, or in lieu of cash compensation due to such grantee.

## SECTION 8. RESTRICTED STOCK UNITS

(a) Nature of Restricted Stock Units. The Committee may, in its sole discretion, grant to an eligible person under Section 4 hereof Restricted Stock Units under the Plan. The Committee shall determine the restrictions and conditions applicable to each Restricted Stock Unit at the time of grant. Vesting conditions may be based on continuing employment (or other Service Relationship), achievement of pre-established performance goals and objectives and/or other such criteria as the Committee may determine. Upon the grant of Restricted Stock Units, the grantee and the Company shall enter into an Award Agreement. The terms and conditions of each such Award Agreement shall be determined by the Committee and may differ among individual Awards and grantees. On or promptly following the vesting date or dates applicable to any Restricted Stock Unit, but in no event later than March 15 of the year following the year in which such vesting occurs, such Restricted Stock Unit(s) shall be settled in the form of cash or shares of Stock, as specified in the Award Agreement. Restricted Stock Units may not be sold, assigned, transferred, pledged, or otherwise encumbered or disposed of.

(b) Rights as a Stockholder. A grantee shall have the rights of a stockholder only as to Shares, if any, acquired upon settlement of Restricted Stock Units. A grantee shall not be deemed to have acquired any such Shares unless and until the Restricted Stock Units shall have been settled in Shares pursuant to the terms of the Plan and the Award Agreement, the Company shall have issued and delivered a certificate representing the Shares to the grantee (or transferred on the records of the Company with respect to uncertificated stock), and the grantee's name has been entered in the books of the Company as a stockholder.

(c) Termination. Except as may otherwise be provided by the Committee either in the Award Agreement or in writing after the Award Agreement is issued, a grantee's right in all Restricted Stock Units that have not vested shall automatically terminate upon the grantee's cessation of Service Relationship with the Company and any Subsidiary for any reason.

## SECTION 9. TRANSFER RESTRICTIONS; COMPANY RIGHT OF FIRST REFUSAL; COMPANY REPURCHASE RIGHTS

### (a) Restrictions on Transfer.

(i) Non-Transferability of Stock Options. Stock Options and, prior to exercise, the Shares issuable upon exercise of such Stock Option, shall not be transferable by the optionee otherwise than by will, or by the laws of descent and distribution, and all Stock Options shall be exercisable, during the optionee's lifetime, only by the optionee, or by the optionee's legal representative or guardian in the event of the optionee's incapacity. Notwithstanding the foregoing, the Committee, in its sole discretion, may provide in the Award Agreement regarding a given Stock Option that the optionee may transfer by gift, without consideration for the transfer,



his or her Non-Qualified Stock Options to his or her family members (as defined in Rule 701 of the Securities Act), to trusts for the benefit of such family members, or to partnerships in which such family members are the only partners (to the extent such trusts or partnerships are considered “family members” for purposes of Rule 701 of the Securities Act), provided that the transferee agrees in writing with the Company to be bound by all of the terms and conditions of this Plan and the applicable Award Agreement, including the execution of a stock power upon the issuance of Shares. Stock Options, and the Shares issuable upon exercise of such Stock Options, shall be restricted as to any pledge, hypothecation, or other transfer, including any short position, any “put equivalent position” (as defined in the Exchange Act) or any “call equivalent position” (as defined in the Exchange Act) prior to exercise.

(ii) Shares. No Shares shall be sold, assigned, transferred, pledged, hypothecated, given away or in any other manner disposed of or encumbered, whether voluntarily or by operation of law, unless (i) the transfer is in compliance with the terms of the applicable Award Agreement, all applicable securities laws (including, without limitation, the Securities Act), and with the terms and conditions of this Section 9, (ii) the transfer does not cause the Company to become subject to the reporting requirements of the Exchange Act, and (iii) the transferee consents in writing to be bound by the provisions of the Plan and the Award Agreement, including this Section 9. In connection with any proposed transfer, the Committee may require the transferor to provide at the transferor’s own expense an opinion of counsel to the transferor, satisfactory to the Committee, that such transfer is in compliance with all foreign, federal and state securities laws (including, without limitation, the Securities Act). Any attempted transfer of Shares not in accordance with the terms and conditions of this Section 9 shall be null and void, and the Company shall not reflect on its records any change in record ownership of any Shares as a result of any such transfer, shall otherwise refuse to recognize any such transfer and shall not in any way give effect to any such transfer of Shares. The Company shall be entitled to seek protective orders, injunctive relief and other remedies available at law or in equity including, without limitation, seeking specific performance or the rescission of any transfer not made in strict compliance with the provisions of this Section 9. Subject to the foregoing general provisions, and unless otherwise provided in the applicable Award Agreement, Shares may be transferred pursuant to the following specific terms and conditions (provided that with respect to any transfer of Restricted Stock, all vesting and forfeiture provisions shall continue to apply with respect to the original recipient):

(A) Transfers to Permitted Transferees. The Holder may transfer any or all of the Shares to one or more Permitted Transferees; *provided, however*, that following such transfer, such Shares shall continue to be subject to the terms of this Plan (including this Section 9) and such Permitted Transferee(s) shall, as a condition to any such transfer, deliver a written acknowledgment to that effect to the Company and shall deliver a stock power to the Company with respect to the Shares. Notwithstanding the foregoing, the Holder may not transfer any of the Shares to a Person whom the Company reasonably determines is a direct competitor or a potential competitor of the Company or any of its Subsidiaries.

(B) Transfers Upon Death. Upon the death of the Holder, any Shares then held by the Holder at the time of such death and any Shares acquired after the Holder’s death by the Holder’s legal representative shall be subject to the provisions of this Plan, and the Holder’s estate, executors, administrators, personal representatives, heirs, legatees and distributees shall be obligated to convey such Shares to the Company or its assigns under the terms contemplated by the Plan and the Award Agreement.

(b) Right of First Refusal. In the event that a Holder desires at any time to sell or otherwise transfer all or any part of his or her Shares (other than shares of Restricted Stock which by their terms are not transferrable), the Holder first shall give written notice to the Company of the Holder's intention to make such transfer. Such notice shall state the number of Shares that the Holder proposes to sell (the "Offered Shares"), the price and the terms at which the proposed sale is to be made and the name and address of the proposed transferee. At any time within 30 days after the receipt of such notice by the Company, the Company or its assigns may elect to purchase all or any portion of the Offered Shares at the price and on the terms offered by the proposed transferee and specified in the notice. The Company or its assigns shall exercise this right by mailing or delivering written notice to the Holder within the foregoing 30-day period. If the Company or its assigns elect to exercise its purchase rights under this Section 9(b), the closing for such purchase shall, in any event, take place within 45 days after the receipt by the Company of the initial notice from the Holder. In the event that the Company or its assigns do not elect to exercise such purchase right, or in the event that the Company or its assigns do not pay the full purchase price within such 45-day period, the Holder shall be required to pay a transaction processing fee of \$10,000 to the Company (unless waived by the Committee) and then may, within 60 days thereafter, sell the Offered Shares to the proposed transferee and at the same price and on the same terms as specified in the Holder's notice. Any Shares not sold to the proposed transferee shall remain subject to the Plan. If the Holder is a party to any stockholders agreements or other agreements with the Company and/or certain other of the Company's stockholders relating to the Shares, (i) the transferring Holder shall comply with the requirements of such stockholders agreements or other agreements relating to any proposed transfer of the Offered Shares, and (ii) any proposed transferee that purchases Offered Shares shall enter into such stockholders agreements or other agreements with the Company and/or certain of the Company's stockholders relating to the Offered Shares on the same terms and in the same capacity as the transferring Holder.

(c) Company's Right of Repurchase.

(i) Right of Repurchase for Unvested Shares Issued Upon the Exercise of an Option. Upon a Termination Event, the Company or its assigns shall have the right and option to repurchase from a Holder of Shares acquired upon exercise of a Stock Option which are still subject to a risk of forfeiture as of the Termination Event. Such repurchase rights may be exercised by the Company within the later of (A) six months following the date of such Termination Event or (B) seven months after the acquisition of Shares upon exercise of a Stock Option. The repurchase price shall be equal to the lower of the original per share price paid by the Holder, subject to adjustment as provided in Section 3(b) of the Plan, or the current Fair Market Value of such Shares as of the date the Company elects to exercise its repurchase rights.

(ii) Right of Repurchase With Respect to Restricted Stock. Upon a Termination Event, the Company or its assigns shall have the right and option to repurchase from a Holder of Shares received pursuant to a Restricted Stock Award any Shares that are still subject to a risk of forfeiture as of the Termination Event. Such repurchase right may be exercised by the Company within six months following the date of such Termination Event. The repurchase price shall be the lower of the original per share purchase price paid by the Holder, subject to adjustment as provided in Section 3(b) of the Plan, or the current Fair Market Value of such Shares as of the date the Company elects to exercise its repurchase rights.

(iii) Procedure. Any repurchase right of the Company shall be exercised by the Company or its assigns by giving the Holder written notice on or before the last day of the repurchase period of its intention to exercise such repurchase right. Upon such notification, the Holder shall promptly surrender to the Company, free and clear of any liens or encumbrances, any certificates representing the Shares being purchased, together with a duly executed stock power for the transfer of such Shares to the Company or the Company's assignee or assignees. Upon the Company's or its assignee's receipt of the certificates from the Holder, the Company or its assignee or assignees shall deliver to him, her or them a check for the applicable repurchase price; *provided, however*, that the Company may pay the repurchase price by offsetting and canceling any indebtedness then owed by the Holder to the Company.

(d) Drag Along Right. In the event the holders of a majority of the Company's equity securities then outstanding (the "Majority Shareholders") determine to enter into a Sale Event in a bona fide negotiated transaction (a "Sale"), with any non-Affiliate of the Company or any majority shareholder (in each case, the "Buyer"), a Holder of Shares, including any Permitted Transferee, shall be obligated to and shall upon the written request of the Majority Shareholders: (a) sell, transfer and deliver, or cause to be sold, transferred and delivered, to the Buyer, his or her Shares (including for this purpose all of such Holder's Shares that presently or as a result of any such transaction may be acquired upon the exercise of an Option (following the payment of the exercise price therefor)) on substantially the same terms applicable to the Majority Shareholders (with appropriate adjustments to reflect the conversion of convertible securities, the redemption of redeemable securities and the exercise of exercisable securities as well as the relative preferences and priorities of preferred stock); and (b) execute and deliver such instruments of conveyance and transfer and take such other action, including voting such Shares in favor of any Sale proposed by the Majority Shareholders and executing any purchase agreements, merger agreements, indemnity agreements, escrow agreements or related documents as the Majority Shareholders or the Buyer may reasonably require in order to carry out the terms and provisions of this Section 9(d).

(e) Escrow Arrangement.

(i) Escrow. In order to carry out the provisions of this Section 9 of this Plan more effectively, the Company shall hold any Shares issued pursuant to Awards granted under the Plan in escrow together with separate stock powers executed by the Holder in blank for transfer. The Company shall not dispose of the Shares except as otherwise provided in this Plan. In the event of any repurchase by the Company (or any of its assigns), the Company is hereby authorized by the Holder, as the Holder's attorney-in-fact, to date and complete the stock powers necessary for the transfer of the Shares being purchased and to transfer such Shares in accordance with the terms hereof. At such time as any Shares are no longer subject to the Company's repurchase and first refusal rights, the Company shall, at the written request of the Holder, deliver to the Holder a certificate representing such Shares with the balance of the Shares to be held in escrow pursuant to this Section.

(ii) Remedy. Without limitation of any other provision of this Plan or other rights, in the event that a Holder or any other Person is required to sell a Holder's Shares pursuant to the provisions of Sections 9(b) or (c) hereof and in the further event that he or she refuses or for any reason fails to deliver to the Company or its designated purchaser of such Shares the certificate or certificates evidencing such Shares together with a related stock power, the Company or such designated purchaser may deposit the applicable purchase price for such Shares with a bank designated by the Company, or with the Company's independent public accounting firm, as agent or trustee, or in escrow, for such Holder or other Person, to be held by such bank or accounting firm for the benefit of and for delivery to him, her, them or it, and/or, in its discretion, pay such purchase price by offsetting any indebtedness then owed by such Holder as provided above. Upon any such deposit and/or offset by the Company or its designated purchaser of such amount and upon notice to the Person who was required to sell the Shares to be sold pursuant to the provisions of Sections 9(b) or (c), such Shares shall at such time be deemed to have been sold, assigned, transferred and conveyed to such purchaser, such Holder shall have no further rights thereto (other than the right to withdraw the payment thereof held in escrow, if applicable), and the Company shall record such transfer in its stock transfer book or in any appropriate manner.

(f) Lockup Provision. If requested by the Company, a Holder shall not sell or otherwise transfer or dispose of any Shares (including, without limitation, pursuant to Rule 144 under the Securities Act) held by him or her for such period following the effective date of a public offering by the Company of Shares as the Company shall specify reasonably and in good faith. If requested by the underwriter engaged by the Company, each Holder shall execute a separate letter confirming his or her agreement to comply with this Section.

(g) Adjustments for Changes in Capital Structure. If, as a result of any reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Common Stock, the outstanding Shares are increased or decreased or are exchanged for a different number or kind of securities of the Company, the restrictions contained in this Section 9 shall apply with equal force to additional and/or substitute securities, if any, received by Holder in exchange for, or by virtue of his or her ownership of, Shares.

(h) Termination. The terms and provisions of Section 9(b) and Section 9(c) (except for the Company's right to repurchase Shares still subject to a risk of forfeiture upon a Termination Event) shall terminate upon the closing of the Company's Initial Public Offering or upon consummation of any Sale Event, in either case as a result of which Shares are registered under Section 12 of the Exchange Act and publicly-traded on any national security exchange.

#### SECTION 10. TAX WITHHOLDING

(a) Payment by Grantee. Each grantee shall, no later than the date as of which the value of an Award or of any Shares or other amounts received thereunder first becomes includable in the gross income of the grantee for income tax purposes, pay to the Company, or make arrangements satisfactory to the Committee regarding payment of, any Federal, state, or local taxes of any kind required by law to be withheld by the Company with respect to such income. The Company and any Subsidiary shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the grantee. The Company's obligation to deliver stock certificates (or evidence of book entry) to any grantee is subject to and conditioned on any such tax withholding obligations being satisfied by the grantee.

(b) Payment in Stock. The Company's required tax withholding obligation may be satisfied, in whole or in part, by the Company (i) withholding from Shares to be issued pursuant to an Award a number of Shares having an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the withholding amount due or (ii) causing its transfer agent to sell a number of Shares with an aggregate Fair Market Value (as of the date the withholding is effected) that would satisfy the withholding amount due and remitting the proceeds from such sale to the Company.

#### SECTION 11. SECTION 409A AWARDS.

To the extent that any Award is determined to constitute "nonqualified deferred compensation" within the meaning of Section 409A (a "409A Award"), the Award shall be subject to such additional rules and requirements as may be specified by the Committee from time to time. In this regard, if any amount under a 409A Award is payable upon a "separation from service" (within the meaning of Section 409A) to a grantee who is considered a "specified employee" (within the meaning of Section 409A), then no such payment shall be made prior to the date that is the earlier of (i) six months and one day after the grantee's separation from service, or (ii) the grantee's death, but only to the extent such delay is necessary to prevent such payment from being subject to interest, penalties and/or additional tax imposed pursuant to Section 409A. The Company makes no representation or warranty and shall have no liability to any grantee under the Plan or any other Person with respect to any penalties or taxes under Section 409A that are, or may be, imposed with respect to any Award.

#### SECTION 12. AMENDMENTS AND TERMINATION

The Board may, at any time, amend or discontinue the Plan and the Committee may, at any time, amend or cancel any outstanding Award for the purpose of satisfying changes in law or for any other lawful purpose, but no such action shall adversely affect rights under any outstanding Award without the consent of the holder of the Award. The Committee may exercise its discretion to reduce the exercise price of outstanding Stock Options or effect repricing through cancellation of outstanding Stock Options and by granting such holders new Awards in replacement of the cancelled Stock Options. To the extent determined by the Committee to be required either by the Code to ensure that Incentive Stock Options granted under the Plan are qualified under Section 422 of the Code or otherwise, Plan amendments shall be subject to approval by the Company stockholders entitled to vote at a meeting of stockholders. Nothing in this Section 12 shall limit the Board's or Committee's authority to take any action permitted pursuant to Section 3(c). The Board reserves the right to amend the Plan and/or the terms of any outstanding Stock Options to the extent reasonably necessary to comply with the requirements of the exemption pursuant to paragraph (f)(4) of Rule 12h-1 of the Exchange Act.

#### SECTION 13. STATUS OF PLAN

With respect to the portion of any Award that has not been exercised and any payments in cash, Stock or other consideration not received by a grantee, a grantee shall have no rights greater than those of a general creditor of the Company unless the Committee shall otherwise expressly so determine in connection with any Award.

## SECTION 14. GENERAL PROVISIONS

(a) No Distribution; Compliance with Legal Requirements. The Committee may require each person acquiring Shares pursuant to an Award to represent to and agree with the Company in writing that such person is acquiring the Shares without a view to distribution thereof. No Shares shall be issued pursuant to an Award until all applicable securities law and other legal and stock exchange or similar requirements have been satisfied. The Committee may require the placing of such stop-orders and restrictive legends on certificates for Stock and Awards as it deems appropriate.

(b) Delivery of Stock Certificates. Stock certificates to grantees under the Plan shall be deemed delivered for all purposes when the Company or a stock transfer agent of the Company shall have mailed such certificates in the United States mail, addressed to the grantee, at the grantee's last known address on file with the Company; provided that stock certificates to be held in escrow pursuant to Section 9 of the Plan shall be deemed delivered when the Company shall have recorded the issuance in its records. Uncertificated Stock shall be deemed delivered for all purposes when the Company or a stock transfer agent of the Company shall have given to the grantee by electronic mail (with proof of receipt) or by United States mail, addressed to the grantee, at the grantee's last known address on file with the Company, notice of issuance and recorded the issuance in its records (which may include electronic "book entry" records).

(c) No Employment Rights. The adoption of the Plan and the grant of Awards do not confer upon any Person any right to continued employment or Service Relationship with the Company or any Subsidiary.

(d) Trading Policy Restrictions. Option exercises and other Awards under the Plan shall be subject to the Company's insider trading policy-related restrictions, terms and conditions as may be established by the Committee, or in accordance with policies set by the Committee, from time to time.

(e) Designation of Beneficiary. Each grantee to whom an Award has been made under the Plan may designate a beneficiary or beneficiaries to exercise any Award on or after the grantee's death or receive any payment under any Award payable on or after the grantee's death. Any such designation shall be on a form provided for that purpose by the Committee and shall not be effective until received by the Committee. If no beneficiary has been designated by a deceased grantee, or if the designated beneficiaries have predeceased the grantee, the beneficiary shall be the grantee's estate.

(f) Legend. Any certificate(s) representing the Shares shall carry substantially the following legend (and with respect to uncertificated Stock, the book entries evidencing such shares shall contain the following notation):

The transferability of this certificate and the shares of stock represented hereby are subject to the restrictions, terms and conditions (including repurchase and restrictions against transfers) contained in the Rapport Therapeutics, Inc. 2022 Stock Option and Grant Plan and any agreements entered into thereunder by and between the company and the holder of this certificate (a copy of which is available at the offices of the company for examination).

(g) Information to Holders of Options. In the event the Company is relying on the exemption from the registration requirements of Section 12(g) of the Exchange Act contained in paragraph (f)(1) of Rule 12h-1 of the Exchange Act, the Company shall provide the information described in Rule 701(e)(3), (4) and (5) of the Securities Act to all holders of Options in accordance with the requirements thereunder. The foregoing notwithstanding, the Company shall not be required to provide such information unless the option-holder has agreed in writing, on a form prescribed by the Company, to keep such information confidential.

#### SECTION 15. EFFECTIVE DATE OF PLAN

The Plan shall become effective upon adoption by the Board and shall be approved by stockholders in accordance with applicable state law and the Company's articles of incorporation and bylaws within 12 months thereafter. If the stockholders fail to approve the Plan within 12 months after its adoption by the Board of Directors, then any Awards granted or sold under the Plan shall be rescinded and no additional grants or sales shall thereafter be made under the Plan. Subject to such approval by stockholders and to the requirement that no Shares may be issued hereunder prior to such approval, Stock Options and other Awards may be granted hereunder on and after adoption of the Plan by the Board. No grants of Stock Options and other Awards may be made hereunder after the tenth anniversary of the date the Plan is adopted by the Board or the date the Plan is approved by the Company's stockholders, whichever is earlier.

#### SECTION 16. GOVERNING LAW

This Plan, all Awards and any controversy arising out of or relating to this Plan and all Awards shall be governed by and construed in accordance with the General Corporate Law of the State of Delaware as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts, without regard to conflict of law principles that would result in the application of any law other than the law of the Commonwealth of Massachusetts.

DATE ADOPTED BY THE BOARD OF DIRECTORS: December 9, 2022

DATE APPROVED BY THE STOCKHOLDERS: December 9, 2022

**RAPPORT THERAPEUTICS, INC.**  
**AMENDMENT NO. 1 TO THE**  
**2022 STOCK OPTION AND GRANT PLAN**

The Rapport Therapeutics, Inc. 2022 Stock Option and Grant Plan (the “Plan”) is hereby amended by the Board of Directors and stockholders of Rapport Therapeutics, Inc., a Delaware corporation, as follows:

Item (a) of Section 3 of the Plan is hereby amended by deleting it and replacing it with the following:

“(a) Stock Issuable. The maximum number of Shares reserved and available for issuance under the Plan shall be 14,930,852 Shares, subject to adjustment as provided in Section 3(b). For purposes of this limitation, the Shares underlying any Awards that are forfeited, canceled, reacquired by the Company prior to vesting, satisfied without the issuance of Stock or otherwise terminated (other than by exercise) and Shares that are withheld upon exercise of an Option or settlement of an Award to cover the exercise price or tax withholding shall be added back to the Shares available for issuance under the Plan. Subject to such overall limitations, Shares may be issued up to such maximum number pursuant to any type or types of Award, and no more than 14,930,852 Shares may be issued pursuant to Incentive Stock Options. The Shares available for issuance under the Plan may be authorized but unissued Shares or Shares reacquired by the Company.”

ADOPTED BY BOARD OF DIRECTORS: August 7, 2023

ADOPTED BY STOCKHOLDERS: August 7, 2023



**RAPPORT THERAPEUTICS, INC.**  
**AMENDMENT NO. 2 TO THE**  
**2022 STOCK OPTION AND GRANT PLAN**

The Rapport Therapeutics, Inc. 2022 Stock Option and Grant Plan (the “Plan”) is hereby amended by the Board of Directors and stockholders of Rapport Therapeutics, Inc., a Delaware corporation, as follows:

Item (a) of Section 3 of the Plan is hereby amended by deleting it and replacing it with the following:

“(a) Stock Issuable. The maximum number of Shares reserved and available for issuance under the Plan shall be 25,253,829 Shares, subject to adjustment as provided in Section 3(b). For purposes of this limitation, the Shares underlying any Awards that are forfeited, canceled, reacquired by the Company prior to vesting, satisfied without the issuance of Stock or otherwise terminated (other than by exercise) and Shares that are withheld upon exercise of an Option or settlement of an Award to cover the exercise price or tax withholding shall be added back to the Shares available for issuance under the Plan. Subject to such overall limitations, Shares may be issued up to such maximum number pursuant to any type or types of Award, and no more than 25,253,829 Shares may be issued pursuant to Incentive Stock Options. The Shares available for issuance under the Plan may be authorized but unissued Shares or Shares reacquired by the Company.”

ADOPTED BY BOARD OF DIRECTORS:	February 7, 2024
ADOPTED BY STOCKHOLDERS:	February 26, 2024
EFFECTIVE AS OF:	March 19, 2024

**INCENTIVE STOCK OPTION GRANT NOTICE  
UNDER THE RAPPORT THERAPEUTICS, INC.'S  
2022 STOCK OPTION AND GRANT PLAN**

Pursuant to the Rapport Therapeutics, Inc.'s 2022 Stock Option and Grant Plan (the "Plan"), Rapport Therapeutics, Inc., a **Delaware** corporation (together with any successor, the "Company"), has granted to the individual named below, an option (the "Stock Option") to purchase on or prior to the Expiration Date, or such earlier date as is specified herein, all or any part of the number of shares of Common Stock, par value \$0.001 per share ("Common Stock"), of the Company indicated below (the "Shares"), at the Option Exercise Price per share, subject to the terms and conditions set forth in this Incentive Stock Option Grant Notice (the "Grant Notice"), the attached Incentive Stock Option Agreement (the "Agreement") and the Plan. This Stock Option is intended to qualify as an "incentive stock option" as defined in Section 422(b) of the Internal Revenue Code of 1986, as amended from time to time (the "Code"). To the extent that any portion of the Stock Option does not so qualify, it shall be deemed a non-qualified stock option.

Name of Optionee: \_\_\_\_\_ (the "Optionee")

No. of Shares: \_\_\_\_\_ Shares of Common Stock

Grant Date: \_\_\_\_\_

Vesting Commencement Date: \_\_\_\_\_ (the "Vesting Commencement Date")

Expiration Date: \_\_\_\_\_ (the "Expiration Date")

Option Exercise Price/Share: \$ \_\_\_\_\_ (the "Option Exercise Price")

Vesting Schedule: [25] percent of the Shares shall vest and become exercisable on the first anniversary of the Vesting Commencement Date; provided that the Optionee continues to have a Service Relationship with the Company at such time. Thereafter, the remaining [75] percent of the Shares shall vest and become exercisable in [36] equal monthly installments following the first anniversary of the Vesting Commencement Date, provided the Optionee continues to have a Service Relationship with the Company on each vesting date. Notwithstanding anything in the Agreement to the contrary, in the case of a Sale Event, this Stock Option and the Shares shall be treated as provided in Section 3(c) of the Plan [ **provided; however INSERT ANY ACCELERATED VESTING PROVISION HERE**].

**Attachments:** Incentive Stock Option Agreement, Rapport Therapeutics, Inc.'s 2022 Stock Option and Grant Plan

**INCENTIVE STOCK OPTION AGREEMENT  
UNDER THE RAPPORT THERAPEUTICS, INC.'S  
2022 STOCK OPTION AND GRANT PLAN**

All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Grant Notice and the Plan.

1. Vesting, Exercisability and Termination.

(a) No portion of this Stock Option may be exercised until such portion shall have vested and become exercisable.

(b) Except as set forth below, and subject to the determination of the Committee in its sole discretion to accelerate the vesting schedule hereunder, this Stock Option shall be vested and exercisable on the respective dates indicated below:

(i) This Stock Option shall initially be unvested and unexercisable.

(ii) This Stock Option shall vest and become exercisable in accordance with the Vesting Schedule set forth in the Grant

Notice.

(c) Termination. Except as may otherwise be provided by the Committee, if the Optionee's Service Relationship is terminated, the period within which to exercise this Stock Option will be subject to earlier termination as set forth below (and if not exercised within such period, shall thereafter terminate subject, in each case, to Section 3(c) of the Plan):

(i) Termination Due to Death or Disability. If the Optionee's Service Relationship terminates by reason of such Optionee's death or Disability, this Stock Option may be exercised, to the extent exercisable on the date of such termination, by the Optionee, the Optionee's legal representative or legatee for a period of 12 months from the date of death or Disability or until the Expiration Date, if earlier.

(ii) Other Termination. If the Optionee's Service Relationship terminates for any reason other than death or Disability, and unless otherwise determined by the Committee, this Stock Option may be exercised, to the extent exercisable on the date of termination, for a period of 90 days from the date of termination or until the Expiration Date, if earlier; provided however, if the Optionee's Service Relationship is terminated for Cause, this Stock Option shall terminate immediately upon the date of such termination.

(d) For purposes hereof, the Committee's determination of the reason for termination of the Optionee's Service Relationship shall be conclusive and binding on the Optionee and his or her representatives or legatees. Any portion of this Stock Option that is not vested and exercisable on the date of termination of the Service Relationship shall terminate immediately and be null and void.

(e) It is understood and intended that this Stock Option is intended to qualify as an “incentive stock option” as defined in Section 422 of the Code to the extent permitted under applicable law. Accordingly, the Optionee understands that in order to obtain the benefits of an incentive stock option under Section 422 of the Code, no sale or other disposition may be made of Shares for which incentive stock option treatment is desired within the one-year period beginning on the day after the day of the transfer of such Shares to him or her, nor within the two-year period beginning on the day after Grant Date of this Stock Option and further that this Stock Option must be exercised within three months after termination of employment as an employee (or 12 months in the case of death or disability) to qualify as an incentive stock option. If the Optionee disposes (whether by sale, gift, transfer or otherwise) of any such Shares within either of these periods, he or she will notify the Company within 30 days after such disposition. The Optionee also agrees to provide the Company with any information concerning any such dispositions required by the Company for tax purposes. Further, to the extent this Stock Option and any other incentive stock options of the Optionee having an aggregate Fair Market Value in excess of \$100,000 (determined as of the Grant Date) first become exercisable in any year, such options will not qualify as incentive stock options.

## 2. Exercise of Stock Option.

(a) The Optionee may exercise this Stock Option only in the following manner: Prior to the Expiration Date, the Optionee may deliver a Stock Option exercise notice (an “Exercise Notice”) in the form of Appendix A hereto indicating his or her election to purchase some or all of the Shares with respect to which this Stock Option is then exercisable. Such notice shall specify the number of Shares to be purchased. Payment of the purchase price may be made by one or more of the methods described in Section 5 of the Plan, subject to the limitations contained in such Section of the Plan, including the requirement that the Committee specifically approve in advance certain payment methods.

(b) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date.

3. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan.

4. Transferability of Stock Option. This Stock Option is personal to the Optionee and is not transferable by the Optionee in any manner other than by will or by the laws of descent and distribution. The Stock Option may be exercised during the Optionee’s lifetime only by the Optionee (or by the Optionee’s guardian or personal representative in the event of the Optionee’s incapacity). The Optionee may elect to designate a beneficiary by providing written notice of the name of such beneficiary to the Company, and may revoke or change such designation at any time by filing written notice of revocation or change with the Company; such beneficiary may exercise the Optionee’s Stock Option in the event of the Optionee’s death to the extent provided herein. If the Optionee does not designate a beneficiary, or if the designated beneficiary predeceases the Optionee, the legal representative of the Optionee may exercise this Stock Option to the extent provided herein in the event of the Optionee’s death.

5. Restrictions on Transfer of Shares. The Shares acquired upon exercise of the Stock Option shall be subject to certain transfer restrictions and other limitations including, without limitation, the provisions contained in Section 9 of the Plan.

6. Miscellaneous Provisions.

(a) Equitable Relief. The parties hereto agree and declare that legal remedies may be inadequate to enforce the provisions of this Agreement and that equitable relief, including specific performance and injunctive relief, may be used to enforce the provisions of this Agreement.

(b) Adjustments for Changes in Capital Structure. If, as a result of any reorganization, recapitalization, reincorporation, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Common Stock, the outstanding shares of Common Stock are increased or decreased or are exchanged for a different number or kind of securities of the Company, the restrictions contained in this Agreement shall apply with equal force to additional and/or substitute securities, if any, received by the Optionee in exchange for, or by virtue of his or her ownership of, this Stock Option or Shares acquired pursuant thereto.

(c) Change and Modifications. This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be changed, modified or terminated only by an agreement in writing signed by the Company and the Optionee.

(d) Governing Law. This Agreement shall be governed by and construed in accordance with the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Massachusetts.

(e) Headings. The headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this Agreement and shall not be considered in the interpretation of this Agreement.

(f) Saving Clause. If any provision(s) of this Agreement shall be determined to be illegal or unenforceable, such determination shall in no manner affect the legality or enforceability of any other provision hereof.

(g) Notices. All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Optionee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

(h) Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, assigns, and legal representatives. The Company has the right to assign this Agreement, and such assignee shall become entitled to all the rights of the Company hereunder to the extent of such assignment.

(i) Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

(j) Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

#### 7. Dispute Resolution.

(a) Except as provided below, any dispute arising out of or relating to the Plan or this Stock Option, this Agreement, or the breach, termination or validity of the Plan, this Stock Option or this Agreement, shall be finally settled by binding arbitration conducted expeditiously in accordance with the J.A.M.S./Endispute Comprehensive Arbitration Rules and Procedures (the "J.A.M.S. Rules"). The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. Sections 1-16, and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of arbitration shall be Boston, Massachusetts.

(b) The arbitration shall commence within 60 days of the date on which a written demand for arbitration is filed by any party hereto. In connection with the arbitration proceeding, the arbitrator shall have the power to order the production of documents by each party and any third-party witnesses. In addition, each party may take up to three depositions as of right, and the arbitrator may in his or her discretion allow additional depositions upon good cause shown by the moving party. However, the arbitrator shall not have the power to order the answering of interrogatories or the response to requests for admission. In connection with any arbitration, each party to the arbitration shall provide to the other, no later than seven business days before the date of the arbitration, the identity of all persons that may testify at the arbitration and a copy of all documents that may be introduced at the arbitration or considered or used by a party's witness or expert. The arbitrator's decision and award shall be made and delivered within six months of the selection of the arbitrator. The arbitrator's decision shall set forth a reasoned basis for any award of damages or finding of liability. The arbitrator shall not have power to award damages in excess of actual compensatory damages and shall not multiply actual damages or award punitive damages, and each party hereby irrevocably waives any claim to such damages.

(c) The Company, the Optionee, each party to the Agreement and any other holder of Shares issued pursuant to this Agreement (each, a "Party") covenants and agrees that such party will participate in the arbitration in good faith. This Section 7 applies equally to requests for temporary, preliminary or permanent injunctive relief, except that in the case of temporary or preliminary injunctive relief any party may proceed in court without prior arbitration for the limited purpose of avoiding immediate and irreparable harm.

(d) Each Party (i) hereby irrevocably submits to the jurisdiction of any United States District Court of competent jurisdiction for the purpose of enforcing the award or decision in any such proceeding, (ii) hereby waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above named courts, that its property is exempt or immune from attachment or execution (except as protected by applicable law), that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court, and (iii) hereby waives and agrees not to seek any review by any court of any other jurisdiction which may be called upon to grant an enforcement of the judgment of any such court. Each Party hereby consents to service of process by registered mail at the address to which notices are to be given. Each Party agrees that its, his or her submission to jurisdiction and its, his or her consent to service of process by mail is made for the express benefit of each other Party. Final judgment against any Party in any such action, suit or proceeding may be enforced in other jurisdictions by suit, action or proceeding on the judgment, or in any other manner provided by or pursuant to the laws of such other jurisdiction.

8. Waiver of Statutory Information Rights. The Optionee understands and agrees that, but for the waiver made herein, the Optionee would be entitled, upon written demand under oath stating the purpose thereof, to inspect for any proper purpose, and to make copies and extracts from, the Company's stock ledger, a list of its stockholders, and its other books and records, and the books and records of subsidiaries of the Company, if any, under the circumstances and in the manner provided in Section 220 of the General Corporation Law of Delaware (any and all such rights, and any and all such other rights of the Optionee as may be provided for in Section 220, the "Inspection Rights"). In light of the foregoing, until the first sale of Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act, the Optionee hereby unconditionally and irrevocably waives the Inspection Rights, whether such Inspection Rights would be exercised or pursued directly or indirectly pursuant to Section 220 or otherwise, and covenants and agrees never to directly or indirectly commence, voluntarily aid in any way, prosecute, assign, transfer, or cause to be commenced any claim, action, cause of action, or other proceeding to pursue or exercise the Inspection Rights. The foregoing waiver shall not affect any rights of a director, in his or her capacity as such, under Section 220. The foregoing waiver shall not apply to any contractual inspection rights of the Optionee under any other written agreement between the Optionee and the Company.

[SIGNATURE PAGE FOLLOWS]

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned as of the date first above written.

**Rapport Therapeutics, Inc.**

By: \_\_\_\_\_

Name:

Title:

Address:

The undersigned hereby acknowledges receiving and reviewing a copy of the Plan, including, without limitation, Section 9 thereof, and understands that this Stock Option is subject to the terms of the Plan and of this Agreement. This Agreement is hereby accepted, and the terms and conditions of the Plan, the Grant Notice and this Agreement, SPECIFICALLY INCLUDING THE ARBITRATION PROVISIONS SET FORTH IN SECTION 7 AND THE WAIVER OF STATUTORY INFORMATION RIGHTS SET FORTH IN SECTION 8 OF THIS AGREEMENT, are hereby agreed to, by the undersigned as of the date first above written.

OPTIONEE:

\_\_\_\_\_  
Name:

Address:

[SPOUSE'S CONSENT

I acknowledge that I have read the foregoing Incentive Stock Option Agreement and understand the contents thereof.

\_\_\_\_\_ ]

DESIGNATED BENEFICIARY:

\_\_\_\_\_  
Beneficiary's Address:



**NON-QUALIFIED STOCK OPTION GRANT NOTICE  
UNDER THE RAPPORT THERAPEUTICS, INC.'S  
2022 STOCK OPTION AND GRANT PLAN**

Pursuant to the Rapport Therapeutics, Inc.'s 2022 Stock Option and Grant Plan (the "Plan"), Rapport Therapeutics, Inc., a Delaware corporation (together with any successor, the "Company"), has granted to the individual named below, an option (the "Stock Option") to purchase on or prior to the Expiration Date, or such earlier date as is specified herein, all or any part of the number of shares of Common Stock, par value \$0.001 per share ("Common Stock"), of the Company indicated below (the "Shares"), at the Option Exercise Price per share, subject to the terms and conditions set forth in this Non-Qualified Stock Option Grant Notice (the "Grant Notice"), the attached Non-Qualified Stock Option Agreement (the "Agreement") and the Plan. This Stock Option is not intended to qualify as an "incentive stock option" as defined in Section 422(b) of the Internal Revenue Code of 1986, as amended from time to time (the "Code").

Name of Optionee: \_\_\_\_\_ (the "Optionee")

No. of Shares: \_\_\_\_\_ Shares of Common Stock

Grant Date: \_\_\_\_\_

Vesting Commencement Date: \_\_\_\_\_ (the "Vesting Commencement Date")

Expiration Date: \_\_\_\_\_ (the "Expiration Date")

Option Exercise Price/Share: \$ \_\_\_\_\_ (the "Option Exercise Price")

Vesting Schedule: [25] percent of the Shares shall vest and become exercisable on the first anniversary of the Vesting Commencement Date; provided that the Optionee continues to have a Service Relationship with the Company at such time. Thereafter, the remaining [75] percent of the Shares shall vest and become exercisable in [36] equal monthly installments following the first anniversary of the Vesting Commencement Date, provided the Optionee continues to have a Service Relationship with the Company on each vesting date. Notwithstanding anything in the Agreement to the contrary, in the case of a Sale Event, this Stock Option and the Shares shall be treated as provided in Section 3(c) of the Plan [ **provided; however INSERT ANY ACCELERATED VESTING PROVISION HERE**].

**Attachments:** Non-Qualified Stock Option Agreement, Rapport Therapeutics, Inc.'s 2022 Stock Option and Grant Plan

**NON-QUALIFIED STOCK OPTION AGREEMENT  
UNDER THE RAPPORT THERAPEUTICS, INC.'S  
2022 STOCK OPTION AND GRANT PLAN**

All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Grant Notice and the Plan.

1. Vesting, Exercisability and Termination.

(a) No portion of this Stock Option may be exercised until such portion shall have vested and become exercisable.

(b) Except as set forth below, and subject to the determination of the Committee in its sole discretion to accelerate the vesting schedule hereunder, this Stock Option shall be vested and exercisable on the respective dates indicated below:

(i) This Stock Option shall initially be unvested and unexercisable.

(ii) This Stock Option shall vest and become exercisable in accordance with the Vesting Schedule set forth in the Grant Notice.

(c) Termination. Except as may otherwise be provided by the Committee, if the Optionee's Service Relationship is terminated, the period within which to exercise this Stock Option will be subject to earlier termination as set forth below (and if not exercised within such period, shall thereafter terminate subject, in each case, to Section 3(c) of the Plan):

(i) Termination Due to Death or Disability. If the Optionee's Service Relationship terminates by reason of such Optionee's death or Disability, this Stock Option may be exercised, to the extent exercisable on the date of such termination, by the Optionee, the Optionee's legal representative or legatee for a period of 12 months from the date of death or Disability or until the Expiration Date, if earlier.

(ii) Other Termination. If the Optionee's Service Relationship terminates for any reason other than death or Disability, and unless otherwise determined by the Committee, this Stock Option may be exercised, to the extent exercisable on the date of termination, for a period of 90 days from the date of termination or until the Expiration Date, if earlier; provided however, if the Optionee's Service Relationship is terminated for Cause, this Stock Option shall terminate immediately upon the date of such termination.

For purposes hereof, the Committee's determination of the reason for termination of the Optionee's Service Relationship shall be conclusive and binding on the Optionee and his or her representatives or legatees and any Permitted Transferee. Any portion of this Stock Option that is not vested and exercisable on the date of termination of the Service Relationship shall terminate immediately and be null and void.

## 2. Exercise of Stock Option.

(a) The Optionee may exercise this Stock Option only in the following manner: Prior to the Expiration Date, the Optionee may deliver a Stock Option exercise notice (an "Exercise Notice") in the form of Appendix A hereto indicating his or her election to purchase some or all of the Shares with respect to which this Stock Option is then exercisable. Such notice shall specify the number of Shares to be purchased. Payment of the purchase price may be made by one or more of the methods described in Section 5 of the Plan, subject to the limitations contained in such Section of the Plan, including the requirement that the Committee specifically approve in advance certain payment methods.

(b) Notwithstanding any other provision hereof or of the Plan, no portion of this Stock Option shall be exercisable after the Expiration Date.

3. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Stock Option shall be subject to and governed by all the terms and conditions of the Plan.

4. Transferability of Stock Option. This Stock Option is personal to the Optionee and is not transferable by the Optionee in any manner other than by will or by the laws of descent and distribution. The Stock Option may be exercised during the Optionee's lifetime only by the Optionee (or by the Optionee's guardian or personal representative in the event of the Optionee's incapacity). The Optionee may elect to designate a beneficiary by providing written notice of the name of such beneficiary to the Company, and may revoke or change such designation at any time by filing written notice of revocation or change with the Company; such beneficiary may exercise the Optionee's Stock Option in the event of the Optionee's death to the extent provided herein. If the Optionee does not designate a beneficiary, or if the designated beneficiary predeceases the Optionee, the legal representative of the Optionee may exercise this Stock Option to the extent provided herein in the event of the Optionee's death.

5. Restrictions on Transfer of Shares. The Shares acquired upon exercise of the Stock Option shall be subject to certain transfer restrictions and other limitations including, without limitation, the provisions contained in Section 9 of the Plan.

## 6. Miscellaneous Provisions.

(a) Equitable Relief. The parties hereto agree and declare that legal remedies may be inadequate to enforce the provisions of this Agreement and that equitable relief, including specific performance and injunctive relief, may be used to enforce the provisions of this Agreement.

(b) Adjustments for Changes in Capital Structure. If, as a result of any reorganization, recapitalization, reincorporation, reclassification, stock dividend, stock split, reverse stock split or other similar change in the Common Stock, the outstanding shares of Common Stock are increased or decreased or are exchanged for a different number or kind of securities of the Company, the restrictions contained in this Agreement shall apply with equal force to additional and/or substitute securities, if any, received by the Optionee in exchange for, or by virtue of his or her ownership of, this Stock Option or Shares acquired pursuant thereto.

(c) Change and Modifications. This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be changed, modified or terminated only by an agreement in writing signed by the Company and the Optionee.

(d) Governing Law. This Agreement shall be governed by and construed in accordance with the General Corporation Law of the State of Delaware as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Massachusetts.

(e) Headings. The headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this Agreement and shall not be considered in the interpretation of this Agreement.

(f) Saving Clause. If any provision(s) of this Agreement shall be determined to be illegal or unenforceable, such determination shall in no manner affect the legality or enforceability of any other provision hereof.

(g) Notices. All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Optionee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

(h) Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, assigns, and legal representatives. The Company has the right to assign this Agreement, and such assignee shall become entitled to all the rights of the Company hereunder to the extent of such assignment.

(i) Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

(j) Integration. This Agreement constitutes the entire agreement between the parties with respect to this Stock Option and supersedes all prior agreements and discussions between the parties concerning such subject matter.

#### 7. Dispute Resolution.

(a) Except as provided below, any dispute arising out of or relating to the Plan or this Stock Option, this Agreement, or the breach, termination or validity of the Plan, this Stock Option or this Agreement, shall be finally settled by binding arbitration conducted expeditiously in accordance with the J.A.M.S./Endispute Comprehensive Arbitration Rules and Procedures (the "J.A.M.S. Rules"). The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. Sections 1-16, and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of arbitration shall be Boston, Massachusetts.

(b) The arbitration shall commence within 60 days of the date on which a written demand for arbitration is filed by any party hereto. In connection with the arbitration proceeding, the arbitrator shall have the power to order the production of documents by each party and any third-party witnesses. In addition, each party may take up to three depositions as of right, and the arbitrator may in his or her discretion allow additional depositions upon good cause shown by the moving party. However, the arbitrator shall not have the power to order the answering of interrogatories or the response to requests for admission. In connection with any arbitration, each party to the arbitration shall provide to the other, no later than seven business days before the date of the arbitration, the identity of all persons that may testify at the arbitration and a copy of all documents that may be introduced at the arbitration or considered or used by a party's witness or expert. The arbitrator's decision and award shall be made and delivered within six months of the selection of the arbitrator. The arbitrator's decision shall set forth a reasoned basis for any award of damages or finding of liability. The arbitrator shall not have power to award damages in excess of actual compensatory damages and shall not multiply actual damages or award punitive damages, and each party hereby irrevocably waives any claim to such damages.

(c) The Company, the Optionee, each party to the Agreement and any other holder of Shares issued pursuant to this Agreement (each, a "Party") covenants and agrees that such party will participate in the arbitration in good faith. This Section 7 applies equally to requests for temporary, preliminary or permanent injunctive relief, except that in the case of temporary or preliminary injunctive relief any party may proceed in court without prior arbitration for the limited purpose of avoiding immediate and irreparable harm.

(d) Each Party (i) hereby irrevocably submits to the jurisdiction of any United States District Court of competent jurisdiction for the purpose of enforcing the award or decision in any such proceeding, (ii) hereby waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above named courts, that its property is exempt or immune from attachment or execution (except as protected by applicable law), that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court, and (iii) hereby waives and agrees not to seek any review by any court of any other jurisdiction which may be called upon to grant an enforcement of the judgment of any such court. Each Party hereby consents to service of process by registered mail at the address to which notices are to be given. Each Party agrees that its, his or her submission to jurisdiction and its, his or her consent to service of process by mail is made for the express benefit of each other Party. Final judgment against any Party in any such action, suit or proceeding may be enforced in other jurisdictions by suit, action or proceeding on the judgment, or in any other manner provided by or pursuant to the laws of such other jurisdiction.

8. Waiver of Statutory Information Rights. The Optionee understands and agrees that, but for the waiver made herein, the Optionee would be entitled, upon written demand under oath stating the purpose thereof, to inspect for any proper purpose, and to make copies and extracts from, the Company's stock ledger, a list of its stockholders, and its other books and records, and the books and records of subsidiaries of the Company, if any, under the circumstances and in the manner provided in Section 220 of the General Corporation Law of Delaware (any and all such rights, and any and all such other rights of the Optionee as may be provided for in Section 220, the "Inspection Rights"). In light of the foregoing, until the first sale of Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act, the Optionee hereby unconditionally and irrevocably waives the Inspection Rights, whether such Inspection Rights would be exercised or pursued directly or indirectly pursuant to Section 220 or otherwise, and covenants and agrees never to directly or indirectly commence, voluntarily aid in any way, prosecute, assign, transfer, or cause to be commenced any claim, action, cause of action, or other proceeding to pursue or exercise the Inspection Rights. The foregoing waiver shall not affect any rights of a director, in his or her capacity as such, under Section 220. The foregoing waiver shall not apply to any contractual inspection rights of the Optionee under any other written agreement between the Optionee and the Company.

[SIGNATURE PAGE FOLLOWS]

1. The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned as of the date first above written.

**Rapport Therapeutics, Inc.**

By: \_\_\_\_\_  
Name:  
Title:  
Address:

The undersigned hereby acknowledges receiving and reviewing a copy of the Plan, including, without limitation, Section 9 thereof, and understands that this Stock Option is subject to the terms of the Plan and of this Agreement. This Agreement is hereby accepted, and the terms and conditions of the Plan, the Grant Notice and this Agreement, SPECIFICALLY INCLUDING THE ARBITRATION PROVISIONS SET FORTH IN SECTION 7 AND THE WAIVER OF STATUTORY INFORMATION RIGHTS SET FORTH IN SECTION 8 OF THIS AGREEMENT, are hereby agreed to, by the undersigned as of the date first above written.

OPTIONEE:

\_\_\_\_\_  
Name:  
Address:

[SPOUSE'S CONSENT  
I acknowledge that I have read the  
foregoing Non-Qualified Stock Option Agreement  
and understand the contents thereof.

\_\_\_\_\_ ]

DESIGNATED BENEFICIARY:

\_\_\_\_\_  
Beneficiary's Address:

**RESTRICTED STOCK AGREEMENT  
UNDER THE RAPPORT THERAPEUTICS, INC.'S  
2022 STOCK OPTION AND GRANT PLAN**

Pursuant to the Rapport Therapeutics, Inc.'s 2022 Stock Option and Grant Plan (the "Plan"), **Rapport Therapeutics, Inc.**, a Delaware corporation (together with any successor, the "Company"), hereby grants, sells and issues to the individual named below, the Shares at the Per Share Purchase Price, subject to the terms and conditions set forth in this Restricted Stock Award Notice (the "Award Notice"), the attached Restricted Stock Agreement (the "Agreement") and the Plan. The Grantee agrees to the provisions set forth herein and acknowledges that each such provision is a material condition of the Company's agreement to issue and sell the Shares to him or her. The Company hereby acknowledges receipt of \$[\_\_\_\_\_] in full payment for the Shares. All references to share prices and amounts herein shall be equitably adjusted to reflect stock splits, stock dividends, recapitalizations, mergers, reorganizations and similar changes affecting the capital stock of the Company, and any shares of capital stock of the Company received on or in respect of Shares in connection with any such event (including any shares of capital stock or any right, option or warrant to receive the same or any security convertible into or exchangeable for any such shares or received upon conversion of any such shares) shall be subject to this Agreement on the same basis and extent at the relevant time as the Shares in respect of which they were issued, and shall be deemed Shares as if and to the same extent they were issued at the date hereof.

Name of Grantee: \_\_\_\_\_ (the "Grantee")

No. of Shares: \_\_\_\_\_ Shares of Common Stock (the "Shares")

Grant Date: \_\_\_\_\_, \_\_\_\_

Date of Purchase of Shares: \_\_\_\_\_, \_\_\_\_

Vesting Commencement Date: \_\_\_\_\_, \_\_\_\_ (the "Vesting Commencement Date")

Per Share Purchase Price: \$ \_\_\_\_\_ (the "Per Share Purchase Price")

Vesting Schedule: [25] percent of the Shares shall vest on the [first] anniversary of the Vesting Commencement Date; provided that the Grantee continues to have a Service Relationship with the Company at such time. Thereafter, the remaining [75] percent of the Shares shall vest in [36] equal monthly installments following the first anniversary of the Vesting Commencement Date, provided the Grantee continues to have a Service Relationship with the Company at such time. Notwithstanding anything in the Agreement to the contrary in the case of a Sale Event, the Shares of Restricted Stock shall be treated as provided in Section 3(c) of the Plan[**provided; however INSERT ANY ACCELERATED VESTING PROVISION HERE**].

**Attachments:** Restricted Stock Agreement, Rapport Therapeutics, Inc.'s 2022 Stock Option and Grant Plan



**RESTRICTED STOCK AGREEMENT  
UNDER THE RAPPORT THERAPEUTICS, INC.'S  
2022 STOCK OPTION AND GRANT PLAN**

All capitalized terms used herein and not otherwise defined shall have the respective meanings set forth in the Award Notice and the Plan.

1. Purchase and Sale of Shares; Vesting; Investment Representations.

(a) Purchase and Sale. The Company hereby sells to the Grantee, and the Grantee hereby purchases from the Company, the number of Shares set forth in the Award Notice for the Per Share Purchase Price.

(b) Vesting. Initially, all of the Shares are non-transferable and subject to a substantial risk of forfeiture and are Shares of Restricted Stock. The risk of forfeiture shall lapse with respect to the Shares on the respective dates indicated on the Vesting Schedule set forth in the Award Notice.

(c) Investment Representations. In connection with the purchase and sale of the Shares contemplated by Section 1(a) above, the Grantee hereby represents and warrants to the Company as follows:

(i) The Grantee is purchasing the Shares for the Grantee's own account for investment only, and not for resale or with a view to the distribution thereof.

(ii) The Grantee has had such an opportunity as he or she has deemed adequate to obtain from the Company such information as is necessary to permit him or her to evaluate the merits and risks of the Grantee's investment in the Company and has consulted with the Grantee's own advisers with respect to the Grantee's investment in the Company.

(iii) The Grantee has sufficient experience in business, financial and investment matters to be able to evaluate the risks involved in the purchase of the Shares and to make an informed investment decision with respect to such purchase.

(iv) The Grantee can afford a complete loss of the value of the Shares and is able to bear the economic risk of holding such Shares for an indefinite period.

(v) The Grantee understands that the Shares are not registered under the Act (it being understood that the Shares are being issued and sold in reliance on the exemption provided in Rule 701 thereunder) or any applicable state securities or "blue sky" laws and may not be sold or otherwise transferred or disposed of in the absence of an effective registration statement under the Act and under any applicable state securities or "blue sky" laws (or exemptions from the registration requirements thereof). The Grantee further acknowledges that certificates representing the Shares will bear restrictive legends reflecting the foregoing and/or that book entries for uncertificated Shares will include similar restrictive notations.

(vi) The Grantee has read and understands the Plan and acknowledges and agrees that the Shares are subject to all of the relevant terms of the Plan, including without limitation, the transfer restrictions set forth in Section 9 of the Plan.

(vii) The Grantee understands and agrees that the Company has a right of first refusal with respect to the Shares pursuant to Section 9(b) of the Plan.

(viii) The Grantee understands and agree that the Company has certain repurchase rights with respect to the Shares pursuant to Section 9(c) of the Plan.

(ix) The Grantee understands and agrees that the Grantee may not sell or otherwise transfer or dispose of the Shares for a period of time following the effective date of a public offering by the Company as described in Section 9(f) of the Plan.

2. Repurchase Right. Upon a Termination Event, the Company shall have the right to repurchase Shares of Restricted Stock that are unvested as of the date of such Termination Event as set forth in Section 9(c) of the Plan.

3. Restrictions on Transfer of Shares. The Shares (whether or not vested) shall be subject to certain transfer restrictions and other limitations including, without limitation, the provisions contained in Section 9 of the Plan.

4. Incorporation of Plan. Notwithstanding anything herein to the contrary, this Restricted Stock Award shall be subject to and governed by all the terms and conditions of the Plan.

5. Miscellaneous Provisions.

(a) Record Owner; Dividends. The Grantee and any Permitted Transferees, during the duration of this Agreement, shall be considered the record owners of and shall be entitled to vote the Shares if and to the extent the Shares are entitled to voting rights. The Grantee and any Permitted Transferees shall be entitled to receive all dividends and any other distributions declared on the Shares; provided, however, that the Company is under no duty to declare any such dividends or to make any such distribution.

(b) Section 83(b) Election. The Grantee shall consult with the Grantee's tax advisor to determine whether it would be appropriate for the Grantee to make an election under Section 83(b) of the Code with respect to this Award. Any such election must be filed with the Internal Revenue Service within 30 days of the date of this Award. If the Grantee makes an election under Section 83(b) of the Code, the Grantee shall give prompt notice to the Company (and provide a copy of such election to the Company). A sample Section 83(b) election is attached to this Agreement as Exhibit A.

(c) Equitable Relief. The parties hereto agree and declare that legal remedies may be inadequate to enforce the provisions of this Agreement and that equitable relief, including specific performance and injunctive relief, may be used to enforce the provisions of this Agreement.

(d) Change and Modifications. This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be changed, modified or terminated only by an agreement in writing signed by the Company and the Grantee.

(e) Governing Law. This Agreement shall be governed by and construed in accordance with the **General Corporation Law of the State of Delaware** as to matters within the scope thereof, and as to all other matters shall be governed by and construed in accordance with the internal laws of the Commonwealth of Massachusetts, without regard to conflict of law principles that would result in the application of any law other than the law of the State of Massachusetts.

(f) Headings. The headings are intended only for convenience in finding the subject matter and do not constitute part of the text of this Agreement and shall not be considered in the interpretation of this Agreement.

(g) Saving Clause. If any provision(s) of this Agreement shall be determined to be illegal or unenforceable, such determination shall in no manner affect the legality or enforceability of any other provision hereof.

(h) Notices. All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Grantee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

(i) Benefit and Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their respective successors, assigns, and legal representatives. The Company has the right to assign this Agreement, and such assignee shall become entitled to all the rights of the Company hereunder to the extent of such assignment.

(j) Counterparts. For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document.

(k) Integration. This Agreement constitutes the entire agreement between the parties with respect to this Award and supersedes all prior agreements and discussions between the parties concerning such subject matter.

#### 6. Dispute Resolution.

(a) Except as provided below, any dispute arising out of or relating to the Plan or the Shares, this Agreement, or the breach, termination or validity of the Plan, the Shares or this Agreement, shall be finally settled by binding arbitration conducted expeditiously in accordance with the J.A.M.S./Endispute Comprehensive Arbitration Rules and Procedures (the "J.A.M.S. Rules"). The arbitration shall be governed by the United States Arbitration Act, 9 U.S.C. Sections 1 - 16, and judgment upon the award rendered by the arbitrators may be entered by any court having jurisdiction thereof. The place of arbitration shall be Boston, Massachusetts.

(b) The arbitration shall commence within 60 days of the date on which a written demand for arbitration is filed by any party hereto. In connection with the arbitration proceeding, the arbitrator shall have the power to order the production of documents by each party and any third-party witnesses. In addition, each party may take up to three depositions as of right, and the arbitrator may in his or her discretion allow additional depositions upon good cause shown by the moving party. However, the arbitrator shall not have the power to order the answering of interrogatories or the response to requests for admission. In connection with any arbitration, each party to the arbitration shall provide to the other, no later than seven business days before the date of the arbitration, the identity of all persons that may testify at the arbitration and a copy of all documents that may be introduced at the arbitration or considered or used by a party's witness or expert. The arbitrator's decision and award shall be made and delivered within six months of the selection of the arbitrator. The arbitrator's decision shall set forth a reasoned basis for any award of damages or finding of liability. The arbitrator shall not have power to award damages in excess of actual compensatory damages and shall not multiply actual damages or award punitive damages, and each party hereby irrevocably waives any claim to such damages.

(c) The Company, the Grantee, each party to the Agreement and any other holder of Shares issued pursuant to this Agreement (each, a "Party") covenants and agrees that such party will participate in the arbitration in good faith. This Section 6 applies equally to requests for temporary, preliminary or permanent injunctive relief, except that in the case of temporary or preliminary injunctive relief any party may proceed in court without prior arbitration for the limited purpose of avoiding immediate and irreparable harm.

(d) Each Party (i) hereby irrevocably submits to the jurisdiction of any United States District Court of competent jurisdiction for the purpose of enforcing the award or decision in any such proceeding, (ii) hereby waives, and agrees not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above named courts, that its property is exempt or immune from attachment or execution (except as protected by applicable law), that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court, and (iii) hereby waives and agrees not to seek any review by any court of any other jurisdiction which may be called upon to grant an enforcement of the judgment of any such court. Each Party hereby consents to service of process by registered mail at the address to which notices are to be given. Each Party agrees that its, his or her submission to jurisdiction and its, his or her consent to service of process by mail is made for the express benefit of each other Party. Final judgment against any Party in any such action, suit or proceeding may be enforced in other jurisdictions by suit, action or proceeding on the judgment, or in any other manner provided by or pursuant to the laws of such other jurisdiction.

7. Waiver of Statutory Information Rights. The Grantee understands and agrees that, but for the waiver made herein, the Grantee would be entitled, upon written demand under oath stating the purpose thereof, to inspect for any proper purpose, and to make copies and extracts from, the Company's stock ledger, a list of its stockholders, and its other books and records, and the books and records of subsidiaries of the Company, if any, under the circumstances and in the manner provided in Section 220 of the General Corporation Law of

Delaware (any and all such rights, and any and all such other rights of the Grantee as may be provided for in Section 220, the "Inspection Rights"). In light of the foregoing, until the first sale of Stock of the Company to the general public pursuant to a registration statement filed with and declared effective by the Securities and Exchange Commission under the Securities Act, the Grantee hereby unconditionally and irrevocably waives the Inspection Rights, whether such Inspection Rights would be exercised or pursued directly or indirectly pursuant to Section 220 or otherwise, and covenants and agrees never to directly or indirectly commence, voluntarily aid in any way, prosecute, assign, transfer, or cause to be commenced any claim, action, cause of action, or other proceeding to pursue or exercise the Inspection Rights. The foregoing waiver shall not affect any rights of a director, in his or her capacity as such, under Section 220. The foregoing waiver shall not apply to any contractual inspection rights of the Grantee under any other written agreement between the Grantee and the Company.

[SIGNATURE PAGE FOLLOWS]

The foregoing Restricted Stock Agreement is hereby accepted and the terms and conditions thereof are hereby agreed to by the undersigned as of the date of purchase of Shares above written.

**Rapport Therapeutics, Inc.**

By: \_\_\_\_\_  
Name:  
Title:  
Address:

The undersigned hereby acknowledges receiving and reviewing a copy of the Plan, including, without limitation, Section 9 thereof and understands that the Shares granted hereby are subject to the terms of the Plan and of this Agreement. This Agreement is hereby accepted, and the terms and conditions of the Plan, the Award Notice and this Agreement, SPECIFICALLY INCLUDING THE ARBITRATION PROVISIONS SET FORTH IN SECTION 6 AND THE WAIVER OF STATUTORY INFORMATION RIGHTS SET FORTH IN SECTION 7 OF THIS AGREEMENT, are hereby agreed to, by the undersigned as of the date first above written.

GRANTEE:  
\_\_\_\_\_  
Name:  
Address:

[SPOUSE'S CONSENT

I acknowledge that I have read the foregoing Restricted Stock Agreement and understand the contents thereof.

\_\_\_\_\_]

**CERTAIN INFORMATION CONTAINED IN THIS EXHIBIT, MARKED BY [\*\*\*], HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE THE REGISTRANT HAS DETERMINED THAT IT IS BOTH NOT MATERIAL AND IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.**

**MASTER SERVICES AGREEMENT**

This Master Services Agreement (together with any SOWs, the “**Agreement**”) is dated as of November 28, 2023 (the “**Effective Date**”) and is by and between Rapport Therapeutics, Inc., with a principal business address at 1325 Boylston Street, Suite 401, Boston, MA 02215 USA (“**Rapport**”) and NeuroPace Inc., with a principal place of business at 455 N. Bernardo Avenue, Mountain View, CA. 94043 (“**NeuroPace**”). Rapport and NeuroPace may be referred to individually as a “**Party**” and collectively as the “**Parties**.”

WHEREAS, Rapport is engaged in the research, development and commercialization of pharmaceutical products;

WHEREAS, NeuroPace manufactures and distributes the RNS<sup>®</sup> System (“**RNS System**”), the only commercially available closed-loop system for the treatment of drug-resistant focal epilepsy;

WHEREAS, the RNS System continuously monitors and records brain activity, including detection of baseline activity and abnormal activity related to clinical seizures (“**RNS Data**”); and

WHEREAS, the Parties desire that NeuroPace provide certain services with respect to the RNS Data (“**Services**”) to Rapport from time to time, on a project-by-project basis, subject to the terms and conditions of this Agreement.

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the Parties agree as follows:

**1. Services.**

- (a) **Statement of Work (“SOW”).** From time to time, Rapport may desire NeuroPace to provide certain Services. This Agreement sets forth the general terms and conditions under which Rapport will engage NeuroPace and under which NeuroPace will provide such services. NeuroPace and Rapport shall execute an SOW before any specific Services are provided. Each SOW will be in substantially the same format as Exhibit A hereto, and shall include, as appropriate, the scope of work, specifications, timeline, budget and payment schedule, and Deliverables (as defined below in Section 2(b)). Each SOW shall automatically incorporate the terms and conditions of this Agreement and once signed by a duly authorized representative of each Party, shall become a part of this Agreement.
- (b) **Provision of Services.** NeuroPace agrees to provide all Services identified in any SOW in accordance with (i) the applicable industry standards and practices for the performance of similar services and (ii) the requirements of each SOW. For each SOW, NeuroPace will designate a project leader who will be available for communications with Rapport regarding the Services.
- (c) **Conflict in Terms.** The terms in an SOW will only govern the Services described in that SOW. If there is a contradiction between a provision of this Agreement and an SOW, then the provision in an SOW will take precedence unless the Agreement specifically states that it takes precedence over the SOW with respect to the provision. Neither Rapport nor NeuroPace is obligated to execute any SOWs under this Agreement.
- (d) **Subcontracting of Services.** NeuroPace may subcontract the performance of certain of its obligations under a specific SOW to a third party (each a “**Subcontractor**”), provided that (a) each Subcontractor performs such Services in a manner consistent with the terms and conditions of this Agreement, and (b) NeuroPace remains liable for the performance of each Subcontractor. Rapport may subcontract the performance of certain of its obligations under a specific SOW to a Subcontractor provided that (a) each Subcontractor performs such Services in a manner consistent with the terms and conditions of this Agreement, including confidentiality obligations as set forth herein, and (b) Rapport remains liable for the performance of each Subcontractor.

- (e) **Exclusivity.** At all times while providing services under this agreement and for a [\*\*\*] months after final Clinical Study Report, NeuroPace shall not perform any services that are the same as the Services described herein for any business that directly competes with Rapport (“Rapport Direct Competitors”). Rapport Direct Competitors are those companies that are developing GAMA 8 Receptor Associated Proteins (“RAP”) compounds. For avoidance of doubt, NeuroPace shall be free at any time to provide services similar to the Services described herein for any other company not developing RAP compounds.

## 2. Compensation.

- (a) **Budget and Payment Schedule; Invoices.** As full consideration for the Services provided under an SOW, Rapport shall pay NeuroPace in accordance with the budget and payment schedule set forth in the applicable SOW. Prior to payment by Rapport of all or any portion of the Service Fees, NeuroPace must submit an invoice to Rapport describing the Services performed under the relevant SOW, in sufficient detail, which shall reference the applicable purchase order number provided to NeuroPace by Rapport and the SOW to which it pertains. NeuroPace shall invoice Rapport at the following address:
- Rapport Therapeutics, Inc.  
Attention: Accounts Payable  
1325 Boylston Street, Suite 401  
Boston, MA 02215 USA  
Email: [\*\*\*]
- (b) **Payment; Disputed Payments.** As applicable, the SOW sets forth the types of payments that Rapport shall make to NeuroPace, which may include the following:
- i. **“NeuroPace Milestone Payments”:** These are key deliverables required from NeuroPace to advance the SOW forward. The parties agree that delivery of each Milestone work product (“**Deliverable**”) represents the expected progress by NeuroPace. All NeuroPace Milestone Payments shall be due and owing to NeuroPace within [\*\*\*] of the date that NeuroPace submits the specified Milestone Deliverable and associated invoice to Rapport.
  - ii. **“Recurring Payments”:** These payments represent the ongoing effort required to sustain the SOW. These payments cover the added expectations of NeuroPace within each phase (these are in addition to the efforts required to deliver Milestone work product). All Recurring Payments shall be due and owing to NeuroPace within [\*\*\*] of the date that NeuroPace submits the associated invoice to Rapport, which shall be on or around the first business day of the first month of the applicable quarter that payment is due.
  - iii. **“Patient Enrollment Milestone Payments”:** These payments made to NeuroPace represent risk-sharing between NeuroPace and Rapport with respect to patient enrollment. All Patient Enrollment Milestone Payments shall be made to NeuroPace within [\*\*\*] of the date Rapport notifies NeuroPace in writing of the achievement of said milestone. For avoidance of doubt, Rapport will notify NeuroPace in writing within [\*\*\*] upon completion of each Patient Enrollment Milestone being met, as set forth in the SOW.
- (c) In the event of any dispute regarding whether a payment is owed hereunder, senior representatives of each Party shall meet to resolve the matter in good faith. If such senior representatives are unable to resolve such matter within [\*\*\*] after such matter has been referred for resolution, then either Party may seek other resolution of the matter. In the event any Services performed under this Agreement do not substantially conform in any respect, to meet the specifications agreed to in the relevant SOW or the



conditions of this Agreement (“**Nonconforming Services**”), the Parties shall follow the procedure set forth in 3(b) whereby NeuroPace shall first be given a [\*\*\*] to cure said Non-conforming Services to the satisfaction of Rapport. In the event there is partial cure of the Nonconforming Services, Rapport may elect to grant NeuroPace an additional [\*\*\*] to cure prior to proceeding with other remedies as set forth in 3(b).

### 3. Term and Termination.

- (a) **Term.** This Agreement will commence on the Effective Date and will expire on the later of (i) [\*\*\*] from the Effective Date or (ii) the completion of all Services under all SOWs executed prior to the third anniversary of this Agreement; unless earlier terminated in accordance with this Agreement or extended by mutual written agreement of the Parties.
- (b) **Termination for Material Breach.** Either Party may terminate this Agreement or any SOW(s) for cause at any time upon [\*\*\*] prior written notice to the other Party. “Cause” shall mean (i) a material breach by either Party of this Agreement or of a SOW where such breach, if curable, is not remedied to the other Party’s reasonable satisfaction within such [\*\*\*] period (“**Material Breach**”). Either Party may immediately terminate this Agreement at any time upon written notice to the other Party in the event of a Material Breach of this Agreement by the other Party which cannot be cured (e.g., breach of confidentiality obligations).
- (c) **Termination Without Cause.** Either Party may terminate this Agreement or any SOW at any time without cause upon not less than [\*\*\*] prior written notice to the other Party. If NeuroPace exercises this termination without cause, then during the [\*\*\*] period and through study completion, NeuroPace agrees to continue to provide all data referenced as device data, and certain derived metrics necessary for the completion of the trial [\*\*\*] to Rapport for patients enrolled in study (“Study Wind-down Period”). During the Study Wind-down Period, Rapport shall continue to make all Recurring Payments as scheduled, including any NeuroPace Milestone Payments or Patient Enrollment Payments that may be reached during the Study Wind-down Period.
- (d) **Effect of Termination.** Upon termination or expiration of this Agreement, neither Rapport nor NeuroPace shall have any further obligations under this Agreement, or in the case of termination or expiration of an SOW, under such SOW, except that (i) NeuroPace shall terminate all Services in progress in an orderly manner as soon as practical and in accordance with a mutually agreed upon written schedule, provide all data referenced as Device Data, and certain Derived Metrics necessary for the completion of the trial [\*\*\*] to Rapport for patients enrolled in the study unless Rapport specifies in the notice of termination that Services in progress should not be completed, (ii) NeuroPace shall deliver to Rapport any Materials (as defined below in 6(b) in its possession or control and all Deliverables developed through termination or expiration, (iii) Rapport shall either recollect all RNS Data from its Subcontractors; or pursuant to section 5(d) below, require destruction of Materials and certify the same. Rapport shall pay NeuroPace any undisputed monies due and owing NeuroPace, up to the time of termination or expiration, for Services actually performed and all authorized expenses actually incurred (as specified in the applicable SOW), and (iv) Each Party shall immediately return to the other Party all of its respective Confidential Information and copies thereof provided under this Agreement or destroy such information under section 5(d) including any under any SOW which has been terminated or has expired. For avoidance of doubt, all NeuroPace Milestone Payments associated with Deliverables provided prior to termination shall be due and payable at such time as they are completed as per Section 2(b) above; all Patient Enrollment Milestone Payments due and owing at such time as they are completed as per Section 2(b) above; and all Recurring Payments that are scheduled prior to the date of termination notice shall be due and payable as per Section 2(b) above.

### 4. Representations and Warranties.

- (a) **Valid Corporation; Duly Authorized Agreement.** Each Party hereby represents and warrants to the other Party that it is and at all times during the term of this Agreement will remain a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of organization and the execution and delivery of this Agreement has been duly authorized by all requisite corporate action.

- (b) **Compliance.** NeuroPace hereby represents and warrants that all Services will be rendered in compliance with (a) this Agreement, (b) the specifications of the applicable SOW, (c) applicable Rapport quality standards and standard operating procedures, which have been agreed to in writing by the Parties, and (d) all applicable laws, rules, regulations and guidance documents (domestic or foreign), as may be amended from time to time, including without limitation, the Federal Food, Drug and Cosmetic Act, the regulations of the U.S. Food and Drug Administration (“**FDA**”), Good Laboratory Practice for Non-Clinical Laboratory Studies (21 CFR Part 58), current Good Manufacturing Practices (21 CFR Parts 210 and 211), the General Biological Products Standards (21 CFR Part 610), the U.S. Foreign Corrupt Practices Act and the U.K. Bribery Act (2010), the Federal Anti-Kickback Statute, 42 U.S.C. § 1320a-7(b), all applicable U.S. securities laws and regulations, all applicable privacy and data protection laws, rules, regulations and guidance documents including, but not limited to, Regulation (EU) 2016/679 (the “**General Data Protection Regulation**” or “**GDPR**”) and the Health Insurance Portability and Accountability Act of 1996, as amended by the Health Information Technology for Economic and Clinical Health Act enacted as part of the American Recovery and Reinvestment Act of 2009, and any regulations and official guidance promulgated thereunder (“**HIPAA**”). NeuroPace will promptly notify Rapport and provide Rapport with a copy of any correspondence or other reports submitted to or received from any governmental agency concerning the Services. Rapport hereby represents and warrants that it shall treat all RNS Data, which constitutes Protected Health Information (“**PHI**”) as defined under HIPAA, in accordance with all applicable regulations promulgated under HIPAA.
- (c) **NeuroPace Personnel.** NeuroPace hereby represents and warrants that (i) NeuroPace has and will engage personnel with the proper skill, training and experience to provide the Services, (ii) NeuroPace shall be solely responsible for paying NeuroPace personnel and providing any employee benefits that they are owed, paying any remuneration, (iii) before providing Services, all NeuroPace personnel and Subcontractors shall have agreed in writing to (x) confidentiality obligations consistent with the terms of this Agreement and (y) terms that effectively vest in NeuroPace any and all rights that such personnel might otherwise have in the results of their work.
- (d) **No Disbarment.** NeuroPace hereby represents and warrants, on behalf of itself and its Affiliates, that NeuroPace, its personnel and each such Affiliate: (1) has not been debarred or convicted, and is not subject to any pending debarment or conviction, pursuant to section 306 of the Federal Food Drug and Cosmetic Act, 21 U.S.C. § 335a (the “**Act**”); (2) has not been listed by any government or regulatory agencies as ineligible to participate in any government healthcare programs or government procurement or non-procurement programs (as such term is defined in 42 U.S.C. 1320a-7b(f)), or excluded, debarred, suspended or otherwise made ineligible to participate in any such programs, and is not the subject of any pending action, suit, claim, investigation or proceeding that could render it ineligible to participate in any such programs, including pursuant to section 306 of the Act; and (3) has not been convicted of a criminal offense that falls within the ambit of 42 U.S.C. § 1320a-7(a) or is otherwise related to the provision of healthcare items or services, and is not subject to any such pending action, suit, claim, investigation or proceeding. NeuroPace covenants that neither it nor any of its Affiliates will use the services of any person or entity subject to any of the foregoing in connection with the performance of Services under this Agreement or any SOW. NeuroPace shall immediately notify Rapport in writing if NeuroPace or any of its Affiliates or any person or entity employed or retained by NeuroPace or any of its Affiliates to perform any of the Services, has been or becomes subject to any of the foregoing or if any action, suit, claim, investigation or proceeding relating to the foregoing is pending. Prior to permitting any person or entity to perform any Services hereunder, NeuroPace shall perform a screening, and at Rapport’s request shall provide evidence of such screening, to ensure that such individual or entity does not appear on any Exclusion List (as defined herein). As used herein, “**Exclusion Lists**” include the following:
- i. FDA Debarment List at <http://www.fda.gov/ICECI/EnforcementActions/FDAdebarmentList/default.htm>;

- ii. General Services Administration Excluded Parties List System (GSA EPLS) at <http://www.epls.gov>;
  - iii. lists maintained by the Office of Inspector General at <http://www.oig.hhs.gov>; and
  - iv. FDA's Disqualified / Restricted Lists for Clinical Investigators at <http://www.accessdata.fda.gov/scripts/SDA/sdNavigation.cfm?sd=clinicalinvestigatorsthisdisqualificationproceedings&previewMode=true&displayAll=true>.
- (e) **No Third-Party Conflict.** The terms of this Agreement and NeuroPace's performance of Services do not and will not conflict with any of NeuroPace's obligations to any third parties and Rapport's use of Services and Deliverables in accordance with this Agreement shall not violate any patent, trade secret or other proprietary or intellectual property right of any third party.

## 5. Confidentiality & Non-Use.

- (a) **Definition of Confidential Information/Permitted Use.** The Parties acknowledge that their relationship is one of high trust and confidence and that in the course of the SOW, the Parties will have access to and contact with Confidential Information belonging to both Parties. As used herein, "Confidential Information" of a Party means any and all confidential or proprietary information presently or subsequently disclosed or provided to the other Party, whether in oral, electronic, written or other form. Confidential Information includes, without limitation: (i) any technology, inventions, products, chemical compounds and compositions, formulations, molecules, precursors, methods, concepts, ideas, plans, samples, processes, algorithms, specifications, characteristics, techniques, know-how and assays; clinical information such as RNS Data or Rapport study drug data, scientific preclinical or clinical data, research plans, observations, records, databases, dosing regimens, clinical studies or protocols, posters, presentations and abstracts, product pipelines, timelines and schedules; business information such as development, marketing, sales, pricing and commercialization plans, forecasts, proposals, customer lists, suppliers, consulting relationships, operating, performance and cost structures, strategies and techniques, and any other non-public information or other trade secrets, whether scientific, clinical or financial in nature, relating directly or indirectly to the business of a Party; (ii) the terms of this Agreement and any SOW related thereto; and (iii) all Deliverables, except to the extent needed by an authorized regulatory or required by an authorized regulatory body to be published or the parties jointly or separately publish about the Deliverables, subject to the provisions regarding publication set forth below. The Parties will use commercially reasonable efforts to label or identify all Confidential Information as confidential or proprietary. Notwithstanding the foregoing, Confidential Information will include all information that due to its nature would cause a reasonable person in the industry to know that it is confidential or proprietary even if not so marked or identified. The Parties agree to hold Confidential Information in confidence and exercise reasonable precautions to protect the integrity and confidentiality of the Confidential Information and to use Confidential Information solely as reasonably necessary for the performance of the Services and their applicable obligations under the applicable SOW and this Agreement. The Parties shall only disclose Confidential Information to personnel and Subcontractors who have a need to receive such Confidential Information in order to further the purposes of the applicable SOW(s) and who are bound to protect the confidentiality of such Confidential Information, as set forth above. Upon execution of this Agreement, NeuroPace authorizes Rapport to share the RNS Data associated with the Services with its subcontractor Prometrika and to utilize such data in subsequent scientific publications related to Rapport study drug.
- (b) **Exceptions.** The Parties will have no obligation of confidentiality and non-use with respect to any portion of Confidential Information that: (i) is generally known to the public at the time of disclosure or becomes generally known through no fault of a receiving Party; (ii) is in the receiving Party's possession at the time of disclosure, as evidenced by its written records, other than as a result of the receiving Party's breach of any legal obligation; (iii) is obtained without restriction from a third party having the legal right to disclose the same to receiving Party; or (iv) is independently developed by the receiving Party without the use of Confidential Information, as evidenced by the receiving Party's written records. Nothing in this Agreement precludes a Party from making any disclosure of Confidential Information

that is required by applicable law or by a valid order of a court or other governmental body having jurisdiction, provided that the receiving Party uses best efforts to limit the scope of the required disclosure, provides notification to the disclosing Party of such requirement as soon as reasonably possible, and cooperates with disclosing Party in seeking an appropriate protective order, confidential treatment, or similar remedy limiting the subsequent use and disclosure of any Confidential Information required to be disclosed. Such disclosed information shall remain Confidential Information to the extent there is no public disclosure.

- (c) **Ownership of Confidential Information.** Each Party shall at all times remain the sole owner of its Confidential Information and all IP (as defined below in Section 6) related thereto. Except as expressly set forth in this Agreement, nothing herein shall be construed as granting to a Party, by implication, estoppel or otherwise, any right, title or interest in, or any license under, any IP right of the other Party (including without limitation, Confidential Information).
- (d) **Destruction of Confidential Information.** Upon the request of a Party, the other Party will (a) destroy any and all copies of Confidential Information and (b) provide a written certification to the requesting party regarding such destruction. A Party may, however, (i) retain one (1) copy of the Confidential Information in its confidential files, solely for the purpose of monitoring its continuing obligations of confidentiality hereunder and (ii) not be obligated to erase any Confidential Information contained in an archived computer system backup in accordance with security and/or disaster recovery procedures; provided however, that any such Confidential Information retained under this Section 5(d) shall continue to be subject to the terms of this Agreement.
- (e) **Survival.** The obligations of non-disclosure and non-use hereof will survive any expiration or termination of this Agreement and continue in full force and effect for a period of [\*\*\*] from the date of expiration or termination of this Agreement (and in the case of trade secrets, until such time as the applicable Party no longer treats such information as a trade secret).

## 6. Proprietary Rights.

- (a) **Device Data and Derived Metrics.** “Device Data” is RNS Data that is collected by the RNS System. “Derived Metrics” are the outcomes of algorithms that are applied to Device Data. Device Data and Derived Metrics are proprietary to NeuroPace and remain the sole and exclusive property of NeuroPace. NeuroPace grants Rapport a royalty-free, worldwide, exclusive, non-transferable license to all Device Data and Derived Metrics in furtherance of the applicable SOW and in the use of all Deliverables provided hereunder including any related to proving Rapport study drug safety and efficacy in POC study and data analysis relative to study. For avoidance of doubt, in event of termination, NeuroPace will not recollect from Rapport the Device Data and Derived Metrics that comprise the Deliverables, except that Rapport shall retrieve any such data from any third parties with which it has subcontracted for performance of other services associated with the subject matter of the applicable SOW, or, pursuant to section 5(d), certify destruction of said data by third parties. Additionally, the confidentiality survival obligations set forth above in Section 5 shall apply to the retained Deliverables and the Device Data and Derived Metrics that comprise the Deliverables.
- (b) **Materials.** All data, documentation, biological materials, chemical compounds, reagents, together with all derivatives, improvements, or modifications thereof or other materials or information controlled or owned by Rapport and furnished to NeuroPace (“**Materials**”) and all associated IP rights will remain the exclusive property of Rapport. NeuroPace will at all times take such measures as are required to protect the Materials, and any work in process, from risk of loss or damage at all times during the performance of the Services. NeuroPace shall use Materials provided by Rapport solely for rendering the Services under the applicable SOW. Any Materials remaining upon completion of the Services under a SOW shall be, at Rapport’s direction, either returned to Rapport or destroyed. NeuroPace will ensure that Materials, and any work in process, are free and clear of any liens or encumbrances. NeuroPace will immediately notify Rapport if at any time it believes any Materials have been damaged, lost or stolen.

(c) **Intellectual Property**

- i. **Intellectual Property or IP.** “Intellectual Property” or “IP” means inventions, software, other works of authorship, improvements, or suggestions, whether patentable or copyrightable, conceived, created, adapted, or reduced to practice, whether made alone or in conjunction with others.
- ii. **Background IP.** “Background IP” means Intellectual Property in existence before the Parties entered into this Agreement. Each Party retains ownership of their respective Background IP.
- iii. **Deliverables-related IP.** “Deliverables-related IP” means an invention invented solely by an individual or individuals who, at the time the invention is made, is/are under an obligation to assign rights in and to the invention to NeuroPace, where both the terms “invention” and “inventor” are determined in accordance with U.S. patent laws, where the invention is a direct result of NeuroPace’s performance of the Services set forth in the SOW. NeuroPace shall own all right, title, and interest in Deliverables-related IP, except that NeuroPace grants Rapport a non-exclusive, worldwide, fully paid-up, non-royalty bearing, non-transferable license to use for any legitimate business purpose, have used, disclose, and perform, solely in connection with, and to the extent necessary to use, the Deliverables.

- (d) **Assignment of Deliverables.** NeuroPace hereby assigns, and agrees to assign, to Rapport (and/or its designee specified by Rapport in writing), all ownership and right, title and interest in all Deliverables such that Rapport shall enjoy and shall be entitled to exercise all the rights of a sole, exclusive holder in such Deliverables. As set forth above, NeuroPace grants Rapport a royalty-free, worldwide, exclusive, non-transferable license to all Device Data and Derived Metrics in furtherance of the applicable SOW and in the use of all Deliverables provided hereunder for any legitimate Rapport business purpose. NeuroPace shall keep and maintain adequate and current written records of all Deliverables, and such records will be available to and remain the sole property of Rapport at all times. Without limiting the foregoing, all original works of authorship which are made by NeuroPace (solely or jointly with others) within the scope of this Agreement and which are protectable by copyright are “works made for hire”, as that term is defined in the United States Copyright Act. During and after the term of this Agreement, NeuroPace will cooperate fully in obtaining patent and other proprietary protection for any and all Deliverables, all in the name of Rapport (and/or its designee) and at Rapport’s expense, and shall execute and deliver all requested applications, assignments and other documents, and take such other measures as Rapport may reasonably request, in order to perfect and enforce Rapport’s (and/or its designee’s) rights in any and all Deliverables. NeuroPace hereby appoints Rapport as its attorney-in-fact to execute and deliver any such documents on behalf of NeuroPace in the event NeuroPace shall fail to do so.
- (e) **No Third-Party Resources.** NeuroPace will not use in the performance of Services, any equipment, confidential information or trade secrets of any third party which are not generally available to the public, unless NeuroPace has obtained written authorization from such third party for their possession and use and obtains Rapport’s written consent prior to such use.

7. **Publication of results**

NeuroPace agrees that Rapport will be permitted to, in a manner consistent with customary academic standards, (a) publish in journals, theses, dissertations, or other formats of their own choosing and (b) to present at symposia and national or regional professional meetings, the methods and results of the Project deliverables, provided in each case, however, that (i) Rapport agrees that any such publication or presentation will not breach any confidentiality provisions contained in the Agreement and (ii) NeuroPace will be furnished copies of any proposed publication or summaries of any prepared presentation at least [\*\*\*] in advance of the submission of such proposed publication or presentation to any third party solely for the purpose of NeuroPace review of RNS Data accuracy and to confirm appropriate application of the confidentiality obligations set forth above at Paragraph 5. During such [\*\*\*] period, NeuroPace will communicate to Rapport any concerns or objections relating solely to RNS

data accuracy and/or confidentiality that NeuroPace has relating to the proposed publication. The parties agree to resolve through good faith discussions any concerns raised by NeuroPace, to enable Rapport to proceed with the intended publication. To the extent that NeuroPace wishes to publish, it shall follow the same procedure described above, and Rapport shall be afforded the right of review to confirm all accuracy strictly as it relates to descriptions of Rapport, Rapport's business or its products, and to confirm appropriate application of the confidentiality obligations set forth above at Paragraph 5.

**8. Records; Records Storage.**

- (a) **Records.** NeuroPace shall maintain all Materials and all other data and documentation obtained or generated by NeuroPace in the course of providing Services hereunder, including all computerized records and files (the "**Records**") in a secure area reasonably protected from fire, theft and destruction.
- (b) **Record Retention.** Upon written instruction of Rapport, all Records shall, at Rapport's option either be (i) delivered to Rapport or to its designee in such form as is then currently in the possession of NeuroPace, (ii) retained by NeuroPace for a period of [\*\*\*], or such longer period as required as a matter of law, or (iii) disposed of, at the direction and written request of Rapport, unless such Records are otherwise required to be stored or maintained by NeuroPace as a matter of law. In no event shall NeuroPace dispose of any such Records without first giving Rapport [\*\*\*] prior written notice of its intent to do so. Notwithstanding the foregoing, NeuroPace may retain one copy of any such Records for regulatory or insurance purposes only, subject to NeuroPace's obligations of confidentiality set forth in Section 5 above.

**9. Indemnification; Limitation of Liability.**

- (a) **Indemnification by Rapport.** Rapport will indemnify, defend and hold harmless NeuroPace, its Affiliates, and its and their respective officers, directors, employees and agents (collectively, the "**NeuroPace Indemnitees**") against any third party claims, including reasonable attorneys' fees for defending those claims, to the extent such claims arise out of or relate to (i) the use of the Deliverables by Rapport or its Affiliates (except to the extent such claims result from NeuroPace's breach of this Agreement or a NeuroPace Indemnitee's negligence or willful misconduct); (ii) any Rapport Indemnitee's negligence or willful misconduct in performing obligations under this Agreement; or (iii) Rapport's breach of this Agreement.
- (b) **Indemnification by NeuroPace.** NeuroPace will indemnify, defend and hold harmless Rapport, its Affiliates, and its and their respective officers, directors, employees and agents (collectively, the "**Rapport Indemnitees**") against any third party claims, including reasonable attorneys' fees for defending those claims, to the extent such claims arise out of or relate to (i) the performance of Services by any NeuroPace personnel or Subcontractor (except to the extent such claims result from Rapport's breach of this Agreement or a Rapport Indemnitee's negligence or willful misconduct); (ii) any NeuroPace Indemnitee's negligence or willful misconduct in performing obligations under this Agreement; (iii) NeuroPace's breach of this Agreement or (iv) infringement of any intellectual property rights of a third party bringing any such claims in connection with the Services to the extent based on the practice or use of NeuroPace Property independent of the Services.
- (c) **Indemnification Procedures.** Each Party must notify the other Party within [\*\*\*] after receipt of any claims made for which the other Party might be liable under Section 8(a) or 8(b), as applicable. The indemnifying Party will have the sole right to defend, negotiate, and settle such claims. The indemnified Party will be entitled to participate in the defense of such matter and to employ counsel at its expense to assist in such defense; provided, however, that the indemnifying Party will have final decision-making authority regarding all aspects of the defense of the claim. The indemnified Party will provide the indemnifying Party with such information and assistance as the indemnifying Party may reasonably request, at the expense of the indemnifying Party. Neither Party will be responsible nor bound by any settlement of any claim or suit made without its prior written consent; provided, however, that the indemnified Party will not unreasonably withhold or delay such consent.

- (d) **LIMITATION OF LIABILITY.** EXCEPT FOR LOSSES ARISING FROM BREACH OF CONFIDENTIALITY OBLIGATIONS, GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OR FROM CLAIMS FOR WHICH A PARTY HAS INDEMNIFICATION OBLIGATIONS, (A) NEITHER PARTY WILL BE LIABLE TO THE OTHER PARTY FOR SPECIAL, CONSEQUENTIAL, EXEMPLARY, PUNITIVE OR INCIDENTAL DAMAGES, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES AND (B) EACH PARTY'S MAXIMUM AGGREGATE TOTAL LIABILITY WILL NOT EXCEED [\*\*\*] TIMES THE TOTAL AMOUNTS PAID UNDER THIS AGREEMENT.

**10. Insurance.**

- (a) **Coverage.** NeuroPace shall, at its own expense, provide and keep in full force and effect during the term of this Agreement and for a period of [\*\*\*] following each SOW termination date the following types and minimum amounts of insurance:
1. Workers' compensation insurance as required by the laws of the jurisdiction in which the Services are performed, and employer's liability insurance with limits of at least \$[\*\*\*].
  2. Commercial general liability insurance which shall include bodily injury, property damage, independent contractor coverage, completed operations or products coverage, blanket contractual, and broad-form property damage with limits of at least \$[\*\*\*] and \$[\*\*\*].
- (b) **Evidence of Coverage.** Within [\*\*\*] after execution of this Agreement, Service shall provide Rapport with copies of all certificates of insurance evidencing the coverage required hereunder.

**11. Use of Name.** Neither Party shall use the other Party's name in any form of advertising, promotion or publicity, including press releases, without the prior written consent of the other Party. This term does not restrict a Party's ability to use the other Party's name in filings with the Securities and Exchange Commission, FDA or other governmental agencies when required to do so. The Parties agree to work in good faith to draft a joint press release and/or individual press releases to promote this collaboration upon the execution of this Agreement and the applicable SOW. The Parties shall coordinate timing of the joint press release so that it is released [\*\*\*].

**12. Independent Contractor Relationship.** Nothing contained in this Agreement shall be deemed to constitute NeuroPace an employee of Rapport, it being the intent of the Parties to establish an independent contractor relationship, nor shall NeuroPace have authority to bind Rapport in any manner whatsoever by reason of this Agreement.

**13. Assignment.** This Agreement may not be assigned by a Party without the prior written consent of the other Party; provided, however, that a Party may assign, upon written notice to the other Party, this Agreement to a successor of substantially all of the assets and business of the assigning Party to which this Agreement relates, whether in a merger, sale of stock, sale of assets, reorganization or other transaction, and the resulting entity assumes all the obligations under this Agreement. Subject to the foregoing, this Agreement shall be binding on the Parties and their successors and permitted assigns.

**14. Force Majeure.** Neither Party shall be responsible for any failure or delay in performance of this Agreement if the failure or delay is due to an event beyond the reasonable control and without the fault or negligence of the Party seeking to excuse performance, including without limitation, acts of God, acts of terrorism, war, labor disputes and strikes, fire, flood, riot, and unforeseen delays in third-party provided transportation or communications (a "Force Majeure Event"). Any Party seeking to excuse or delay performance due to a Force Majeure Event under this Section 13 will provide detailed written notice to the other Party promptly after the occurrence of such Force Majeure Event, detailing the nature and anticipated duration of the delay. A Party claiming the benefit of a Force Majeure Event shall use reasonable efforts to avoid or overcome the causes affecting performance and diligently fulfill all outstanding obligations within [\*\*\*]. In the event that a NeuroPace Force Majeure Event continues for longer than [\*\*\*], Rapport shall have the right to terminate this Agreement upon [\*\*\*] notice to the NeuroPace, provided that if the Force Majeure Event ceases within such [\*\*\*] notice period, this Agreement shall remain in full force and effect.

**15. Audit Rights.** During the term of this Agreement and for a period of [\*\*\*] after expiration or termination of this Agreement, Rapport will have the right to audit, upon reasonable notice, any of NeuroPace's records related to this Agreement and/or any SOW, including contracts with third parties and financial records relating to NeuroPace performance thereunder. NeuroPace will refund any sums due to Rapport arising as a result of such audit immediately after delivery of the audit to NeuroPace.

**16. Survival.** Any termination of this Agreement shall be without prejudice to any obligation of either Party that shall have accrued and then be owing prior to termination. Without limiting the foregoing, Section 1(c) and Sections 2 through 21 of this Agreement shall survive any termination of this Agreement.

**17. Entire Agreement; Amendment; Severability; Waiver.** This Agreement, including the exhibits attached hereto, contains the entire agreement between the Parties with respect to its subject matter and supersedes all prior agreements, written or oral, between the Parties with respect to its subject matter. This Agreement may not be modified, changed or discharged, in whole or in part, except by an agreement in writing signed by the Parties. In the event that any one or more of the provisions contained in this Agreement are, for any reason, held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provisions of this Agreement, and all other provisions will remain in full force and effect. If any provision of this Agreement is held to be excessively broad, it will be reformed and construed by limiting and reducing it so as to be enforceable to the maximum extent permitted by law. No waiver of any rights under this Agreement shall be effective unless in writing signed by the Party to be charged. A waiver of a breach or violation of any provision of this Agreement will not constitute or be construed as a waiver of any subsequent breach or violation of that provision or as a waiver of any breach or violation of any other provision of this Agreement.

**18. Counterparts and Signatures.** This Agreement may be executed in one or more counterparts, each of which will be deemed an original, and all of which together will be deemed to be one and the same instrument. The Parties agree that electronic signatures or signatures affixed to any one of the originals and delivered by facsimile, portable document format (PDF), or other electronic means shall be valid, binding and enforceable.

**19. Equitable Relief.** NeuroPace acknowledges that irreparable harm may be done to Rapport's business through the breach of NeuroPace's confidentiality and non-use obligations set forth in Section 5 above, for which damages at law may not be an adequate remedy. Accordingly, nothing in this Agreement shall prevent Rapport from seeking injunctive or other equitable relief from any court of competent jurisdiction at any time to protect its Confidential Information.

**20. Notices.** All notices required or permitted under this Agreement must be in writing, addressed to the attention of "Chief Executive Officer" and must be given by directing the notice to the address for the recipient set forth in this Agreement or at such other address as the recipient may specify in writing under this procedure.

**21. Governing Law.** This Agreement shall in all events and for all purposes be governed by, and construed in accordance with, the law of the State of Delaware, without regard to any choice of law principle that would dictate the application of the law of another jurisdiction.

**22. Defend Trade Secrets Act of 2016.** NeuroPace acknowledges receipt of the following notice under 18 U.S.C § 1833(b)(1): "An individual shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (a) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal."



IN WITNESS WHEREOF, the Parties have executed this Agreement by their duly authorized representatives as of the Effective Date.

**RAPPORT THERAPEUTICS, INC.**

By: /s/ Abraham N. Ceesay

Printed Name: Abraham N. Ceesay

Date: November 22, 2023

**NEUROPACE INC.**

By: /s/ Joel Becker

Printed Name: Joel Becker

Date: November 28, 2023

**EXHIBIT A**  
**SAMPLE SOW**  
**SOW # \_\_\_\_\_**

This SOW together with any attachments (the "**SOW**") is by and between Rapport Therapeutics, Inc., with a principal business address at 1325 Boylston Street, Suite 401, Boston, MA 02215 USA ("**Rapport**") and NeuroPace Inc. with a principal place of business at 455 N. Bernardo Avenue, Mountain View, CA. 94043 ("**NeuroPace**"), and, upon execution, will be incorporated into, subject to and governed by the Master Services Agreement between Rapport and NeuroPace dated \_\_\_\_\_ 20\_\_ (the "**Agreement**"). Capitalized terms not otherwise defined in this SOW shall have the same meaning as set forth in the Agreement. Rapport hereby engages NeuroPace to provide Services, as follows:

All terms and conditions of the Agreement apply to this SOW.

IN WITNESS WHEREOF, the Parties hereto have caused this SOW to be executed in duplicate by their duly authorized representatives, effective as of the date of the last Party to sign below.

**RAPPORT THERAPEUTICS, INC.**

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**NEUROPACE INC.**

By: \_\_\_\_\_  
Printed Name: \_\_\_\_\_  
Date: \_\_\_\_\_

**CERTAIN INFORMATION CONTAINED IN THIS EXHIBIT, MARKED BY [\*\*\*], HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE THE REGISTRANT HAS DETERMINED THAT IT IS BOTH NOT MATERIAL AND IS THE TYPE THAT THE REGISTRANT TREATS AS PRIVATE OR CONFIDENTIAL.**

**SOW #1**

This SOW together with any attachments (the “SOW”) is by and between Rapport Therapeutics, Inc., with a principal business address at 1325 Boylston Street, Suite 401, Boston, MA 02215 USA (“**Rapport**”) and NeuroPace Inc. with a principal place of business at 455 N. Bernardo Avenue, Mountain View, CA. 94043 (“**NeuroPace**”), and, upon execution, will be incorporated into, subject to and governed by the Master Services Agreement between Rapport and NeuroPace dated November 28, 2023 (the “**Agreement**”). Capitalized terms not otherwise defined in this SOW shall have the same meaning as set forth in the Agreement. Rapport hereby engages NeuroPace to provide Services, as follows:

All terms and conditions of the Agreement apply to this SOW.

IN WITNESS WHEREOF, the Parties hereto have caused this SOW to be executed in duplicate by their duly authorized representatives, effective as of the date of the last Party to sign below.

**RAPPORT THERAPEUTICS, INC.**

**NEUROPACE INC.**

By: /s/ Abraham N. Ceesay  
Printed Name: Abraham N. Ceesay

By: /s/ Joel Becker  
Printed Name: Joel Becker

Date: November 22, 2023

Date: November 28, 2023

**THIS SPACE LEFT INTENTIONALLY BLANK**

**Report Therapeutics and NeuroPace Collaboration:** Proposed Scope of Work and Budget to support Phase 2a proof-of-concept study of first-in-class TARP-g8 negative allosteric modulator (RAP-219)

**Project Summary and Scope:**

Rapport Therapeutics is planning to study a first-in-class anti-seizure medication in focal onset seizure patients with implanted intracranial responsive neurostimulator RNS devices (“Project”). The RNS System is an approved pioneering treatment device for patients with focal onset seizures refractory to available medical therapies. The device monitors, detects and records epileptiform activity with implanted electrodes and thus allows for sensitive, ambulatory monitoring of epileptiform activity within the epilepsy-onset zone of focal onset seizure patients.

Successful execution of this proof-of-concept study has the potential to help Rapport Therapeutics demonstrate the efficacy of an experimental therapeutic (RAP-219), and to further demonstrate that NeuroPace’s RNS device offers a sensitive means of rapidly determining the activity of novel therapeutic agents in focal onset seizure patients. Success of this study will also demonstrate the power of existing data resources within the NeuroPace database, and the inherent power of ambulatory electrocorticographic (ECoG) biomarkers and their potential use in prospective studies of patients with RNS. In addition, the data obtained in this study will further support the use of RNS ECoG data as a physiologic tool to monitor patient outcomes.

Successful execution and operation of the clinical trial will require close collaboration and data sharing between Rapport and NeuroPace and will require negotiation of a more detailed/collaboration services agreement.

**Data Definitions**

Data collected by the NeuroPace® RNS® System and metrics derived from RNS® System data will be provided by NeuroPace to Rapport, as described here. RNS System data are downloaded from the RNS Neurostimulator each time it is interrogated by the patient or clinician, then uploaded to the RNS Patient Data Management System (PDMS). Data and derived metrics will be documented and provided at specified intervals and on demand in CSV formatted text files to facilitate subsequent analysis. **Raw data supporting the derived metrics will not be provided.** Rapport is permitted to share the provided data and derived metrics with authorized third parties detailed in the MSA. The time range of the data provided will be determined by the study protocol and may include both retrospective and prospective data.

**Device data**

[\*\*\*]

**Derived metrics**

[\*\*\*]

**Project Phases**

- 1) **Project Initiation – [\*\*\*]**
- 2) **Clinical Trial Readiness – [\*\*\*]**
- 3) **Trial Support and Data Analysis – [\*\*\*]**
- 4) **Interpretation of data – [\*\*\*]**

**Phase One: Project Initiation ([\*\*\*)**

[\*\*\*)

**Phase Two: Clinical Trial Readiness ([\*\*\*)**

[\*\*\*)

**Phase Three: Clinical Trial Support and Data Analysis ([\*\*\*)**

[\*\*\*)

**Phase Four: Interpretation of Data ([\*\*\*)**

[\*\*\*)

**Under the terms of this collaboration agreement, NeuroPace will not be required to:**

Develop or write regulatory submissions, contract with sites, support IRB submissions, develop or perform non-device related statistical analyses or be responsible for clinical trial management. These items will be the responsibility of the trial Sponsor Rapport.

**Access to Validation Documentation:**

Rapport will have access to all validation documentation related to device-data algorithms and analyses that have been validated by NeuroPace.

**Payment Schedule**

<u>Payment</u>	<u>Payment Type</u>	<u>Milestone Number</u>	<u>Project Phase</u>	<u>Description/Deliverable</u>	<u>Total</u>
[***)	[***)	[***)	[***)	[***)	[***)
[***)	[***)	[***)	[***)	[***)	[***)
[***)	[***)	[***)	[***)	[***)	[***)
[***)	[***)	[***)	[***)	[***)	[***)
[***)	[***)	[***)	[***)	[***)	[***)
[***)	[***)	[***)	[***)	[***)	[***)
[***)	[***)	[***)	[***)	[***)	[***)
<b>SOW Total</b>					<u>3.7M</u>

\* In the event the clinical trial progress extends [\*\*\*)], the Parties will meet and negotiate in good faith on Recurring Payments to support the ongoing obligations required to reach the Final Report Milestone. In the event of the foregoing, the Parties shall amend the SOW in writing to reflect their agreement.

**Amendment 1 to Statement of Work #1**

**of**

**Master Services Agreement between Rapport and NeuroPace dated November 28, 2023**

WHEREAS, Rapport and NeuroPace (“the Parties”) entered into a Master Services Agreement (“MSA”) dated November 28, 2023 and a corresponding Statement of Work (“SOW”) #1, and

WHEREAS, the Parties now wish to amend the SOW #1 with certain clarifications as set forth herein in this “Amendment 1 to SOW #1,”

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth, the Parties agree as follow:

1. In the SOW #1 on page 19 at “Phase Two Obligations,” the following sentence shall be stricken:  
“[\*\*\*]”
2. The aforementioned sentence shall be replaced with the following:  
“[\*\*\*]”
3. Except as set forth herein, no further changes shall be made to the SOW #1. All other terms and conditions of the MSA and SOW are restated and reaffirmed.

IN WITNESS WHEREOF, the Parties hereto have caused this Amendment 1 to SOW #1 to be executed by their duly authorized representatives effective as of the date of the last Party to sign below.

**RAPPORT THERAPEUTICS, INC.**

**NEUROPACE INC.**

By: /s/ Abraham N. Ceesay  
Printed Name: Abraham N. Ceesay

By: /s/ Joel Becker  
Printed Name: Joel Becker

Date: March 1, 2024

Date: February 28, 2024

## List of Subsidiaries

Subsidiary	Jurisdiction of Incorporation
Rapport Therapeutics Securities Corporation	Massachusetts