Confidential Draft Submitted on July 31, 2020
As filed with the Securities and Exchange Commission , 2020.
Registration No. 333-

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

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

GRAYBUG VISION, INC.
(Exact name of registrant as specified in its charter)

Delaware	2834	452120079
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

275 Shoreline Drive, Suite 450
Redwood City, CA 94065
(650) 487-2800
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Frederic Guerard
Chief Executive Officer
Graybug Vision, Inc.
275 Shoreline Drive, Suite 450
Redwood City, CA 94065
(650) 487-2800
(Name, address, including zip code, and telephone number, including area code, of agent for service)

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

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

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

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

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

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

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

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

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Common Stock, par value $0.0001 per share	$	$

(1) The proposed maximum aggregate offering price includes the offering price of additional shares that the underwriters have the option to purchase.
(2) Estimated solely for purposes of calculating the registration fee in accordance with Rule 457(o) under the Securities Act of 1933, as amended.

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.

EXPLANATORY NOTE

Pursuant to the applicable provisions of the Fixing America's Surface Transportation Act, we are omitting our financial statements as of March 31, 2020 and for the three month periods ended March 31, 2020 and 2019 because they relate to a historical period that we believe will not be required to be included in the prospectus at the time of the contemplated offering. We intend to amend the registration statement to include all financial information required by Regulation S-X at the date of such amendment before distributing a preliminary prospectus to investors.

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

SUBJECT TO COMPLETION, DATED , 2020

PRELIMINARY PROSPECTUS

Shares

Common Stock

We are offering shares of our common stock. This is our initial public offering and no public market currently exists for our common stock. We expect the initial public offering price to be between $ and $ per share.

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

We are an "emerging growth company" and a "smaller reporting company" as defined under the federal securities laws and, as such, we have elected to comply with certain reduced reporting requirements for this prospectus and may elect to do so in future filings.

Investing in our common stock involves a high degree of risk. See "Risk Factors" beginning on page 13 of this prospectus.

Neither the Securities and Exchange Commission nor any other regulatory body has approved or disapproved of these securities or passed on the adequacy or accuracy 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 to Graybug Vision, Inc. (before expenses)	$	$

(1) We refer you to "Underwriting" beginning on page 167 for additional information regarding underwriter compensation.

Delivery of the shares of common stock is expected to be made on or about , 2020. We have granted the underwriters an option for a period of 30 days to purchase up to additional shares of our common stock. If the underwriters exercise the option in full, the total underwriting discounts and commissions payable by us will be $, and the total proceeds to us, before expenses, will be $.

SVB Leerink **Piper Sandler**

Needham & Company **Wedbush PacGrow**

The date of this prospectus is , 2020.

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Neither we nor the underwriters have authorized anyone to provide you with information different from, or in addition to, that contained in this prospectus, any amendment or supplement to this prospectus and any related free writing prospectus 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 information that others may give you. This prospectus is not an offer to sell, nor is it seeking an offer to buy, these securities in any jurisdiction where the offer or sale is not permitted. The information contained in this prospectus or in any applicable free writing prospectus is current only as of its date, regardless of its time of delivery or the time of any sale of shares of our common stock.

Persons who come into possession of this prospectus in jurisdictions outside the United States are required to inform themselves about and to observe any restrictions as to this offering and the distribution of this prospectus and any applicable free writing prospectus applicable to that jurisdiction.

Until and including , 2020 (25 days after the date of this prospectus), all dealers that buy, sell or trade our common stock, whether or not participating in this offering, may be required to deliver a prospectus. This delivery requirement is in addition to the obligation of dealers to deliver a prospectus when acting as underwriters and with respect to their unsold allotments or subscriptions.

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus and does not contain all of the information that you should consider in making your investment decision. Before investing in our common stock, you should carefully read this entire prospectus, including our financial statements and the related notes thereto and the information set forth under the sections entitled "Risk Factors," "Selected Financial Data" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," in each case included in this prospectus. Some of the statements in this prospectus constitute forward-looking statements that involve risks and uncertainties. See the section entitled "Special Note Regarding Forward-Looking Statements." Unless the context otherwise requires, we use the terms "Graybug Vision," "company," "we," "us" and "our" in this prospectus to refer to Graybug Vision, Inc.

Overview

We are a clinical-stage biopharmaceutical company focused on developing transformative medicines for the treatment of diseases of the retina and optic nerve. Our novel proprietary technologies are designed to release drugs in ocular tissue at a controlled rate for up to 12 months in order to improve patient compliance, reduce healthcare burdens and, ultimately, deliver better clinical outcomes. Our lead product candidate, GB-102, is an intravitreal injection of a microparticle depot formulation of sunitinib, a potent inhibitor of neovascular growth and permeability, which are leading causes of retinal disease. We are developing GB-102 as a once-every-six months intravitreal injection for the treatment of wet age-related macular degeneration, or wet AMD, and diabetic macular edema, or DME. In our Phase 1/2a clinical trial, GB-102 administered as a single 1 mg dose was well-tolerated in wet AMD patients and demonstrated durable clinical evidence of disease control of at least six months in approximately 88% of patients in this cohort. GB-102 is currently in a dose-ranging, controlled and masked safety and efficacy Phase 2b clinical trial in patients with wet AMD. We expect to report topline data from this trial in the first half of 2021. We are also using our proprietary technologies to develop GB-103, a once-a-year formulation of GB-102, for the treatment of diabetic retinopathy, or DR, as well as GB-401, an intravitreally injectable depot formulation of a beta-adrenergic prodrug with a dosing regimen of once every six months or longer for the treatment of primary open-angle glaucoma, or POAG. We believe that our product candidates could significantly improve clinical outcomes versus the respective standards of care for several ocular diseases.

Age-related macular degeneration, or AMD, is a chronic, progressive disease, a leading cause of vision loss in the elderly and estimated to affect approximately 15 million people in North America. The disease prevalence is approximately 85 to 90% nonexudative, or dry, AMD and 10 to 15% wet AMD. The therapeutic market for wet AMD in 2019 was estimated to be $7.9 billion worldwide and has historically grown by approximately 8% as a consequence of an aging population and the lack of preventative measures.

There is no cure for wet AMD. To maintain vision, patients must receive frequent intravitreal injections, up to 12 times per year, with short-acting anti-vascular endothelial growth factor, or VEGF, agents. Although the use of anti-VEGF treatments has revolutionized visual outcomes for patients, the need for frequent injection visits combined with the increasing prevalence of this disease puts an enormous pressure on healthcare systems and represents a severe burden for patients, caregivers and physicians. These dynamics often lead to a reduced frequency of treatment and result in suboptimal visual outcomes in real-world practice.

Damage to the retina as a result of DR includes a number of vision-threatening complications such as DME, and has been an important cause of acquired vision loss in the young and middle-age adult population. It is estimated that the number of patients with DR will increase globally to over 190 million by 2030. One-third of DR patients over 40 years of age in the United States are at risk of developing vision-threatening complications, including DME. DME is the second largest market for anti-VEGF therapies, accounting for approximately

$3.7 billion of sales worldwide and approximately $1.8 billion in the United States in 2019. Multiple clinical trials have shown that anti-VEGFs are also beneficial for the treatment of patients with DR but without DME; however, the need for frequent injections and follow-up for this often asymptomatic population leads to inadequate compliance and suboptimal clinical benefit.

GB-102 is designed to provide pan-VEGF inhibition for six months or longer while minimizing fluctuations in retinal thickness in between treatments, which is emerging as predictive of visual outcomes. We believe durable and sustained drug delivery of a single dose offered by GB-102 could provide improved visual outcomes for patients with wet AMD and DME, better patient quality-of-life and reduced disease-monitoring requirements.

GB-103, a longer-acting formulation of sunitinib, is designed to maintain therapeutic drug levels in the retinal tissue for up to 12 months following a single intravitreal injection. This potentially longer duration of clinical benefit and consequently less frequent need for intravitreal injections may be more conducive to maintaining a typically asymptomatic patient with DR on an effective anti-VEGF therapy regimen. If approved, GB-103 could provide a paradigm shift in the treatment of patients with DR who are currently managed either by observation alone, pan-retinal laser photocoagulation or, in rare instances, with short-acting anti-VEGF injections.

Glaucoma is an optic neuropathy that is characterized by the progressive degeneration of the optic nerve that leads to visual impairment. It is a leading cause of irreversible vision loss that is projected to affect approximately 76 million people worldwide in 2020. The most common type of glaucoma is POAG, which is characterized by an increase in intraocular pressure, or IOP, because fluid, which is continuously generated by cells inside the front of the eye, cannot drain properly. The global POAG therapeutics market is estimated to reach approximately $3.8 billion in 2026, of which the United States represents approximately $2.9 billion.

The most common treatment options for glaucoma are topical eye drops, which must be administered daily, or invasive medical procedures. Topical eye drops can lower IOP and have been shown to both delay and prevent the progressive degeneration associated with POAG. However, these medications must be administered up to four times per day, and approximately 30% of patients often require more than one class of drug to control IOP. It is estimated that approximately 50% of patients stop using their glaucoma medications in the first six months post-diagnosis due to various reasons, including forgetfulness, lack of disease awareness and/or cost, thus leading to uncontrolled IOP and progressive loss of peripheral vision. Laser-based or surgical treatments to permanently reduce IOP are invasive and achievement of IOP targets may require multiple surgeries.

Our third product candidate, GB-401, is an intravitreally administered, proprietary formulation of a beta-adrenergic prodrug designed to provide a controlled release of the active drug to maintain a reduced IOP for six months or longer after a single injection, thus addressing the patient compliance problem and improving outcomes. If approved, GB-401 could represent a significant paradigm shift in the way physicians treat POAG.

Our pipeline

The following chart summarizes the status and development plan for the product candidates in our pipeline. We own worldwide rights to each of our programs.

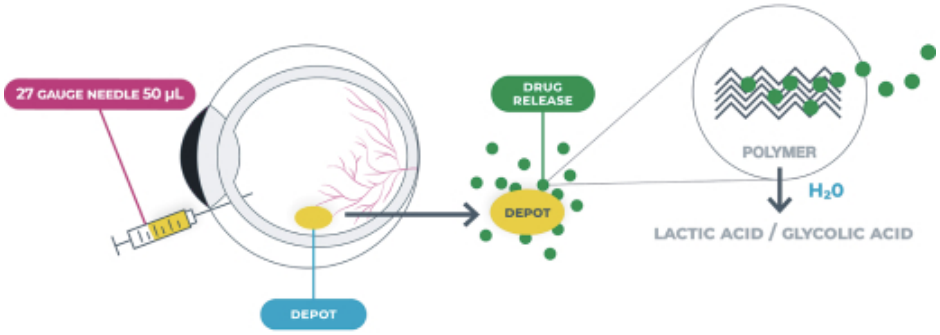
Program	Mechanism of Action	Indication	Phase of Development	Upcoming Milestones
GB-102 (sunitinib)	Pan-VEGF inhibitor	Wet Age-Related Macular Edema (wet AMD)	Phase 1/2a ADAGIO (completed) Phase 2b ALTISSIMO	• Phase 2b topline data: 1H 2021 • Initiation Phase 3: 2H 2021
GB-102 (sunitinib)	Pan-VEGF inhibitor	Diabetic Macular Edema (DME)	Phase 2a	• Phase 2a topline data: 2H 2020 • Initiation DME Phase 2b: 2H 2021
GB-103 (sunitinib)	Pan-VEGF inhibitor	Diabetic Retinopathy (DR)	IND-enabling Activities	• Initiation Phase 1/2a: 1H 2022
GB-401 (beta-blocker)	Beta-blocker	Primary Open-Angle Glaucoma (POAG)	IND-enabling activities	• IND Submission: 2H 2021

Phase of Development: Preclinical, Phase 1, Phase 2, Phase 3

Our proprietary technologies

Our proprietary technologies are designed to allow sustained delivery of pharmacologic agents to the eye in a well-tolerated and controlled manner to achieve extended duration of effectiveness. Our proprietary technologies utilize depot formulations of microparticles containing biodegradable polymers such as poly(lactic-co-glycolic acid), or PLGA. The microparticles are engineered to carry a hydrophilic coating such as polyethylene glycol, or PEG, that helps eliminate or minimize inflammation typically associated with intraocular administration of conventional PLGA microparticles. Our preclinical studies and Phase 1/2a clinical trial provided preliminary evidence that our microparticles are well-tolerated in the eye.

Furthermore, our microparticles are designed to aggregate after intravitreal injection upon exposure to the vitreous fluid at body temperature to form a depot near the bottom of the eye, outside of the visual axis. Our biodegradable microparticles then gradually release the active ingredient at a rate dependent on the composition of the polymers and biodegrade into lactic acid, glycolic acid and PEG that are naturally cleared from the body.



Some molecules, due to their physicochemical properties, are difficult to encapsulate and deliver in a controlled manner. For that purpose, we have developed a proprietary prodrug technology to enable sustained delivery of these therapeutics. Our research and development team has developed our product candidates with different pharmacologic agents using these prodrug technologies. For example, GB-401 has been developed using this approach.

Our lead program GB-102

We are developing our lead product candidate, GB-102, as a once-every-six months intravitreally delivered microparticle depot formulation of sunitinib for the treatment of wet AMD and DME. Sunitinib is a pan-VEGF inhibitor (VEGF-A, B, C and D). We believe that GB-102 is differentiated from the current standard of care, which requires more frequent dosing, up to 12 times per year, and primarily targets one neovascular pathway (VEGF-A).

Phase 1/2a and 2b clinical trials of GB-102 in wet AMD. GB-102 has been evaluated in multiple Phase 1/2 trials to assess its safety, tolerability, durability and pharmacodynamic effects, as well as to identify the optimal dose. In January 2019, we completed our Phase 1/2a ADAGIO clinical trial of GB-102 in 32 patients with wet AMD that previously received at least three anti-VEGF injections, which we refer to as our ADAGIO trial. This trial met its primary endpoint of safety and tolerability. No ocular serious adverse event, or SAE, or dose-limiting toxicity was reported, and the majority of patients had no drug-related adverse events, or AEs. The most common AE was the presence of medication in the anterior chamber. These AEs were reversible and with no long-term consequences. In this trial, 88% of patients who were previously treated with an average of eight injections annually were able to maintain stable central retinal thickness and visual acuity for six months or more with a single injection of 1 mg of GB-102.

Based on the data from the ADAGIO trial, we initiated the Phase 2b ALTISSIMO clinical trial in September 2019 to evaluate an improved product that would minimize the presence of medication within the anterior chamber. This trial compares two doses of GB-102 (1 or 2 mg) administered every six months to aflibercept administered every two months in up to 56 patients with anti-VEGF-responsive wet AMD. The primary endpoint of the ALTISSIMO trial is to determine time-to-additional anti-VEGF supportive therapy. ALTISSIMO topline results are expected in the first half of 2021. If successful, we plan to advance two pivotal clinical trials in wet AMD in the second half of 2021.

Phase 2a clinical trial of GB-102 in ME secondary to various diseases, including DME and central or branch Retinal Vein Occlusion, or RVO. In September 2019, we initiated a Phase 2a clinical trial of GB-102 in 21 patients with ME secondary to DME and branch or central RVO. This trial was designed to be a six-month, single injection, multicenter, open-label, parallel arm trial with a primary end-point of safety and tolerability of two dose levels of GB-102 (1 and 2 mg) in patients with ME secondary to DME or RVO who had been previously treated with anti-VEGFs. All patients have completed the study and the final safety analysis has been performed. An interim data analysis from the ALTISSIMO and ME trials identified 1 mg of GB-102 as the optimal dose for future clinical trials. We intend to conduct a Phase 2b trial in patients with DME in the second half of 2021.

Additional pipeline programs

GB-103 is designed to be a once-a-year intravitreally delivered formulation of sunitinib, and has the potential to become a first-in-class therapy for patients with DR. Our Phase 1/2a clinical trial with GB-103 in patients with DR is planned to initiate in the first half of 2022.

We are also applying our proprietary technologies to develop GB-401, a depot formulation of a beta-adrenergic receptor inhibitor, designed to be injected once every six months to reduce IOP in POAG patients. We

expect to submit an investigational new drug application, or IND, for GB-401 and initiate a dose-escalating Phase 1/2a clinical trial of GB-401 in patients with POAG in the second half of 2021.

We believe our proprietary technologies will allow us to develop other novel therapeutics, either alone or in combination, that can achieve extended durations of effectiveness and, thus improve the care and quality of life for patients with chronic diseases and disorders of the eye.

Differentiation of our product candidates

We believe that our proprietary technologies will allow us to develop therapeutics that may provide superior results to patients compared to existing ocular treatments, which present several critical limitations. We believe our product candidates present a number of competitive advantages over existing therapeutics:

- **Extended durability and sustained drug delivery to improve visual outcomes in clinical practice**: If approved, we believe that GB-102 would be a first-in-class intravitreal injection offering a six-month duration of action. We believe GB-102, with only two injections a year, could provide a better balance between patient quality of life and disease-monitoring requirements, and deliver, in a real-world setting, increased compliance and ultimately improved visual outcomes.
- **Differentiated mechanism of action**: Our retina programs, GB-102 and GB-103, use sunitinib, a pan-VEGF inhibitor, which blocks all VEGF receptor types associated with angiogenesis, vascular permeability, cellular proliferation and fibrosis. Moreover, sunitinib is a dual leucine zipper kinase, or DLK, inhibitor, which may result in a neuroprotective effect. Sunitinib's broader mechanism of action has the potential to provide visual outcome benefits superior to the traditional anti-VEGF-A treatments.
- **Versatile proprietary technologies**: Our polymers can be tuned to provide varying drug elution profiles for a significant number of small molecules.
- **Safety**: Our polymers are biodegradable and bioabsorbable. They are designed to hydrolyze over a determined period of time and leave no residue in the eye.

Our executive leadership team

We are led by a team of experienced pharmaceutical industry executives with significant experience in ophthalmology:

- Frederic Guerard, Pharm.D., our Chief Executive Officer, has 20 years of leadership, strategic and commercial pharmaceutical experience, including as Worldwide Business Franchise Head of Ophthalmology at Novartis AG and Global Franchise Head of Pharmaceuticals at Alcon Laboratories, Inc.
- Parisa Zamiri, M.D., Ph.D., is an ophthalmologist and was previously Vice President, Global Head of Clinical Development and Therapeutic Area Head for Ophthalmology at Novartis AG.
- Daniel Salain, Chief Technical Operations Officer, has 30 years of global pharmaceutical experience in manufacturing, operations and business development, and previously served as Senior Vice President of Technical Operations at Ophthotech Corporation (now IVERIC bio, Inc.).
- Daniel Geffken, Interim Chief Financial Officer, founder and managing director of Danforth Advisors, has more than 30 years of experience in the life sciences industry.

We have raised approximately $134 million of capital in gross proceeds from a group of leading life sciences investors, including Deerfield Management, OrbiMed Advisors, a fund managed by Blackstone Life Sciences, Hatteras Venture Partners, CBC Group (formerly known as C-Bridge Capital) and Crown Venture Fund.

Our strategy

Our goal is to become a leading biopharmaceutical company focused on developing and commercializing transformative medicines for the treatment of chronic vision-threatening diseases of the retina and optic nerve. To achieve this goal, the key elements of our strategy are:

- **Advance GB-102 through clinical development in patients with wet AMD and DME.**
- **Advance development of GB-103 to offer patients a once-a-year treatment for DR.**
- **Develop GB-401 for the treatment of elevated IOP in patients with POAG.**
- **Leverage our ocular delivery technologies to expand our pipeline into other vision-threatening conditions.**
- **Commercialize our approved product candidates with our own specialty sales force and through partnerships.**

Risks Associated with our Business

Our business is subject to a number of risks and uncertainties, including those highlighted in the section entitled "Risk Factors" immediately following this prospectus summary. These risks include, among others, the following:

- we are a clinical-stage biopharmaceutical company with a limited operating history and no products approved. We have incurred significant losses since inception, and we expect to incur continued and increasing losses over the next several years and may never achieve or maintain profitability;
- we will need substantial additional funding to support our operations and pursue our growth strategy. If we are unable to raise capital when needed, we could be forced to delay, reduce or eliminate our product development programs or commercialization efforts;
- our limited operating history may make it difficult for you to evaluate the success of our business to date and to assess our future viability;
- our recurring losses and negative cash flows have raised substantial doubt regarding our ability to continue as a going concern, and the report of our independent registered public accounting firm for the year ended December 31, 2019 includes an explanatory paragraph indicating the conditions that raise substantial doubt about our ability to continue as a going concern;
- the ongoing COVID-19 pandemic may, directly or indirectly, adversely affect our business, results of operations and financial condition;
- our approach to the treatment of retinal diseases is unproven, and we do not know whether we will be able to successfully develop any products;
- we have not yet successfully initiated or completed any Phase 3 clinical trials nor commercialized any pharmaceutical products, which may make it difficult to evaluate our future prospects;
- we depend heavily on the success of our wet AMD product candidates, in particular GB-102. Clinical trials of our product candidates may not be successful. If we are unable to successfully complete clinical development of and obtain marketing approvals for our product candidates, or experience significant delays in doing so, or if after obtaining marketing approvals, we fail to commercialize these product candidates, our business will be materially harmed;
- if clinical trials of GB-102 or any other product candidate that we develop fail to demonstrate safety and efficacy to the satisfaction of the U.S. Food and Drug Administration, the European Medicines Agency or other regulatory authorities or do not otherwise produce favorable results, we may incur

additional costs or experience delays in completing, or ultimately be delayed or unable to complete, the development and commercialization of such product candidate;

- the outcome of preclinical testing and early clinical trials may not be predictive of the success of later-stage clinical trials;
- if serious adverse or unacceptable side effects are identified during the development of GB-102 or any other product candidates that we may develop, we may need to abandon or limit our development of such product candidates;
- we face substantial competition, which may result in others discovering, developing or commercializing products before or more successfully than we do; and
- the manufacture of our product development candidates requires outsourced, custom manufacturing and we may encounter difficulties in production, particularly with respect to formulation, process development or scaling up of our manufacturing capabilities. If we, or our CMOs, encounter such difficulties, our ability to provide supply of our product candidates for preclinical studies, clinical trials or our products for patients, if approved, could be delayed or stopped, or we may be unable to maintain a commercially viable cost structure.

Corporate Information

We were incorporated under the laws of the State of Delaware in February 2015 under the name Graybug, Inc. upon the conversion of Graybug LLC, a Maryland Limited Liability Company organized in May 2011. We subsequently changed our name to Graybug Vision, Inc. in 2016. Our principal executive offices are located at 275 Shoreline Drive, Suite 450, Redwood City, CA, 94065, and our telephone number is (650) 487-2800. Our website address is www.graybug.com. The information contained on, or that can be accessed through, our website is not part of, and is not incorporated by reference into, this prospectus. Investors should not rely on any such information in deciding whether to purchase our common stock.

All service marks, trademarks and trade names appearing in this prospectus are the property of their respective owners. Solely for convenience, the trademarks and tradenames referred to in this prospectus appear without the ® and ™ symbols, but those references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights, or the right of the applicable licensor to these trademarks and tradenames.

Implications of Being an Emerging Growth Company and a Smaller Reporting Company

As a company with less than $1.07 billion in revenue during our prior fiscal year, we qualify as an “emerging growth company” as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. An emerging growth company may take advantage of reduced reporting requirements that are otherwise applicable to public companies. These provisions include, but are not limited to:

- being permitted to present only two years of audited financial statements and only two years of related Management’s Discussion and Analysis of Financial Condition and Results of Operations;
- not being required to comply with the independent registered public accounting firm attestation requirements on the effectiveness of our internal controls over financial reporting;
- reduced disclosure obligations regarding executive compensation arrangements; 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.

We may use these provisions until the last day of our fiscal year following the fifth anniversary of the completion of this offering. However, if certain events occur prior to the end of such five-year period, including

if we become a "large accelerated filer," our annual gross revenues exceed $1.07 billion or we issue more than $1.0 billion of non-convertible debt in any three-year period, we will cease to be an emerging growth company prior to the end of such five-year period.

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

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, until those standards apply to private companies. We have elected to use this extended transition period to enable us to comply with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effect dates. Until the date that we are no longer an emerging growth company or affirmatively and irrevocably opt out of the exemption provided by Section 7(a)(2)(B) of the Securities Act of 1933, as amended, upon issuance of a new or revised accounting standard that applies to our financial statements and that has a different effective date for public and private companies, we will disclose the date on which adoption is required for non-emerging growth companies and the date on which we will adopt the recently issued accounting standard.

We are also a "smaller reporting company," meaning that the market value of our stock held by non-affiliates plus the proposed aggregate amount of gross proceeds to us as a result of this offering is less than $700.0 million and our annual revenue is less than $100.0 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 stock held by non-affiliates is less than $250.0 million or (ii) our annual revenue is less than $100.0 million during the most recently completed fiscal year and the market value of our stock held by non-affiliates is less than $700.0 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	shares
Common stock to be outstanding immediately after this offering	shares (or shares, if the underwriters exercise their option to purchase additional shares in full)
Option to purchase additional shares	We have granted the underwriters an option, exercisable for 30 days after the date of this prospectus, to purchase up to an additional shares from us.
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 in full), based upon the assumed initial public offering price of $ per share, which is the midpoint of the estimated price range set forth on the cover of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses. We intend to use the net proceeds that we receive in this offering, together with our existing cash, cash equivalents and short-term investments (i) to fund the development of GB-102, including the completion of our ongoing Phase 2b clinical trial in wet AMD, the initiation of our Phase 2b clinical trial in DME and the initiation of our Phase 3 clinical trials in wet AMD, and the initiation of our GB-401 Phase 1 clinical trial in glaucoma; (ii) to fund chemistry, manufacturing and controls capital expenditures; (iii) to fund contract manufacturing organizations to manufacture clinical material for our wet AMD and glaucoma clinical trials; and (iv) for working capital and general corporate purposes. See the section entitled “Use of Proceeds” for additional information.
Risk factors	You should read the section entitled “Risk Factors” in this prospectus for a discussion of factors to consider carefully before deciding to invest in shares of our common stock.
Proposed Nasdaq Global Market symbol	“GRAY”

The number of shares of our common stock to be outstanding after this offering is based on (i) 12,351,334 shares of our common stock outstanding as of December 31, 2019 and (ii) the automatic conversion of all 117,809,883 shares of our outstanding convertible preferred stock as of December 31, 2019 into an aggregate of 117,849,307 shares of common stock immediately prior to the completion of this offering, and excludes:

- 19,066,237 shares of common stock issuable upon the exercise of options outstanding as of December 31, 2019, with a weighted-average exercise price of $0.28 per share;
- 250,000 shares of common stock issuable upon the exercise of a common stock warrant outstanding as of December 31, 2019, with an exercise price of $0.43 per share; and

- shares of common stock reserved for future issuance under our stock-based compensation plans, consisting of (i) 5,478,139 shares of common stock reserved for future issuance under our 2015 Stock Incentive Plan as of December 31, 2019, (ii) shares of common stock reserved for future issuance under our 2020 Equity Incentive Plan, which will become effective on the date immediately prior to the date of this prospectus and (iii) shares of common stock reserved for future issuance under our 2020 Employee Stock Purchase Plan, which will become effective on the date of this prospectus. Upon completion of this offering, any remaining shares available for issuance under our 2015 Stock Incentive Plan will be added to the shares reserved under our 2020 Equity Incentive Plan and we will cease granting awards under our 2015 Stock Incentive Plan. Our 2020 Equity Incentive Plan and 2020 Employee Stock Purchase Plan also provide for automatic annual increases in the number of shares reserved under the plans each year, as more fully described in "Executive Compensation—Equity Compensation Plans."

Except as otherwise indicated, all information in this prospectus assumes or gives effect to:

- the automatic conversion of all outstanding shares of our convertible preferred stock as of December 31, 2019 into an aggregate of 117,849,307 shares of common stock immediately prior to the completion of this offering;
- the effectiveness of our restated certificate of incorporation and restated bylaws in connection with the completion of this offering;
- a -for- reverse stock split, which will become effective prior to the completion of this offering;
- no exercise of outstanding options, warrants or stock purchase rights described above after December 31, 2019; and
- no exercise of the underwriters' option to purchase additional shares of our common stock.

SUMMARY FINANCIAL DATA

The following tables present the summary financial data for our business. We derived the statements of operations data for the years ended December 31, 2019 and 2018 and the balance sheet data as of December 31, 2019 from our audited financial statements appearing elsewhere in this prospectus. The following summary financial data should be read with "Selected Financial Data," "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and related notes included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be expected in any future period. The summary financial data in this section are not intended to replace the financial statements and are qualified in their entirety by the financial statements and related notes included elsewhere in this prospectus.

	Year Ended December 31,	
	2019	2018
	(in thousands, except share and per share data)	
Statements of Operations Data:		
Operating expenses		
Research and development	$ 30,580	$ 22,971
General and administrative	6,922	5,599
Total operating expenses	37,502	28,570
Loss from operations	(37,502)	(28,570)
Interest and other income	465	192
Net loss	(37,037)	(28,378)
Cumulative dividends on convertible preferred stock	(7,055)	(4,317)
Net loss attributable to common stockholders	$ (44,092)	(32,695)
Net loss per common share—basic and diluted(1)	$ (3.71)	$ (2.86)
Weighted-average number of shares used in computing net loss per common share—basic and diluted(1)	11,886,861	11,426,034
Pro forma net loss per common share—basic and diluted(1)	$ (0.34)	
Weighted-average number of shares used in computing pro forma net loss per common share—basic and diluted(1)	108,087,193	

(1) See Notes 1 and 14 of our audited financial statements included elsewhere in this prospectus for a description of the calculations of our basic and diluted net loss per common share, basic and diluted pro forma net loss per common share, and the weighted-average number of shares used in the computation of the per share amounts.

	As of December 31, 2019		
	Actual	Pro Forma(1)	Pro Forma As Adjusted(2)(3)
		(unaudited)	
		(in thousands)	
Balance Sheet Data:			
Cash, cash equivalents and short-term investments	$ 35,956	$	$
Total assets	40,660		
Working capital(4)	24,020		
Total liabilities	12,251		
Convertible preferred stock	131,363		
Accumulated deficit	(105,836)		
Total stockholders' (deficit) equity	(102,954)		

(1) The pro forma balance sheet data give effect to the automatic conversion of all outstanding shares of our convertible preferred stock as of December 31, 2019 into an aggregate of 117,849,307 shares of common stock immediately prior to the completion of this offering.

(2) The pro forma as adjusted balance sheet data give effect to (i) the pro forma adjustments above described in footnote (1) and (ii) the receipt of $ million in net proceeds from the sale of shares of common stock in this offering, based upon an assumed initial public offering price of $ per share, which is the midpoint of the estimated price range set forth on the cover of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses.

(3) Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the estimated price range set forth on the cover of this prospectus, would increase (decrease) each of our pro forma as adjusted cash, cash equivalents and short-term investments, working capital, total assets and total stockholders' equity (deficit) by approximately $ million, assuming that the number of shares offered, as set forth on the cover of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions. Similarly, each increase (decrease) of 1.0 million shares in the number of shares of common stock offered would increase (decrease) each of our pro forma as adjusted cash, cash equivalents and short-term investments, working capital, total assets and total stockholders' equity (deficit) by approximately $ million, assuming the assumed initial public offering price per share as set forth on the cover of this prospectus remains the same and after deducting estimated underwriting discounts and commissions. The pro forma as adjusted information is illustrative only, and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing.

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

RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below together with all of the other information contained in this prospectus, including our financial statements and the related notes appearing at the end of this prospectus, before deciding to invest in our common stock. If any of the following risks actually occur, our business, prospects, operating results and financial condition could suffer materially. Additionally, to the extent the ongoing COVID-19 public health emergency adversely affects our business and financial results, it may also have the effect of heightening many of the other risks incorporated by reference or set forth below. In such event, the trading price of our common stock could decline and you might lose all or part of your investment.

Risks Related to Our Financial Position and Need For Additional Capital

We are a clinical-stage biopharmaceutical company with a limited operating history and no products approved. We have incurred significant losses since inception, and we expect to incur continued and increasing losses over the next several years and may never achieve or maintain profitability.

Since inception, we have incurred significant operating losses. Our net loss was $37.0 million for the year ended December 31, 2019. As of December 31, 2019, we had an accumulated deficit of $105.8 million. To date, we have financed our operations primarily through private placements of preferred stock and convertible promissory notes. We have devoted substantially all of our financial resources and efforts to research and development, including preclinical studies and clinical trials and general and administrative costs to support such efforts. We expect to continue to incur significant expenses and operating losses for the foreseeable future. Our net losses may fluctuate significantly from quarter to quarter and year to year, such that a period-to-period comparison of our results of operations may not be a good indication of our future performance. Our independent registered public accounting firm included an explanatory paragraph in their audit report on our financial statements as of and for the years ended December 31, 2018 and 2019 stating that our recurring losses from operations and negative cash flows since inception and our need to raise additional funding to finance our operations raise substantial doubt about our ability to continue as a going concern.

We expect to continue to incur significant and increasingly higher expenses and operating losses for the foreseeable future. We anticipate that our expenses will increase substantially if and as we:

- pursue the clinical development and potential commercialization of our most advanced product candidate, GB-102, which includes two Phase 3 clinical trials in wet age-related macular degeneration, or wet AMD, and a Phase 2b clinical trial in diabetic macular edema, or DME, starting in 2021;
- commence clinical trials of our product candidates GB-401 and GB-103;
- continue the research and development of other product candidates;
- seek to identify and develop additional product candidates;
- seek marketing approvals for any of our product candidates that successfully complete clinical development;
- develop and expand our sales, marketing and distribution capabilities for any of our product candidates for which we obtain marketing approval;
- scale up our manufacturing processes and capabilities or, in the future, establish and operate a manufacturing facility, to support sales of our product candidates, our ongoing clinical trials of our product candidates and commercialization of any of our product candidates for which we obtain marketing approval;
- maintain, expand and protect our intellectual property portfolio;

- expand our operational, financial and management systems and personnel, including personnel to support our clinical development, manufacturing and commercialization efforts and our operations as a public company; and
- increase our product liability and clinical trial insurance coverage as we expand our clinical trials and commercialization efforts.

Because of the numerous risks and uncertainties associated with pharmaceutical product development, we are unable to accurately predict the timing or amount of increased expenses or when, or if, we will be able to achieve profitability. Our expenses will increase if:

- we are required by the U.S. Food and Drug Administration, or the FDA, the European Medicines Agency, or the EMA, or any additional international regulatory agency to perform trials or studies in addition to those currently expected;
- there are any delays in receipt of regulatory clearances or approvals to begin our planned clinical programs; or
- there are any delays in enrollment of patients in or completing our clinical trials or the development of our product candidates.

We have no product sales. We do not expect sales of any product candidate in the near future. For us to become profitable, we will need to succeed in developing and commercializing products. This will require us to be successful in a range of challenging activities, including:

- successfully completing clinical development of our product candidates, which will require establishing a strategic partnership;
- obtaining marketing approval for these product candidates;
- manufacturing at commercial scale and selling and distributing those products for which we obtain marketing approval;
- achieving an adequate level of market acceptance of and obtaining and maintaining coverage and adequate reimbursement from third-party payors for our products, which will require establishing a strategic partnership; and
- protecting our rights to our intellectual property portfolio.

We may never succeed in these activities and may never generate revenue that is sufficient or great enough to achieve profitability. Even if we do achieve profitability, we may not be able to sustain or increase profitability on a quarterly or annual basis. Our failure to become and remain profitable would reduce the value of our company and could impair our ability to raise capital, expand our business, maintain our research and development efforts, diversify our product offerings or even continue our operations. A decline in the value of our company could also cause you to lose all or part of your investment.

We will need substantial additional funding to support our operations and pursue our growth strategy. If we are unable to raise capital when needed, we could be forced to delay, reduce or eliminate our product development programs or commercialization efforts.

We expect to devote substantial financial resources to our ongoing and planned activities, particularly as we conduct clinical trials for our wet AMD product candidates, in particular, late-stage clinical trials for GB-102, preclinical studies and clinical trials for our other product candidates, and seek marketing approval for any such product candidate for which we obtain favorable clinical results. We also expect to devote significant financial resources to conducting research and development and potentially seeking regulatory approval for our other product candidates. In addition, we plan to devote substantial financial resources to our commercialization

efforts, including product manufacturing, sales, marketing and distribution for any of our product candidates for which we obtain marketing approval. Accordingly, we will need to obtain substantial additional funding in connection with our continuing and planned operations. If we are unable to raise capital when needed or on attractive terms, we could be forced to delay, reduce or eliminate our research and development programs or any future commercialization efforts.

Our independent registered public accounting firm included an explanatory paragraph in their audit report on the financial statements and related notes as of and for the years ended December 31, 2019 and 2018 stating that our recurring losses from operations and negative cash flows since inception and our need to raise additional funding to finance our operations raise substantial doubt about our ability to continue as a going concern. See "*Our recurring losses and negative cash flows have raised substantial doubt regarding our ability to continue as a going concern, and the report of our independent registered public accounting firm for the year ended December 31, 2019 includes an explanatory paragraph indicating the conditions that raise substantial doubt about our ability to continue as a going concern*" below for additional information.

As of December 31, 2019, we had cash, cash equivalents and short-term investments of $36.0 million. We believe that the net proceeds from this offering, together with our existing cash and cash equivalents, will enable us to fund our operating expenses and capital expenditure requirements at least through . We have based this estimate on assumptions that may prove to be wrong, and we could use our capital resources sooner than we currently expect. Our future funding requirements will depend on many factors, including:

- the scope, progress, costs and outcome of the clinical trials of our product candidates, in particular GB-102;
- the scope, progress, costs and outcome of preclinical development and clinical trials of our other product candidates;
- the costs, timing and outcome of regulatory review of our product candidates by the FDA, the EMA or other regulatory authorities;
- the costs of manufacturing, sales, marketing, distribution and other commercialization efforts with respect to any products for which we obtain marketing approval;
- subject to receipt of marketing approval, revenue received from product sales;
- our headcount growth and associated costs as we expand our research and development and establish a commercial infrastructure;
- the extent to which we choose to establish collaboration, distribution or other marketing arrangements for our products and product candidates;
- the effect of competing technological and market developments;
- 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;
- the extent to which we acquire or invest in other businesses, products and technologies; and
- the impact of the COVID-19 pandemic.

Conducting preclinical testing and clinical trials is a time-consuming, expensive and uncertain process that takes years to complete. We may never generate the necessary data or results required to obtain regulatory approval of products with the market potential sufficient to enable us to achieve profitability. We do not expect to generate sales of any commercial product for several years, if at all. Accordingly, we may need to obtain substantial additional financing to achieve our business objectives. Adequate additional financing may not be available to us on acceptable terms, or at all. In addition, 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.

Our limited operating history may make it difficult for you to evaluate the success of our business to date and to assess our future viability.

We are an early-stage company. Our operations to date have been limited to organizing and staffing our company, acquiring rights to intellectual property, business planning, raising capital, developing our technology, identifying potential product candidates, undertaking preclinical studies and clinical trials and manufacturing initial quantities of our products and product candidates. Consequently, any predictions you make about our future success or viability may not be as accurate as they could be if we had a longer operating history.

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

We expect our financial condition and operating results to continue to fluctuate significantly from quarter-to-quarter and year-to-year due to a variety of factors, many of which are beyond our control. Accordingly, you should not rely upon the results of any quarterly or annual period as an indication of future operating performance.

Our recurring losses and negative cash flows have raised substantial doubt regarding our ability to continue as a going concern, and the report of our independent registered public accounting firm for the year ended December 31, 2019 includes an explanatory paragraph indicating the conditions that raise substantial doubt about our ability to continue as a going concern.

Based on our cash balances, recurring losses and our projected spending, there is a substantial doubt about our ability to continue as a going concern. If we are unable to obtain sufficient capital in this offering, even if the offering is consummated, our business, financial condition and results of operations will be materially and adversely affected, and we will need to obtain alternative financing or significantly modify our operational plans to continue as a going concern. If we are unable to continue as a going concern, we might have to liquidate our assets and, the values we receive for our assets in liquidation or dissolution could be significantly lower than the values reflected in our financial statements. Further, even if we successfully complete and receive net proceeds from this offering, given our planned expenditures for the next several years, including, expenditures in connection with our clinical trials of GB-102, GB-103 and GB-401 and other new compounds, we may conclude, in connection with the issuance of our financial statements for any subsequent period, that there is substantial doubt regarding our ability to continue as a going concern. In addition, our lack of cash resources and our potential inability to continue as a going concern may materially adversely affect the price of our common stock and our ability to raise new capital or to enter into critical contractual relations with third parties.

Further, our independent registered public accounting firm included an explanatory paragraph in their audit report on the financial statements as of and for the years ended December 31, 2018 and 2019 stating that our recurring losses from operations and negative cash flows since inception and our need to raise additional funding to finance our operations raise substantial doubt about our ability to continue as a going concern. The inclusion of a going concern explanatory paragraph by our auditors, our lack of cash resources and our potential inability to continue as a going concern may materially adversely affect our share price and our ability to raise new capital or to enter into critical contractual relations with third parties.

Risks Related to Product Development, Regulatory Approval and Commercialization

The ongoing COVID-19 pandemic may, directly or indirectly, adversely affect our business, results of operations and financial condition.

Our business could be materially adversely affected, directly or indirectly, by the widespread outbreak of contagious disease, including the ongoing COVID-19 pandemic, which has spread to many of the countries in

which we and our suppliers do business. National, state and local governments in affected regions have implemented and may continue to implement safety precautions, including quarantines, border closures, increased border controls, travel restrictions, shelter in place orders and shutdowns, business closures, cancellations of public gatherings and other measures. Organizations, businesses and individuals are taking additional steps to avoid or reduce infection, including business and facility closures or suspensions, limitations on travel and remote working measures. These measures are disrupting normal business operations both in and outside of affected areas and have had significant negative impacts on businesses and financial markets worldwide.

The COVID-19 pandemic has caused us to modify our business practices (including but not limited to curtailing or modifying employee travel, moving to full remote work for many employees, and cancelling physical participation in meetings, events and conferences) and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, patients and business partners. Our office-based employees have been working from home since March 2020, while we ensure essential staffing levels in our physical operations remain in place, including maintaining key personnel in our laboratories. Further, given that a greater number of our employees are working remotely than usual in response to the COVID-19 pandemic and related government actions, we could be exposed to greater risks related to cybersecurity and our information technologies systems.

Notwithstanding these measures, the COVID-19 pandemic could affect the health and availability of our workforce as well as those of the third parties we rely on taking similar measures. If members of our management and other key personnel in critical functions across our organization are unable to perform their duties or have limited availability due to the COVID-19 pandemic, we may not be able to execute on our business strategy and/or our operations may be negatively impacted. We may also experience limitations in employee resources, including because of sickness of employees or their families or the desire of employees to avoid contact with individuals or large groups of people. In addition, we have experienced and will continue to experience disruptions to our business operations resulting from quarantines, self-isolations and other restrictions on the ability of our employees to perform their jobs.

Separately, in response to the COVID-19 pandemic, in March 2020, the FDA announced its intention to postpone most foreign inspections of manufacturing facilities and temporarily postpone routine surveillance inspections of domestic manufacturing facilities. In July 2020, the FDA announced that it intended to restart on-site inspections based on its determination of when and where it is safest to conduct prioritized domestic inspections. Regulatory authorities outside the United States may adopt similar restrictions or other policy measures in response to the COVID-19 pandemic. If a prolonged government shutdown occurs, or if global health concerns continue to prevent the FDA or other regulatory authorities from conducting their regular inspections, reviews or other regulatory activities, it could significantly impact the ability of the FDA or other regulatory authorities to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

The COVID-19 pandemic has disrupted business operations. The extent and severity of the impact on our business and clinical trials will be determined largely by the extent of disruptions in the supply chains for GB-102 and our future product candidates and delays in the conduct of current and future clinical trials. Further, our ability to continue our clinical trials may be adversely affected, directly or indirectly, by the COVID-19 pandemic. Currently we are experiencing disruptions in our ability to monitor patients in person due to clinics and hospitals closing sites or diverting the resources that are necessary to conduct our clinical trials to care for COVID-19 patients. Further, our suppliers, vendors and manufacturing and clinical trial partners have been adversely affected by the COVID-19 pandemic, including by adversely impacting the ability of their employees to get to their places of work and maintain the continuity of their on-site operations. COVID-19 could potentially lead to the closure of our research lab and potentially delay IND-enabling activities, which could delay the start of clinical trials. In addition, the impact of the COVID-19 pandemic on the operations of the FDA and other health authorities may delay potential approvals of GB-102 and our future product candidates.

The COVID-19 pandemic has also impacted and may further impact the global economic and capital markets, including by negatively impacting capital markets, which may adversely affect our business, liquidity and access to capital. It is further possible that the COVID-19 pandemic will cause an economic slowdown of potentially extended duration, and it is possible it could cause a global recession.

While it is not possible at this time to estimate the entirety of the impact that the COVID-19 pandemic will have on our business, operations, employees, customers or suppliers, continued spread of COVID-19, measures taken by governments, actions taken to protect employees and the broad impact of the pandemic on all business activities may materially and adversely affect our business, results of operations and financial condition, and the nature and extent of such impact is highly uncertain and unpredictable.

Our approach to the treatment of retinal diseases is unproven, and we do not know whether we will be able to successfully develop any products.

GB-102 is designed to deliver therapeutic drug levels to the retinal tissue for up to six months from a single intravitreal injection. There are currently no FDA-approved therapies that treat retinal diseases with a six-month dosing regimen. Our future success depends on the successful development of product candidates, including GB-102, based on this novel therapeutic approach. We have not yet demonstrated efficacy and safety for GB-102 or any other product candidates in a pivotal trial or obtained marketing approval of any product candidate. GB-102 may not demonstrate in patients any or all of the pharmacological benefits we believe it may possess. If we are unsuccessful in our development efforts, we may not be able to advance the development of GB-102 or any other product candidate, commercialize products, raise capital, expand our business or continue our operations.

We have not yet successfully initiated or completed any Phase 3 clinical trials nor commercialized any pharmaceutical products, which may make it difficult to evaluate our future prospects.

Our operations to date have been limited to financing and staffing our company, developing our technology and conducting preclinical research and Phase 1 and Phase 2 clinical trials for our product candidates. We have not yet demonstrated an ability to successfully initiate or complete Phase 3 clinical trials, obtain marketing approvals, manufacture a commercial-scale product or arrange for a third party to do so on our behalf, or conduct sales and marketing activities necessary for successful product commercialization. Accordingly, you should consider our prospects in light of the costs, uncertainties, delays and difficulties frequently encountered by clinical-stage biopharmaceutical companies such as ours. Any predictions made about our future success or viability may not be as accurate as they could be if we had a longer operating history 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. We will eventually need to transition from a company with a development focus to a company capable of supporting commercial activities. We may not be successful in such a transition.

We depend heavily on the success of our wet AMD product candidates, in particular GB-102. Clinical trials of our product candidates may not be successful. If we are unable to successfully complete clinical development of, and obtain marketing approvals for, our product candidates, or experience significant delays in doing so, or if after obtaining marketing approvals, we fail to commercialize these product candidates, our business will be materially harmed.

We have devoted a significant portion of our financial resources and business efforts to the development of our product candidates for diseases and conditions of the eye. In particular, we are investing substantial resources to complete the development of GB-102 for wet AMD. We cannot accurately predict when or if any of our retinal disease product candidates will prove effective or safe in humans or whether these product candidates will receive marketing approval. Our ability to generate product revenues sufficient to achieve profitability will depend heavily on our obtaining marketing approval for and commercializing GB-102.

The success of GB-102 and other product candidates will depend on many factors, including:

- successful completion of preclinical studies and clinical trials that demonstrate to the satisfaction of the FDA, the EMA or comparable foreign regulatory authorities that our product candidates are safe and effective for any of their proposed indications;
- acceptance of our products, if and when approved, by patients, the medical community and third-party payors;
- effectively competing with other therapies;
- maintaining a continued acceptable safety profile of our products following approval;
- obtaining and maintaining coverage and adequate reimbursement from third-party payors;
- applying for and receiving marketing approvals from applicable regulatory authorities for our product candidates;
- scaling up our manufacturing processes and capabilities to support additional or larger clinical trials of our product candidates and commercialization of any of our product candidates for which we obtain marketing approval;
- developing, validating and maintaining a commercially viable manufacturing process that is compliant with current good manufacturing practices;
- developing and expanding our sales, marketing and distribution capabilities and launching commercial sales of our product candidates, if and when approved, whether alone or in collaboration with others;
- minimizing and managing any delay or disruption to our ongoing or planned clinical trials, and any adverse impacts to the U.S. and global market for pharmaceutical products, as a result of the ongoing COVID-19 pandemic;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity; and
- protecting our rights in our intellectual property portfolio.

If we do not achieve one or more of these factors in a timely manner or at all, we could experience significant delays or an inability to successfully commercialize our product candidates, which would materially harm our business.

If clinical trials of GB-102 or any other product candidate that we develop fail to demonstrate safety and efficacy to the satisfaction of the FDA, the EMA or other regulatory authorities or do not otherwise produce favorable results, we may incur additional costs or experience delays in completing, or ultimately be delayed or unable to complete, the development and commercialization of such product candidate.

Before obtaining marketing approval from regulatory authorities for the sale of any product candidate, including GB-102, we must complete preclinical development and then conduct extensive clinical trials to demonstrate the safety and efficacy of our product candidates in humans. Clinical testing is expensive, difficult to design and implement, can take many years to complete and is uncertain as to outcome. A failure of one or more clinical trials can occur at any stage of testing.

We designed our Phase 1/2a, Phase 2a and Phase 2b clinical trials of GB-102 to assess safety and preliminary efficacy and did not power the trials to measure any efficacy endpoints with statistical significance. We expect that our Phase 3 clinical trials for GB-102 for the treatment of wet AMD will be the first clinical trial for GB-102 to be powered with an appropriate number of patients to allow us to measure with statistical significance the non-inferiority of GB-102 compared to the standard of care. As a result, favorable results from our Phase 1/2a, Phase 2a and Phase 2b clinical trials may not necessarily predict a likelihood of achieving statistical significance of our primary efficacy endpoint in the Phase 3 clinical trials, which will be required for

us to obtain marketing approval of GB-102. Additionally, our clinical trials are only evaluating GB-102 against treatment with Eylea, and there may be current or future products that deliver better results in terms of safety and/or efficacy.

The success of our product candidates is dependent upon the drug-elution profile during the course of intended therapy. Our Phase 1/2a and our Phase 2a trials have been open label and have not been compared to any active treatments. The ongoing Phase 2b trial with GB-102 in wet AMD contains a control arm with Eylea, which is the current standard of care. It is possible that, compared to Eylea, GB-102 will not demonstrate sufficient efficacy, durability and safety. For example, in our Phase 2a clinical trial of GB-102, three of ten patients in the 1 mg dose and five out of 11 in the 2 mg dose experienced adverse events, or AEs, with the most common being presence of medication in the anterior chamber. We have since terminated the development of the 2 mg dose of GB-102 in all of our clinical trial programs. If we determine to make any future changes to the formulation, such changes could affect the outcome of any subsequent clinical trials. As a result of any of these therapeutic or formulation changes, the outcome of our Phase 2b clinical trial or Phase 3 clinical trials may differ from the outcome of our Phase 1/2a clinical trial. If the results of clinical trials with any potential new therapeutic or product formulation, including therapies that do not involve intravitreal delivery, differs from the Phase 1/2a results, we may not be able to obtain regulatory approvals or, even if approved, achieve market acceptance of our product candidates.

The outcome of preclinical testing and early clinical trials may not be predictive of the success of later-stage clinical trials.

Interim results of a clinical trial do not necessarily predict final results. In addition, successful results in preclinical or early clinical trials do not ensure that later-stage clinical trials will be successful. In January 2019, we completed our Phase 1/2a trial of GB-102 evaluating various doses of GB-102 in patients with wet AMD. Although the data indicated that GB-102 was well-tolerated and reduced the need for supportive anti-vascular endothelial growth factor, or anti-VEGF, treatments, these results may not be indicative of future clinical trials with different designs. Moreover, as is common for early trials, in our Phase 1/2a trial, we looked at a number of efficacy measures without accounting for multiplicity. Accordingly, it is possible that positive results, including nominally statistically significant results, observed in our Phase 1/2a trial will not be replicated in our ongoing Phase 2b trial with a different design or in other future trials.

We tested two doses of an optimized formulation of GB-102 in the Phase 2a macular edema, or ME, clinical trial and in the Phase 2b in wet AMD. However, we observed that there were more incidences of medication present in the anterior chamber with the 2 mg dose of GB-102, which, in a single patient, resulted in two serious adverse events, or SAEs (severe vision loss due to presence of medication in anterior chamber and corneal edema as a result of wash-out of the anterior chamber). On the basis of a safety analysis of the Phase 2a trial and an interim safety analysis of the data in the Phase 2b trial, we terminated the development of the 2 mg dose of GB-102 in all of our clinical trial programs, resulting in a pause of our Phase 2a trial.

Some of our clinical trials, including our Phase 1/2a clinical trial and our ongoing Phase 2b clinical trial of GB-102 for the treatment of wet AMD, had or have small patient populations, making it difficult to predict whether the favorable results from such trials will be repeatable in larger, more advanced clinical trials. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that have believed their product candidates performed satisfactorily in preclinical studies and clinical trials have nonetheless failed to obtain marketing approval of their products.

Even if the results of future Phase 3 clinical trials are positive, we may have to commit substantial time and additional resources to conducting further preclinical studies and clinical trials before obtaining FDA approval for any of our drug candidates.

If serious adverse or unacceptable side effects are identified during the development of GB-102 or any other product candidates that we may develop, we may need to abandon or limit our development of such product candidates.

If GB-102 or any of our other product candidates are associated with SAEs or other undesirable side effects in clinical trials or have characteristics that are unexpected, we may need to abandon their development or limit development to more narrow uses or subpopulations in which the SAEs, undesirable side effects or other characteristics are less prevalent, less severe or more acceptable from a risk-benefit perspective.

Out of 32 patients enrolled in our Phase 1/2a trial, no GB-102 related non-ocular adverse events, or AEs, and no SAEs or dose limiting toxicities were reported. All drug-related AEs were mild or moderate and transient and resolved by the end of the trial. The most common AE observed in more than one patient was vitreous floaters (n=5). Most vitreous floaters are caused by age-related changes that occur as the vitreous becomes more liquid. Microscopic fibers in the vitreous tend to clump and can cast tiny shadows on the retina, commonly referred to as floaters. Intravitreal injections can increase the number of floaters, and any other particle that similarly casts a shadow may also be referred to as a floater. For nine patients enrolled in the higher dose cohorts, medication presence was observed in the anterior chamber. All nine of those patients completed the trial. Overall, the medication presence in the anterior chamber appeared to be self-limited and reversible, with no long-term consequences.

In our Phase 2a clinical trial, there were no drug related non-ocular AEs. The patients in the 1 mg dose experienced nine drug related AEs, and seven out of ten patients demonstrated no AEs. One patient had only vitreous floaters and one patient had vitreous floaters, medication present in the vitreous, and reduction in vision. The other AEs occurred in a single patient with medication present in the anterior chamber. The 2 mg dose was associated with medication present in the anterior chamber in five out of 11 patients. The majority of AEs occurred in this patient. Two SAEs were reported in a single patient (severe vision loss due to presence of medication in the anterior chamber and corneal edema as a result of wash-out of the anterior chamber). We also conducted an interim safety analysis in the Phase 2b study. No drug related SAEs were reported in the Phase 2b study, but presence of medication in the anterior chamber was reported in four patients in the GB-102 2 mg dose group and one patient in the 1 mg dose group.

On the basis of this data, while we believe that the 1 mg dose indicated favorable safety and tolerability, we terminated the development of the 2 mg dose of GB-102 in all of our clinical trial programs and amended the protocol of our ALTISSIMO trial. We believe that the number of microparticles injected in the 2 mg dose (approximately 2 million) were too numerous to allow adequate aggregation. All patients in the Phase 2b trial having received GB-102 at either the 1 mg or 2 mg doses for the first six-month period of the study have now received the 1 mg dose as repeat therapy at month six. Notwithstanding the results from our clinical trials to date, the 1 mg dose of GB-102, as well as GB-102 for other indications and our other product candidates, may fail to demonstrate favorable efficacy, safety and tolerability.

There are potential side effects that are related to intravitreal injection procedures. These side effects are shared by any treatment that uses intravitreal injection as a means of delivering medication. These can include conjunctival hemorrhage, punctate keratitis, eye pain, conjunctival hyperemia, intraocular pressure rise, intraocular inflammation, retinal detachment and endophthalmitis.

Finally, clinical trials by their nature utilize a sample of the potential patient population. However, with a limited number of patients and limited duration of exposure, rare and severe side effects of our product candidates may only be uncovered when a significantly larger number of patients are exposed to the product. If safety problems occur or are identified after one of our products reaches the market, the FDA, the EMA or other regulatory authorities may require that we amend the labeling of our product, recall our product or even withdraw approval for our product.

If we experience any of a number of possible unforeseen events in connection with our clinical trials, potential marketing approval or commercialization of our product candidates could be delayed or prevented.

We may experience numerous unforeseen events during, or as a result of, clinical trials that could delay or prevent our ability to receive marketing approval or commercialize our retinal disease product candidates or any other product candidates that we may develop, including:

- clinical trials of our product candidates may not produce statistically significant, positive results, and we may decide, or regulators may require us, to conduct additional clinical trials or amend product development programs, or abandon product development programs entirely;
- the number of patients required for clinical trials of our product candidates may be larger than we anticipate, enrollment in these clinical trials may be slower than we anticipate or participants may drop out of these clinical trials at a higher rate than we anticipate;
- our contractors may fail to comply with regulatory requirements or meet their obligations to us in a timely manner, or at all;
- regulators or institutional review boards may not authorize us or our investigators to commence a clinical trial or conduct a clinical trial at a prospective trial site;
- we may experience delays in reaching, or fail to reach, agreement on acceptable clinical trial contracts or clinical trial protocols with prospective trial sites;
- we may decide, or regulators or institutional review boards may require us, to suspend or terminate clinical research for various reasons, including noncompliance with regulatory requirements or a finding that the participants are being exposed to unacceptable health risks;
- the cost of clinical trials of our product candidates may be greater than we anticipate; and
- the supply or quality of our clinical trial material or other materials necessary to conduct clinical trials of our product candidates may be insufficient or inadequate.

If we are required to conduct additional clinical trials or other testing of our product candidates beyond those that we currently contemplate, if we are unable to successfully complete clinical trials of our product candidates or other testing, if the results of these trials or tests are not favorable or are only modestly favorable or if there are safety concerns, we may:

- be delayed in obtaining or unable to obtain marketing approval for our product candidates;
- obtain approval for indications or patient populations that are not as broad as intended or desired;
- obtain approval with labeling that includes significant use or distribution restrictions or safety warnings;
- be subject to additional post-marketing testing requirements; or
- have the product removed from the market after obtaining marketing approval.

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

If we experience delays or difficulties in the enrollment of patients in clinical trials, our receipt of necessary regulatory approvals could be delayed or prevented.

We may not be able to initiate or continue clinical trials for our wet AMD, DME, diabetic retinopathy, or DR, or glaucoma product candidates or our other product candidates that we may develop if we are unable to

locate and enroll a sufficient number of eligible patients to participate in these trials as required by the FDA, the EMA or similar regulatory authorities outside the United States. Although there is a significant prevalence of disease in the areas of ophthalmology in which we are focused, we may nonetheless experience unanticipated difficulty with patient enrollment.

A variety of factors affect patient enrollment, including:

- the prevalence and severity of the ophthalmic disease or condition under investigation;
- the eligibility criteria for the study in question;
- the perceived risks and benefits of the product candidate under study;
- the perceived risks and benefits of switching patients from treatment with eye drops to intravitreal therapy, in the case of certain glaucoma patients;
- the efforts to facilitate timely enrollment in clinical trials;
- any delay or disruption to enrollment or attendance for injections as a result of the ongoing COVID-19 pandemic;
- the patient referral practices of physicians;
- the ability to monitor patients adequately during and after treatment;
- the proximity and availability of experienced clinical trial sites for prospective patients;
- the conduct of clinical trials by competitors for product candidates that treat the same indications as our product candidates; and
- the lack of adequate compensation for prospective patients.

Our inability to enroll a sufficient number of patients for our clinical trials would result in significant delays, could require us to abandon one or more clinical trials altogether and could delay or prevent our receipt of necessary regulatory approvals. Enrollment delays in our clinical trials may result in increased development costs for our product candidates, which would cause the value of our company to decline and limit our ability to obtain additional financing.

We may not be successful in our efforts to develop product candidates based on our proprietary technology other than GB-102 or expand the use of our proprietary technology for treating additional eye diseases and conditions.

We are currently directing all of our development efforts towards applying our proprietary technology to product candidates that are designed to provide sustained delivery of therapeutic agents to the eye using active pharmaceutical ingredients that are currently used in FDA-approved drugs. We have a number of product candidates at various stages of development and are exploring the potential use of our proprietary technologies in other eye diseases and conditions. Our existing product candidates and any other potential product candidates that we identify may not be suitable for continued preclinical or clinical development, including as a result of being shown to have harmful side effects or other characteristics that indicate that they are unlikely to be products that will receive marketing approval and achieve market acceptance. If we do not successfully develop and commercialize our product candidates that we develop based upon our technological approach, we will not be able to obtain substantial product revenues in future periods.

Sunitinib, the active ingredient of GB-102 and GB-103, has a boxed warning regarding hepatotoxicity for its use in oncology indications.

Sunitinib, which was originally developed for the treatment of renal cell carcinoma and gastrointestinal stromal tumors, has been shown to cause liver damage, or hepatotoxicity, in some patients. As a result, in 2010,

the prescribing information for orally administered sunitinib for its use in treating renal cell carcinoma and gastrointestinal stromal tumors was revised to include a boxed warning regarding hepatotoxicity. A boxed warning is a warning put in the labeling of a drug product that is designed to call attention to serious or life-threatening risks.

There is no approved therapy for retinal diseases using sunitinib. We have not seen any evidence of hepatotoxicity in our preclinical studies or clinical trials. Moreover, preclinical toxicity studies and the results of our Phase 1/2a clinical trials with GB-102 have not detected the presence of sunitinib in the systemic blood circulation at any time point. However, the boxed warning for orally administered sunitinib may make it more difficult for us to achieve widespread market acceptance or regulatory approval for our product candidates.

Moreover, there can be no assurance that comparable AEs and other side effects will appear over the course of our trials, which could have a material adverse effect on our business and operating results.

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

Because we have limited financial and managerial resources, we focus on research programs and product candidates that we identify for specific indications. As a result, we may forego or delay pursuit of opportunities with other product candidates or for other indications that later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities. Our spending on current and future research and development programs and product candidates for specific indications may not yield any commercially viable products. If we do not accurately evaluate the commercial potential or target market for a particular product candidate, we may relinquish valuable rights to that product candidate through collaboration, licensing or other royalty arrangements in cases in which it would have been more advantageous for us to retain sole development and commercialization rights to such product candidate.

We intend to conduct, and may in the future conduct, clinical trials for product candidates at sites outside of the United States, and the FDA may not accept data from trials conducted in such locations.

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. For example, the clinical trial must be well-designed and conducted and performed by qualified investigators in accordance with ethical principles. The trial population must also adequately represent the U.S. population, and the data must be applicable to the U.S. population and U.S. medical practice in ways that the FDA deems clinically meaningful. In addition, while these clinical trials are subject to applicable local laws, FDA acceptance of the data will depend on its determination that the trials also complied with all applicable U.S. laws and regulations. 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 delay or permanently halt our development of the applicable product candidates.

Other risks inherent in conducting international clinical trials include:

- foreign regulatory requirements that could restrict or limit our ability to conduct our clinical trials;
- administrative burdens of conducting clinical trials under multiple sets of foreign regulations;
- failure of enrolled patients to adhere to clinical protocols as a result of differences in healthcare services or cultural customs;
- foreign exchange fluctuations;
- diminished protection of intellectual property in some countries; and
- political and economic risks relevant to foreign countries.

Our business and operations would suffer in the event of computer system failures or security breaches.

In the ordinary course of our business, we collect, store and transmit confidential information, including intellectual property, proprietary business information and personal information. Despite the implementation of security measures, our internal computer systems, and those of our contract research organizations, or CROs, and other third parties on which we rely, are vulnerable to damage from computer viruses, unauthorized access, cyberattacks, natural disasters, fire, terrorism, war and telecommunication and electrical failures. Cyberattacks are increasing in their frequency, sophistication and intensity. Cyberattacks could include the deployment of harmful malware, denial-of-service attacks, social engineering and other means to affect service reliability and threaten the confidentiality, integrity and availability of information. Significant disruptions of our information technology systems or security breaches could adversely affect our business operations and/or result in the loss, misappropriation, and/or unauthorized access, use or disclosure of, or the prevention of access to, confidential information (including trade secrets or other intellectual property, proprietary business information and personal information), and could result in financial, legal, business and reputational harm to us. If such disruptions were to occur and cause interruptions in our operations, it could result in a material disruption of our product development programs. For example, the loss of clinical trial data from completed, ongoing or planned clinical trials could result in delays in our regulatory approval efforts and significantly increase our costs to recover or reproduce the data. Further, the COVID-19 pandemic has resulted in a significant number of our employees and partners working remotely, which increases the risk of a data breach or issues with data and cybersecurity. To the extent that any disruption or security breach results in a loss of, or damage to, our data or applications, or inappropriate disclosure of confidential or proprietary information, we could incur liability and the further development of our future product candidates could be delayed.

Risks Related to Manufacturing

We could potentially contract with third parties for the production of our product candidates. This could increase the risk that we will not have sufficient quantities of our product candidates or such quantities at an acceptable cost, which could delay, prevent or impair our development or commercialization efforts.

We currently rely on third parties for the production of GB-102 and our product candidates for preclinical testing and clinical trials, including supply of active pharmaceutical ingredient drug substance, sunitinib, as well as polymers used in the formulations, such as poly(lactic-co-glycolic acid), or PLGA, and other raw materials and for sterilization of the finished product. We intend to build our own manufacturing capabilities, but could also decide to keep contracting with third parties if it is more advantageous. While we believe that our existing manufacturing partners have facilities that will be sufficient to meet our requirements for manufacturing GB-102 and any of our product candidates for which we obtain marketing approval, we may in the future need to rely on additional contract manufacturing organizations, or CMOs, for some aspects of the manufacture of our product candidates.

Reliance on third parties for aspects of the supply of our product candidates entails additional risks, including:

- lack of direct control over regulatory compliance and quality assurance;
- the possible misappropriation of our proprietary information, including our trade secrets and know-how;
- the possible breach of an agreement by the third party; and
- the possible termination or nonrenewal of an agreement by the third party at a time that is costly or inconvenient for us.

We, or our third-party suppliers or CMOs, may not be able to comply with quality assurance standards, current good manufacturing practices regulations or similar regulatory requirements outside the United States. If we or our CMOs cannot successfully manufacture material that conforms to our specifications and the strict regulatory requirements of the FDA and comparable regulatory authorities in other jurisdictions, if the quality and accuracy of the manufacturing and quality control data is compromised due to failure to adhere to protocols

or to regulatory requirements or if we or our CMOs fail to maintain a compliance status acceptable to the FDA or comparable regulatory authorities in other jurisdictions, we may not be able to secure and/or maintain regulatory approval for our product candidates. In addition, we or our CMOs must maintain adequate quality control, quality assurance and qualified personnel. If we or our CMOs cannot maintain a compliance status acceptable to the FDA or a comparable regulatory authority in another jurisdiction, 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.

Any failure to achieve and maintain compliance with these laws, regulations and standards could subject us to the risk that we may have to suspend the manufacturing of our product candidates and that obtained approvals could be revoked, which would adversely affect our business and reputation. Our failure, or the failure of our suppliers or CMOs, 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, license revocation, seizures or recalls of product candidates or products, operating restrictions and criminal prosecutions, any of which could significantly and adversely affect supplies of our products and product candidates. The same risks, however, would also apply to any internal manufacturing facilities, should we in the future decide to build internal manufacturing capacity.

Our potential future dependence upon others for the manufacture of our product candidates may adversely affect our future profit margins and our ability to commercialize any products that receive regulatory approval on a timely and competitive basis.

The manufacture of our product development candidates requires outsourced, custom manufacturing and we may encounter difficulties in production, particularly with respect to formulation, process development or scaling up of our manufacturing capabilities. If we, or our CMOs, encounter such difficulties, our ability to provide supply of our product candidates for preclinical studies, clinical trials or our products for patients, if approved, could be delayed or stopped, or we may be unable to maintain a commercially viable cost structure.

As product candidates are developed, it is common that various aspects of the development program, such as manufacturing methods, are altered along the way in an effort to optimize processes and results. For example, due to adverse events related to presence of medication in the anterior chamber observed in some patients in the Phase 1/2a trial for GB-102, changes were made to the manufacturing process for GB-102. Such changes carry the risk that they will not achieve these intended objectives, and any of these changes could cause our product candidates to perform differently and affect the results of planned preclinical studies or future clinical trials.

Currently, GB-102 is manufactured by Lubrizol Life Science Health. Although we have secured sufficient quantities of drug substance and drug product to supply our trials, we will need to obtain additional supplies from our own manufacturing or from third-party manufacturers that we have engaged, or expect to engage. Although we are working to develop commercially viable manufacturing processes, doing so is a difficult and uncertain task, and there are risks associated with scaling to the level required for advanced clinical trials or commercialization, including, among others, cost overruns, potential problems with process scale up, formulation or formulation changes, process reproducibility, stability issues, lot consistency and timely availability of reagents or raw materials. Any of these challenges could delay completion of preclinical studies or clinical trials, require bridging studies or trials, or the repetition of one or more studies or trials, increase development costs, delay approval of our product candidates, impair commercialization efforts, increase our cost of goods and have an adverse effect on our business, financial condition, results of operations and growth prospects.

We have no experience manufacturing any of our product candidates at a commercial scale. We, or our CMOs, may be unable to successfully scale up manufacturing of our product candidates in sufficient quality and quantity, which would delay or prevent us from developing our product candidates and commercializing approved products, if any.

In order to conduct clinical trials of, and commercialize, our product candidates, we will need to manufacture them in large quantities. We may, in the future, establish and operate our own manufacturing facility, which will require significant amounts of additional capital and adequate personnel infrastructure. We, or any manufacturing partners, may be unable to successfully increase the manufacturing capacity for any of our product candidates in a timely or cost-effective manner, or at all. In addition, quality issues may arise during scale-up activities. If we, or any manufacturing partners, are unable to successfully scale up the manufacture of our product candidates in sufficient quality and quantity, the development, testing and clinical trials of that product candidate may be delayed or infeasible, and regulatory approval or commercial launch of any resulting product may be delayed or not obtained, which could significantly harm our business.

Changes in methods of product candidate manufacturing, including changes introduced by building our own manufacturing capabilities, may result in additional costs or delay.

We currently rely on third parties for the production of GB-102 and our product candidates for preclinical testing and clinical trials, including supply of active pharmaceutical ingredient drug substance, sunitinib, as well as polymers used in the formulations, such as PLGA and other raw materials and for sterilization of the finished product. We intend to build our own manufacturing capabilities, and it is common that various aspects of the development program, such as manufacturing methods, may be altered in an effort to optimize yield, manufacturing batch size, minimize costs and achieve consistent quality 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 altered materials. This could delay completion of clinical trials, require the conduct of bridging clinical trials or the repetition of one or more clinical trials, increase clinical trial costs, delay approval of our product candidates and jeopardize our ability to commercialize our product candidates and generate revenue.

Our current operations are in two locations, and we or the third parties upon whom we depend may be adversely affected by earthquakes or other natural disasters and our business continuity and disaster recovery plans may not adequately protect us from a serious disaster.

Our current operations are located in Baltimore, Maryland and Redwood City, California, and our clinical trials are currently conducted at a limited number of other sites. Any unplanned event, such as earthquake, flood, fire, explosion, extreme weather condition, medical epidemic or pandemic, power shortage, telecommunication failure or other natural or manmade accidents or incidents that result in us being unable to fully utilize our facilities, or the manufacturing facilities of our CMOs, may have a material and adverse effect on our ability to operate our business, particularly on a daily basis, and have significant negative consequences on our financial and operating conditions. Loss of access to these facilities may result in increased costs, delays in the development of our product candidates or interruption of our business operations. Earthquakes or other natural disasters could further disrupt our operations and have a material and adverse effect on our business, financial condition, operating results and prospects. If a natural disaster, power outage or other event occurred that prevented us from using all or a significant portion of our headquarters, that damaged critical infrastructure, such as our research or manufacturing facilities or the manufacturing facilities of our CMOs, or that otherwise disrupted operations, it may be difficult or, in certain cases, impossible for us to continue our business for a substantial period of time. The disaster recovery and business continuity plans we have in place may prove inadequate in the event of a serious disaster or similar event. We may incur substantial expenses as a result of the limited nature of our disaster recovery and business continuity plans, which could have a material adverse effect on our business. As part of our risk management policy, we maintain insurance coverage at levels that we believe are appropriate for our business. However, in the event of an accident or incident at these facilities, we cannot

assure you that the amounts of insurance will be sufficient to satisfy any damages and losses. If our facilities, or the manufacturing facilities of our CMOs, are unable to operate because of an accident or incident or for any other reason, even for a short period of time, any or all of our research and development programs may be harmed. Any business interruption could have a material and adverse effect on our business, financial condition, operating results and prospects.

Risks Related to Commercialization

Our products 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, and the market opportunity for these products may be smaller than we estimate.

GB-102 or any of our product candidates that receives marketing approval may fail to gain market acceptance by physicians, patients, third-party payors and others in the medical community. We have not received marketing approval and have not commercially launched GB-102 and cannot yet accurately predict whether it will gain market acceptance and become commercially successful.

The degree of market acceptance of GB-102 or any product candidate for which we obtain marketing approval will depend on a number of factors, including:

- the efficacy and potential advantages compared to alternative treatments;
- our ability to offer our products for sale at competitive prices, particularly in light of the lower cost of alternative treatments;
- the clinical indications for which the product is approved;
- the convenience and ease of administration compared to alternative treatments, including the retention of GB-102 as preferred treatment by patients and doctors;
- the willingness of the target patient population to try new therapies and of physicians to prescribe these therapies;
- the strength of our marketing and distribution support;
- the timing of market introduction of competitive products;
- the availability of third-party coverage and adequate reimbursement;
- the prevalence and severity of any side effects; and
- any restrictions on the use of our products together with other medications.

For example, even though we believe that GB-102 will have a longer duration of effect compared to approved treatments for wet AMD, it is possible that the market acceptance of GB-102, if it is approved for marketing, could be less than anticipated.

Our assessment of the potential market opportunity for GB-102 and our other product candidates is based on industry and market data that we obtained from industry publications and research, surveys and studies conducted by third parties. Industry publications and third-party research, surveys and studies generally indicate that their information has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. While we believe these industry publications and third-party research, surveys and studies are reliable, we have not independently verified such data. If the actual market for GB-102 or any of our product candidates is smaller than we expect, our product revenue may be limited, and it may be more difficult for us to achieve or maintain profitability.

If we are unable to establish and maintain adequate sales, marketing and distribution capabilities, we may not be successful in commercializing GB-102 or any product candidates if and when they are approved.

We have no experience in the sales, marketing and distribution of drug and device products, or in building a commercial team to do so. To achieve commercial success for GB-102 and any product candidate for which we obtain marketing approval, we will need to establish and maintain adequate sales, marketing and distribution capabilities, either ourselves or through collaborations or other arrangements with third parties. If GB-102 is approved for marketing, we plan on commercializing GB-102 through our own specialty sales force. Alternatively, we may rely on a network of independent distributors across the United States to sell GB-102. We expect that a direct sales force will be required to effectively market and sell GB-102. We cannot be certain when, if ever, we will recognize revenue from commercialization of our product candidates in any international market. If we decide to commercialize our potential products outside of the United States, we expect to utilize a variety of collaboration, distribution and other marketing arrangements with one or more third parties. These may include independent distributors, pharmaceutical companies or our own direct sales organization.

There are risks involved with both establishing our own sales, marketing and distribution capabilities and with entering into arrangements with third parties to perform these services. We may not be successful in entering into arrangements with third parties to sell, market and distribute our products or may be unable to do so on terms that are most beneficial to us. We likely will have little control over such third parties, and any of them may fail to devote the necessary resources and attention to market, sell and distribute our products effectively. Our product revenues and our profitability, if any, under third-party collaboration, distribution or other marketing arrangements may also be lower than if we were to sell, market and distribute a product ourselves. On the other hand, recruiting and training a sales force is expensive and time-consuming and could delay any product launch. If the commercial launch of any product candidate for which we recruit a sales force and establish marketing capabilities is delayed or does not occur for any reason, we would have prematurely or unnecessarily incurred these commercialization expenses. This may be costly, and our investment would be lost if we cannot retain or reposition our sales and marketing personnel.

Other factors that may inhibit our efforts to commercialize products on our own include:

- our inability to recruit, train and retain adequate numbers of effective sales and marketing personnel;
- the inability of sales personnel to obtain access to physicians or persuade adequate numbers of physicians to use or prescribe our 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.

If we do not establish sales, marketing and distribution capabilities successfully, either on our own or in collaboration with third parties, we will not be successful in commercializing GB-102 or any of our product candidates.

We face substantial competition, which may result in others discovering, developing or commercializing products before or more successfully than we do.

The development and commercialization of new drug and device products is highly competitive. We face competition with respect to our product candidates that we may seek to develop or commercialize, from major pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies worldwide. Potential competitors also include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization.

The current standard of care for wet AMD is monotherapy administration of anti-VEGF drugs, principally Eylea, Avastin and Lucentis, which are well-established therapies and are widely accepted by physicians, patients and third-party payors, as well as Beovu, the most recently approved anti-VEGF drug. There are also several product candidates in late-stage clinical development, including those being developed by F. Hoffmann-La Roche AG, Kodiak Sciences Inc., Chengdu Kanghong Pharmaceutical Group Co., Ltd and Opthea Limited. Physicians, patients and third-party payors may not accept the addition of GB-102 to their current treatment regimens for a variety of potential reasons, including:

- if they do not wish to incur the additional cost, if any, of GB-102;
- if they perceive the addition of GB-102 to be of limited benefit to patients compared to existing treatment options;
- if sufficient coverage and reimbursement are not available; and
- if they do not perceive GB-102 to have a favorable risk-benefit profile.

We are developing GB-102 as an alternative to existing anti-VEGF drugs, including Eylea, Avastin, Lucentis, and Beovu. Accordingly, if approved, GB-102 would directly compete with these therapies. While we believe GB-102 will compete favorably with existing anti-VEGF drugs, future approved standalone or combination therapies for wet AMD with demonstrated improved efficacy over GB-102 or currently marketed therapies with a favorable safety profile and any of the following characteristics might pose a significant competitive threat to us:

- a mechanism of action that does not involve VEGF;
- a duration of action that obviates the need for twice-yearly intravitreal injection;
- a method of administration that effectively avoids intravitreal injection; and
- significant cost savings or reimbursement advantages compared to GB-102 and other anti-VEGF therapies.

We also expect that product candidates currently in clinical development, or that could enter clinical development in the near future, could represent additional competition, if approved. These product candidates may provide efficacy, safety, convenience and other benefits that are not provided by currently marketed therapies. Because there are a variety of means to treat wet AMD, our patents and other proprietary protections for GB-102 will not prevent development or commercialization of product candidates that are different from GB-102.

Our commercial opportunity could be reduced or eliminated if our competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than our products. Our competitors also may obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market. In addition, certain of these products may be available on a biosimilar basis, and our product candidates may not demonstrate sufficient additional clinical benefits to physicians, patients or payors to justify a higher price compared to generic products. In many cases, insurers or other third-party payors, particularly Medicare, seek to encourage the use of biosimilar products.

Many of the companies against which we are competing or against which we may compete in the future have significantly greater financial resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved products than we do. Mergers and acquisitions in the pharmaceutical and biotechnology industries may result in even more resources being concentrated among a smaller number of our competitors. Smaller 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, establishing clinical trial sites and patient registration for clinical trials, as well as in acquiring technologies complementary to, or necessary for, our programs.

Any product candidate for which we obtain marketing approval may become subject to unfavorable pricing regulations, third-party coverage or reimbursement practices or healthcare reform initiatives, which could harm our business.

Our ability to commercialize our product candidates that we may develop successfully will depend, in part, on the extent to which coverage and adequate reimbursement for these products and related treatments will be available from government healthcare programs, private health insurers, managed care plans and other organizations. Government authorities and third-party payors, such as private health insurers and health maintenance organizations, decide which medications they will pay for and establish reimbursement levels. A primary trend in the U.S. healthcare industry and elsewhere is cost containment. Government authorities and third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. Increasingly, third-party payors are requiring that drug and device companies provide them with predetermined discounts from list prices and are challenging the prices charged for medical products. Coverage and reimbursement may not be available for GB-102 or any other product that we commercialize and, even if they are available, the level of reimbursement may not be satisfactory.

Inadequate reimbursement may adversely affect the demand for, or the price of, GB-102 or any product candidate for which we obtain marketing approval. Obtaining and maintaining adequate reimbursement for our products may be difficult. We may be required to conduct expensive pharmacoeconomic studies to justify coverage and reimbursement or the level of reimbursement relative to other therapies. If coverage and adequate reimbursement are not available or reimbursement is available only to limited levels, we may not be able to successfully commercialize GB-102 or any other product candidates for which we obtain marketing approval.

There may be significant delays in obtaining coverage and reimbursement for newly approved drugs, and coverage may be more limited than the indications for which the drug is approved by the FDA or similar regulatory authorities outside the United States. Moreover, eligibility for coverage and reimbursement does not imply that a drug will be paid for in all cases or at a rate that covers our costs, including research, development, manufacture, sale and distribution expenses. Interim reimbursement levels for new drugs, if applicable, may also not be sufficient to cover our costs and may not be made permanent. Reimbursement rates may vary according to the use of the drug and the clinical setting in which it is used, may be based on reimbursement levels already set for lower cost drugs and may be incorporated into existing payments for other services. 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. Third-party payors often rely upon Medicare coverage policy and payment limitations in setting their own reimbursement policies. Our inability to promptly obtain coverage and adequate reimbursement rates from both government-funded and private payors for any FDA-approved products that we develop would compromise our ability to generate revenues and become profitable.

Regulations that govern marketing approvals, pricing, coverage and reimbursement for new drug and device products vary widely from country to country. Current and future legislation may significantly change the approval requirements in ways that could involve additional costs and cause delays in obtaining approvals. Some countries require approval of the sale price of a drug before it can be marketed. In many countries, the pricing review period begins after marketing or product licensing approval is granted. In some foreign markets, prescription pharmaceutical pricing remains subject to continuing governmental control even after initial approval is granted. As a result, we might obtain marketing approval for a product in a particular country, but then be subject to price regulations that delay our commercial launch of the product, possibly for lengthy time periods, and negatively impact the revenues we are able to generate from the sale of the product in that country. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of our product candidate to other available therapies. Adverse pricing

limitations may hinder our ability to recoup our investment in one or more product candidates, even if our product candidates obtain marketing approval.

Any product candidate for which we obtain marketing approval in the United States or in other countries may not be considered medically reasonable and necessary for a specific indication, may not be considered cost-effective by third-party payors, coverage and an adequate level of reimbursement may not be available and reimbursement policies of third-party payors may adversely affect our ability to sell our product candidates profitably.

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

We face an inherent risk of product liability exposure related to the use of our product candidates that we develop in clinical trials. We face an even greater risk for any products we develop and sell commercially. 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 that we develop;
- injury to our reputation and significant negative media attention;
- withdrawal of clinical trial participants;
- significant costs to defend the related litigation;
- substantial monetary awards to trial participants or patients;
- loss of revenue;
- reduced time and attention of our management to pursue our business strategy; and
- the inability to commercialize any products that we develop.

We currently hold $10 million in product liability insurance coverage, with a per incident limit of $250,000, which may not be adequate to cover all liabilities that we may incur. We will need to increase our insurance coverage as we expand our clinical trials and should we eventually realize sales of any product candidate for which we obtain marketing approval.

Insurance coverage is increasingly expensive. We may not be able to maintain insurance coverage at a reasonable cost or in an amount adequate to satisfy any liability that may arise.

Risks Related to Our Dependence on Third Parties

We may enter into collaborations with third parties for the development and commercialization of GB-102 or other product candidates. If our collaborations are not successful, we may not be able to capitalize on the market potential of these product candidates.

We may utilize a variety of types of collaboration arrangements with third parties to develop or commercialize any of our product candidates. We also may enter into arrangements with third parties to perform these services in the United States if we do not establish our own sales, marketing and distribution capabilities in the United States for our product candidates or if we determine that such arrangements are otherwise beneficial. We also may seek collaborators for development and commercialization of other product candidates. Our likely collaborators for any sales, marketing, distribution, development, licensing or broader collaboration arrangements include large and mid-size pharmaceutical companies, regional and national pharmaceutical companies and biotechnology companies. We are not currently party to any such arrangement. Our ability to generate revenues from these arrangements will depend on our collaborators' abilities and efforts to successfully perform the functions assigned to them in these arrangements.

Collaborations that we enter into may pose a number of risks, including the following:

- collaborators have significant discretion in determining the amount and timing of 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 that receive marketing approval or may elect not to continue or renew development or commercialization programs based on results of clinical trials or other studies, changes in the collaborators' strategic focus or available funding or external factors, such as an acquisition, that 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 products or product candidates if the collaborators believe that competitive products are more likely to be successfully developed or can be commercialized under terms that are more economically attractive than ours;
- product candidates discovered in collaboration with us may be viewed by our collaborators as competitive with their own product candidates or products, which may cause collaborators to cease to devote resources to the commercialization of our product candidates;
- a collaborator with marketing and distribution rights to one or more of our product candidates that achieve regulatory approval may not commit sufficient resources to the marketing and distribution of such product or products;
- disagreements with collaborators, including disagreements over proprietary 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 divert management attention and resources and 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 for the convenience of the collaborator and, if terminated, we could be required to raise 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 collaborations that we enter into do not result in the successful development and commercialization of products or if one of our collaborators terminates its agreement with us, we may not receive any future research funding or milestone or royalty payments under the collaboration. If we do not receive the funding we expect under these agreements, our development of our product candidates could be delayed and we may need additional resources to develop our product candidates. All of the risks relating to product development, regulatory approval and commercialization described in this prospectus also apply to the activities of our collaborators.

Additionally, subject to its contractual obligations to us, if a collaborator of ours were to be involved in a business combination, it might deemphasize or terminate the development or commercialization of any product

candidate licensed to it by us. If one of our collaborators terminates its agreement with us, we may find it more difficult to attract new collaborators and our perception in the business and financial communities could be harmed.

If we are not able to establish additional collaborations, we may have to alter our development and commercialization plans and our business could be adversely affected.

For some of our product candidates, we may decide to collaborate with pharmaceutical, biotechnology and medical device companies for the development and potential commercialization of those product candidates. We face significant competition in seeking appropriate collaborators. Whether we reach a definitive agreement for a collaboration will depend, among other things, upon our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration and the proposed collaborator's evaluation of a number of factors. Those factors may include the design or results of clinical trials, the likelihood of approval by the FDA or similar regulatory authorities outside the United States, the potential market for the product candidate, the costs and complexities of manufacturing and delivering a product candidate to patients, the potential of competing products, the existence of uncertainty with respect to our ownership of technology, which can exist if there is a challenge to such ownership without regard to the merits of the challenge, and industry and market conditions generally. The collaborator may also consider alternative product candidates or technologies for similar indications that may be available to collaborate on and whether such a collaboration could be more attractive than the one with us for our product candidate. We may also be restricted under future license agreements from entering into agreements on certain terms with potential collaborators. Collaborations are complex and time-consuming to negotiate and document. In addition, there have been a significant number of recent business combinations among large pharmaceutical companies that have resulted in a reduced number of potential future collaborators.

If we are unable to reach agreements with suitable collaborators on a timely basis, on acceptable terms or at all, we may have to curtail the development of a product candidate, 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. If we elect to fund and undertake development or commercialization activities on our own, we may need to obtain additional expertise and additional capital, which may not be available to us on acceptable terms or at all. If we fail to enter into collaborations and do not have sufficient funds or expertise to undertake the necessary development and commercialization activities, we may not be able to further develop our product candidates or bring them to market or continue to develop our product platform.

We have relied, and may continue to rely, on third parties for certain aspects of our clinical development, and those third parties may not perform satisfactorily, including failing to meet deadlines for the completion of such trials.

We have relied and may continue to rely on third parties, such as CROs to conduct clinical trials of GB-102 and other product candidates. If we deem necessary, we may engage CROs, clinical data management organizations, medical institutions and clinical investigators to conduct or assist in our clinical trials or other clinical development work. If we are unable to enter into an agreement with a service provider when required, our product development activities would be delayed.

Our reliance on third parties for development activities reduces our control over these activities but does not relieve us of our responsibilities. For example, we remain responsible for ensuring that each of our clinical trials is conducted in accordance with the general investigational plan and protocols for the trial. Moreover, the FDA requires us to comply with standards, commonly referred to as good clinical practices, or 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. We are also required to register ongoing clinical trials and post the results of completed clinical trials on a government-sponsored

database, ClinicalTrials.gov, within specified timeframes. Failure to do so can result in fines, adverse publicity and civil and criminal sanctions. If we engage third parties and they 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 will not be able to obtain, or may be delayed in obtaining, marketing approvals for our product candidates and will not be able to, or may be delayed in our efforts to, successfully commercialize our product candidates.

Risks Related to Our Intellectual Property

If our patent position does not adequately protect our product candidates, others could compete against us more directly, which would harm our business.

We own and exclusively license a number of U.S. issued patents, pending U.S. provisional and non-provisional patent applications, as well as pending Patent Cooperating Treaty applications and associated foreign patents and patent applications. Our success depends in large part on our ability to obtain and maintain patent protection both in the United States and in other countries for our product candidates. Our ability to protect our product candidates from unauthorized or infringing use by third parties depends in substantial part on our ability to obtain and maintain valid and enforceable patents. Due to evolving legal standards relating to the patentability, validity and enforceability of patents covering pharmaceutical inventions and the scope of claims made under these patents, our ability to maintain, obtain and enforce patents is uncertain and involves complex legal and factual questions. Accordingly, rights under any issued patents may not provide us with sufficient protection for our product candidates or provide sufficient protection to afford us a commercial advantage against competitive products or processes. We cannot guarantee that any patents will issue from any pending or future patent applications owned by or licensed to us.

The patent prosecution process is expensive and time-consuming. We may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. We may choose not to seek patent protection for certain innovations and may choose not to pursue patent protection in certain jurisdictions. Under the laws of certain jurisdictions, patents or other intellectual property rights may be unavailable or limited in scope. It is also possible that we will fail to identify patentable aspects of our research and development before it is too late to obtain patent protection.

We currently solely own or exclusively license patents and patent applications that encompass our proposed clinical assets. We do not control the prosecution of the exclusively licensed patents and patent applications from Johns Hopkins University, or JHU, although we have input into the prosecution. In the future, we may choose to license additional patents or patent applications from third parties that we conclude are useful or necessary for our business goals. We may not have the right to control the preparation, filing, prosecution or maintenance of such additional licensed patent applications. Therefore, if we do license additional patents or patent applications in the future, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business.

Patent applications in the United States are maintained in confidence for up to 18 months after their filing. In some cases, however, patent applications remain confidential in the U.S. Patent and Trademark Office, or PTO, for the entire time prior to issuance as a U.S. patent. Similarly, publication of discoveries in the scientific or patent literature often lags behind actual discoveries. Consequently, we cannot be certain that we or our licensors were the first to invent, or the first to file patent applications on, our product candidates or their intended uses. Furthermore, we may not have identified all U.S. and foreign patents or published applications that affect our business either by blocking our ability to commercialize our products or by covering similar technologies that affect our product market or patentability, or all prior art that could be considered relevant to our patent claims.

The claims of any patents which have already issued or may issue in the future and are owned by or licensed to us, may not confer on us significant commercial protection against competing products. Additionally, our patents may be challenged by third parties, resulting in the patent being deemed invalid, cancelled, unenforceable or narrowed in scope, or the third party may circumvent any such issued patents.

Our patents may be challenged, for example, in a U.S. federal court or alternatively challenged in an adversarial proceeding at the Patent Trial and Appeals Board, or PTAB, at the PTO, using an *Inter Partes* Review or Post Grant Review process. The cost of these procedures is often substantial, and it is possible that our efforts would be unsuccessful resulting in a loss of our U.S. patent position. Further, even if a U.S. federal court or PTAB rules that a patent owned by us is valid and enforceable, if the other venue takes a contrary position, the patent can be considered invalid and not enforceable. Therefore, a party seeking to invalidate a patent owned by or licensed to us in the United States has the procedural advantage of two alternative venues. To date, the PTAB has cancelled over 60% of the patent claims it has reviewed and is considered to be a forum of choice for infringers for patent cancellation.

Also, our pending patent applications may not issue, and we may not receive any additional patents. Our patents might not contain claims that are sufficiently broad to prevent others from utilizing our technologies. For instance, GB-102 and GB-103 use our proprietary aggregating microparticle technologies to deliver sunitinib for ocular treatment. If a competitor develops a product that uses a different particle or non-particle technology to deliver sunitinib to the eye, it may be able to compete with us without infringing our owned or licensed patents after the patents on sunitinib expire in August 2021. GB-401 includes our proprietary beta-blocker prodrug molecule in our proprietary aggregating microparticle technology. If a competitor develops a product that uses a different prodrug of the same beta-blocker, or the beta-blocker itself, or uses a delivery system that is different from our proprietary aggregating microparticle technologies, then it may be able to compete with our GB-401 product without infringing our owned or licensed patent claims. Consequently, our competitors may independently develop competing products that do not infringe our patents or other intellectual property. To the extent a competitor can develop similar products using a different delivery system, microparticle or molecule, our patents may not prevent them from directly competing with us.

The Leahy-Smith America Invents Act, or America Invents Act, was signed into law in September 2011, and many of the substantive changes became effective in March 2013. The America Invents Act revised U.S. patent law in part by changing the standard for patent approval from a “first to invent” standard to a “first to file” standard and developing a post-grant review system. This legislation changes U.S. patent law in a way that may weaken our ability to obtain patent protection in the United States for those applications filed after March 2013. For example, if we were the first to invent a new product or its use, but another party is the first to file a patent application on this invention, under the new law the other party may be entitled to the patent rights on the invention.

The America Invents Act created for the first time new procedures to challenge issued patents in the United States, including post-grant review and *inter partes* review proceedings, which some third parties have been using to cause the cancellation of selected or all claims of issued patents of competitors. For a patent with a priority date of March 16, 2013 or later, a petition for post-grant review can be filed by a third party in a nine-month window from issuance of the patent. A petition for *inter partes* review can be filed immediately following the issuance of a patent if the patent was filed prior to March 16, 2013. A petition for *inter partes* review can be filed after the nine-month period for filing a post-grant review petition has expired for a patent with a priority date of March 16, 2013 or later. Post-grant review proceedings can be brought on any ground of challenge, whereas *inter partes* review proceedings can only be brought to raise a challenge based on published prior art. These adversarial actions at the PTO review patent claims without the presumption of validity afforded to U.S. patents in lawsuits in U.S. federal courts and use a lower burden of proof than used in litigation in U.S. federal courts. The PTO issued a Final Rule on November 11, 2018, announcing that it will now use the same claim construction currently used in the U.S. federal courts to interpret patent claims, which is the plain and ordinary meaning of words used. If any of our patents are challenged by a third party in such a PTO proceeding, there is no guarantee that we or our licensors will be successful in defending the patent, which would result in a loss of the challenged patent right to us.

The U.S. Supreme Court has issued opinions in patent cases in the last few years that many consider may weaken patent protection in the United States, either by narrowing the scope of patent protection available in

certain circumstances, holding that certain kinds of innovations are not patentable or generally otherwise making it easier to invalidate patents in court. Additionally, there have been recent proposals for additional changes to the patent laws of the United States and other countries that, if adopted, could impact our ability to obtain patent protection for our proprietary technology or our ability to enforce our proprietary technology. Depending on future actions by the U.S. Congress, the U.S. courts, the PTO and the relevant law-making bodies in other countries, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future.

The laws of some foreign jurisdictions do not protect intellectual property rights to the same extent as in the United States and many companies have encountered significant difficulties in protecting and defending such rights in foreign jurisdictions. If we encounter such difficulties in protecting or are otherwise precluded from effectively protecting our intellectual property rights in foreign jurisdictions, our business prospects could be substantially harmed. For example, we could become a party to foreign opposition proceedings, such as at the European Patent Office, or patent litigation and other proceedings in a foreign court. If so, uncertainties resulting from the initiation and continuation of such proceedings could have a material adverse effect on our ability to compete in the market-place. The cost of foreign adversarial proceedings can also be substantial, and in many foreign jurisdictions, the losing party must pay the attorney fees of the winning party.

Because of the extensive time required for development, testing and regulatory review of a potential product, it is possible that, before any of our product candidates can be commercialized, any related patent may expire or remain in force for only a short period following commercialization of our product candidates, thereby reducing any advantages of the patent. To the extent our product candidates based on that technology are not commercialized significantly ahead of the date of any applicable patent, or to the extent we have no other patent protection on such product candidates, those product candidates would not be protected by patents, and we would then rely solely on other forms of exclusivity, such as regulatory exclusivity provided by the Federal Food, Drug and Cosmetic Act, or FDCA, or trade secret protection.

Patents filed by our licensor, Johns Hopkins University, may have been discovered through government funded programs and thus may be subject to federal regulations such as "march-in" rights, certain reporting requirements and a preference for U.S.-based companies. Compliance with such regulations may limit our exclusive rights, and limit our ability to contract with non-U.S. manufacturers.

Any patents licensed from JHU that cover inventions generated in whole or part through the use of U.S. government funding are subject to certain federal regulations. As a result, the U.S. government may have certain rights to licensed patents embodied in our current or future product candidates pursuant to the Bayh-Dole Act of 1980, or Bayh-Dole Act. These U.S. government rights in certain inventions developed under a government-funded program include a non-exclusive, non-transferable, irrevocable worldwide license to use inventions for any governmental purpose. In addition, the U.S. government has the right, under certain limited circumstances, to require JHU, and thus us, to grant exclusive, partially exclusive or non-exclusive licenses to any of these inventions to a third party if it determines that: (i) adequate steps have not been taken to commercialize the invention; (ii) government action is necessary to meet public health or safety needs; or (iii) government action is necessary to meet requirements for public use under federal regulations (also referred to as "march-in rights"). The U.S. government also has the right to take title to these inventions if JHU fails to disclose the invention to the government or fails to file an application to register the patents within specified time limits. Patents generated under a government-funded program are also subject to certain reporting requirements, compliance with which may require us to expend substantial resources. In addition, the U.S. government requires that any products embodying the subject invention or produced through the use of the subject invention be manufactured substantially in the United States. The manufacturing preference requirement can be waived if the owner of the intellectual property can show that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible. This preference for U.S. manufacturers may limit our ability to contract with non-U.S. product manufacturers for products covered by

such intellectual property. To the extent any of our current or future intellectual property is generated through the use of U.S. government funding, the provisions of the Bayh-Dole Act may similarly apply.

Sunitinib, the active ingredient in certain of our product candidates, is currently expected to lose patent protection in 2021, as a result, new competitors with similar products or treatments may challenge our business.

Sunitinib, the active ingredient in both GB-102 and GB-103, is currently under patent protection by Pfizer in the United States until August 2021 and in the European Union until July 2021, subject to any extensions that Pfizer may obtain. Although we separately own or license patents or patent applications relating to GB-102 and GB-103 that will not expire until dates ranging from 2031 to 2039, it is possible that new competing products utilizing sunitinib will be introduced for ocular diseases that could compete with our product candidates. We do not currently expect to commercialize any of our product candidates until after the expiration of Pfizer's patent protection. As a result, it is possible that other products may impair our ability to successfully commercialize our product candidates or gain market acceptance, which could adversely affect our business and operating results.

If we infringe or are alleged to infringe intellectual property rights of third parties, our business could be harmed.

Our research, development or commercialization activities, including any product candidates or products resulting from these activities, may infringe or be claimed to infringe patents or other proprietary rights owned by third parties and to which we do not hold licenses or other rights. We may not be aware of third-party patents that a third party might assert against us. For example, there may be third-party applications that have been filed but not published that, if issued, could be asserted against us. If a patent infringement suit were brought against us, we could be forced to stop or delay research, development, manufacturing or sales of the product or product candidate that is the subject of the suit. Further, if we are found to have infringed a third-party patent, we could be obligated to pay royalties and/or other payments to the third party for the sale of our product, which may be substantial, or we could be enjoined from selling our product. We could also incur substantial litigation costs.

Litigation regarding patents, intellectual property and other proprietary rights may be expensive and time-consuming. If we are involved in such litigation, it could cause delays in bringing product candidates to market and harm our ability to operate.

Our success will depend in part on our ability to operate without infringing the proprietary rights of third parties. Although we are not currently aware of any litigation or other proceedings or third-party claims of patent infringement against us related to our product candidates, the pharmaceutical industry is characterized by extensive litigation regarding patents and other intellectual property rights. Other parties may obtain patents in the future and allege that the use of our technologies infringes these patent claims or that we are employing their proprietary technology without authorization. Likewise, third parties may challenge or infringe upon our existing or future patents. Proceedings involving our patents or patent applications or those of others could result in adverse decisions regarding:

- the patentability of our inventions relating to our product candidates; and/or
- the enforceability, validity or scope of protection offered by our patents relating to our product candidates.

Even if we are successful in these proceedings, we may incur substantial costs and divert management time and attention in pursuing these proceedings, which could have a material adverse effect on us. If we are unable to avoid infringing the patent rights of others, we may be required to seek a license, defend an infringement action or challenge the validity of the patents in court. Patent litigation is costly and time consuming. We may not have sufficient resources to bring these actions to a successful conclusion. In addition, if we do not obtain a license,

develop or obtain non-infringing technology, fail to defend an infringement action successfully or have infringed patents declared invalid, we may:

- incur substantial monetary damages;
- encounter significant delays in bringing our product candidates to market; and/or
- be precluded from participating in the manufacture, use or sale of our product candidates or methods of treatment requiring licenses.

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, during the course of this kind of litigation, there could be public announcements of the results of hearings, motions or other interim proceedings or developments. If investors perceive these results to be negative, the market price for our common stock could be significantly harmed.

Because our clinical candidates incorporate small molecules, after commercialization they will be subject in the United States to the patent litigation process of the Hatch-Waxman Amendments, which allows a generic company to submit an Abbreviated New Drug Application, or ANDA, to the FDA to obtain approval to sell our drug using bioequivalence data only. Under the Hatch-Waxman Amendments, we will have the opportunity to list all of our patents that cover our drug product or its method of use in the FDA's compendium of "Approved Drug Products with Therapeutic Equivalence Evaluation," sometimes referred to as the FDA's Orange Book. Currently, in the United States, the FDA may grant three years of exclusivity to a new formulation, for which our GB-102 and GB-103 products would qualify, and other changes to a drug, such as the addition of a new indication to the package insert, if the application contains reports of new clinical investigations (other than bioavailability studies) conducted or sponsored by the sponsor that were essential to the approval of the application. The FDA also may grant five years of exclusivity for new chemical entities, or NCEs, for which GB-401 would qualify. An NCE is a drug that contains no active moiety that has been approved by the FDA in any other NDA. A generic company can submit an ANDA to the FDA immediately after FDA approval of our GB-102 and GB-103 products and four years after approval of GB-401. The submission of the ANDA by a generic company is considered a technical act of patent infringement. The generic company can certify that it will wait until the natural expiration date of our listed patents to sell a generic version of our product or can certify that one or more of our listed patents are invalid, unenforceable or not infringed. If the latter, we will have 45 days to bring a patent infringement lawsuit against the generic company. This will initiate a challenge to one or more of our Orange Book listed patents based on arguments from the generic company that either our patent is invalid, unenforceable or not infringed. Under the Hatch-Waxman Amendments, if a lawsuit is brought, the FDA is prevented from issuing a final approval on the generic drug until 30 months after the end of the data exclusivity period, or a final decision of a court holding that our asserted patent claims are invalid, unenforceable or not infringed. If we do not properly list our relevant patents in the Orange Book, or timely file a lawsuit in response to a certification from a generic company under an ANDA, or if we do not prevail in the resulting patent litigation, we can lose our proprietary market, which can rapidly become generic. Further, even if we do correctly list our relevant patents in the Orange Book, bring a lawsuit in a timely manner and prevail in that lawsuit, it may be at a very significant cost to us of attorneys' fees and employee time and distraction over a long period. Further, it is common for more than one generic company to try to sell an innovator drug at the same time, and so we may be faced with the cost and distraction of multiple lawsuits. We may also determine it is necessary to settle the lawsuit in a manner that allows the generic company to enter our market prior to the expiration of our patent or otherwise in a manner that adversely affects the strength, validity or enforceability of our patent.

A number of pharmaceutical companies have been the subject of intense review by the U.S. Federal Trade Commission or a corresponding agency in another country based on how they have conducted or settled drug patent litigation, and certain reviews have led to an allegation of an anti-trust violation, sometimes resulting in a fine or loss of rights. We cannot be sure that we would not also be subject to such a review or that the result of the review would be favorable to us, which could result in a fine or penalty.

The U.S. Federal Trade Commission, or FTC, has brought a number of lawsuits in federal court in the past few years to challenge Hatch-Waxman ANDA litigation settlements between innovator companies and generic companies as anti-competitive. The FTC has taken an aggressive position that anything of value is a payment, whether money is paid or not. Under their approach, if an innovator as part of a patent settlement agrees not to launch or delay launch of an authorized generic during the 180-day period granted to the first generic company to challenge an Orange Book listed patent covering an innovator drug, or negotiates a delay in entry without payment, the FTC may consider it an unacceptable reverse payment. The biopharmaceutical industry has argued that such agreements are rational business decisions to dismiss risk and are immune from antitrust attack if the terms of the settlement are within the scope of the exclusionary potential of the patent. In 2013, the U.S. Supreme Court, in a five-to-three decision in FTC v. Actavis, Inc. rejected both the biopharmaceutical industry's and the FTC's arguments with regard to so-called reverse payments, and held that whether a "reverse payment" settlement involving the exchange of consideration for a delay in entry is subject to an anticompetitive analysis depends on five considerations: (a) the potential for genuine adverse effects on competition; (b) the justification of payment; (c) the patentee's ability to bring about anticompetitive harm; (d) whether the size of the payment is a workable surrogate for the patent's weakness; and (e) that antitrust liability for large unjustified payments does not prevent litigating parties from settling their lawsuits, for example, by allowing the generic to enter the market before the patent expires without the patentee's paying the generic. Furthermore, whether a reverse payment is justified depends upon its size, its scale in relation to the patentee's anticipated future litigation costs, its independence from other services for which it might represent payment, as was the case in Actavis, and the lack of any other convincing justification. The Court held that reverse payment settlements can potentially violate antitrust laws and are subject to the standard antitrust rule-of-reason analysis, with the burden of proving that an agreement is unlawful on the FTC and leaving to lower courts the structuring of such rule of reason analysis. If we are faced with drug patent litigation, including Hatch-Waxman litigation with a generic company, we could be faced with such an FTC challenge based on that activity, including how or whether we settle the case, and even if we strongly disagree with the FTC's position, we could face a significant expense or penalty.

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

Filing, prosecuting and defending patents on our product candidates in all countries throughout the world would be prohibitively expensive. The requirements for patentability may differ in certain countries, particularly in developing countries. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and, further, may export otherwise infringing products to territories where we may obtain patent protection, but where patent enforcement is not as strong as that in the United States. These products may compete with our products in jurisdictions where we do not have any issued or licensed patents and any future patent claims or other intellectual property rights may not be effective or sufficient to prevent them from so competing.

Moreover, our ability to protect and enforce our intellectual property rights may be adversely affected by changes in foreign intellectual property laws. Additionally, laws of some countries outside of the United States and Europe do not afford intellectual property protection to the same extent as the laws of the United States and Europe. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. The legal systems of some countries, including India, China and other developing countries, may not favor the enforcement of our patents and other intellectual property rights.

This could make it difficult for us to stop the infringement of our patents or the misappropriation of our other intellectual property rights in certain foreign countries. A number of foreign countries have stated that they

are willing to issue compulsory licenses to patents held by innovator companies on approved drugs to allow the government or one or more third-party companies to sell the approved drug without the permission of the innovator patentee where the foreign government concludes it is in the public interest. India, for example, has used such a procedure to allow domestic companies to make and sell patented drugs without innovator approval. There is no guarantee that patents covering any of our drugs will not be subject to a compulsory license in a foreign country, or that we will have any influence over if or how such a compulsory license is granted. Further, Brazil allows its regulatory agency ANVISA to participate in deciding whether to grant a drug patent in Brazil, and patent grant decisions are made based on several factors, including whether the patent meets the requirements for a patent and whether such a patent is deemed in the country's interest. In addition, several other countries have created laws that make it more difficult to enforce drug patents than patents on other kinds of technologies. Further, under the treaty on the Trade-Related Aspects of Intellectual Property (TRIPS), as interpreted by the Doha Declaration, countries in which drugs are manufactured are required to allow exportation of the drug to a developing country that lacks adequate manufacturing capability. Therefore, our drug markets in the United States or foreign countries may be affected by the influence of current public policy on patent issuance, enforcement or involuntary licensing in the healthcare area.

In addition, in November 2015, members of the World Trade Organization, or WTO, which administers TRIPS, voted to extend the exemption against enforcing pharmaceutical drug patents in least developed countries until 2033. We currently have no patent applications filed in least developed countries, and our current intent is not to file in these countries in the future, at least in part due to this WTO pharmaceutical patent exemption.

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

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

We rely on our ability to stop others from competing by enforcing our patents; however, some jurisdictions may require us to grant licenses to third parties. Such compulsory licenses could be extended to include some of our product candidates, which may limit our potential revenue opportunities.

Many foreign countries have compulsory licensing laws under which a patent owner must grant licenses to third parties, in certain circumstances. For example, compulsory licensing, or the threat of compulsory licensing, of life-saving products and expensive products is becoming increasingly popular in developing countries, either through direct legislation or international initiatives. Compulsory licenses could be extended to include some of our product candidates, if they receive marketing approval, which may limit our potential revenue opportunities. Consequently, we may not be able to prevent third parties from practicing our inventions in certain countries outside the United States and Europe. Competitors may also use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and, further, may export otherwise infringing products to territories where we have patent protection, if our ability to enforce our patents to stop infringing activities is inadequate. These products may compete with our products, and our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing. Proceedings to enforce our patent rights in foreign jurisdictions, whether or not successful, could result in substantial costs and divert our

efforts and resources from other aspects of our business. Furthermore, while we intend to protect our intellectual property rights in major markets for our products where such patent rights exist, we cannot ensure that we will be able to initiate or maintain similar efforts in all jurisdictions in which we may wish to market our products. Accordingly, our efforts to protect our intellectual property rights in such countries may be inadequate.

In addition, some countries limit the enforceability of patents against government agencies or government contractors. In these countries, the patent owner may be limited to monetary relief and may be unable to enjoin infringement if a government is the infringer, which could materially diminish the value of the patent.

If we fail to comply with our obligations under the license agreement with JHU, we could lose license rights that are necessary for developing and commercializing our clinical assets.

Our exclusive license with JHU for technology relating to our clinical assets imposes various development, commercialization, royalty payment, diligence and other obligations on us. Specifically, we are required to:

- pay JHU a minimum royalty fee and potential milestone payments;
- pay JHU low single-digit royalties on all net sales of products and a share of any sublicensing revenues;
- use commercially reasonable efforts to bring products to market;
- provide royalty reports to JHU; and
- indemnify JHU against certain claims and maintain insurance coverage.

If we breach any of these obligations, JHU may have the right to terminate the license, which would result in our being unable to develop, manufacture and sell products that are covered by the licensed technology, or in a competitor's gaining access to the licensed technology.

The rights we rely upon to protect our unpatented trade secrets may be inadequate.

We rely on unpatented trade secrets, know-how and technology, which are difficult to protect, especially in the pharmaceutical industry, where much of the information about a product must be made public during the regulatory approval process. We seek to protect trade secrets, in part, by entering into confidentiality agreements with employees, consultants and others. These parties may breach or terminate these agreements or may refuse to enter into such agreements with us, and we may not have adequate remedies for such breaches. Furthermore, these agreements may not provide meaningful protection for our trade secrets or other proprietary information or result in the effective assignment to us of intellectual property and may not provide an adequate remedy in the event of unauthorized use or disclosure of confidential information or other breaches of the agreements. Despite our efforts to protect our trade secrets, we or our collaboration partners, board members, employees, consultants, contractors or scientific and other advisors may unintentionally or willfully disclose our proprietary information to competitors.

If we fail to maintain trade secret protection, our competitive position may be adversely affected. Competitors may also independently discover our trade secrets. Enforcement of claims that a third party has illegally obtained and is using trade secrets is expensive, time consuming and uncertain. If our competitors independently develop equivalent knowledge, methods and know-how, we would not be able to assert our trade secrets against them and our business could be harmed.

Confidentiality agreements with employees and others may not adequately prevent disclosure of trade secrets and other proprietary information and may not adequately protect our intellectual property.

We rely on trade secrets to protect our technology, especially where we do not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. To protect our proprietary technology

and processes, we also rely in part on confidentiality and intellectual property assignment agreements with our corporate partners, employees, consultants, outside scientific collaborators and sponsored researchers and other advisors. These agreements may not effectively prevent disclosure of confidential information nor result in the effective assignment to us of intellectual property and may not provide an adequate remedy in the event of unauthorized disclosure of confidential information or other breaches of the agreements. In addition, others may independently discover our trade secrets and proprietary information, and in such case, we could not assert any trade secret rights against such party. Enforcing a claim that a party illegally obtained and is using our trade secrets is difficult, expensive and time consuming, and the outcome is unpredictable. In addition, courts outside the United States may be less willing to protect trade secrets. Costly and time-consuming litigation could be necessary to seek to enforce and determine the scope of our proprietary rights, and failure to obtain or maintain trade secret protection could adversely affect our competitive business position.

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

We may be required, or choose, to suspend, repeat or terminate our clinical trials if they are not conducted in accordance with regulatory requirements, the results are negative or inconclusive, the trials are not well-designed, or research participants experience adverse safety outcomes.

Regulatory agencies, institutional review boards, or IRBs, or data safety monitoring boards may at any time recommend the temporary or permanent discontinuation of our clinical trials or request that we cease using investigators in the clinical trials if they believe that the clinical trials are not being conducted in accordance with applicable regulatory requirements, or that they present an unacceptable safety risk to participants. Clinical trials must be conducted in accordance with GCPs and other applicable foreign regulatory authority guidelines. Clinical trials are subject to oversight by the FDA, foreign regulatory authorities and IRBs at the study sites where the clinical trials are conducted. In addition, clinical trials must be conducted with product candidates produced in accordance with applicable current good manufacturing practices. Clinical trials may be placed on a full or partial clinical hold by the FDA, foreign regulatory authorities, or us for various reasons, including, but not limited to: deficiencies in the conduct of the clinical trials, including failure to conduct the clinical trial in accordance with regulatory requirements or clinical protocols; deficiencies in the clinical trial operations or trial sites; deficiencies in the trial designs necessary to demonstrate efficacy; fatalities or other AEs arising during a clinical trial due to medical problems that may or may not be related to clinical trial treatments; the product candidates may not appear to be more effective than current therapies; or the quality or stability of the product candidates may fall below acceptable standards.

Although we have never been asked by a regulatory agency, IRB or data safety monitoring board to temporarily or permanently discontinue a clinical trial, if we elect or are forced to suspend or terminate a clinical trial of any of our current or future product candidates, the commercial prospects for that product may be harmed and our ability to generate product revenue from that product may be delayed or eliminated. Furthermore, any of these events could prevent us or our partners from achieving or maintaining market acceptance of the affected product and could substantially increase the costs of commercializing our product candidates and impair our ability to generate revenue from the commercialization of these products either by us or by our collaboration partners. In our Phase 2a trial of GB-102 for the treatment of DME and retinal vein occlusion, or RVO, 16 of the 21 patients had at least one drug-related AE, with the majority of them in the 2 mg dosing arm. In addition, one patient in the 2 mg dosing arm experienced two ocular SAEs. As a result, we decided to pause enrollment of new patients in our Phase 2b trial until we could collect more data on the Phase 2a trial. We subsequently conducted an interim safety analysis which led to the selection of the 1 mg dose for GB-102. All patients having received GB-102 at either the 1 mg or 2 mg doses previously will now receive the 1 mg dose as repeat therapy at six months.

Any additional SAEs could result in the FDA delaying our clinical trials or denying or delaying clearance or approval of a product. Even though an AE may not be the result of the failure of our drug candidate, the FDA or an IRB could delay or halt a clinical trial for an indefinite period of time while an AE is reviewed, and likely

would do so in the event of multiple such events. Any delay or termination of our current or future clinical trials as a result of the risks summarized above, including delays in obtaining or maintaining required approvals from IRBs, delays in patient enrollment, the failure of patients to continue to participate in a clinical trial, and delays or termination of clinical trials as a result of protocol modifications or AEs during the trials, may cause an increase in costs and delays in the submission of any New Drug Applications, or NDAs, to the FDA, delay the approval and commercialization of our products or result in the failure of the clinical trial, which could adversely affect our business, operating results and prospects. Lengthy delays in the completion of clinical trials of our products would adversely affect our business and prospects and could cause us to cease operations.

If preliminary data demonstrate that any of our product candidates has an unfavorable safety profile and is unlikely to receive regulatory approval or be successfully commercialized, we may voluntarily suspend or terminate future development of such product candidate. Any one or a combination of these events could prevent us from obtaining approval and achieving or maintaining market acceptance of the affected product or could substantially increase the costs and expenses of commercializing the product candidate, which in turn could delay or prevent us from generating significant revenues from the sale of the product.

If we are not able to obtain required regulatory approvals, we will not be able to commercialize our product candidates and our ability to generate significant revenue will be materially impaired. The regulatory approval process is expensive, time-consuming and uncertain. As a result, we cannot predict when or if we, or any collaborators we may have in the future, will obtain regulatory approval to commercialize our product candidates.

The activities associated with the development of our product candidates, including 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 agencies in the United States and by the EMA and similar regulatory authorities outside the United States. Failure to obtain regulatory approval for a product candidate will prevent us from commercializing a product candidate. We have not submitted for approval to market GB-102 or any other product candidate.

The process of obtaining regulatory approvals, both in the United States and abroad, is expensive and may take many years, especially if additional clinical trials are required, if approval is obtained at all. Securing regulatory approval requires the submission of extensive preclinical and clinical data and supporting information to regulatory authorities for each therapeutic indication to establish the product candidate's safety and purity. The FDA's and other regulatory agencies' decision to grant us regulatory approval will depend on our ability to demonstrate with substantial clinical evidence through adequate well-controlled clinical trials, that the product candidates are effective, as measured statistically by comparing the overall improvement in actively-treated patients against improvement in the control group. However, there is a possibility that our data may fail to show a statistically significant difference from the placebo control or the active control. Alternatively, there is a possibility that our data may be statistically significant, but that the actual clinical benefit of the product candidates may not be considered to be clinically significant, clinically relevant or clinically meaningful. We cannot predict whether the regulatory agencies will find that our clinical trial results provide compelling data. Even if we believe that the data from our trials will support regulatory approval in the United States or in Europe, we cannot predict whether the agencies will agree with our analysis and approve our applications.

Securing regulatory approval also requires the submission of information about the product manufacturing process to, and inspection of manufacturing facilities by, the regulatory authorities. The FDA, the EMA or other regulatory authorities may determine that our product candidates are not safe or effective, are only moderately

effective or have undesirable or unintended side effects, toxicities or other characteristics that preclude our obtaining regulatory approval or prevent or limit commercial use. In addition, while we have had general discussions with the FDA concerning the design of some of our clinical trials, we have not discussed with the FDA the specifics of the regulatory pathways for our product candidates. Any regulatory approval we ultimately obtain may be limited or subject to restrictions or post-approval commitments that render the approved product not commercially viable.

Approval of our product candidates may be delayed or refused for many reasons, including the following:

- the FDA or comparable foreign regulatory authorities may disagree with the design or implementation of our clinical trials;
- we may be unable to demonstrate to the satisfaction of the FDA or comparable foreign regulatory authorities that our product candidates are safe and effective for any of their proposed indications;
- the results of clinical trials may not meet the level of statistical significance required by the FDA or comparable foreign regulatory authorities for approval;
- we may be unable to demonstrate that our product candidates' clinical and other benefits outweigh their safety risks;
- the FDA or comparable foreign regulatory authorities may disagree with our interpretation of data from preclinical programs or clinical trials;
- the data collected from clinical trials of our product candidates may not be sufficient 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;
- potential delays in enrollment, site visits, evaluations, dosing of patients participating in the clinical trial as hospitals prioritize the treatment of COVID-19 patients or patients decide to not enroll in the study as a result of the COVID-19 pandemic;
- government regulations that may be imposed in response to the COVID-19 pandemic may restrict the movement of our global supply chain, divert hospital resources that are necessary to administer our product candidates;
- the facilities of the third-party manufacturers with which we contract may not be adequate to support approval of our product candidates; and
- the approval policies or regulations of the FDA or comparable foreign regulatory authorities may significantly change in a manner rendering our clinical data insufficient for approval.

Even if our product candidates meet their safety and efficacy endpoints in clinical trials, the regulatory authorities may not complete their review processes in a timely manner, or we may not be able to obtain regulatory approval. Additional delays may result if an FDA Advisory Committee or other regulatory authority recommends non-approval or restrictions on approval. In addition, we may experience delays or rejections based upon additional government regulation from future legislation or administrative action, or changes in regulatory authority policy during the period of product development, clinical trials and the review process.

The regulatory process can vary substantially based upon a variety of factors, including the type, complexity and novelty of the product candidates involved. If we experience delays in obtaining approval, the commercial prospects for our product candidates may be harmed and our ability to generate revenues will be materially impaired.

Failure to obtain regulatory approval in international jurisdictions would prevent our product candidates from being marketed abroad.

In order to market and sell our product candidates in the European Union and many other jurisdictions, we or our third-party collaborators must obtain separate regulatory approvals and comply with numerous and

varying regulatory requirements. The approval procedure varies among countries and can involve additional testing. The time required to obtain approval may differ substantially from that required to obtain FDA approval. The regulatory approval process outside the United States generally includes all of the risks associated with obtaining FDA approval. In addition, in many countries outside the United States, it is required that the product be approved for reimbursement before the product can be sold in that country. We or our collaborators may not obtain approvals from regulatory authorities outside the United States on a timely basis, if at all. Approval by the FDA does not ensure approval by regulatory authorities in other countries or jurisdictions, and approval by one regulatory authority outside the United States does not ensure approval by regulatory authorities in other countries or jurisdictions or by the FDA. However, a failure or delay in obtaining regulatory approval in one country may have a negative effect on the regulatory process in other countries. We may not be able to file for regulatory approvals and may not receive necessary approvals to commercialize our products in any market.

Additionally, on June 23, 2016, the electorate in the United Kingdom voted in favor of leaving the European Union, commonly referred to as Brexit. Following protracted negotiations, the United Kingdom left the European Union on January 31, 2020. Under the withdrawal agreement, there is a transitional period until December 31, 2020 (extendable up to two years). Discussions between the United Kingdom and the European Union have so far mainly focused on finalizing withdrawal issues and transition agreements but have been extremely difficult to date. To date, only an outline of a trade agreement has been reached. Much remains open but the Prime Minister has indicated that the United Kingdom will not seek to extend the transitional period beyond the end of 2020. If no trade agreement has been reached before the end of the transitional period, there may be significant market and economic disruption.

Since the regulatory framework for pharmaceutical products in the United Kingdom covering quality, safety, and efficacy of pharmaceutical products, clinical trials, marketing authorization, commercial sales and distribution of pharmaceutical products is derived from European Union directives and regulations, Brexit could materially impact the future regulatory regime that applies to products and the approval of product candidates in the United Kingdom. Any delay in obtaining, or an inability to obtain, any marketing approvals, as a result of Brexit or otherwise, may force us to restrict or delay efforts to seek regulatory approval in the United Kingdom for our product candidates, which could significantly and materially harm our business.

The terms of approvals, ongoing regulations and post-marketing restrictions for our products may limit how we manufacture and market our products, which could materially impair our ability to generate revenue.

Once regulatory approval has been granted, an approved product and its manufacturer and marketer are subject to ongoing review and extensive regulation. We, and any collaborators we may have in the future, must therefore comply with requirements concerning advertising and promotion for any of our products for which we or our collaborators obtain regulatory approval. Promotional communications with respect to drug products and medical devices are subject to a variety of legal and regulatory restrictions and must be consistent with the information in the product's approved labeling. Thus, if any of our product candidates receives regulatory approval, the accompanying approved labeling may limit the promotion of our product, which could limit sales of the product.

In addition, manufacturers of approved products and those manufacturers' facilities are required to comply with extensive FDA requirements, including ensuring that quality control and manufacturing procedures conform to current good manufacturing practices applicable to drug manufacturers or quality assurance standards applicable to medical device manufacturers, which include requirements relating to quality control and quality assurance as well as the corresponding maintenance of records and documentation and reporting requirements. We, any CMOs we may engage in the future, our future collaborators and their CMOs will also be subject to other regulatory requirements, including submissions of safety and other post-marketing information and reports, registration and listing requirements, requirements regarding the distribution of samples to physicians, recordkeeping and costly post-marketing studies or clinical trials and surveillance to monitor the safety or efficacy of the product such as the requirement to implement a risk evaluation and mitigation strategy.

If any of our product candidates receives regulatory approval and we or others later identify undesirable side effects caused by the product, our ability to market and derive revenue from the products could be compromised.

In the event any of our product candidates receive regulatory approval and we or others identify undesirable side effects, AEs or other problems caused by one of our products, any of the following adverse events could occur, which could result in the loss of significant revenue to us and materially and adversely affect our operating results and business:

- regulatory authorities may withdraw or modify their approval of the product and require us to take the product off the market or seize the product;
- we may need to recall the product or change the way the product is administered to patients;
- we may need to conduct additional preclinical studies or clinical trials or change the labeling of the product;
- additional restrictions may be imposed on the marketing and promotion of the particular product or the manufacturing processes for the product or any component thereof;
- we may not be able to secure or maintain adequate coverage and reimbursement for our products from government (including U.S. federal health care programs) and private payors;
- regulatory authorities may require the addition of labeling statements, such as a boxed warning, or equivalent, or contraindications or limitations on the indications for use;
- regulatory authorities may require us to implement a Risk Evaluation and Mitigation Strategy, or REMS, plan, or to conduct post-marketing studies or clinical trials and surveillance to monitor the safety or efficacy of the product;
- we may be required to create a Medication Guide outlining the risks of such side effects for distribution to patients;
- we may be exposed to potential lawsuits and associated legal expenses, including costs of resolving claims;
- the product may become less competitive and sales may decrease; and
- our reputation may suffer both among clinicians and patients.

Any of these events could have a material and adverse effect on our operations and business. The commercial prospects for our product candidates may be harmed and our ability to generate revenues will be materially impaired.

If our product candidates receive regulatory approval, we will also be subject to ongoing FDA obligations and continued regulatory review, such as continued safety reporting requirements, and we may also be subject to additional FDA post-marketing obligations or new regulations, all of which may result in significant expense and limit our ability to commercialize our drugs.

Any regulatory approvals that we receive for our product candidates will require surveillance to monitor the safety and efficacy of the product candidate and may require us to conduct post-approval clinical studies. The FDA has significant post-market authority, including the authority to require labeling changes based on new safety information and to require post-market studies or clinical trials to evaluate safety risks related to the use of a product or to require withdrawal of the product from the market. The manufacturing facilities used to manufacture our product candidates will also be subject to periodic review and inspection by the FDA and other regulatory agencies, including for continued compliance with current good manufacturing practices requirements. The discovery of any new or previously unknown problems with our third-party manufacturers, manufacturing processes or facilities may result in restrictions on the product, manufacturer or facility, including

withdrawal of the product from the market. Any product promotion and advertising will also be subject to regulatory requirements and continuing regulatory review. The FDA imposes stringent restrictions on manufacturers' communications regarding use of their products. If we promote our product candidates in a manner inconsistent with FDA-approved labeling or otherwise not in compliance with FDA regulations, we may be subject to enforcement action.

In addition, if the FDA or a foreign regulatory authority approves our product candidates, the manufacturing processes, labeling, packaging, distribution, AE reporting, storage, advertising, promotion, import, export and recordkeeping for our product candidates will be subject to extensive and ongoing regulatory requirements. These requirements include submissions of safety and other post-marketing information and reports, registration, as well as continued compliance with current good manufacturing practices and GCPs, for any clinical trials that we conduct post-approval.

Moreover, if we obtain regulatory approval for our product candidates, we will only be permitted to market our products for the indication approved by the FDA or foreign regulatory authority, and such approval may involve limitations on the indicated uses or promotional claims we may make for our products, or otherwise not permit labeling that sufficiently differentiates our product candidates from competitive products with comparable therapeutic profiles. For example, we will not be able to claim that our products have fewer side effects, or improve compliance or efficacy as compared to other drugs unless we can demonstrate those attributes to the FDA or foreign regulatory authority in comparative clinical trials.

If we or our CMOs or service providers fail to comply with applicable continuing regulatory requirements in the United States or foreign jurisdictions in which we seek to market our products, we or they may be subject to, among other things, fines, warning or untitled letters, holds on clinical trials, delay of approval or refusal by the FDA or similar foreign regulatory bodies to approve pending applications or supplements to approved applications, suspension or withdrawal of regulatory approval, product recalls and seizures, administrative detention of products, refusal to permit the import or export of products, operating restrictions, injunction, civil penalties and criminal prosecution.

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

We may be subject to substantial penalties if we fail to comply with regulatory requirements or if we experience unanticipated problems with our products.

Violations of the FDCA relating to the promotion or manufacturing of drug products may lead to investigations by the FDA, the Department of Justice and state Attorneys General alleging violations of federal and state healthcare fraud and abuse laws, as well as state consumer protection laws. In addition, later discovery of previously unknown AEs or other problems with our products, manufacturers or manufacturing processes, or failure to comply with regulatory requirements, may yield various results, including:

- restrictions on such products, manufacturers or manufacturing processes;
- restrictions on the labeling or marketing of a product;
- restrictions on product distribution or use;
- requirements to conduct post-marketing studies or clinical trials;
- warning or untitled letters;

- withdrawal of the products from the market;
- refusal to approve pending applications or supplements to approved applications that we submit;
- recall of products;
- fines, restitution or disgorgement of profits or revenues;
- suspension or withdrawal of regulatory approvals;
- refusal to permit the import or export of our products;
- product seizure or detention; or
- injunctions or the imposition of civil or criminal penalties.

Non-compliance with European Union requirements regarding safety monitoring or pharmacovigilance, and with requirements related to the development of products for the pediatric population, can also result in significant financial penalties.

If the FDA does not conclude that certain of our product candidates satisfy the requirements for the Section 505(b)(2) regulatory approval pathway, or if the requirements for such product candidates under Section 505(b)(2) are not as we expect, the approval pathway for those product candidates will likely take significantly longer, cost significantly more and entail significantly greater complications and risks than anticipated, and in either case may not be successful.

We plan to seek FDA approval through the Section 505(b)(2) regulatory pathway for GB-401 for the treatment of glaucoma. The Hatch-Waxman Amendments added Section 505(b)(2) to the FDCA. Section 505(b)(2) permits the submission of an NDA where at least some of the information required for approval comes from studies that were not conducted by or for the applicant and for which the applicant has not obtained a right of reference. Section 505(b)(2), if applicable to us under the FDCA, would allow an NDA to rely in part on data in the public domain or the FDA's prior conclusions regarding the safety and effectiveness of approved drug products, which could expedite the development program for our product candidates by potentially decreasing the amount of preclinical or clinical data that we would need to generate in order to obtain FDA approval. For GB-401, we are seeking to rely on the FDA's prior conclusions regarding the safety and effectiveness of sunitinib, which has previously been approved for the treatment of gastrointestinal stromal tumors, advanced renal cell carcinoma, and a certain type of pancreatic cancer.

If we cannot pursue the Section 505(b)(2) regulatory pathway, we may need to conduct additional clinical trials, provide additional data and information, and meet additional standards for regulatory approval. If this were to occur, the time and financial resources required to obtain FDA approval for these product candidates, and complications and risks associated with these product candidates, would likely substantially increase. Moreover, our inability to pursue the Section 505(b)(2) regulatory pathway would likely result in new competitive products reaching the market more quickly than GB-401, which would likely adversely impact our competitive position and prospects. Even if we can pursue the Section 505(b)(2) regulatory pathway, we cannot assure you that GB-401 will receive the requisite approvals for commercialization.

In addition, notwithstanding the approval of products by the FDA under Section 505(b)(2), certain pharmaceutical companies and others have objected to the FDA's interpretation of Section 505(b)(2). If the FDA's interpretation of Section 505(b)(2) is successfully challenged, the FDA may change its 505(b)(2) policies and practices, which could delay or even prevent the FDA from approving any NDA that we submit under Section 505(b)(2). In addition, the pharmaceutical industry is highly competitive, and Section 505(b)(2) NDAs are subject to special requirements designed to protect the patent rights of sponsors of previously approved drugs that are referenced in a Section 505(b)(2) NDA. These requirements may give rise to patent litigation and mandatory delays in approval of our NDAs for up to 30 months or longer depending on the outcome of any

litigation. It is not uncommon for the owner of the NDA of an approved product to file a citizen petition with the FDA seeking to delay approval of, or impose additional approval requirements for, pending competing products. If successful, such petitions could significantly delay, or even prevent, the approval of a new product. However, even if the FDA ultimately denies such a petition, the FDA may substantially delay approval while it considers and responds to the petition. In addition, even if we are able to utilize the Section 505(b)(2) regulatory pathway, there is no guarantee this would ultimately lead to earlier approval.

Moreover, even if our product candidates are approved under Section 505(b)(2), the approval may be subject to limitations on the indicated uses for which the products may be marketed or to other conditions of approval, or may contain requirements for costly post-marketing testing and surveillance to monitor the safety or efficacy of the products.

Our relationships with customers and third-party payors may be subject, directly or indirectly, to applicable anti-kickback, fraud and abuse, false claims, transparency, health information privacy and security, and other healthcare laws and regulations, which could expose us to criminal sanctions, civil penalties, contractual damages, reputational harm, administrative burdens and diminished profits and future earnings.

Healthcare providers, physicians and third-party payors will play a primary role in the recommendation and prescription and use of any product candidates for which we obtain regulatory approval. Our future arrangements with third-party payors and customers may expose us 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 market, sell and distribute any products for which we obtain regulatory approval. In addition, we may be subject to transparency laws and patient privacy regulation by U.S. federal and state governments and by governments in foreign jurisdictions in which we conduct our business. The applicable federal, state and foreign healthcare laws and regulations that may affect our ability to operate include:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce or reward, or in return for, either the referral of an individual for, or the purchase, order or recommendation of, any good or service, for which payment may be made under a federal healthcare program such as Medicare and Medicaid;
- federal civil and criminal false claims laws and civil monetary penalty laws, including the federal False Claims Act, which impose criminal and civil penalties, including civil whistleblower or qui tam actions, against individuals or entities for knowingly presenting, or causing to be presented, to the federal government, including the Medicare and Medicaid programs, claims for payment that are false or fraudulent or making a false statement to avoid, decrease or conceal an obligation to pay money to the federal government;
- the federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, which imposes criminal and civil liability for executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters;
- HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, and their respective implementing regulations, which imposes obligations, including mandatory contractual terms, on covered healthcare providers, health plans and healthcare clearinghouses, as well as their business associates, with respect to safeguarding the privacy, security and transmission of individually identifiable health information; and
- analogous state and foreign laws and regulations, such as state anti-kickback and false claims laws, which may apply to sales or marketing arrangements and claims involving healthcare items or services reimbursed by non-governmental third-party payors, including private insurers; state and foreign laws that require pharmaceutical companies to comply with the pharmaceutical industry’s voluntary compliance guidelines and the relevant compliance guidance promulgated by the federal government or

otherwise restrict payments that may be made to healthcare providers; state and foreign laws that require drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures; and state and foreign laws governing the privacy and security of health information in certain circumstances, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

Efforts to ensure that our business arrangements with third parties will comply with applicable healthcare laws and regulations may involve substantial costs. It is possible that governmental authorities will conclude that our business practices may not comply with current or future statutes, regulations 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 regulations that may apply to us, we may be subject to significant civil, criminal and administrative penalties, including, without limitation, damages, fines, imprisonment, exclusion from participation in government funded healthcare programs, such as Medicare and Medicaid, and the curtailment or restructuring of our operations. If any of the physicians or other healthcare providers or entities with whom we expect to do business is found to be not in compliance with applicable laws, it may be subject to criminal, civil or administrative sanctions, including exclusions from participation in government funded healthcare programs. Although effective compliance programs can mitigate the risk of investigation and prosecution for violations of these laws, these risks cannot be entirely eliminated. Any action against us for an alleged or suspected violation could cause us to incur significant legal expenses and could divert our management's attention from the operation of our business, even if our defense is successful. In addition, achieving and sustaining compliance with applicable laws and regulations may be costly to us in terms of money, time and resources.

Recently enacted and future legislation, including healthcare legislative reform measures, may affect our ability to commercialize and the prices we obtain for any products that are approved in the United States or foreign jurisdictions, and negatively impact our business and results of operations.

In the United States and some foreign jurisdictions, there have been a number of legislative and regulatory changes and proposed changes regarding the healthcare system that could affect our ability to profitably sell or commercialize any product candidate for which we obtain regulatory approval. The pharmaceutical industry and medical device industry have been a particular focus of these efforts and have been significantly affected by legislative initiatives. Current laws, as well as other healthcare reform measures that may be adopted, may result in more rigorous coverage criteria and in additional downward pressure on the price that we receive for any FDA approved product.

In the United States, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003, or MMA, changed the way Medicare covers and pays for pharmaceutical products. Cost reduction initiatives and other provisions of this legislation could limit coverage of and reduce the price that we receive for any FDA approved products. While the MMA applies only to product benefits for Medicare beneficiaries, private payors often follow Medicare coverage policy and payment limitations in setting their own reimbursement rates. Therefore, any reduction in reimbursement that results from the MMA or other healthcare reform measures may result in a similar reduction in payments from private payors.

In March 2010, President Obama signed into law the Patient Protection and Affordable Care Act, as amended by the Health Care and Education Affordability Reconciliation Act, or collectively, PPACA. Among the provisions of PPACA of importance to our business, including, without limitation, our ability to commercialize and the prices we may obtain for any of our product candidates and that are approved for sale, are the following:

- an annual, nondeductible fee on any entity that manufactures or imports specified branded prescription drugs and biologic agents;

- an increase in the statutory minimum rebates a manufacturer must pay under the Medicaid Drug Rebate Program;
- a Medicare Part D coverage gap discount program, in which participating manufacturers must agree to offer 70% point-of-sale discounts off negotiated drug prices during the coverage gap period as a condition for the manufacturer's outpatient drugs to be covered under Medicare Part D;
- expansion of healthcare fraud and abuse laws, including the federal False Claims Act and the federal Anti-Kickback Statute, and the addition of new government investigative powers, and enhanced penalties for noncompliance;
- extension of manufacturers' Medicaid rebate liability;
- expansion of eligibility criteria for Medicaid programs; and
- expansion of the entities eligible for discounts under the Public Health Service pharmaceutical pricing program.

As implementation of the PPACA is ongoing, the law appears likely to continue the downward pressure on pharmaceutical pricing, especially under the Medicare program, and may also increase our regulatory burdens and operating costs.

In addition, other legislative changes have been proposed and adopted since PPACA was enacted. These changes include aggregate reductions to Medicare payments to providers of up to 2% per fiscal year, which went into effect in April 2013. In January 2013, President Obama signed into law the American Taxpayer Relief Act of 2012, which, among other things, reduced Medicare payments to several types of providers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years. The CARES Act, which was signed into law on March 27, 2020 and designed to provide financial support and resources to individuals and businesses affected by the COVID-19 pandemic, suspended the 2% Medicare sequester from May 1, 2020 to December 31, 2020 and extended the sequester by one year, through 2030, in order to offset the added expense of the 2020 cancellation. These new laws may result in additional reductions in Medicare and other healthcare funding.

The pricing of prescription pharmaceuticals is also subject to governmental control outside the United States. In these countries, pricing negotiations with governmental authorities can take considerable time after the receipt of regulatory approval for a product. To obtain reimbursement or pricing approval in some countries, we may be required to conduct a clinical trial that compares the cost-effectiveness of our product candidates to other available therapies. If reimbursement of our products is unavailable or limited in scope or amount, or if pricing is set at unsatisfactory levels, our ability to generate revenues and become profitable could be impaired.

Laws and regulations governing any international operations we may have in the future may preclude us from developing, manufacturing and selling certain products outside of the United States and require us to develop and implement costly compliance programs.

If we expand our operations outside of the United States, we must dedicate additional resources to comply with numerous laws and regulations in each jurisdiction in which we plan to operate. The Foreign Corrupt Practices Act, or FCPA, prohibits any U.S. individual or business from paying, offering, authorizing payment or offering of anything of value, directly or indirectly, to any foreign official, political party or candidate for the purpose of influencing any act or decision of the foreign entity in order to assist the individual or business in obtaining or retaining business. The FCPA also obligates companies whose securities are listed in the United States to comply with certain accounting provisions requiring the company to maintain books and records that accurately and fairly reflect all transactions of the corporation, including international subsidiaries, and to devise and maintain an adequate system of internal accounting controls for international operations.

Compliance with the FCPA is expensive and difficult, particularly in countries in which corruption is a recognized problem. In addition, the FCPA presents particular challenges in the pharmaceutical industry,

because, in many countries, hospitals are operated by the government, and doctors and other hospital employees are considered foreign officials. Certain payments to hospitals in connection with clinical trials and other work have been deemed to be improper payments to government officials and have led to FCPA enforcement actions.

Various laws, regulations and executive orders also restrict the use and dissemination outside of the United States, or the sharing with certain non-U.S. nationals, of information classified for national security purposes, as well as certain products and technical data relating to those products. If we expand our presence outside of the United States, it will require us to dedicate additional resources to comply with these laws, and these laws may preclude us from developing, manufacturing, or selling certain products and product candidates outside of the United States, which could limit our growth potential and increase our development costs.

The failure to comply with laws governing international business practices may result in substantial civil and criminal penalties and suspension or debarment from government contracting. The Securities and Exchange Commission, or SEC, also may suspend or bar issuers from trading securities on U.S. exchanges for violations of the FCPA's accounting provisions.

If we or any CMOs we engage fail to comply with environmental, health and safety laws and regulations, we could become subject to fines or penalties or incur significant costs.

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

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 production efforts. Our 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 any CMOs, 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.

Risks Related to Employee Matters and Managing Growth

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

We are highly dependent on the research and development, clinical and business development expertise of Frederic Guerard, our chief executive officer, as well as other principal members of our management, scientific and clinical team. Although we have entered into employment agreements with our executive officers, each of them may terminate their employment with us at any time.

Recruiting and retaining qualified scientific, clinical, manufacturing and sales and marketing personnel will also be critical to our success. The loss of the services of our executive officers or other key employees could impede the achievement of our research, development and commercialization objectives and seriously harm our ability to successfully implement our business strategy. For example, our former Chief Medical Officer departed in March 2020 and Parisa Zamiri joined us in June 2020 as Chief Medical Officer. Furthermore, replacing executive officers and key employees may be difficult and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to successfully develop, gain regulatory approval of and commercialize products. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or motivate these key personnel on acceptable terms given the competition among numerous pharmaceutical and biotechnology companies for similar personnel. We also experience competition for the hiring of scientific and clinical personnel from universities and research institutions. In addition, we rely on consultants and advisors, including scientific and clinical advisors, to assist us in formulating our research and development and commercialization strategy. Our consultants and advisors may be employed by employers other than us and may have commitments under consulting or advisory contracts with other entities that may limit their availability to us. If we are unable to continue to attract and retain high quality personnel, our ability to pursue our growth strategy will be limited.

We expect to expand our development, regulatory and manufacturing capabilities and potentially implement sales, marketing and distribution capabilities 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 product development, clinical, regulatory affairs, manufacturing, sales, marketing, finance and distribution, which growth we expect to begin before we receive regulatory approval from the FDA or other regulatory authorities, and we may never receive such regulatory approval for any of our product approvals. To manage our anticipated future growth, we must continue to implement and improve our managerial, operational and financial systems, expand our facilities and continue to recruit and train additional qualified personnel. Due to our limited financial resources and our limited experience in managing such anticipated growth, we may not be able to effectively manage the expansion of our operations or recruit and train additional qualified personnel. The expansion of our operations may lead to significant costs and may divert our management and business development resources. Any inability to manage growth could delay the execution of our business plans or disrupt our operations.

Risks Related to Our Common Stock and This Offering

Our quarterly operating results may fluctuate significantly or may fall below the expectations of investors or securities analysts, each of which may cause our stock price to fluctuate or decline.

We expect our operating results to be subject to quarterly fluctuations. Our net loss and other operating results will be affected by numerous factors, including:

- variations in the level of expense related to the ongoing development of our product candidates or future development programs;
- results of clinical trials, or the addition or termination of clinical trials or funding support by us, or existing or future collaborators or licensing partners;
- our execution of any additional collaboration, licensing or similar arrangements, and the timing of payments we may make or receive under existing or future arrangements or the termination or modification of any such existing or future arrangements;
- any intellectual property infringement lawsuit or opposition, interference or cancellation proceeding in which we may become involved;
- additions and departures of key personnel;

- strategic decisions by us or our competitors, such as acquisitions, divestitures, spin-offs, joint ventures, strategic investments or changes in business strategy;
- if any of our product candidates receives regulatory approval, the terms of such approval and market acceptance and demand for such product candidates;
- regulatory developments affecting our product candidates or those of our competitors; and
- changes in general market and economic conditions.

If our quarterly operating results fall below the expectations of investors or securities analysts, the price of our common stock could decline substantially. Furthermore, any quarterly fluctuations in our operating results may, in turn, cause the price of our common stock to fluctuate substantially. We believe that quarterly comparisons of our financial results are not necessarily meaningful and should not be relied upon as an indication of our future performance.

The market 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 subject to wide fluctuations in response to various factors, some of which we cannot control. As a result of this volatility, investors may not be able to sell their common stock at or above the initial public offering price. The market price for our common stock may be influenced by many factors, including the other risks described in this section of the prospectus entitled “Risk Factors” and the following:

- results of preclinical studies and clinical trials of our product candidates, or those of our competitors or our existing or future collaborators;
- the impact of the COVID-19 pandemic on our employees, trials, collaboration partners, suppliers, our results of operations, liquidity and financial condition;
- regulatory or legal developments in the United States and other countries, especially changes in laws or regulations applicable to our product candidates;
- the success of competitive products or technologies;
- introductions and announcements of new products by us, our future commercialization partners, or our competitors, and the timing of these introductions or announcements;
- actions taken by regulatory agencies with respect to our products, clinical trials, manufacturing process or sales and marketing terms;
- actual or anticipated variations in our financial results or those of companies that are perceived to be similar to us;
- the success of our efforts to acquire or in-license additional technologies, products or product candidates;
- developments concerning any future collaborations, including but not limited to those with our sources of manufacturing supply and our commercialization partners;
- market conditions in the pharmaceutical and biotechnology sectors;
- announcements by us or our competitors of significant acquisitions, strategic collaborations, joint ventures or capital commitments;
- developments or disputes concerning patents or other proprietary rights, including patents, litigation matters and our ability to obtain patent protection for our product candidates and products;
- our ability or inability to raise additional capital and the terms on which we raise it;
- the recruitment or departure of key personnel;

- changes in the structure of healthcare payment systems;
- actual or anticipated changes in earnings estimates or changes in stock market analyst recommendations regarding our common stock, other comparable companies or our industry generally;
- our failure or the failure of our competitors to meet analysts' projections or guidance that we or our competitors may give to the market;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- announcement and expectation of additional financing efforts;
- speculation in the press or investment community;
- trading volume of our common stock;
- sales of our common stock by us or our stockholders;
- the concentrated ownership of our common stock;
- changes in accounting principles;
- terrorist acts, acts of war or periods of widespread civil unrest;
- natural disasters, pandemics and other calamities; and
- general economic, industry and market conditions.

In addition, the stock market in general, and the markets for pharmaceutical, biopharmaceutical and biotechnology stocks in particular, have experienced extreme price and volume fluctuations that have been often unrelated or disproportionate to the operating performance of the issuer. These broad market and industry factors may seriously harm the market price of our common stock, regardless of our actual operating performance. The realization of any of the above risks or any of a broad range of other risks, including those described in this "Risk Factors" section, could have a dramatic and adverse impact on the market price of our common stock.

You will experience immediate and substantial dilution as a result of this offering and may experience additional dilution in the future.

If you purchase common stock in this offering, assuming an initial public offering price of $ per share, the midpoint of the estimated price range set forth on the cover of this prospectus, you will incur immediate and substantial dilution of $ per share, representing the difference between the assumed initial public offering price of $ per share and our pro forma net tangible book value per share as of December 31, 2019 after giving effect to this offering and the conversion of all outstanding shares of our redeemable convertible preferred stock upon the completion of this offering.

Moreover, we issued options in the past to acquire common stock at prices significantly below the assumed initial public offering price. As of December 31, 2019, there were 19,066,237 shares of common stock subject to outstanding options. To the extent that these outstanding options are ultimately exercised, you will incur further dilution.

To the extent that we raise additional capital through the sale of equity or convertible debt securities, 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 common stockholder. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends.

The future sale and issuance of equity or of debt securities that are convertible into equity will dilute our share capital.

We may choose to raise additional capital in the future, depending on market conditions, strategic considerations and operational requirements. To the extent that additional capital is raised through the sale and issuance of shares or other securities convertible into shares, our stockholders will be diluted. Future issuances of our common stock or other equity securities, or the perception that such sales may occur, could adversely affect the trading price of our common stock and impair our ability to raise capital through future offerings of shares or equity securities. No prediction can be made as to the effect, if any, that future sales of common stock or the availability of common stock for future sales will have on the trading price of our common stock.

An active and liquid trading market for our common stock may not develop and you may not be able to resell your shares of common stock at or above the public offering price.

Prior to this offering, no market for shares of our common stock existed and an active trading market for our shares may never develop or be sustained following this offering. The initial public offering, or IPO, price for our common stock will be determined through negotiations with the underwriters and the negotiated price may not be indicative of the market price of our common stock after this offering. The market value of our common stock may decrease from the IPO price. As a result of these and other factors, you may be unable to resell your shares of our common stock at or above the IPO price. The lack of an active market may impair your ability to sell your shares at the time you wish to sell them or at a price that you consider reasonable. The lack of an active market may also reduce the fair market value of your shares. Furthermore, an inactive market may also impair our ability to raise capital by selling shares of our common stock and may impair our ability to enter into strategic collaborations or acquire companies or products by using our shares of common stock as consideration.

A sale of a substantial number of shares of our common stock may cause the price of our common stock to decline.

Based on shares outstanding as of December 31, 2019, upon completion of this offering, we will have outstanding a total of shares of common stock. Of these shares, only shares of common stock sold in this offering, or shares if the underwriters exercise their option to purchase additional shares in full, will be freely tradable, without restriction, in the public market immediately after this offering. Each of our officers and directors and substantially all our stockholders have entered or will enter into lock-up agreements with the underwriters that restrict their ability to sell or transfer their shares. The lock-up agreements pertaining to this offering will expire 180 days from the date of this prospectus. However, our underwriters may, in their sole discretion, permit our officers, directors and other current stockholders who are subject to the contractual lock-up to sell shares prior to the expiration of the lock-up agreements. After the lock-up agreements expire, based on shares outstanding as of December 31, 2019, up to an additional shares of common stock will be eligible for sale in the public market, approximately of which are held by our officers, directors and their affiliated entities, and will be subject to volume limitations under Rule 144 under the Securities Act of 1933, as amended, or Securities Act. In addition, shares of our common stock that are subject to outstanding options as of December 31, 2019 and shares of our common stock that are subject to options granted after December 31, 2019 will become eligible for sale in the public market to the extent permitted by the provisions of various vesting agreements, the lock-up agreements and Rules 144 and 701 under the Securities Act.

After this offering, the holders of an aggregate of shares of our outstanding common stock as of December 31, 2019 will have rights, subject to some conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or our stockholders. We also intend to register shares of common stock that we may issue under our equity incentive plans. Once we register these shares, they will be able to be sold freely in the public market upon issuance, subject to the 180-day lock-up period under the lock-up agreements described above and in the section entitled “Underwriting.”

We cannot predict what effect, if any, sales of our shares in the public market or the availability of shares for sale will have on the market price of our common stock. However, future sales of substantial amounts of our common stock in the public market, including shares issued upon exercise of outstanding options or warrants, or the perception that such sales may occur, could adversely affect the market price of our common stock.

We also expect that significant additional capital may be needed in the future to continue our planned operations. To raise capital, we may sell common stock, convertible securities or other equity securities in one or more transactions at prices and in a manner we determine from time to time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock.

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

Our management will have broad discretion in the application of the net proceeds from this offering, and you will be relying on the judgment of our management regarding the application of these proceeds. You will not have the opportunity, as part of your investment decision, to assess whether we are using the proceeds appropriately. Our management might not apply our net proceeds in ways that ultimately increase the value of your investment. If we do not invest or apply the net proceeds from this offering in ways that enhance stockholder value, we may fail to achieve expected financial results, which could cause our stock price to decline.

If securities or industry analysts do not publish research or reports about our business, or if they issue an adverse or misleading opinion regarding our stock, our stock price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. We do not currently have and may never obtain research coverage by securities and industry analysts. If no or few securities or industry analysts commence coverage of us, the trading price for our common stock could be impacted negatively. In the event we obtain securities or industry analyst coverage, if any of the analysts who cover us issue an adverse or misleading opinion regarding us, our business model, our intellectual property or our stock performance, or if our target studies and operating results fail to meet the expectations of analysts, our stock price would likely decline. If one or more of such analysts cease coverage of us or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause a decline in our stock price or trading volume.

Our principal stockholders and management 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 December 31, 2019, 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 or warrants 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 redeemable convertible preferred stock into shares of our common stock and the net exercise of warrants outstanding that would otherwise expire upon the completion of this offering. 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. 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.

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

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, or 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 (1) not being required to comply with the independent auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, as amended, or Sarbanes-Oxley Act, (2) reduced disclosure obligations regarding executive compensation in this prospectus and our periodic reports and proxy statements and (3) exemptions from the requirements of holding nonbinding advisory stockholder votes on executive compensation and stockholder approval of any golden parachute payments not approved previously. In addition, as an emerging growth company, we are only required to provide two years of audited financial statements and two years of selected financial data 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 $1.07 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. Even after we no longer qualify as an emerging growth company, we may still qualify as a "smaller reporting company," which would allow us to take advantage of many of the same exemptions from disclosure requirements, including not being required to comply with the independent auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act and reduced disclosure obligations regarding executive compensation in this prospectus and in our periodic reports and proxy statements. Even after we no longer qualify as an emerging growth company, we may still qualify as a smaller reporting company, which would allow us to take advantage of many of the same exemptions from disclosure requirements, including not being required to comply with the independent auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act and reduced disclosure obligations regarding executive compensation in this prospectus and in 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.

Under the JOBS Act, emerging growth companies can also delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to take advantage of the benefits of this extended transition period. Our financial statements may therefore not be comparable to those of companies that comply with such new or revised accounting standards. Until the date that we are no longer an "emerging growth company" or affirmatively and irrevocably opt out of the exemption provided by Section 7(a)(2)(B) of the Securities Act, upon issuance of a new or revised accounting standard that applies to our financial statements and that has a different effective date for public and private companies, we will disclose the date on which adoption is required for non-emerging growth companies and the date on which we will adopt the recently issued accounting standard.

We are also a "smaller reporting company," meaning that the market value of our stock held by non-affiliates plus the proposed aggregate amount of gross proceeds to us as a result of this offering is less than $700.0 million and our annual revenue is less than $100.0 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 stock held by non-affiliates is less than $250.0 million or (ii) our annual revenue is less than $100.0 million during the most recently completed fiscal year and the market value of our stock held by non-affiliates is less than $700.0 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.

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

Our restated certificate of incorporation and our restated bylaws that will be in effect upon completion of this offering contain provisions that could delay or prevent a change in control of our company. These provisions could also make it difficult for stockholders to elect directors who are not nominated by current members of our board of directors or take other corporate actions, including effecting changes in our management. These provisions:

- establish a classified board of directors so that not all members of our board are elected at one time;
- permit only the board of directors to establish the number of directors and fill vacancies on the board;
- provide that directors may only be removed "for cause" and only with the approval of two-thirds of our stockholders;
- require super-majority voting to amend some provisions in our restated certificate of incorporation and restated bylaws;
- authorize the issuance of "blank check" preferred stock that our board could use to implement a stockholder rights plan;
- eliminate the ability of our stockholders to call special meetings of stockholders;
- prohibit stockholder action by written consent, which requires all stockholder actions to be taken at a meeting of our stockholders;
- prohibit cumulative voting; and
- establish advance notice requirements for nominations for election to our board or for proposing matters that can be acted upon by stockholders at annual stockholder meetings.

In addition, our restated certificate of incorporation will provide that the Court of Chancery of the State of Delaware will be the exclusive forum for: any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, or DGCL, our restated certificate of incorporation, or our restated bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine.

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. Our restated bylaws will provide that the federal district courts of the United States of America will, to the fullest extent permitted by law, be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, referred to as a Federal Forum Provision. Our decision to adopt a Federal Forum Provision followed a decision by the Supreme Court of the State of Delaware holding that such provisions are facially valid under Delaware law. While there can be no assurance that federal courts or state courts will follow

the holding of the Delaware Supreme Court or determine that the Federal Forum Provision should be enforced in a particular case, application of the Federal Forum Provision means that suits brought by our stockholders to enforce any duty or liability created by the Securities Act must be brought in federal court and cannot be brought in state court. While neither the exclusive forum provision nor the Federal Forum Provision applies to suits brought to enforce any duty or liability created by the Exchange Act of 1934, as amended, or Exchange Act, 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. Accordingly, actions by our stockholders to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder also must be brought in federal court. Our stockholders will not be deemed to have waived our compliance with the federal securities laws and the regulations promulgated thereunder.

Any person or entity purchasing or otherwise acquiring or holding any interest in any of our securities shall be deemed to have notice of and consented to our exclusive forum provisions, including the Federal Forum Provision. These provisions may limit a stockholder's ability to bring a claim in a judicial forum of their choosing for disputes with us or our directors, officers or other employees, which may discourage lawsuits against us and our directors, officers, and other employees.

In addition, Section 203 of the DGCL may discourage, delay or prevent a change in control of our company. Section 203 imposes certain restrictions on mergers, business combinations and other transactions between us and holders of 15% or more of our common stock.

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

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

We are not currently required to comply with the SEC's rules that implement Section 404 of the Sarbanes-Oxley Act and are therefore not required to make a formal assessment of the effectiveness of our internal control over financial reporting for that purpose. Pursuant to Section 404, we will be required to furnish a report by our management on our internal control over financial reporting. However, while we remain an emerging growth company or a smaller reporting company, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. To achieve compliance with Section 404 within the prescribed period, we will be engaged in a process to document and evaluate our internal control over financial reporting, which is both costly and challenging. In this regard, we will need to continue to dedicate internal resources, potentially engage outside consultants and adopt a detailed work plan to assess and document the adequacy of internal control over financial reporting, continue steps to improve

control processes as appropriate, validate through testing that controls are functioning as documented and implement a continuous reporting and improvement process for internal control over financial reporting. Despite our efforts, there is a risk that we will not be able to conclude, within the prescribed timeframe or at all, that our internal control over financial reporting is effective as required by Section 404. If we identify one or more material weaknesses, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements. In addition, if we are not able to continue to meet these requirements, we may not be able to remain listed on the Nasdaq Global Market.

Because we do not anticipate paying any cash dividends on our capital stock in the foreseeable future, capital appreciation, if any, will be your sole source of gain.

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all of our future earnings, if any, to finance the growth and development of our business. As a result, capital appreciation, if any, of our common stock will be your sole source of gain for the foreseeable future.

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

The market price of our common stock may be volatile and, in the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We may be the target of this type of litigation in the future. Securities litigation against us could result in substantial costs and divert our management's attention from other business concerns, which could seriously harm our business.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus, including the sections entitled "Prospectus Summary," "Risk Factors," "Use of Proceeds," "Management's Discussion and Analysis of Financial Condition and Results of Operations," and "Business" contains forward-looking statements. The words "believe," "may," "will," "potentially," "estimate," "continue," "anticipate," "intend," "could," "would," "project," "plan" "expect," and similar expressions that convey uncertainty of future events or outcomes are intended to identify forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in "Risk Factors" and elsewhere in this prospectus. Moreover, we operate in a competitive and rapidly changing environment, and new risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this prospectus may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements. The forward-looking statements include, but are not limited to, statements about:

- our ongoing and planned clinical trials of GB-102 and our planned clinical trials of GB-103 and GB-401;
- the success, cost and timing of our development activities, preclinical studies and clinical trials;
- the translation of our preclinical results and data and early clinical trial results into future clinical trials in humans;
- the effects of the ongoing COVID-19 pandemic, and the corresponding responses of businesses and governments, on our business and financial results;
- the timing or likelihood of regulatory filings and approvals;
- our ability to receive the required regulatory approvals to market and sell our products in the United States and other countries;
- our ability to develop sales and marketing capabilities;
- the rate and degree of market acceptance of any products we are able to commercialize;
- the effects of increased competition as well as innovations by new and existing competitors in our market;
- our ability to obtain funding for our operations;
- our ability to establish and maintain collaborations;
- our ability to effectively manage our anticipated growth;
- our ability to maintain, protect and enhance our intellectual property rights and proprietary technologies;
- our ability to operate our business without infringing the intellectual property rights and proprietary technology of third parties;
- costs associated with defending intellectual property infringement, product liability and other claims;
- regulatory developments in the United States and other foreign countries;
- our ability to attract and retain qualified employees;
- our expectations regarding the period during which we qualify as an emerging growth company under the JOBS Act;

- statements regarding future revenue, hiring plans, expenses, capital expenditures, capital requirements and stock performance; and
- our expected use of proceeds of this offering.

The forward-looking statements in this prospectus represent our views as of the date of this prospectus. You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this prospectus to conform these statements to actual results or to changes in our expectations, except as required by law.

You should read this prospectus and the documents that we reference in this prospectus and have filed with the Securities and Exchange Commission 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.

This prospectus contains estimates and other statistical data made by independent parties and by us relating to our industry and the markets in which we operate, including our general expectations and market position, market opportunity, the incidence of certain medical conditions and other industry data. These data, to the extent they contain estimates or projections, involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates or projections. Industry publications and other reports we have obtained from independent parties generally state that the data contained in these publications or other reports have been obtained in good faith or from sources considered to be reliable, but they do not guarantee the accuracy or completeness of such data. The industry in which we operate is subject to risks and uncertainties due to a variety of factors, including those described in the section entitled “Risk Factors.” These and other factors could cause results to differ materially from those expressed in these publications and reports.

USE OF PROCEEDS

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

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

As of December 31, 2019, we had cash, cash equivalents and short-term investments of approximately $36.0 million. We currently intend to use the net proceeds we receive from this offering, together with our existing cash, cash equivalents and short-term investments, as follows:

- approximately $ to fund the development of GB-102, including the completion of our ongoing Phase 2b clinical trial in wet AMD, the initiation of our Phase 2b clinical trial in DME and the initiation of our Phase 3 clinical trials in wet AMD, subject to the success of the Phase 2b trial, and the initiation of our GB-401 Phase 1 clinical trial in glaucoma;
- approximately $ to fund chemistry, manufacturing and controls capital expenditures;
- approximately $ to fund contract manufacturing organizations to manufacture clinical material for our wet AMD and glaucoma clinical trials; and
- any remaining amounts for working capital and general corporate purposes.

Based on our current plans, we estimate that the net proceeds of this offering, together with our existing cash, cash equivalents and short-term investments, will be sufficient for us to fund our operating expenses and capital expenditure requirements into .

The expected use of the net proceeds from the offering represents our intentions based upon our current plans and business conditions. The amounts we actually expend in these areas, and the timing thereof, may vary significantly from our current intentions and will depend on a number of factors, including the success of research and product development efforts, cash generated from future operations and actual expenses to operate our business. We may use a portion of the net proceeds for the acquisition of, or investment in, businesses that complement our business, although we have no present commitments or agreements.

We do not expect the net proceeds of this offering to be sufficient for us to fund any of our product candidates through regulatory approval, and we will need to raise substantial additional capital to complete the development and commercialization of our product candidates.

The amounts and timing of our pre-clinical and chemistry, manufacturing and controls expenditures and the extent of clinical development may vary significantly depending on numerous factors, including the status, results and timing of our current preclinical studies and clinical trials and those which we may commence in the future, product approval process with the FDA and other regulatory agencies, our current collaborations and any new collaborations we may enter into with third parties and any unforeseen cash needs. As a result, we cannot

predict with any certainty all of the particular uses for the net proceeds or the amounts that we will actually spend on the uses set forth above. Accordingly, our management will have broad discretion in the application of the net proceeds, and investors will be relying on the judgment of our management regarding the application of the net proceeds of this offering.

Pending the uses described above, we intend to invest the net proceeds from this offering in short term, investment-grade interest-bearing securities such as money market accounts, certificates of deposit, commercial paper and guaranteed obligations of the U.S. government.

DIVIDEND POLICY

We have never declared or paid cash dividends on our common stock. We currently intend to retain all available funds and any future earnings for use in the operation of our business and do not anticipate paying any cash dividends on our common stock in the foreseeable future. Any future determination to declare dividends will be made at the discretion of our board of directors and will depend on our financial condition, operating results, capital requirements, general business conditions and other factors that our board of directors may deem relevant.

CAPITALIZATION

The following table sets forth our cash, cash equivalents and short-term investments and capitalization as of December 31, 2019 on:

- an actual basis;
- a pro forma basis, giving effect to (i) the automatic conversion of all outstanding shares of our convertible preferred stock as of December 31, 2019 into an aggregate of 117,849,307 shares of common stock immediately prior to the completion of this offering and (ii) the filing and effectiveness of our restated certificate of incorporation in connection with the completion of this offering; and
- a pro forma as adjusted basis, giving effect to (i) the pro forma adjustments described above and (ii) the sale of shares of common stock in this offering, based upon an assumed initial public offering price of $ per share, which is the midpoint of the estimated price range set forth on the cover of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses.

The pro forma as adjusted information set forth in the table below is illustrative only and will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing.

You should read this table together with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited financial statements and related notes, each included elsewhere in this prospectus.

	As of December 31, 2019		
	Actual	Pro Forma	Pro Forma As Adjusted(1)
	(In thousands, except share amounts and par value share amounts)		
Cash, cash equivalents and short-term investments	$ 35,956	$	$
Convertible preferred stock (Series A, A-2, B and C), $0.0001 par value—142,150,096 shares authorized; 117,809,883 shares issued and outstanding, actual; no shares authorized, issued or outstanding, pro forma or pro forma as adjusted	131,363	—	—
Stockholders' deficit:			
Preferred stock, $0.0001 par value: no shares authorized, issued and outstanding, actual; shares authorized, no shares issued and outstanding pro forma and pro forma as adjusted	—	—	—
Common stock, $0.0001 par value: 188,000,000 shares authorized; 12,351,334 shares issued and outstanding, actual; shares authorized; shares issued and outstanding, pro forma; shares issued and outstanding, pro forma as adjusted	1		
Additional paid-in capital	2,878		
Accumulated deficit	(105,836)		
Accumulated other comprehensive income	3		
Total stockholders' (deficit) equity	(102,954)		
Total capitalization	$ 28,409	$	$

(1) Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the estimated price range set forth on the cover of this prospectus, would increase (decrease) each of our pro forma as adjusted cash, cash equivalents and short-term investments, additional paid-in capital, total stockholders' equity (deficit) and total capitalization by approximately $ million, assuming that the number of shares offered remains the same and after deducting estimated underwriting discounts and commissions. Similarly, each increase (decrease) of 1.0 million shares in the number of shares of common stock offered would increase (decrease) each of our pro forma as adjusted cash, cash equivalents and short-term

investments, additional paid-in capital, total stockholders' equity (deficit) and total capitalization by approximately $ million, assuming the assumed initial public offering price remains the same and after deducting estimated underwriting discounts and commissions.

The table above excludes the following shares:

- 19,066,237 shares of common stock issuable upon the exercise of options outstanding as of December 31, 2019, with a weighted-average exercise price of $0.28 per share;
- 250,000 shares of common stock issuable upon the exercise of a common stock warrant outstanding as of December 31, 2019, with an exercise price of $0.43 per share; and
- shares of common stock reserved for future issuance under our stock-based compensation plans, consisting of (i) 5,478,139 shares of common stock reserved for future issuance under our 2015 Stock Incentive Plan as of December 31, 2019, (ii) shares of common stock reserved for future issuance under our 2020 Equity Incentive Plan, which will become effective on the date immediately prior to the date of this prospectus and (iii) shares of common stock reserved for future issuance under our 2020 Employee Stock Purchase Plan, which will become effective on the date of this prospectus. Upon completion of this offering, any remaining shares available for issuance under our 2015 Stock Incentive Plan will be added to the shares reserved under our 2020 Equity Incentive Plan and we will cease granting awards under our 2015 Stock Incentive Plan. Our 2020 Equity Incentive Plan and 2020 Employee Stock Purchase Plan also provide for automatic annual increases in the number of shares reserved under the plans each year, as more fully described in "Executive Compensation—Equity Compensation Plans."

DILUTION

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

Net tangible book value (deficit) per share is determined by dividing our total tangible assets (which excludes deferred offering costs) less our total liabilities and convertible preferred stock by the number of shares of common stock outstanding. Our historical net tangible book value (deficit) as of December 31, 2019 was $(103.8) million, or $(8.41) per share. Our pro forma net tangible book value as of December 31, 2019 was approximately $ million, or $ per share of common stock. Our pro forma net tangible book value per share represents the amount of our total tangible assets (which excludes deferred offering costs) reduced by the amount of our total liabilities and divided by the total number of shares of our common stock outstanding as of December 31, 2019, after giving effect to the automatic conversion of all outstanding shares of our convertible preferred stock into an aggregate of 117,849,307 shares of common stock immediately prior to the completion of this offering.

Net tangible book value dilution per share to new investors represents the difference between the amount per share paid by purchasers of shares of common stock in this offering and the pro forma as adjusted net tangible book value per share of common stock immediately after completion of this offering. After giving effect to (i) the pro forma adjustments set forth above and (ii) our sale in this offering of shares of our common stock at an assumed initial public offering price of $ per share, which is the midpoint of the estimated price range set forth on the cover of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses, our pro forma as adjusted net tangible book value as of December 31, 2019 would have been approximately $ million, or $ per share of our common stock. This represents an immediate increase in pro forma net tangible book value of $ per share to our existing stockholders and an immediate dilution of $ per share to investors in this offering, as illustrated in the following table:

Assumed initial public offering price per share		$
Historical net tangible book value per share as of December 31, 2019	$(8.41)	
Increase in net tangible book value per share attributable to the conversion of outstanding preferred stock		
Pro forma net tangible book value per share as of December 31, 2019		
Increase in pro forma net tangible book value per share attributable to new investors in this offering		
Pro forma as adjusted net tangible book value per share after this offering		
Dilution per share to new investors in this offering		$

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the estimated price range set forth on the cover of this prospectus, would increase (decrease) our pro forma as adjusted net tangible book value by $ million, or $ per share and the dilution in pro forma as adjusted net tangible book value per share to new investors in this offering by $ per share, assuming the number of shares offered, as set forth on the cover of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions. Similarly, each increase of 1.0 million shares in the number of shares of common stock offered in this offering would increase our pro forma as adjusted net tangible book value by approximately $ million, or approximately $ per share, and would increase dilution per share to new investors in this offering by approximately $ per share and each decrease of 1.0 million shares in the number of shares of common stock offered in this offering would decrease our pro forma as adjusted net tangible book value by approximately $ million, or approximately $ per share, and would decrease dilution per share to new investors in this offering by approximately $ per share, assuming the assumed initial public offering price per share remains the same and after deducting the estimated underwriting discounts and commissions. The pro forma as adjusted information is illustrative only, and we will adjust this information based on the actual initial public offering price and other terms of this offering determined at pricing.

If the underwriters exercise their option in full to purchase additional shares, the pro forma as adjusted net tangible book value per share after this offering would be $ per share, the increase in pro forma as adjusted net tangible book value per share to existing stockholders would be $ per share and the dilution to new investors in this offering would be $ per share.

The following table shows, as of December 31, 2019, on a pro forma as adjusted basis described above, the differences between the existing stockholders and the purchasers of shares in this offering with respect to the number of shares purchased from us, the total consideration paid, which includes net proceeds received from the issuance of common and convertible preferred stock, cash received from the exercise of stock options, and the value of any stock issued for services and the average price paid per share (in thousands, except per share amounts and percentages):

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders		%	$	%	$
New public investors					$
Total		100%	$	100%	

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, which is the midpoint of the estimated price range set forth on the cover of this prospectus, would increase (decrease) total consideration paid by new investors and total consideration paid by all stockholders by approximately $ million, assuming that the number of shares offered, as set forth on the cover of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions. Similarly, each increase (decrease) of 1.0 million shares in the number of shares of common stock offered in this offering would increase (decrease) total consideration paid by new investors and total consideration paid by all stockholders by approximately $ million, assuming the assumed initial public offering price remains the same and after deducting the estimated underwriting discounts and commissions.

In addition, to the extent that any outstanding options or warrants are exercised, investors in this offering will experience further dilution.

Except as otherwise indicated, the above discussion and tables assume no exercise of the underwriters' option to purchase additional shares. If the underwriters exercise their option to purchase additional shares in full, our existing stockholders would own % and our new investors would own % of the total number of shares of our common stock outstanding upon the completion of this offering.

The number of shares of common stock outstanding as of December 31, 2019 excludes:

- 19,066,237 shares of common stock issuable upon the exercise of options outstanding as of December 31, 2019, with a weighted-average exercise price of $0.28 per share;
- 250,000 shares of common stock issuable upon the exercise of a common stock warrant outstanding as of December 31, 2019, with an exercise price of $0.43 per share; and
- shares of common stock reserved for future issuance under our stock-based compensation plans, consisting of (i) 5,478,139 shares of common stock reserved for future issuance under our 2015 Stock Incentive Plan as of December 31, 2019, (ii) shares of common stock reserved for future issuance under our 2020 Equity Incentive Plan, which will become effective on the date immediately prior to the date of this prospectus and (iii) shares of common stock reserved for future issuance under our 2020 Employee Stock Purchase Plan, which will become effective on the date of this prospectus. Upon completion of this offering, any remaining shares available for issuance under our 2015 Stock Incentive Plan will be added to the shares reserved under our 2020 Equity Incentive Plan and we will cease granting awards under our 2015 Stock Incentive Plan. Our 2020 Equity Incentive Plan and 2020 Employee Stock Purchase Plan also provide for automatic annual increases in the number of shares reserved under the plans each year, as more fully described in "Executive Compensation—Equity Compensation Plans."

SELECTED FINANCIAL DATA

The statements of operations data for the years ended December 31, 2019 and 2018 and the balance sheet data as of December 31, 2019 and 2018 have been derived from our audited financial statements and related notes included elsewhere in this prospectus. You should read this data together with our financial statements and related notes included elsewhere in this prospectus and in the section of this prospectus titled "Management's Discussion and Analysis of Financial Condition and Results of Operations." Our historical results are not necessarily indicative of the results to be expected in the future.

	Year Ended December 31,	
	2019	2018
	(in thousands, except share and per share data)	
Statements of Operations Data:		
Operating expenses		
Research and development	$ 30,580	$ 22,971
General and administrative	6,922	5,599
Total operating expenses	37,502	28,570
Loss from operations	(37,502)	(28,570)
Interest and other income	465	192
Net loss	(37,037)	(28,378)
Cumulative dividends on convertible preferred stock	(7,055)	(4,317)
Net loss attributable to common stockholders	$ (44,092)	$ (32,695)
Net loss per common share—basic and diluted(1)	$ (3.71)	$ (2.86)
Weighted-average number of shares used in computing net loss per common share—basic and diluted(1)	11,886,861	11,426,034
Pro forma net loss per common share—basic and diluted (unaudited)(1)	$ (0.34)	
Weighted-average number of shares used in computing pro forma net loss per common share—basic and diluted (unaudited)(1)	108,087,193	

(1) See Notes 1 and 14 of our audited financial statements included elsewhere in this prospectus for a description of the calculations of our basic and diluted net loss per common share, basic and diluted pro forma net loss per common share, and the weighted-average number of shares used in the computation of the per share amounts.

	As of December 31,	
	2019	2018
	(in thousands)	
Balance Sheet Data:		
Cash, cash equivalents and short-term investments	$ 35,956	$ 12,834
Total assets	40,660	17,813
Working capital(1)	24,020	7,651
Total liabilities	12,251	5,794
Convertible preferred stock	131,363	78,811
Accumulated deficit	(105,836)	(68,799)
Total stockholders' deficit	(102,954)	(66,792)

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

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

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

Overview

We are a clinical-stage biopharmaceutical company focused on developing transformative medicines for the treatment of diseases of the retina and optic nerve. Our novel proprietary technologies are designed to release drugs in ocular tissue at a controlled rate for up to 12 months in order to improve patient compliance, reduce healthcare burdens and, ultimately, deliver better clinical outcomes. Our lead product candidate, GB-102, is an intravitreal injection of a microparticle depot formulation of sunitinib, a potent inhibitor of neovascular growth and permeability, which are leading causes of retinal disease. We are developing GB-102 as a once-every-six months intravitreal injection for the treatment of wet age-related macular degeneration, or wet AMD, and diabetic macular edema, or DME. In our Phase 1/2a clinical trial, GB-102 administered as a single 1 mg dose was well-tolerated in wet AMD patients and demonstrated durable clinical evidence of disease control of at least six months in approximately 88% of patients in this cohort. GB-102 is currently in a dose-ranging, controlled and masked safety and efficacy Phase 2b clinical trial in patients with wet AMD. We expect to report topline data from this trial in the first half of 2021. We are also using our proprietary technologies to develop GB-103, a once-a-year formulation of GB-102, for the treatment of diabetic retinopathy, or DR, as well as GB-401, an intravitreally injectable depot formulation of a beta-adrenergic prodrug with a dosing regimen of once every six months or longer for the treatment of primary open-angle glaucoma, or POAG. We believe that our product candidates could significantly improve clinical outcomes versus the respective standards of care for several ocular diseases.

We were incorporated in May 2011 and our operations to date have been financed primarily by gross proceeds of approximately $134 million from the issuance of convertible promissory notes and convertible preferred stock.

Since inception, we have had significant operating losses. Our primary use of cash is to fund operating expenses, which consist primarily of research and development expenditures and, to a lesser extent, general and administrative expenditures. Our net loss was $37.0 million and $28.4 million for the years ended December 31, 2019 and 2018, respectively. As of December 31, 2019, we had an accumulated deficit of $105.8 million and $36.0 million in cash, cash equivalents and short-term investments.

We expect to continue to incur net losses for the foreseeable future, and we expect our research and development expenses, general and administrative expenses, and capital expenditures will continue to increase. In particular, we expect our expenses to increase as we continue our development of, and seek regulatory approvals for, our product candidates, and begin to commercialize any approved products, as well as hire additional personnel, develop commercial infrastructure, pay fees to outside consultants, lawyers and

accountants, and incur increased costs associated with being a public company, such as expenses related to services associated with maintaining compliance with Nasdaq listing rules and Securities and Exchange Commission, or SEC, reporting requirements, insurance and investor relations costs. Our net losses may fluctuate significantly from quarter-to-quarter and year-to-year, depending upon the timing of our clinical trials and our expenditures on other research and development activities. Cash used to fund operating expenses is impacted by the timing of when we pay these expenses, as reflected in the change in our accounts payable and accrued expenses.

Based upon our operating plan, we believe that the net proceeds from this initial public offering, or IPO, together with our existing cash and cash equivalents as of December 31, 2019, will enable us to fund our operating expenses and capital expenditure requirements through . To date, we have not had any products approved for sale and, therefore, have not generated any product revenue. We do not expect to generate any revenues from product sales unless and until we successfully complete development and obtain regulatory approval for one or more of our product candidates, which we expect will take a number of years. If we obtain regulatory approval for any of our product candidates, we expect to incur significant commercialization expenses related to product sales, marketing, manufacturing and distribution. As a result, until such time, if ever, that we can generate substantial product revenue, if ever, we expect to finance our cash needs through equity offerings, debt financings or other capital sources, including collaborations, licenses or similar arrangements. However, we may be unable to raise additional funds or enter into such other arrangements when needed or on favorable terms, if at all. Any failure to raise capital as and when needed could have a negative impact on our financial condition and on our ability to pursue our business plans and strategies, including our research and development activities. If we are unable to raise capital, we will need to delay, reduce or terminate planned activities to reduce costs.

Our independent registered public accounting firm included an explanatory paragraph in their audit report on the financial statements as of and for the years ended December 31, 2018 and 2019 stating that our recurring losses from operations and negative cash flows since inception and our need to raise additional funding to finance our operations raise substantial doubt about our ability to continue as a going concern.

Business Effects of COVID-19

The current COVID-19 pandemic has presented a substantial public health and economic challenge around the world and is affecting our employees, patients, communities and business operations, as well as the U.S. economy and financial markets. To date, our financial conditions and operations have not been significantly impacted by the COVID-19 outbreak; however, the full extent to which the COVID-19 pandemic will directly or indirectly impact our business, results of operations, liquidity and financial condition will depend on future developments, which are highly uncertain and cannot be accurately predicted, including new information that may emerge concerning COVID-19, the actions taken to contain it or treat its impact and the economic impact on local, regional, national and international markets.

To date, our contract research organizations, or CROs, contract manufacturing organizations, or CMOs, and other vendors have been able to continue to provide services and supply reagents, materials, and products and currently do not anticipate any disruption in services or interruptions in supply. Our third-party contract manufacturing partners continue to operate their manufacturing facilities at or near normal levels. While we currently do not anticipate any interruptions in our manufacturing process, it is possible that the COVID-19 pandemic and response efforts may have an impact in the future on our third-party suppliers and contract manufacturing partners' ability to manufacture reagents, materials or products that we need to use in our research and clinical trial. However, we are continuing to assess the potential impact of the COVID-19 pandemic on our business and operations, including our expenses, our clinical trial, and our ability to hire and retain employees.

While we are currently continuing to dose patients in our clinical trial at sites across the United States, we expect that COVID-19 precautions may directly or indirectly impact the timeline for some of our clinical trial activities due to hospitals closing sites and/or diverting the resources that are necessary to conduct our

observational study to care for COVID-19 patients. Currently we have experienced minor delays in the dosing of patients due to COVID-19.

The COVID-19 pandemic has caused us to modify our business practices (including but not limited to curtailing or modifying employee travel, moving to partial remote work, and cancelling physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, patients and business partners.

Our office-based employees have been working from home since March 2020, while ensuring essential staffing levels in our operations remain in place, including maintaining key personnel in our laboratories.

For additional information on the various risks posed by the COVID-19 pandemic, please read Item 1A. Risk Factors included in this prospectus.

Components of Operating Results

Research and Development Expenses

Our research and development expenses include:

- personnel costs, which include salaries, benefits and stock-based compensation;
- expenses incurred under agreements with consultants, third-party contract organizations that conduct research and development activities on our behalf;
- costs related to sponsored research service agreements;
- costs related to production of preclinical and clinical materials, including fees paid to contract manufacturers;
- laboratory and vendor expenses related to the execution of preclinical studies and planned clinical trials;
- milestones and royalty expense from our Johns Hopkins University Exclusive License Agreement;
- laboratory supplies and materials used for internal research and development activities; and
- facilities and equipment costs.

Most of our research and development expenses have been related to the preclinical and clinical development of GB-102. We have not reported program costs since inception because we have not tracked or recorded our research and development expenses on a program-by-program basis historically. We use our personnel and infrastructure resources across the breadth of our research and development activities, which are directed toward identifying and developing product candidates.

We expense all research and development costs in the periods in which they are incurred. Costs for certain research and development activities are recognized based on an evaluation of the progress to completion of specific tasks using information and data provided to us by our vendors and third-party service providers.

We expect our research and development expenses to increase substantially for the foreseeable future as we continue to invest in research and development activities related to developing our product candidates, including investments in manufacturing, as we advance our programs and conduct clinical trials. The process of conducting the necessary clinical research to obtain regulatory approval is costly and time-consuming, and the successful development of our product candidates is highly uncertain. As a result, we are unable to determine the duration and completion costs of our research and development projects or when and to what extent we will generate revenue from the commercialization and sale of any of our product candidates.

Because of the numerous risks and uncertainties associated with product development, we cannot determine with certainty the duration and completion costs of the current or future preclinical studies and clinical trials or if, when, or to what extent we will generate revenues from the commercialization and sale of our product candidates. We may never succeed in achieving regulatory approval for our product candidates. The duration, costs and timing of preclinical studies and clinical trials and development of our product candidates will depend on a variety of factors, including:

- successful completion of preclinical studies and clinical trials to the satisfaction of the FDA, EMA or other regulatory authorities;
- that our product candidates are safe and effective for any of their proposed indications;
- acceptance of our products, if and when approved, by patients, the medical community and third-party payors;
- effectively competing with other therapies;
- maintaining a continued acceptable safety and profile of our products following approval;
- obtaining and maintaining coverage and adequate reimbursement from third-party payors;
- applying for and receiving marketing approvals from applicable regulatory authorities for our product candidates;
- scaling up our manufacturing processes and capabilities to support additional or larger clinical trials of our product candidates and commercialization of any of our product candidates for which we obtain marketing approval;
- developing, validating and maintaining a commercially viable manufacturing process that is compliant with current good manufacturing practices;
- developing and expanding our sales, marketing and distribution capabilities and launching commercial sales of our product candidates, if and when approved, whether alone or in collaboration with others;
- minimizing and managing any delay or disruption to our ongoing or planned clinical trials, and any adverse impacts to the U.S. and global market for pharmaceutical products, as a result of the current COVID-19 pandemic;
- obtaining and maintaining patent and trade secret protection and regulatory exclusivity;
- protecting our rights in our intellectual property portfolio; and
- the impact of the COVID-19 pandemic and the corresponding responses of businesses and governments.

We may never succeed in achieving regulatory approval for any of our product candidates. We may obtain unexpected results from our preclinical studies and clinical trials. We may elect to discontinue, delay or modify clinical trials of some product candidates or focus on others. A change in the outcome of any of these factors could mean a significant change in the costs and timing associated with the development of our current and future preclinical and clinical product candidates. For example, if the U.S. Food and Drug Administration, or FDA, or another regulatory authority, were to require us to conduct clinical trials beyond those that we currently anticipate will be required for the completion of clinical development, or if we experience significant delays in execution of or enrollment in any of our preclinical studies or clinical trials, we could be required to expend significant additional financial resources and time on the completion of preclinical and clinical development.

General and Administrative Expenses

Our general and administrative expenses consist primarily of personnel costs, costs related to maintenance and filing of intellectual property and other expenses for outside professional services, including legal, human

resources, audit and accounting services. Personnel costs consist of salaries, benefits and stock-based compensation expense. We expect our general and administrative expenses to increase over the next several years to support our continued research and development activities, manufacturing activities, increased costs of operating as a public company and the potential commercialization of our product candidates. We also anticipate our general and administrative costs will increase and with respect to the hiring of additional personnel, developing commercial infrastructure, fees to outside consultants, lawyers and accountants, and increased costs associated with being a public company such as expenses related to services associated with maintaining compliance with Nasdaq listing rules and SEC reporting requirements, insurance and investor relations costs.

Interest and Other Income

Our non-operating income principally reflects interest earned on our investments, including U.S. government-backed money-market funds, corporate debt securities, commercial paper and government agency bonds. Non-operating income also includes changes in the fair value of our preferred stock tranche obligation.

Results of Operations for years ended December 31, 2019 and 2018

The following sets forth our results of operations:

	Year Ended December 31,		Change	
	2019	2018	Amount	Percent
	(in thousands)			
Operating expenses				
Research and development	$ 30,580	$ 22,971	$ 7,609	33%
General and administrative	6,922	5,599	1,323	24%
Total operating expenses	37,502	28,570	8,932	31%
Loss from operations	(37,502)	(28,570)	(8,932)	31%
Interest and other income	465	192	273	142%
Net loss	$ (37,037)	$ (28,378)	$(8,659)	31%

Research and Development Expenses

Research and development expenses were comprised of:

	Year Ended December 31,		Change	
	2019	2018	Amount	Percent
	(in thousands)			
CRO, CMC, nonclinical and other services	$ 18,656	$ 12,860	$5,796	45%
Personnel costs	5,854	5,084	770	15%
Consulting	886	1,362	(476)	(35)%
Materials and supplies	2,793	1,899	894	47%
Facility costs, travel and other expenses	2,391	1,766	625	35%
Research and development expenses	$ 30,580	$ 22,971	$7,609	33%

As of December 31, 2019 and 2018, we had 25 and 24 employees, respectively, engaged in research and development activities in our Baltimore, Maryland and Redwood City, California facilities.

Our research and development activities consist primarily of costs associated with the development of GB-102 for which we are conducting two U.S. trials in patients with wet AMD. The increase for the year ended December 31, 2019 as compared to 2018 was primarily due to the commencement of our development program

for GB-102 including the enrollment and site activation of our Phase 2b trial of GB-102 in patients with wet AMD and the initiation of Phase 2a trial of GB-102 in patients with macular edema. CMC activities in support of the studies and clinical trials included internal formulation development, preclinical and clinical programs, comparator drug, GMP drug product batches, including sunitinib active pharmaceutical ingredient and polymers, and clinical packaging costs. Nonclinical activities included in good laboratory practice, or GLP, toxicity studies and several ocular non-GLP pharmacokinetic/pharmacodynamic studies in experimental animal models.

General and Administrative Expenses

General and administrative expenses to support the business activities of the company and were comprised of:

	Year Ended December 31,		Change	
	2019	2018	Amount	Percent
	(in thousands)			
Personnel costs	$ 2,813	$ 1,674	$1,139	68%
Professional services	1,829	1,444	385	27%
Patent filing and portfolio costs	1,482	1,799	(317)	(18)%
Facility costs, travel and other expenses	798	682	116	17%
General and administrative expenses	$ 6,922	$ 5,599	$1,323	24%

As of December 31, 2019 and 2018, we had four employees engaged in general and administrative activities principally in our Redwood City, California facility. Personnel and professional service costs increased in the year ended December 31, 2019 as compared to 2018 as a result of changes in and additions to executive management in 2019.

Interest and Other Income

Following our Series B convertible preferred stock, or Series B preferred, financings in 2018, we began investing a portion of our capital in U.S. government backed money market funds held in a custodial account. Following our Series C convertible preferred stock, or Series C preferred, financing in July 2019, we expanded our investments to include corporate debt securities, commercial paper and government agency bonds. Cash in excess of immediate requirements is invested in accordance with our investment policy, primarily with a view to liquidity and capital preservation.

Liquidity and Capital Resources

Overview

We were incorporated in May 2011 and our operations to date have been financed primarily by gross proceeds of approximately $134 million from the sale of convertible promissory notes and our convertible preferred stock, including our most recent financing in July 2019. As of December 31, 2019, we had $36.0 million in cash, cash equivalents and short-term investments. We have incurred losses since our inception and, as of December 31, 2019, we had an accumulated deficit of $105.8 million. Our primary use of cash is to fund operating expenses, which consist primarily of research and development expenditures, and to a lesser extent, general and administrative expenditures. Cash used to fund operating expenses is impacted by the timing of when we pay these expenses, as reflected in the change in our outstanding accounts payable and accrued expenses.

Our independent registered public accounting firm included an explanatory paragraph in their audit report on the financial statements as of and for the years ended December 31, 2018 and 2019 stating that our recurring losses from operations and negative cash flows since inception and our need to raise additional funding to finance our operations raise substantial doubt about our ability to continue as a going concern.

Funding Requirements

Any product candidates we may develop may never achieve commercialization and we anticipate that we will continue to incur losses for the foreseeable future. We expect that our research and development expenses, general and administrative expenses, and capital expenditures will continue to increase. As a result, until such time, if ever, as we can generate substantial product revenue, we expect to finance our cash needs through a combination of equity offerings, debt financings or other capital sources, including potentially collaborations, licenses and other similar arrangements. Our primary uses of capital are, and we expect will continue to be, compensation and related expenses, third-party clinical research, manufacturing and development services, costs relating to the build-out of our headquarters, laboratories and manufacturing facility, license payments or milestone obligations that may arise, laboratory and related supplies, clinical costs, manufacturing costs, legal and other regulatory expenses and general overhead costs.

Based upon our current operating plan, we believe that the net proceeds from this offering, together with our existing cash and cash equivalents, will enable us to fund our operating expenses and capital expenditure requirements through . We base this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we currently expect. As noted in our audited financial statements, there were conditions that raised substantial doubt about our ability to continue as a going concern for a period of one year from the date of the issuance of our financial statements. Our ability to continue as a going concern is dependent upon our ability to successfully secure sources of financing and ultimately achieve profitable operations. Our independent registered public accounting firm included an explanatory paragraph in their audit report on the financial statements as of and for the years ended December 31, 2018 and 2019 stating that our recurring losses from operations and negative cash flows since inception and our need to raise additional funding to finance our operations raise substantial doubt about our ability to continue as a going concern.

We will continue to require additional financing to advance our current product candidates through clinical development, to develop, acquire or in-license other potential product candidates and to fund operations for the foreseeable future. We will continue to seek funds through equity offerings, debt financings or other capital sources, including potentially 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. If we do raise additional capital through public or private equity offerings, the ownership interest of our existing stockholders, including investors in this offering, will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect our stockholders' rights. If we raise additional capital through debt financing, we may be subject to covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. Any failure to raise capital as and 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 capital, we will need to delay, reduce or terminate planned activities to reduce costs.

Because of the numerous risks and uncertainties associated with research, development and commercialization of pharmaceutical products, we are unable to estimate the exact amount of our operating capital requirements. Our future funding requirements will depend on many factors, including, but not limited to:

- the scope, progress, results and costs of researching, developing and manufacturing our lead product candidates or any future product candidates, and conducting preclinical studies and clinical trials;
- the timing of, and the costs involved in, obtaining regulatory approvals or clearances for our lead product candidates or any future product candidates;
- the number and characteristics of any additional product candidates we develop or acquire;
- the cost of manufacturing our lead product candidate or any future product candidates and any products we successfully commercialize, including costs associated with building-out our manufacturing capabilities;

- our ability to establish and maintain strategic collaborations, licensing or other arrangements and the financial terms of any such agreements that we may enter into;
- the expenses needed to attract and retain skilled personnel;
- the costs associated with being a public company;
- the timing, receipt and amount of sales of any future approved or cleared products, if any; and
- the impact of the COVID-19 pandemic and the corresponding responses of businesses and governments.

Further, our operating plans may change, and we may need additional funds to meet operational needs and capital requirements for clinical trials and other research and development activities. We currently have no credit facility or committed sources of capital. Because of the numerous risks and uncertainties associated with the development and commercialization of our product candidates, we are unable to estimate the amounts of increased capital outlays and operating expenditures associated with our current and anticipated product development programs.

Cash Flows

The following table summarizes our cash flows:

	Year Ended December 31,	
	2019	2018
	(in thousands)	
Net cash (used in) provided by:		
Operating activities	$ (31,215)	$ (28,216)
Investing activities	(20,620)	(1,461)
Financing activities	54,871	42,019
Net increase in cash and cash equivalents	$ 3,036	$ 12,342

Operating Activities

Cash used in operating activities of $31.2 million during the year ended December 31, 2019 was attributable to our net loss of $37.0 million, offset by a $4.9 million net increase in our working capital and non-cash charges of $0.9 million principally with respect to stock-based compensation and depreciation expense.

Cash used in operating activities of $28.2 million during the year ended December 31, 2018 was attributable to our net loss of $28.4 million, offset by non-cash charges of $0.5 million principally with respect to stock-based compensation and depreciation expense, and increased $0.4 million due to a net decrease in our working capital.

Investing Activities

For the year ended December 31, 2019, our investing activities consisted of a $20.0 million net increase of our investments and $0.6 million in purchases of property and equipment. For the year-ended December 31, 2018, our investing activities consisted $1.5 million in purchases of property and equipment.

Financing Activities

Cash provided by financing activities for the year ended December 31, 2019 amounted to $54.9 million comprised of $54.8 million net proceeds upon the issuance of our Series C preferred in July and August 2019, and $0.1 million received from the exercise of stock options.

Cash provided by financing activities for the year ended December 31, 2018 amounted to $42.0 million comprised of $41.9 million net proceeds upon the issuance of our Series B preferred in January and May 2018, and $0.1 million received from the exercise of stock options.

Critical Accounting Policies and Significant Judgments and Estimates

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

We believe that the accounting policies discussed below are critical to understanding our historical and future performance, as these policies relate to the more significant areas involving management's judgments and estimates.

Research and Development Expense and Accruals

We record research and development expenses to operations as incurred. Research and development expenses represent costs incurred by us for the discovery and development of our product candidates and the development of our technology and include: employee-related expenses, including salaries, benefits, travel and non-cash stock-based compensation expense; external research and development expenses incurred under arrangements with third parties, such as CROs, preclinical testing organizations, CMOs, academic and non-profit institutions and consultants; license fees; and other expenses, which include direct and allocated expenses for laboratory, facilities and other costs.

As part of the process of preparing financial statements, we are required to estimate and accrue expenses We estimate costs of research and development activities conducted by service providers, which include, the conduct of sponsored research, preclinical studies and contract manufacturing activities. Payments made prior to the receipt of goods or services to be used in research and development are deferred and recognized as expense in the period in which the related goods are received or services are rendered. If the costs have been prepaid, this expense reduces the prepaid expenses in the balance sheet, and if not yet invoiced, the costs are included in accrued liabilities in the balance sheet. We classify such prepaid assets as current or non-current assets based on our estimates of the timing of when the goods or services will be realized or consumed. These costs are a significant component of our research and development expenses.

We estimate these costs based on factors such as estimates of the work completed and budget provided and in accordance with agreements established with our collaboration partners and third-party service providers. We estimate the amount of work completed through discussions with internal personnel and external service providers as to the progress or stage of completion of the services and the agreed-upon fee to be paid for such services. 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 CROs and other third-party service providers. Amounts ultimately incurred in relation to amounts accrued for these services at a reporting date may be substantially higher or lower than our estimates.

Our expenses related to clinical trials are based on estimates of patient enrollment and related expenses at clinical investigator sites as well as estimates for the services received and efforts expended 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 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.

We have and may continue to enter into license agreements to access and utilize certain technology. We evaluate if the license agreement is an acquisition of an asset or a business. To date none of our license agreements have been considered to be an acquisition of a business. For asset acquisitions, the upfront payments to acquire such licenses, as well as any future milestone payments made before product approval, are immediately recognized as research and development expense when due, provided there is no alternative future use of the rights in other research and development projects. These license agreements may also include contingent consideration in the form of cash. We assess whether such contingent consideration meets the definition of a derivative.

Preferred Stock Tranche Obligation

Convertible preferred stock that includes features we have determined are not clearly and closely related to the equity host are bifurcated and accounted for separately as freestanding derivative assets or liabilities on the balance sheet at their estimated fair value. This derivative liability is a result of certain investors' rights to purchase from us, on the same terms as the Series C Preferred Stock Purchase Agreement executed in July 2019, additional shares of Series C preferred in subsequent tranches based on the achievement of certain development milestones. At initial recognition, we recorded these derivatives as an asset or liability on the balance sheets at their estimated fair value. The derivatives are subject to remeasurement at each balance sheet date, with changes in fair value recognized in our statements of operations.

Our preferred stock tranche obligation is measured at fair value using an option pricing valuation methodology. The fair value of preferred stock tranche obligation includes inputs not observable in the market and thus represents a Level 3 measurement. The option pricing valuation methodology utilized requires inputs based on certain subjective assumptions, including (a) expected stock price volatility, (b) calculation of an expected term, (c) a risk-free interest rate, and (d) expected dividends. The assumptions utilized to value the preferred stock tranche obligation as of December 31, 2019 were (a) expected stock price volatility of 30%; (b) expected term of 0.7 years: (c) a risk-free interest rate of 1.6%; and (d) an expectation of no dividends.

Significant judgment is used in determining these assumptions at initial recognition and at each subsequent reporting period. Updates to assumptions could have a significant impact on our results of operations in any given period. In the IPO, all of our outstanding convertible preferred stock will automatically convert into shares of our common stock.

Stock-based Compensation

We recognize compensation costs related to stock-based awards to employees and non-employees based on the estimated fair value of the awards on the date of grant. We estimate the grant date fair value, and the resulting stock-based compensation, using the Black-Scholes option-pricing model, or Black-Scholes. The grant date fair value of the stock-based awards is generally recognized on a straight-line basis over the requisite service period, which is generally the vesting period of the respective awards.

Black-Scholes requires the use of subjective assumptions to determine the fair value of stock-based awards.

These assumptions include:

- *Fair Value of Common Stock*—Historically, for all periods prior to this IPO, the fair value of the shares of common stock underlying our stock-based awards was estimated on each grant date by our board of directors. In order to determine the fair value of our common stock underlying option grants, our board of directors considered, among other things, contemporaneous valuations of our common stock.
- *Expected Term*—The expected term represents the period that stock-based awards are expected to be outstanding. The expected term for option grants is determined using the simplified method. The simplified method deems the expected term to be the midpoint between the vesting date and the contractual life of the stock-based awards.
- *Expected Volatility*—Since we have been a privately held company and do not have any trading history for our common stock, the expected volatility is estimated based on the average volatility for comparable publicly traded biotechnology companies over a period equal to the expected term of the stock option grants. The comparable companies were chosen based on their similar size, stage in the life cycle or area of specialty. We will continue to apply this process until a sufficient amount of historical information regarding the volatility of our own stock price becomes available.
- *Risk-Free Interest Rate*—The risk-free interest rate is based on the U.S. Treasury zero coupon issues in effect at the time of grant for periods corresponding with the expected term of option.
- *Expected Dividend*—We have never paid dividends on our common stock and have no plans to pay dividends on our common stock. Therefore, we used an expected dividend yield of zero.

The fair value of each of our awards have been estimated using Black-Scholes based on the following assumptions:

	Year Ended December 31,	
	2019	2018
Expected term (years)	5.1–6.1	5.1–6.1
Expected volatility	80%	80%
Risk-free interest rate	1.8%–2.5%	2.6%–3.1%
Expected dividend yield	— %	— %

We will continue to use judgment in evaluating the assumptions utilized for our stock-based compensation expense calculations on a prospective basis. In addition to the assumptions used in Black-Scholes, the amount of stock-based compensation expense we recognize in our financial statements includes stock option forfeitures as they occurred.

Stock-based compensation expense for employees and non-employees is reflected in the statement of operations as follows:

	Year Ended December 31,	
	2019	2018
	(in thousands)	
Research and development	$ 215	$ 225
General and administrative	523	123
Total stock-based compensation expense	$ 738	$ 348

Determination of Fair Value of Common Stock on Grant Dates

Historically, for all periods prior to this IPO, the fair values of the shares of common stock underlying our stock-based awards were estimated on each grant date by our board of directors with the assistance of management. In order to determine the fair value of our common stock, our board of directors considered, among other things, contemporaneous valuations of our common stock.

Given the absence of a public trading market for our common stock, our board of directors exercised their judgment and considered a number of objective and subjective factors to determine the best estimate of the fair value of our common stock, including contemporaneous valuations , our stage of development, important developments in our operations, the prices at which we sold shares of our preferred stock, the rights, preferences and privileges of our preferred stock relative to those of our common stock, actual operating results and financial performance, the conditions in the biotechnology industry and the economy in general, the stock price performance and volatility of comparable public companies, and the lack of liquidity of our common stock, among other factors.

In determining the fair value of our common stock, the methodologies used to estimate our enterprise value were performed using methodologies, approaches, and assumptions consistent with the guidance outlined in the American Institute of Certified Public Accountants Technical Practice Aid, *Valuation of Privately Held Company Equity Securities Issued as Compensation*. The grant date fair value of our common stock was determined using valuation methodologies incorporating a number of assumptions including probability weighting of events, volatility, time to liquidation, a risk-free interest rate and an assumption for a discount for lack of marketability (Level 3 inputs). The methodology to determine the fair value of our common stock included estimating the fair value of the enterprise using a hybrid-method market approach, which estimates the fair value of the company by including an estimation of the value of the business based on scenarios in a probability weighted expected return method, or PWERM framework. Under the hybrid-method market approach, the per share value calculated under the scenarios are weighted based on expected exit outcomes and the quality of the information specific to each allocation methodology to arrive at a final estimated fair value per share value of the common stock before a discount for lack of marketability is applied.

- The scenarios for inferring equity value in determining the fair value of our common stock December 2019 included: (i) a market-based approach combining (a) a comparison of the company to a selection of similar firms whose stock is publicly-traded, and (b) utilizing transactions of similar companies and allocating the resultant equity value using an option pricing method, or OPM; and (ii) an IPO scenario based recent IPOs of firms similar to the company.
- The scenarios for inferring equity value in determining the fair value of our common stock July 2019 included: (i) a market-based approach back-solve OPM with reference to our Series C preferred financing; and (ii) an IPO scenario based recent IPOs of firms similar to the company.
- The scenarios for inferring equity value in determining the fair value of our common stock during 2018 and in February 2019 included: (i) a market-based approach combining (a) a comparison of the company to a selection of similar firms whose stock is publicly-traded, and (b) utilizing transactions of similar companies and allocating the resultant equity value using an OPM; (ii) an IPO scenario based recent IPOs of firms similar to the company; and (iii) a liquidation scenario.

The estimates of fair value of our common stock are highly complex and subjective. There are significant judgments and estimates inherent in the determination of the fair value of our common stock. These judgments and estimates include assumptions regarding our future operating performance, the time to completing an IPO or other liquidity event, the related valuations associated with these events, and the determinations of the appropriate valuation methods at each valuation date. The assumptions underlying these valuations represent management's best estimates, which involve inherent uncertainties and the application of management judgment. If we had made different assumptions, our stock-based compensation expense, net loss and net loss per share applicable to common stockholders could have been materially different.

The intrinsic value of all outstanding options as of December 31, 2019 was approximately $ million, based on the assumed initial public offering price of $ per share, which is the midpoint of the estimated initial public offering price range set forth on the cover page of this prospectus, of which approximately $ million is related to vested options and approximately $ million is related to unvested options.

Following the completion of this offering, our board of directors intends to determine the fair value of our common stock based on the closing price of our common stock on the date of grant.

Emerging Growth Company and Smaller Reporting Company Status

We are an emerging growth company, as defined in the JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act until such time as those standards apply to private companies. We have elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

We are also a "smaller reporting company," meaning that the market value of our stock held by non-affiliates plus the proposed aggregate amount of gross proceeds to us as a result of this offering is less than $700.0 million and our annual revenue is less than $100.0 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 stock held by non-affiliates is less than $250.0 million or (ii) our annual revenue is less than $100.0 million during the most recently completed fiscal year and the market value of our stock held by non-affiliates is less than $700.0 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.

Recently Adopted Accounting Pronouncements

Refer to Note 2, "Summary of Significant Accounting Policies," in the accompanying notes to our financial statements appearing elsewhere in this prospectus for a discussion of recent accounting pronouncements.

Contractual Obligations and Commitments

Contractual Obligations

The following table summarizes our contractual obligations as of December 31, 2019:

	Payments due by period				
	Total	Less Than 1 Year	1 to 3 Years	3 to 5 Years	More than 5 Years
	(in thousands)				
Operating lease commitments(1)	$922	$ 656	$266	$ —	$ —
Total	$922	$ 656	$266	$ —	$ —

(1) We lease a facility in Redwood City, California under an operating lease that extends through August 2021. We also lease a facility in Baltimore, Maryland under an operating lease which, as of December 31, 2019, extended through December 2020. However, in June 2020, we extended the Baltimore lease 30 months through June 2023, with rent payments of $32,000 monthly in the first 12 months, $33,000 monthly in the second 12 months, and $34,000 monthly in the last 6 months.

We are party to license agreements pursuant to which we have in-licensed various intellectual property rights. The license agreements obligate us to make certain milestone payments related to achievement of specified events, as well as royalties in the low-single digits based on sales of licensed products. None of these

events had occurred as of December 31, 2019, and no royalties were due from the sales of licensed products. The table above does not include any milestone or royalty payments to the counterparties to these agreements as the amounts, timing and likelihood of such payments are not known. See "*Business—License Agreements*" as well as Note 7 to our financial statements for additional information.

We enter into contracts in the normal course of business with CROs for clinical trials and clinical supply manufacturing and with vendors for preclinical research studies, research supplies and other services and products for operating purposes. As of December 31, 2019, we had commitments of approximately $18.8 million with CROs for the clinical trial services due within 12 to 21 months. These contracts generally provide for termination on notice of 60 to 90 days, and therefore we believe that our non-cancelable obligations under these agreements are not material.

Off-Balance Sheet Arrangements

During the periods presented, we did not have, nor do we currently have, any off-balance sheet arrangements as defined under SEC rules.

Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

We are exposed to market risks in the ordinary course of our business. These risks primarily include interest rate sensitivities. We held cash, cash equivalents and short-term investments of $36.0 million as of December 31, 2019. We generally hold our cash equivalents in interest-bearing, U.S. government backed money market funds corporate debt securities, commercial paper and government agency bonds held in a custodial account. 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 maturities of our cash equivalents and the low risk profile of our investments, an immediate 100 basis point change in interest rates would not have a material effect on the fair market value of our cash equivalents.

BUSINESS

Overview

We are a clinical-stage biopharmaceutical company focused on developing transformative medicines for the treatment of diseases of the retina and optic nerve. Our novel proprietary technologies are designed to release drugs in ocular tissue at a controlled rate for up to 12 months in order to improve patient compliance, reduce healthcare burdens and, ultimately, deliver better clinical outcomes. Our lead product candidate, GB-102, is an intravitreal injection of a microparticle depot formulation of sunitinib, a potent inhibitor of neovascular growth and permeability, which are leading causes of retinal disease. We are developing GB-102 as a once-every-six months intravitreal injection for the treatment of wet age-related macular degeneration, or wet AMD, and diabetic macular edema, or DME. In our Phase 1/2a clinical trial, GB-102 administered as a single 1 mg dose was well-tolerated in wet AMD patients and demonstrated durable clinical evidence of disease control of at least six months in approximately 88% of patients in this cohort. GB-102 is currently in a dose-ranging, controlled and masked safety and efficacy Phase 2b clinical trial in patients with wet AMD. We expect to report topline data from this trial in the first half of 2021. We are also using our proprietary technologies to develop GB-103, a once-a-year formulation of GB-102, for the treatment of diabetic retinopathy, or DR, as well as GB-401, an intravitreally injectable depot formulation of a beta-adrenergic prodrug with a dosing regimen of once every six months or longer for the treatment of primary open-angle glaucoma, or POAG. We believe that our product candidates could significantly improve clinical outcomes versus the respective standards of care for several ocular diseases.

Age-related macular degeneration, or AMD, is a chronic, progressive disease, a leading cause of vision loss in the elderly and estimated to affect approximately 15 million people in North America. The disease prevalence is approximately 85 to 90% nonexudative, or dry, AMD and 10 to 15% wet AMD. The therapeutic market for wet AMD in 2019 was estimated to be $7.9 billion worldwide and has historically grown by approximately 8% as a consequence of an aging population and the lack of preventative measures.

There is no cure for wet AMD. To maintain vision, patients must receive frequent intravitreal injections, up to 12 times per year, with short-acting anti-vascular endothelial growth factor, or VEGF, agents. Although the use of anti-VEGF treatments has revolutionized visual outcomes for patients, the need for frequent injection visits combined with the increasing prevalence of this disease puts an enormous pressure on healthcare systems and represents a severe burden for patients, caregivers and physicians. These dynamics often lead to a reduced frequency of treatment and result in suboptimal visual outcomes in real-world practice.

Damage to the retina as a result of DR includes a number of vision-threatening complications such as DME, and has been an important cause of acquired vision loss in the young and middle-age adult population. It is estimated that the number of patients with DR will increase globally to over 190 million by 2030. One-third of DR patients over 40 years of age in the United States are at risk of developing vision-threatening complications, including DME. DME is the second largest market for anti-VEGF therapies, accounting for approximately $3.7 billion of sales worldwide and approximately $1.8 billion in the United States in 2019. Multiple clinical trials have shown that anti-VEGFs are also beneficial for the treatment of patients with DR but without DME; however, the need for frequent injections and follow-up for this often asymptomatic population leads to inadequate compliance and suboptimal clinical benefit.

GB-102 is designed to provide pan-VEGF inhibition for six months or longer while minimizing fluctuations in retinal thickness in between treatments, which is emerging as predictive of visual outcomes. We believe durable and sustained drug delivery of a single dose offered by GB-102 could provide improved visual outcomes for patients with wet AMD and DME, better patient quality-of-life and reduced disease-monitoring requirements.

GB-103, a longer-acting formulation of sunitinib, is designed to maintain therapeutic drug levels in the retinal tissue for up to 12 months following a single intravitreal injection. This potentially longer duration of

clinical benefit and consequently less frequent need for intravitreal injections may be more conducive to maintaining a typically asymptomatic patient with DR on an effective anti-VEGF therapy regimen. If approved, GB-103 could provide a paradigm shift in the treatment of patients with DR who are currently managed either by observation alone, pan-retinal laser photocoagulation or, in rare instances, with short-acting anti-VEGF injections.

Glaucoma is an optic neuropathy that is characterized by the progressive degeneration of the optic nerve that leads to visual impairment. It is a leading cause of irreversible vision loss that is projected to affect approximately 76 million people worldwide in 2020. The most common type of glaucoma is POAG, which is characterized by an increase in intraocular pressure, or IOP, because fluid, which is continuously generated by cells inside the front of the eye, cannot drain properly. The global POAG therapeutics market is estimated to reach approximately $3.8 billion in 2026, of which the United States represents approximately $2.9 billion.

The most common treatment options for glaucoma are topical eye drops, which must be administered daily, or invasive medical procedures. Topical eye drops can lower IOP and have been shown to both delay and prevent the progressive degeneration associated with POAG. However, these medications must be administered up to four times per day, and approximately 30% of patients often require more than one class of drug to control IOP. It is estimated that approximately 50% of patients stop using their glaucoma medications in the first six months post-diagnosis due to various reasons, including forgetfulness, lack of disease awareness and/or cost, thus leading to uncontrolled IOP and progressive loss of peripheral vision. Laser-based or surgical treatments to permanently reduce IOP are invasive and achievement of IOP targets may require multiple surgeries.

Our third product candidate, GB-401, is an intravitreally administered, proprietary formulation of a beta-adrenergic prodrug designed to provide a controlled release of the active drug to maintain a reduced IOP for six months or longer after a single injection, thus addressing the patient compliance problem and improving outcomes. If approved, GB-401 could represent a significant paradigm shift in the way physicians treat POAG.

Our pipeline

The following chart summarizes the status and development plan for the product candidates in our pipeline. We own worldwide rights to each of our programs.

Program	Mechanism of Action	Indication	Phase of Development	Upcoming Milestones
GB-102 (sunitinib)	Pan-VEGF inhibitor	Wet Age-Related Macular Edema (wet AMD)	Phase 1/2a ADAGIO (completed) Phase 2b ALTISSIMO	• Phase 2b topline data: 1H 2021 • Initiation Phase 3: 2H 2021
GB-102 (sunitinib)	Pan-VEGF inhibitor	Diabetic Macular Edema (DME)	Phase 2a	• Phase 2a topline data: 2H 2020 • Initiation DME Phase 2b: 2H 2021
GB-103 (sunitinib)	Pan-VEGF inhibitor	Diabetic Retinopathy (DR)	IND-enabling Activities	• Initiation Phase 1/2a: 1H 2022
GB-401 (beta-blocker)	Beta-blocker	Primary Open-Angle Glaucoma (POAG)	IND-enabling activities	• IND Submission: 2H 2021

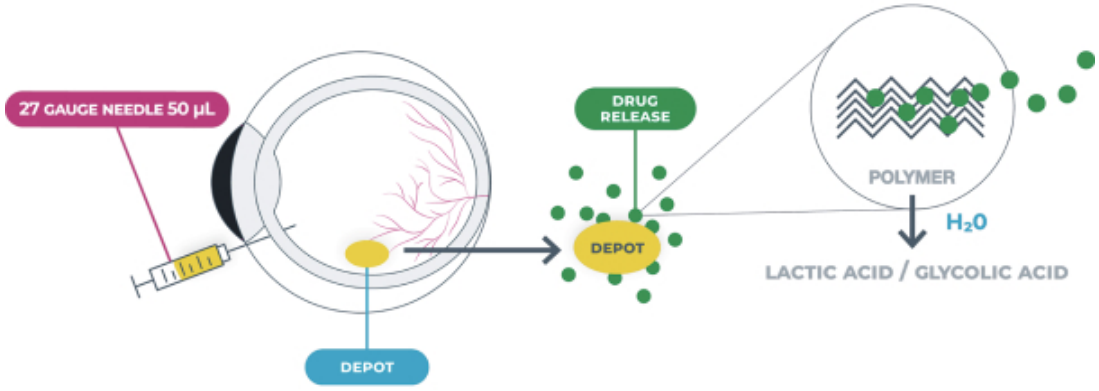
Preclinical | Phase 1 | Phase 2 | Phase 3

Our proprietary technologies

Our proprietary technologies are designed to allow sustained delivery of pharmacologic agents to the eye in a well-tolerated and controlled manner to achieve extended duration of effectiveness. Our proprietary technologies utilize depot formulations of microparticles containing biodegradable polymers such as

poly(lactic-co-glycolic acid), or PLGA. The microparticles are engineered to carry a hydrophilic coating such as polyethylene glycol, or PEG, that helps eliminate or minimize inflammation typically associated with intraocular administration of conventional PLGA microparticles. Our preclinical studies and Phase 1/2a clinical trial provided preliminary evidence that our microparticles are well-tolerated in the eye.

Furthermore, our microparticles are designed to aggregate after intravitreal injection upon exposure to the vitreous fluid at body temperature to form a depot near the bottom of the eye, outside of the visual axis. Our biodegradable microparticles then gradually release the active ingredient at a rate dependent on the composition of the polymers and biodegrade into lactic acid, glycolic acid and PEG that are naturally cleared from the body.



Some molecules, due to their physicochemical properties, are difficult to encapsulate and deliver in a controlled manner. For that purpose, we have developed a proprietary prodrug technology to enable sustained delivery of these therapeutics. Our research and development team has developed our product candidates with different pharmacologic agents using these prodrug technologies. For example, GB-401 has been developed using this approach.

Our lead program GB-102

We are developing our lead product candidate, GB-102, as a once-every-six months intravitreally delivered microparticle depot formulation of sunitinib for the treatment of wet AMD and DME. Sunitinib is a pan-VEGF inhibitor (VEGF-A, B, C and D). We believe that GB-102 is differentiated from the current standard of care, which requires more frequent dosing, up to 12 times per year, and primarily targets one neovascular pathway (VEGF-A).

Phase 1/2a and 2b clinical trials of GB-102 in wet AMD. GB-102 has been evaluated in multiple Phase 1/2 trials to assess its safety, tolerability, durability and pharmacodynamic effects, as well as to identify the optimal dose. In January 2019, we completed our Phase 1/2a ADAGIO clinical trial of GB-102 in 32 patients with wet AMD that previously received at least three anti-VEGF injections, which we refer to as our ADAGIO trial. This trial met its primary endpoint of safety and tolerability. No ocular serious adverse event, or SAE, or dose-limiting toxicity was reported, and the majority of patients had no drug-related adverse events, or AEs. The most common AE was the presence of medication in the anterior chamber. These AEs were reversible and with no long-term consequences. In this trial, 88% of patients who were previously treated with an average of eight injections annually were able to maintain stable central retinal thickness and visual acuity for six months or more with a single injection of 1 mg of GB-102.

Based on the data from the ADAGIO trial, we initiated the Phase 2b ALTISSIMO clinical trial in September 2019 to evaluate an improved product that would minimize the presence of medication within the anterior

chamber. This trial compares two doses of GB-102 (1 or 2 mg) administered every six months to aflibercept administered every two months in up to 56 patients with anti-VEGF-responsive wet AMD. The primary endpoint of the ALTISSIMO trial is to determine time-to-additional anti-VEGF supportive therapy. ALTISSIMO topline results are expected in the first half of 2021. If successful, we plan to advance two pivotal clinical trials in wet AMD in the second half of 2021.

Phase 2a clinical trial of GB-102 in ME secondary to various diseases, including DME and central or branch Retinal Vein Occlusion, or RVO. In September 2019, we initiated a Phase 2a clinical trial of GB-102 in 21 patients with ME secondary to DME and branch or central RVO. This trial was designed to be a six-month, single injection, multicenter, open-label, parallel arm trial with a primary end-point of safety and tolerability of two dose levels of GB-102 (1 and 2 mg) in patients with ME secondary to DME or RVO who had been previously treated with anti-VEGFs. All patients have completed the study and the final safety analysis has been performed. An interim data analysis from the ALTISSIMO and ME trials identified 1 mg of GB-102 as the optimal dose for future clinical trials. We intend to conduct a Phase 2b trial in patients with DME in the second half of 2021.

Additional pipeline programs

GB-103 is designed to be a once-a-year intravitreally delivered formulation of sunitinib, and has the potential to become a first-in-class therapy for patients with DR. Our Phase 1/2a clinical trial with GB-103 in patients with DR is planned to initiate in the first half of 2022.

We are also applying our proprietary technologies to develop GB-401, a depot formulation of a beta-adrenergic receptor inhibitor, designed to be injected once every six months to reduce IOP in POAG patients. We expect to submit an investigational new drug application, or IND, for GB-401 and initiate a dose-escalating Phase 1/2a clinical trial of GB-401 in patients with POAG in the second half of 2021.

We believe our proprietary technologies will allow us to develop other novel therapeutics, either alone or in combination, that can achieve extended durations of effectiveness and, thus improve the care and quality of life for patients with chronic diseases and disorders of the eye.

Our executive leadership team

We are led by a team of experienced pharmaceutical industry executives with significant experience in ophthalmology:

- Frederic Guerard, Pharm.D., our Chief Executive Officer, has 20 years of leadership, strategic and commercial pharmaceutical experience, including as Worldwide Business Franchise Head of Ophthalmology at Novartis AG and Global Franchise Head of Pharmaceuticals at Alcon Laboratories, Inc.
- Parisa Zamiri, M.D., Ph.D., is an ophthalmologist and was previously Vice President, Global Head of Clinical Development and Therapeutic Area Head for Ophthalmology at Novartis AG.
- Daniel Salain, Chief Technical Operations Officer, has 30 years of global pharmaceutical experience in manufacturing, operations and business development, and previously served as Senior Vice President of Technical Operations at Ophthotech Corporation (now IVERIC bio, Inc.).
- Daniel Geffken, Interim Chief Financial Officer, founder and managing director of Danforth Advisors, has more than 30 years of experience in the life sciences industry.

We have raised approximately $134 million of capital in gross proceeds from a group of leading life sciences investors, including Deerfield Management, OrbiMed Advisors, a fund managed by Blackstone Life Sciences, Hatteras Venture Partners, CBC Group (formerly known as C-Bridge Capital) and Crown Venture Fund.

Our strategy

Our goal is to become a leading biopharmaceutical company focused on developing and commercializing transformative medicines for the treatment of chronic vision-threatening diseases of the retina and optic nerve. To achieve this goal, the key elements of our strategy are:

- ***Advance GB-102 through clinical development in patients with wet AMD and DME.*** We believe GB-102 injected every six months will address compliance and undertreatment issues associated with approved anti-VEGF agents. In addition, treatment with GB-102 could lead to greater preservation of visual acuity by reducing fluctuations of retina thickness. We are conducting a Phase 2b clinical trial in patients with wet AMD and expect to report topline data in the first half of 2021. We intend to initiate our global pivotal clinical program in wet AMD in the second half of 2021. We are also planning to initiate a Phase 2b trial in DME in the second half of 2021.
- ***Advance development of GB-103 to offer patients a once-a-year treatment for DR.*** GB-103 is a formulation of sunitinib in a longer-acting polymer with the potential to maintain therapeutic drug levels in the retinal tissue for up to 12 months from a single intravitreal injection. We believe GB-103 could significantly improve the standard of care for patients with DR. We are currently conducting IND-enabling activities and plan to initiate a Phase 1/2a trial in the first half of 2022.
- ***Develop GB-401 for the treatment of elevated IOP in patients with POAG.*** GB-401 may provide a sustained reduction in IOP for up to six months, thus avoiding fluctuations observed with the chronic use of topical therapies and potentially leading to better neuroprotection. If approved, GB-401 would eliminate the need for patient-administered IOP-lowering eye drops, reduce redness of the eye and eliminate systemic drug exposure. We expect to begin the clinical development of GB-401 with a dose-escalating Phase 1/2a trial to evaluate its safety, tolerability and pharmacodynamics in the second half of 2021.
- ***Leverage our ocular delivery technologies to expand our pipeline into other vision-threatening conditions.*** We will continue to explore other development opportunities with additional small molecule candidates for potential long-duration delivery in other vision-threatening conditions, such as dry AMD, geographic atrophy and retinitis pigmentosa. Our proprietary technologies have the potential to deliver combination therapies by either co-delivering two therapeutic compounds or co-administering our product with another approved drug. We may also consider licensing or acquiring the rights to complementary products, product candidates and technologies for the treatment of ophthalmic diseases to expand our pipeline.
- ***Commercialize our approved product candidates with our own specialty sales force and through partnerships.*** We have retained worldwide commercialization rights to all of our product candidates. Considering the number of ophthalmologists who perform most of the medical treatments and procedures for retinal diseases and glaucoma, we expect to commercialize our product candidates, if approved, in the United States with our own focused specialty sales force. We intend to build our own manufacturing capabilities for the commercial drug supply, but could also decide to keep contracting with third parties if it is more advantageous. We also intend to maximize the commercial value of our product candidates through potential partnerships or collaborations outside of the United States.

Differentiation of our product candidates

We believe that our proprietary technologies will allow us to develop therapeutics that may provide superior results to patients compared to existing ocular treatments, which present several critical limitations. We believe our product candidates present a number of competitive advantages over existing therapeutics:

- ***Extended durability and sustained drug delivery to improve visual outcomes in clinical practice***: Currently approved anti-VEGF therapies work effectively but have limited durability. Most patients need to be injected every four to 12 weeks to experience positive visual outcomes. It has emerged that

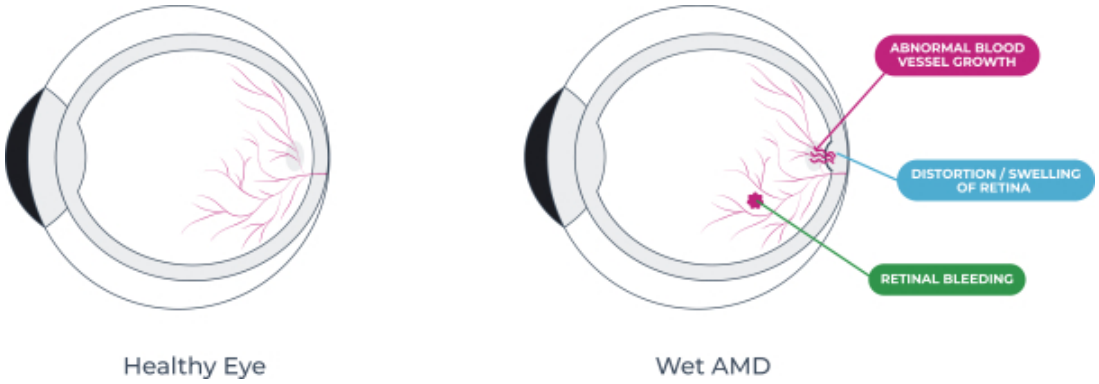
higher fluctuation in retinal thickness is associated with poorer visual outcomes. If approved, we believe that GB-102 would be a first-in-class intravitreal injection offering a six-month duration of action. Controlled and sustained drug delivery could limit the fluctuation in retina thickness associated with poorer visual outcomes. We believe GB-102, with only two injections a year, could provide a better balance between patient quality of life and disease-monitoring requirements, and deliver, in a real-world setting, increased compliance and ultimately improved visual outcomes.

- **Differentiated mechanism of action**: Our retina programs, GB-102 and GB-103, use sunitinib, a pan-VEGF inhibitor, which blocks all VEGF receptor types associated with angiogenesis, vascular permeability, cellular proliferation and fibrosis. GB-102 and GB-103 could potentially provide additional benefits over traditional anti-VEGF A inhibitors, as supported by an emerging body of evidence highlighting the mechanistic and clinical benefit of blocking the effect of VEGF-C and VEGF-D, in addition to VEGF-A. Moreover, sunitinib is a dual leucine zipper kinase, or DLK, inhibitor, which may result in a neuroprotective effect. Sunitinib's broader mechanism of action has the potential to provide visual outcome benefits superior to the traditional anti-VEGF-A treatments.
- **Versatile proprietary technologies**: Our proprietary technologies can be tailored for different pharmacokinetic profiles. Our polymers can be tuned to provide varying drug elution profiles for a significant number of small molecules. Our proprietary technologies have the potential to deliver combination therapies by either co-delivering two therapeutic compounds or co-administering our product with another approved drug.
- **Safety**: Our polymers are biodegradable and bioabsorbable. They are designed to hydrolyze over a determined period of time and leave no residue in the eye. In preclinical studies, our proprietary technologies have not been associated with inflammation typically observed with the intraocular administration of conventional PLGA microparticles.

Wet AMD

Wet AMD is a common ocular disease caused by the growth of abnormal blood vessels under the central portion of the retina, or macula. This growth is triggered by VEGF, a protein produced by cells that stimulates the formation of new abnormal blood vessels, a process called neovascularization, and induces vascular permeability, leading to leakage and swelling of the retina. Anti-VEGF treatment has been shown to improve vision in patients with wet AMD when compared to either no treatment or laser alone.

According to the American Academy of Ophthalmology, it is estimated that 15 million people in North America have AMD. The prevalence of the disease is approximately 85 to 90% nonexudative, or dry, AMD and 10 to 15% wet AMD. As a greater percentage of Americans are living well beyond 60 years of age, more patients will become visually impaired from AMD than from glaucoma and diabetic retinopathy combined. Early intervention is essential to treat wet AMD; without treatment, vision rapidly declines. The figure below illustrates the primary effects of wet AMD.



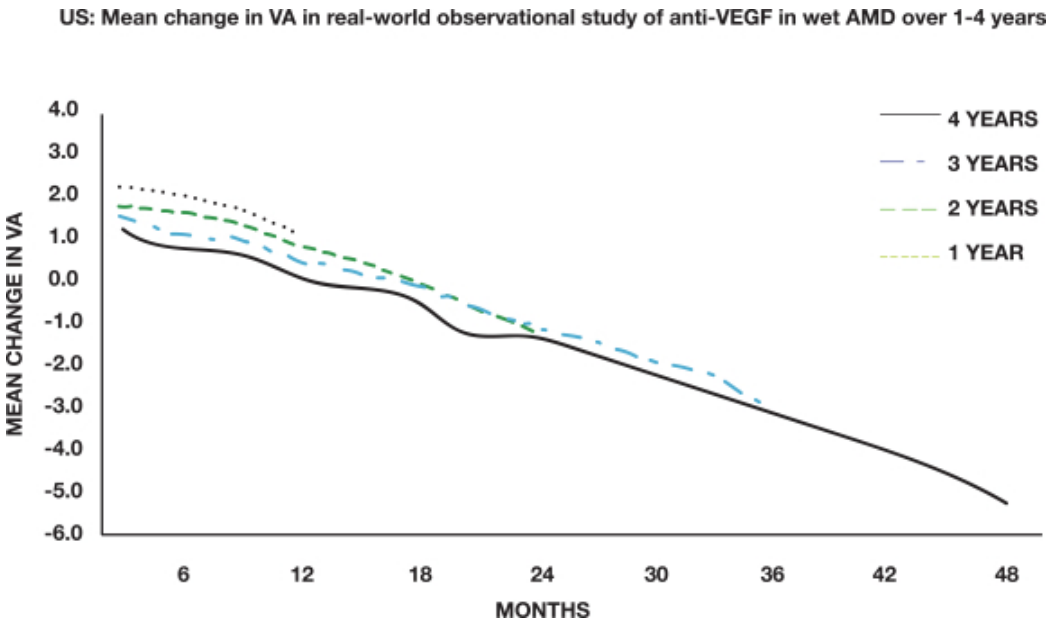
Our market opportunity in wet AMD

In 2019, annual anti-VEGF sales reported for the treatment of retinal diseases exceeded $11 billion in 2019 globally. We believe a substantial majority of these sales were in connection with the treatment of wet AMD and DR. Avastin is also used off-label in approximately 60% of the wet AMD patients in the United States, therefore the potential therapeutic market is greater than reported. The wet AMD market has historically grown by approximately 8% as a consequence of an aging population and lack of preventative procedures.

Despite the significant benefits of existing therapeutic options, the need for frequent intravitreal injections is burdensome for both patients and retinal specialists. Retinal practitioners surveyed by the American Society of Retinal Specialists responded that their three greatest unmet needs are availability of long-acting sustained drug delivery, therapies that reduce treatment burden and new treatment mechanisms of action. According to a 2019 study of patient interviews in the United States, France and Australia, the factors affecting adherence from the patient perspective included the psychological burden of repeated intravitreal injections, the time burden of both treatment and monitoring visits for both patients and caregivers, which could take up to 12 hours per visit including travel time.

In clinical trials, intravitreal injections of anti-VEGF drugs resulted in significant gains in visual acuity for patients with retinal diseases. However, in settings outside of clinical trials, patients often receive less frequent injections than in clinical trial settings. Long-term observational studies in the United States, Europe and Japan have demonstrated that many patients with wet AMD lose visual acuity due to the challenges associated with receiving anti-VEGF injections at an optimal frequency.

The diagram below shows the declining visual acuity, or VA, results over four years after the first anti-VEGF injection in patients with wet AMD in the United States.



Most recently, it was shown that fluctuations between injections in retinal thickness in eyes receiving treatment for wet AMD is adversely associated with visual outcomes.

Diabetic retinopathy and diabetic macular edema

DR, which includes DME, is the leading cause of acquired vision loss in the young and middle-age adult population. Of an estimated 463 million people with diabetes mellitus, or DM, worldwide, approximately one-third have signs of DR and of these, a further one-third of DR is vision-threatening DR, including DME. Approximately 30 million people in the United States have diabetes, 10 million of whom suffer from DR, including 1.5 million with DME. DME affects central vision and can lead to a decline in vision ranging from slight visual blurring to blindness, substantially affecting independence and quality of life. If left untreated, DME is the most common cause of vision loss in patients with DR. The graph below illustrates the primary effects of DME compared to a healthy eye.

Healthy Eye

Diabetic Retinopathy with Diabetic Macular Edema

Our market opportunity in DR and DME

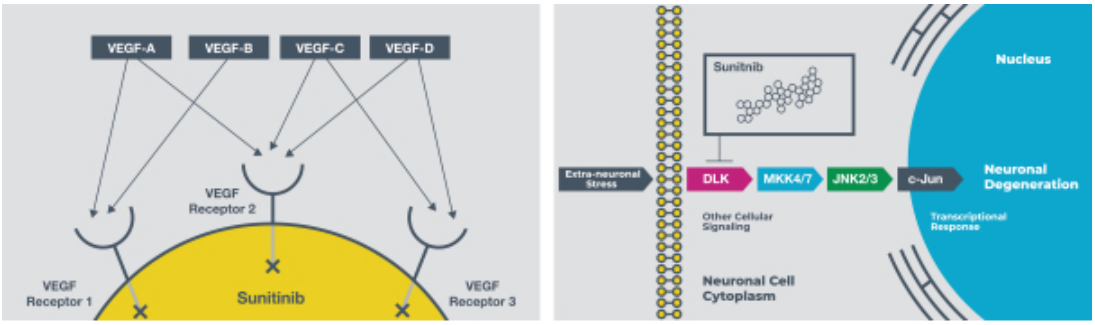
DME is the second largest market for anti-VEGF therapies, accounting for approximately $3.7 billion of sales worldwide and approximately $1.8 billion in the United States in 2019. It is estimated that there are three times as many DR patients as there are DME patients, which illustrates the commercial attractiveness of the DR indication for which short-acting anti-VEGFs have been recently approved. Multiple trials have shown that anti-VEGFs are also beneficial for the treatment of DR without DME; however, the need for frequent injections and follow-up in this often asymptomatic population leads to inadequate compliance and subsequent vision loss.

Our product candidates

GB-102

GB-102 is a potent small molecule multiple receptor tyrosine kinase inhibitor sunitinib malate, or sunitinib, formulated in our proprietary microparticles designed to be administered intravitreally every six months. Prior to administration, GB-102 is suspended in a buffered diluent and injected intravitreally similar to the standard in clinical practice with anti-VEGFs. Sunitinib is gradually released from the microparticle formulation into the vitreous chamber and is designed to sustain therapeutic drug levels in the ocular tissues for up to six months. Sunitinib also has a high binding affinity to the natural melanin pigment granules in the retina that allows the retinal pigmented epithelium, or RPE, to serve as a potential secondary drug reservoir and extend duration of action.

Sunitinib is an orally administered treatment for advanced renal, gastric and pancreatic malignancies that was originally approved in 2006. Oral sunitinib has demonstrated efficacy in murine laser choroidal neovascularization, or CNV, models and in wet AMD patients for the treatment of their cancers. However, because of a boxed warning related to hepatotoxicity for cancer indications, oral sunitinib has not been used for retinal indications. There are no reported cases of retinal toxicities in patients receiving continuous oral sunitinib for up to six years for the management of primary malignancies. In our preclinical and clinical studies, we have demonstrated that there are no detectable levels of sunitinib in the plasma after intravitreal injections of GB-102. Sunitinib's mechanism of action is the inhibition of receptor tyrosine kinases, specifically of VEGF receptors 1, 2 and 3, blocking all VEGF signals, including VEGF-A, -B, -C and -D and placental growth factor, or PlGF, which are ligands implicated in pathologic neovascularization in patients with wet AMD. Moreover, sunitinib is a DLK-inhibitor, which may result in a neuroprotective effect.



Siu (2018) Zack (2011 2012)

Preclinical toxicology profile of GB-102

Preclinical toxicology results indicated that two intravitreal injections of GB-102 with a five-month interval and up to a 10-month observation period were well-tolerated in the eyes of rabbits and minipigs and supported intravitreal administration of up to 2 mg of GB-102 every six months in clinical trials.

Specifically, in the repeat dosing minipig study, GB-102 was well-tolerated based on all endpoint assessments, including no drug-related findings on histology of any localized tissue reaction or inflammatory

response. There were no observations of adverse events and no drug-related effects on hematology, coagulation or clinical chemistry parameters, which is consistent with a lack of detectable systemic exposure. The ocular examination observations were limited to a transient, yellow discoloration of the vitreous humor and lens in some animals caused by the release of sunitinib, which has a natural yellow-orange color. The main findings in the repeat dose rabbit study include transient ocular inflammation not related to the investigational drug, and focal, peripheral and inferior lens opacities in some eyes due to the proximity of the depot to the lens. No additional toxicology studies are planned.

Our clinical trials

Phase 1/2a trial of GB-102 in patients with wet AMD

In January 2019, we completed our Phase 1/2a clinical trial of GB-102 in patients with wet AMD, or our ADAGIO trial. This trial enrolled patients with wet AMD diagnosed less than 18 months prior to enrollment who had received at least three prior injections of any anti-VEGF treatment and demonstrated a response to anti-VEGF treatment, defined as physician-reported improvement in vision or reduction in macular thickness. Eligible patients received a single injection of GB-102 and were followed for eight months. Monthly assessments included adverse events, best-corrected visual acuity, or BCVA, using the Early Treatment of Diabetic Retinopathy Study, or ETDRS, protocol letter score, central sub-field thickness, or CST, slit-lamp biomicroscopy, dilated fundoscopy and plasma blood samples to detect systemic levels of sunitinib. Patients were eligible for supportive anti-VEGF treatment if any of the following criteria were met: ³ 10 letter loss in BCVA (ETDRS) with new or increasing intra- or sub-retinal fluid judged to be the cause in the reduction in BCVA; an increase of ³ 75 µm in CST from baseline; new onset vitreous hemorrhage. Baseline demographics are summarized in the table below:

	0.25 mg N=8	0.5 mg N=8	1 mg N=8	2 mg N=8	Total N=32
Mean BCVA, ETDRS letters (Standard Deviation) Estimated Snellen equivalent	56.5 (11.1) 20/80	65.1 (9.9) 20/50	67.9 (7.5) 20/50	63.8 (14.3) 20/50	63.3 (11.3) 20/50
Mean CST, µm (Standard Deviation)	279 (84.3)	313 (78.4)	276 (57.4)	308 (53.2)	294 (68.7)
Mean number of prior anti-VEGF injections (Standard Deviation) Range	3.5 (0.9) 3–5	4.5 (1.1) 3–6	5.0 (3.4) 3–11	6.3 (3.1) 3–13	4.8 (2.6) 3–13
Mean days since last anti-VEGF injection (Standard Deviation) Range	45.3 (20.1) 19–82	74.9 (65.7) 30–218	62.4 (42.8) 30–163	54.6 (28.8) 27–112	59.3 (42.3) 19–218

Safety results. The trial met its primary endpoint of safety and tolerability with no ocular serious adverse events, dose-limiting toxicities or endophthalmitis. No patients discontinued treatment as a result of any drug-related adverse event. Four patients discontinued due to reasons unrelated to the drug.

Out of 32 patients enrolled in the trial, no GB-102 related non-ocular AEs and no ocular SAEs or dose limiting toxicities were reported. There were no detectable plasma levels of sunitinib in any patient. All drug related AEs were mild or moderate: In five patients, the only AE observed was vitreous floaters. In nine patients enrolled in the higher dose cohorts, medication presence was observed in the anterior chamber. All nine of those patients completed the trial.

The lowest dose had no cases of medication presence in the anterior chamber. For the three other doses, the median time to the observation of medication presence in the anterior chamber was 65 days post-injection (range 27 to 108 days). The management of medication presence in the anterior chamber consisted of topical corticosteroid drops, followed by either out-patient anterior chamber lavage (n=3) or observation alone (n=6).

Mild, transient elevations in IOP were observed in five of nine patients and managed with topical IOP-lowering medication. Medication presence in the anterior chamber was no longer detectable after one to two months due to biodegradation of the polymers.

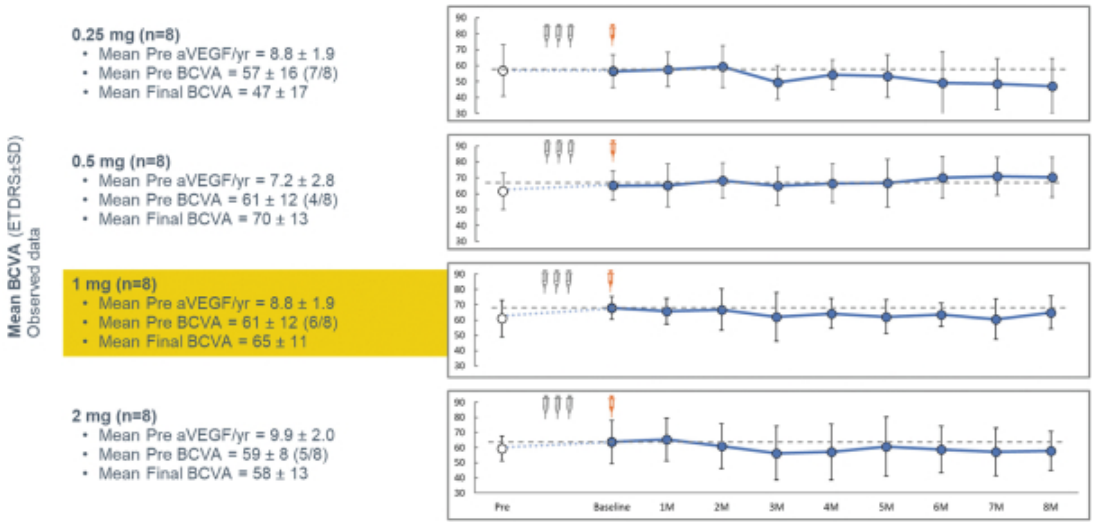
Overall, the medication presence in the anterior chamber appeared to be self-limited and reversible, with no long-term consequences. Since then, we have revised the manufacturing process of GB-102 to significantly enhance the rapidity and firmness of particle aggregation. This optimized version of GB-102 is being used in both Phase 2 studies.

Table below shows AEs per patient and events in all doses of ADAGIO trial.

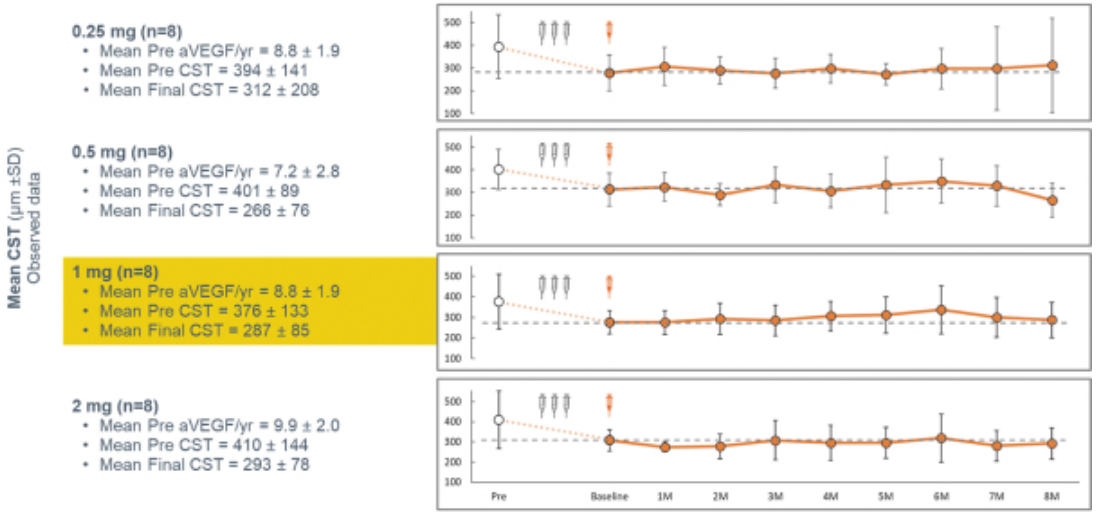
Adverse Events		0.25 mg (N=8)		0.5 mg (N=8)		1 mg (N=8)		2 mg (N=8)	
		Subjects	Events	Subjects	Events	Subjects	Events	Subjects	Events
Ocular	Serious	0	0	0	0	0	0	0	0
	GB-102 related	3	3	6	19	3	12	6	33
	Total Ocular	6	11	6	22	3	15	7	47
Non-Ocular	Serious	0	0	3	4	0	0	0	0
	Total Non-Ocular	3	11	7	37	3	3	7	12

Pharmacodynamic responses. All dose cohorts demonstrated maintenance of visual acuity and macular stability, while maintaining retinal thickness. Even in the 2 mg dose group, where the BCVA was confounded by presence of vitreous floaters and medication in the anterior chamber, there was a consistent maintenance of macular thickness similar to the other dose groups, indicating disease control.

The figure below illustrates the mean BCVA at all visits and historic average during anti-VEGF induction (open circle) in our Phase 1/2a trial of GB-102 in patients with wet AMD. A single injection of GB-102 was able to maintain visual acuity, represented by BCVA for six months or more in wet AMD patients who previously required eight injections of short-acting anti-VEGF per year to achieve similar functional control.



The figure below illustrates the mean CST at all visits and historic baseline during anti-VEGF induction (open circle) in our Phase 1/2a trial of GB-102 in patients with wet AMD.



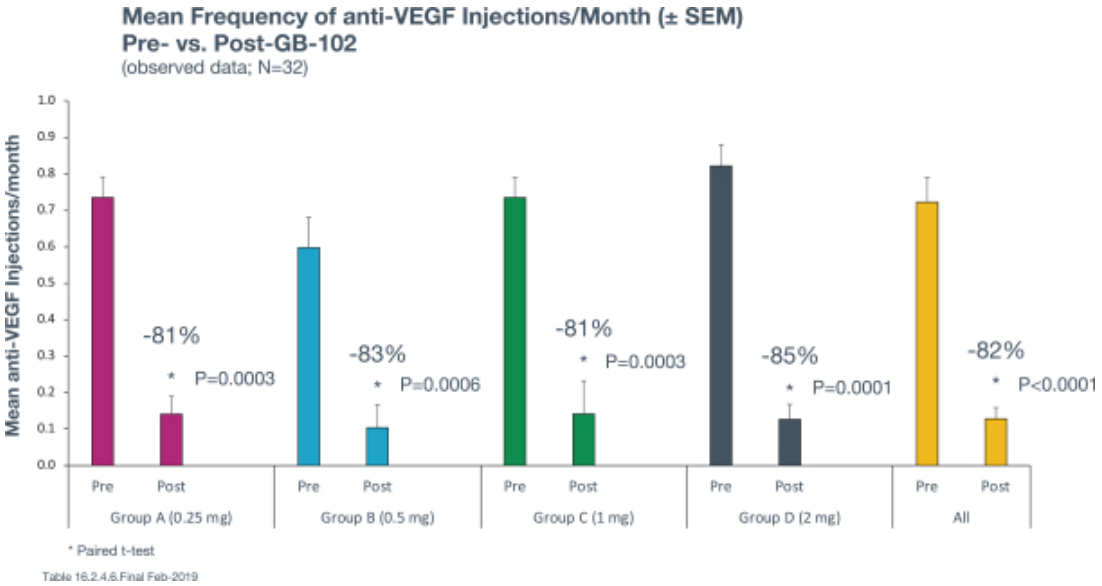
A single injection of GB-102 was able to control CST for six months or more in wet AMD patients who previously required eight injections of short-acting anti-VEGF per year to achieve similar anatomical control.

Duration of response. A general dose-duration response at six months was observed across the first dosing cohorts. The graph below demonstrates that patients enrolled into the trials required between seven and nine injections a year to control their disease. Upon receiving a single injection of GB-102, the retinal thickness and visual acuity was controlled in majority of patients for six months or more.

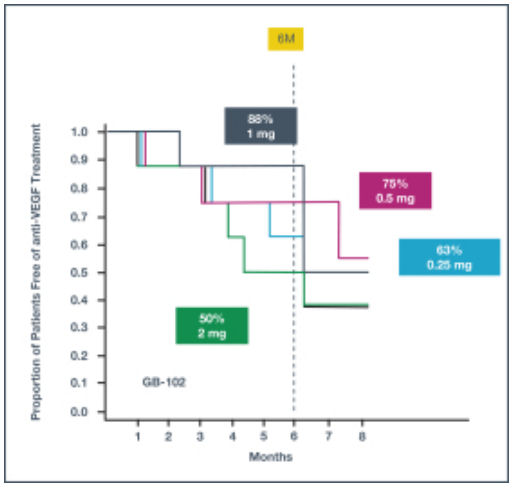
GB-102 appeared to reduce the overall number of anti-VEGF injections through six months. An analysis of the frequency of anti-VEGF treatment shows over 80% reduction of anti-VEGF injections observed in all dose groups.

The figure below illustrates that the need for additional anti-VEGF supportive therapy in the eight-month observation period. Following GB-102 administration was significantly lower than the number of anti-VEGF injections prior to receiving GB-102 (mean anti-VEGF injections per month, plus or minus standard error of measurement, or SEM).

All four patients receiving 2 mg of GB-102 that received additional anti-VEGF supportive therapy before six months did so because they qualified for the visual acuity criterion due to the presence of vitreous floaters and/or medication in the anterior chamber confounding BCVA measurement.



The graph below shows the proportion of patients free from additional anti-VEGF supportive therapy at six-month following a single injection of GB-102 was 63%, 75%, 88% and 50% for the 0.25, 0.5, 1 and 2 mg doses, respectively.



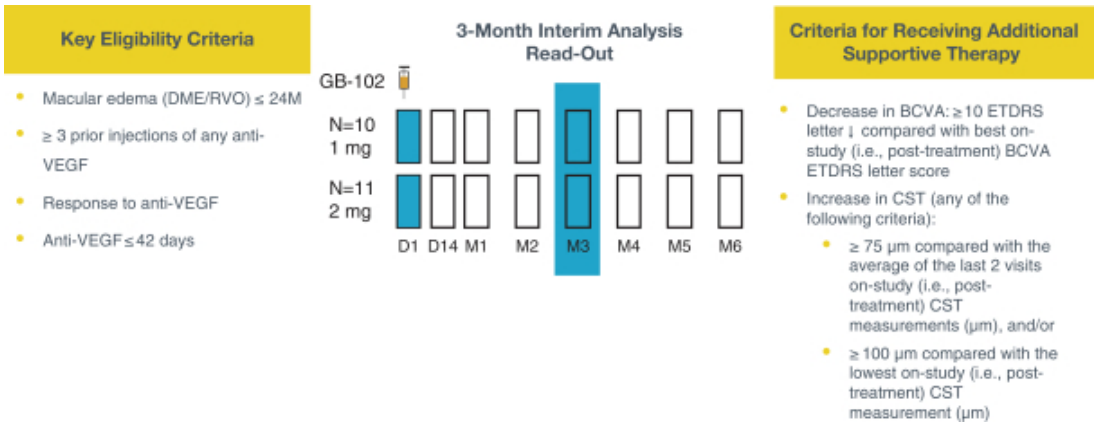
In the ADAGIO trial, GB-102 met its primary endpoint of safety and tolerability with no ocular SAEs or dose limiting toxicities. Our data demonstrated that for patients who required an average of eight injections per

year to control their disease, a single injection of GB-102 at various doses was able to maintain their central retinal thickness and visual acuity for six months or more, while significantly reducing the frequency of injection. The overall best performing dose was the 1 mg, which controlled the disease in seven out of eight patients for six months, and in four out of eight patients beyond eight months.

Since the most commonly reported ocular AE was presence of medication in the anterior chamber, we optimized the manufacturing process for GB-102 to enhance its binding affinity thus improving its ability to aggregate post injection. This optimized version is being used for subsequent trials.

Phase 2 clinical trials

Phase 2a trial of GB-102 in ME secondary to DME or RVO. In September 2019, we initiated a Phase 2a clinical trial of GB-102 in 21 patients with ME secondary to DME and RVO. This trial was designed to be a six-month, single injection, multicenter, open-label, parallel arm trial with a primary endpoint of safety and tolerability of two dose levels of GB-102 (1 and 2 mg).



Six centers in the United States enrolled 21 patients (n=10 DME; n=5 BRVO; n=6 CRVO) who had received at least three prior injections of anti-VEGF and shown at least some response within the last 24 months. As the focus of the ME trial was safety, disease control was not a requirement at enrollment, and patient eligibility was not verified by independent third parties. On average, at enrollment, patients required eight injections per year to control their disease. Eligible patients received GB-102 (1 or 2 mg) at day 1 and were followed monthly.

Table below represents the baseline demographic of patients in the ME study.

	1 mg N=10	2 mg N=11	Total N=21
Age	64.6	65.1	64.9
Sex (% F)	7M: 4F (30%)	14M: 7F (36%)	14M: 7F (33%)
Disease	4 DME: 6 RVO	6 DME: 5 RVO	10 DME: 11 RVO
Mean BL BCVA (ETDRS letters ± SD)	70 ± 11	67 ± 10	68 ± 10
Mean BL CST (µm ± SD)	339 ± 128	382 ± 121	361 ± 123
Lens status (% phakic)	60%	64%	62%
Median duration of disease	343 days	352 days	352 days
Frequency of prior anti-VEGF injections (per year)	8.6 ± 2.5	7.4 ± 2.5	8.0 ± 2.5

There were no drug related non-ocular AEs in the trial. The 1 mg dose met its primary endpoint of safety and tolerability with seven out of ten patients demonstrating no adverse events. One patient had only vitreous floaters and one patient had vitreous floaters, medication present in the vitreous, and reduction in vision. The other AEs occurred in a single patient with medication present in the anterior chamber. The 2 mg dose was associated with medication present in the anterior chamber of five out of 11 patients. The majority of AEs occurred in these patients. Two SAEs were reported in a single patient (severe vision loss due to presence of medication in the anterior chamber and corneal edema as a result of wash-out of the anterior chamber). On the basis of an interim analysis performed at month 3 in the ME trial, it was determined that the 1 mg dose demonstrated favorable safety and tolerability. We believe that the number of microparticles injected in the 2 mg dose (approximately 2 million) were too many to allow adequate aggregation.

Table below represents the drug-related adverse events reported in the ME trial.

Drug-Related AE-Preferred Term	1 mg (N=10)	2 mg (N=11)
Ocular SAE/Dose limiting Toxicity	0	1
Visual acuity reduced	2	5
Vitreous floaters	2	3
Medication in AC	1	5
Medication residue present in vitreous	1	3
Ocular hyperemia	1	0
Eye pain	1	3
Vision blurred	2	1
Eye swelling	1	1
Visual impairment		2
Lacrimation increased		1
Pupils unequal		1
Posterior uveitis		1
Iritis/iridocyclitis/anterior uveitis		3
Conjunctival redness		1
IOP increased		2
Corneal edema		1

These results provided additional support for the potential advancement of GB-102 1 mg dose into pivotal trials.

Phase 2b trial of GB-102 in patients with wet AMD. We initiated the Phase 2b ALTISSIMO trial in September 2019 and expect to report topline data in the first half of 2021. ALTISSIMO is a 12-month, multicenter, prospective, double-masked, randomized (3:3:2), 3-parallel arm trial comparing two doses of GB-102 (1 and 2 mg) administered every six months to aflibercept administered every two months in patients with anti-VEGF-responsive wet AMD.

Similar to the population in the ADAGIO trial, key eligibility criteria include patients with wet AMD diagnosed less than 18 months prior to enrollment, who had received at least three prior injections of any anti-VEGF and demonstrated response to anti-VEGF treatment, defined as physician-reported reduction in macular thickness. In addition, those patients received an anti-VEGF injection within 21 days of screening. Eligible patients will receive either GB-102 (1 or 2 mg) or aflibercept at day one and will be followed monthly for 12 consecutive months. Monthly assessments include adverse events, BCVA, CST, complete ophthalmic examination, wide-field fundus photography and plasma blood samples to detect systemic levels of sunitinib.

Patients will be eligible for additional anti-VEGF supportive therapy (aflibercept) if they meet the following prespecified criteria:

- Decrease in BCVA (any of the following criteria):
  - ³ 5 ETDRS letter decrease compared with the average of last 2 visit BCVA ETDRS letter scores, and/or,
  - ³ 10 ETDRS letter decrease compared with best on-study BCVA ETDRS letter score.
- Increase in CST (any of the following criteria):
  - ³ 75 µm compared with the average of the last 2 visit CST measurements (µm), and/or,
  - ³ 100 µm compared with the lowest on-study CST measurement (µm).

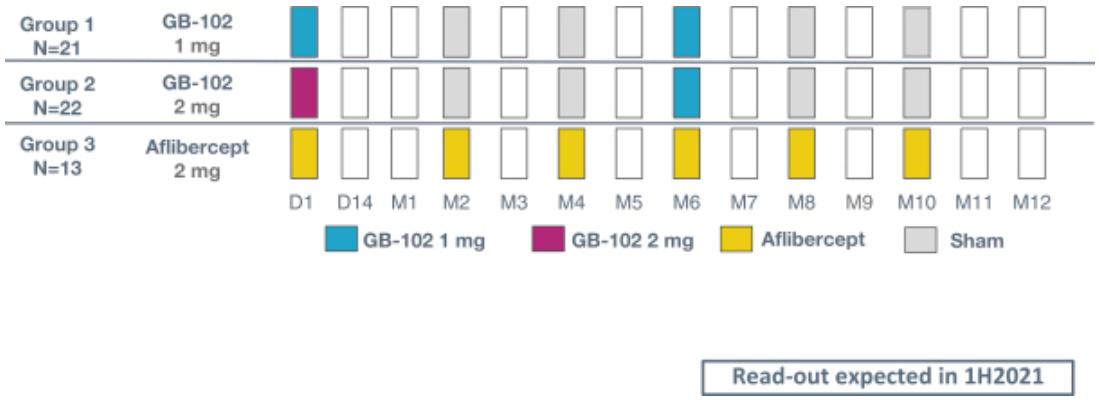
We initially designed the ALTISSIMO trial to enroll 160 patients and initiated the trial in September 2019. In December 2019, we voluntarily paused enrollment as a precautionary measure following the report of a single patient experiencing SAEs with the 2 mg dose in the Phase 2a trial of GB-102 in ME patients (see table above). In February 2020, subsequent to the safety analysis of the ME trial, we conducted an ad-hoc interim safety analysis of ALTISSIMO. In order to preserve data integrity, trial personnel including investigators, patients, study technicians and reading center remained masked at all times. No drug related SAEs were reported in ALTISSIMO. Presence of medication in the anterior chamber was reported in four patients in the GB-102 2 mg dose group and one patient in the 1 mg dose group.

On the basis of a safety analysis of the ME trial and interim safety data in the ALTISSIMO trial, we terminated the development of the GB-102 2 mg dose in all of our clinical trial programs and amended the protocol of the ALTISSIMO trial.

The ALTISSIMO trial design was modified as follows:

- Treatment group 2, who received an initial injection of GB-102 2 mg, will be treated with GB-102 1 mg at month 6 and with sham injections at months 2, 4, 8 and 10. The other two treatment groups remained unchanged.
- Enrollment was capped at 56 patients.
- In addition, based on recent guidance from FDA the primary endpoint—median time to first additional anti-VEGF supportive therapy—was shifted from month 10 to month 12.

The revised ALTISSIMO trial design is provided in the figure below:



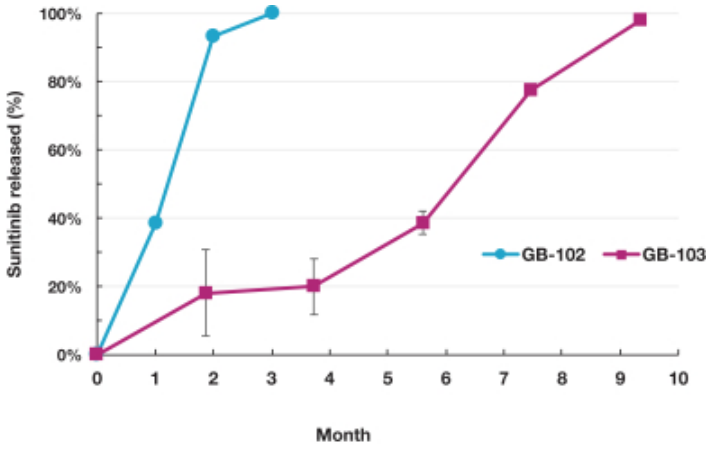
The results of the ADAGIO and ALTISSIMO trials, together with published clinical data in wet AMD, will inform the trial design of pivotal Phase 3 trials. We plan to initiate a Phase 2b trial in DME in the second half of 2021.

GB-103: Potential for once-per year dosing of sunitinib in DR

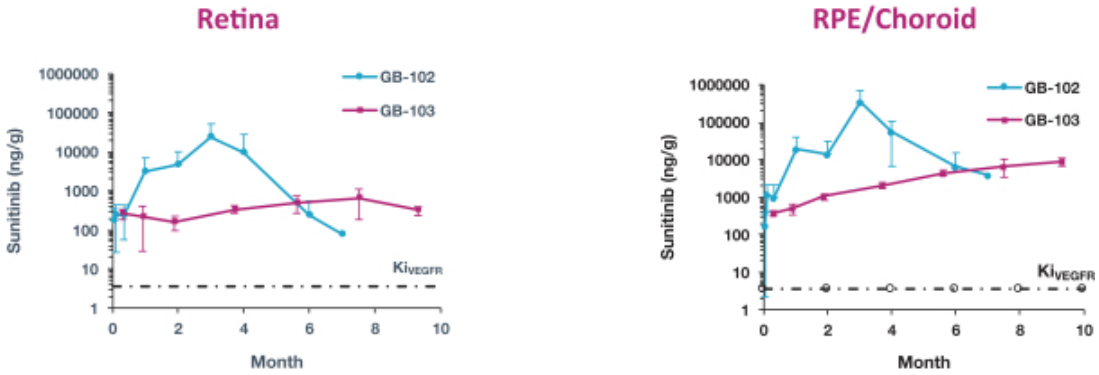
GB-103 is intended to be a longer-acting version of GB-102 with the potential to maintain therapeutic drug levels in the retinal tissue for up to 12 months from a single intravitreal injection. We believe that GB-103's potential 12-month durability and reduction in frequency of injections could significantly improve the standard of care for DR patients.

We are in the process of optimizing our GB-103 formulation, which will inform the timing and design of the clinical development program to explore indications in DR. The development of GB-103 will also be informed by the extended duration of treatment that is achievable through GB-102. We are currently conducting IND enabling activities and plan to initiate a Phase 1/2a trial in the first half of 2022.

In preclinical models, GB-103 demonstrated longer sustained drug levels of sunitinib in ocular tissues in comparison to GB-102. The figure below illustrates the *in vivo* correlation of drug release kinetics in a rabbit vitreous comparing GB-102 (blue, circles) with GB-103 (pink squares). The estimated 12-month duration of GB-103 results from 10 months release from our proprietary microparticles plus an estimated additional two months in which sunitinib is released from the RPE melanin, extending drug presence in target tissues. The longer duration is accomplished through adjusting the properties of our biodegradable polymer.



The figure below illustrates *in vivo* tissue drug levels of sunitinib from a single injection of either GB-103 (red, squares) or GB-102 (blue, circles) in a rabbit eye. High levels of sunitinib that are many folds above the Ki_{VEGF} are observed in the retina (left) and RPE/choroid (right) throughout the entire studies. Ki is the inhibitory constant and reflects how much drug is required to block the receptor. Drug tissue levels that are higher than the Ki indicate that there is theoretically sufficient drug concentration available to block the action of the receptor.



Preclinical toxicology profile of GB-103

As GB-103 has the same active ingredient and a similar polymer composition as GB-102, we expect that GB-103 will be well tolerated in the eye. Since the ocular drug exposure is the same or lower with GB-103 than with GB-102 in preclinical pharmacokinetics studies, we plan to use the completed GB-102 preclinical toxicology studies to support clinical trials of GB-103.

GB-401

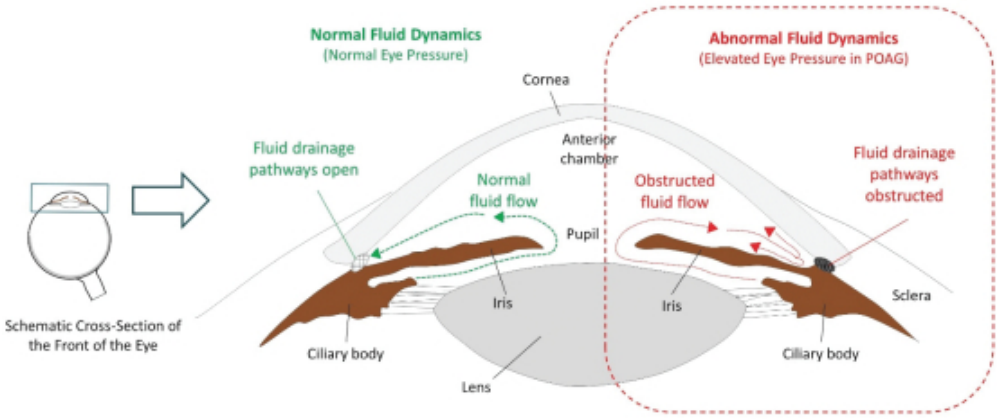
Disease overview

Glaucoma is an optic neuropathy that is characterized by the progressive degeneration of the optic nerve, leading to visual impairment, and is a leading cause of irreversible vision loss worldwide. POAG is the most common type of glaucoma.

Though the specific mechanism of neuronal damage in POAG has not been fully identified, progressive visual field loss is associated with increased IOP. Chronically elevated IOP can lead to neuronal degeneration and retinal ganglion cell death with resulting disruption of the visual pathway. Increased IOP is caused by the over-production of the clear fluid in the eye behind the cornea, or aqueous humor, and/or decreased drainage of the aqueous humor from the eye. Currently approved topical eye drops can lower IOP by either decreasing aqueous humor production and/or enhancing aqueous humor drainage when used as directed by a physician. These medications must be administered up to four times per day, and it is estimated that approximately 30% of patients often require more than one medication.

The figure below on the left illustrates the anatomy of aqueous fluid production in a normal eye. The ciliary body produces fluid that circulates through the pupil and drains in the corner, or the angle, of the eye where the cornea and iris meet. The right side of the figure illustrates in POAG, pressure in the eye can increase if there is increased fluid production and/or decreased drainage in the angle leading to elevated IOP.

Elevated Eye Pressure in Primary Open-Angle Glaucoma (POAG) Is Caused By Obstructed Fluid Flow



Market overview

Glaucoma is a leading cause of irreversible vision loss affecting approximately 76 million people worldwide in 2020. The global POAG therapeutics market is estimated to reach approximately $3.8 billion in 2026, of which the United States represents approximately $2.9 billion.

Various drug classes for glaucoma therapy include prostaglandin analogs, or PGAs, beta-blockers, alpha-adrenergic agonists, carbonic anhydrase inhibitors, rho-kinase inhibitors, combination drugs and others. PGAs are preferred as first-line therapy for glaucoma due to their effectiveness in reducing IOP, once-daily dosing and reduced side effects as compared to other therapies. The PGA segment accounted for a market share of approximately 50% in the United States in 2018 and is expected to remain dominant until meaningfully superior agents are developed and approved. The second most prescribed class of drops is beta-blockers, however with a less favorable systemic side effect profile, including decreased heart rate, slowed breathing rate and decreased blood pressure.

A number of procedures have been developed to treat patients whose disease has significantly progressed. These include laser or surgical treatments reserved for patients for whom other measures have failed.

Unmet need

Importance of greater compliance in glaucoma is considered a large unmet need. It is estimated that approximately 50% of patients stop taking their glaucoma medications within the first six months of treatment initiation due to various reasons, including forgetfulness, lack of disease awareness and/or cost. Poor adherence to glaucoma medication regimens has been documented in numerous independent studies, particularly in patients on two or more prescription eye drops. Additionally, studies show that more than 30% of patients often require more than one medication.

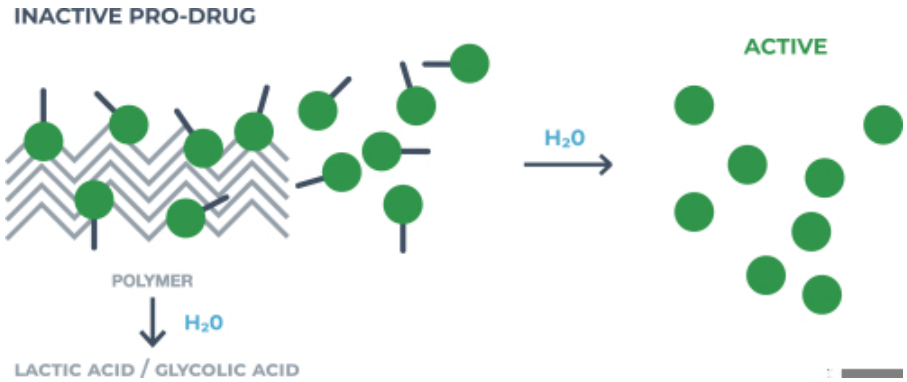
Furthermore, because glaucoma progresses slowly and causes few symptoms, patients often do not adhere to their medication regimens as prescribed until the disease has progressed to the point of significant vision loss. As

a result, despite the availability of medication to treat glaucoma, progressive visual loss and blindness still often occur. According to a study published in 2015, 15% of glaucoma patients progress to blindness within 20 years of diagnosis.

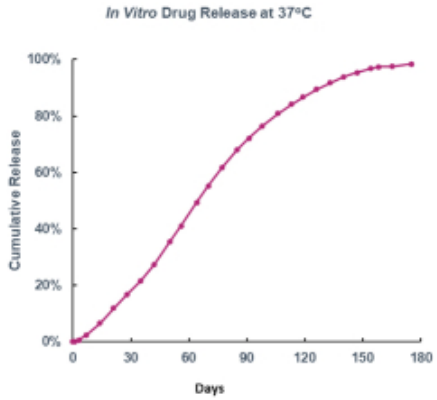
Our goal is to provide sustained reduction of elevated IOP associated with POAG to increase compliance for patients and improve the medical management of glaucoma. For patients, our goal is to eliminate the need for daily eye drops required to manage elevated IOP. For physicians, our goal is to design a long-acting IOP-lowering treatment that can be administered in the office through intravitreal injections, ensuring patient compliance for up to six months.

Our solution

GB-401 has the potential to reduce elevated IOP for at least six months. GB-401 is an inactive new chemical entity, or NCE, prodrug of a beta-adrenergic receptor inhibitor, or beta-blocker, formulated with our proprietary microparticle technologies for controlled release and is designed to be administered intravitreally once every six months. Upon exposure to water under physiologic conditions, the prodrug is released from the polymer and is converted into the active beta-blocker by hydrolysis. The polymer biodegrades into normal metabolic by-products of lactic and glycolic acid and is naturally cleared from the eye.



GB-401 is designed to provide controlled drug release with minimal burst effects that can result in potential systemic exposure of the beta-blocker. The figure below illustrates sustained *in vitro* drug release from GB-401 for 180 days at 37° C without a burst effect.



Beta-blockers have been used as the comparative control for the approval of topical agents for IOP reduction, including PGAs, carbonic anhydrase inhibitors, rho-kinase inhibitors and alpha-adrenergic receptor agonists. Beta-blockers must be administered twice daily and often produce systemic exposure which can lead to decreases in heart rate, blood pressure and respiratory function. Though prostaglandins are the leading class of agents used to reduce IOP, evidence suggests that continuous exposure may lead to loss of IOP reduction effects that may be due to receptor fatigue from continuous stimulation, as well as poor compliance due to topical side effects.

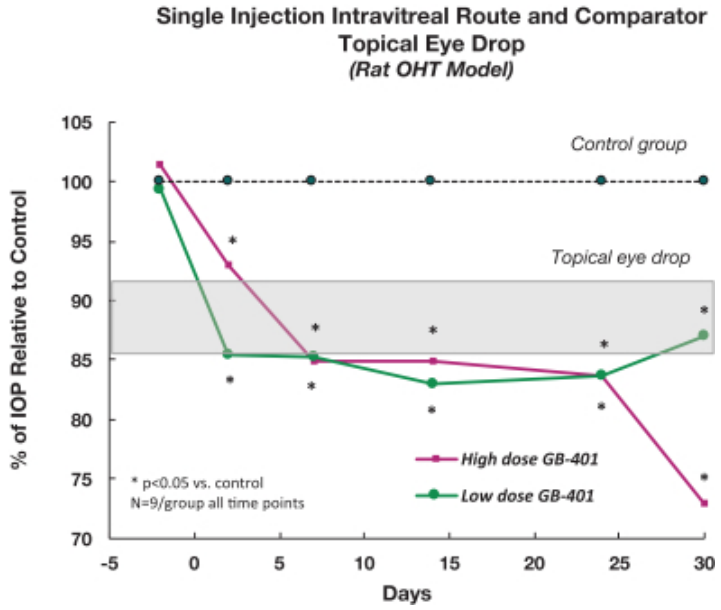
We believe that GB-401 has the potential to provide sustained reduction in IOP for at least six months, thus eliminating the need for frequent patient-instilled eye drops. GB-401 could also improve tolerability by reducing ocular hyperemia (red eyes due to irritation) and sunken eye (reduction in peri-orbital fat), which are common side effects for PGAs and rho-kinase inhibitors, while eliminating systemic drug exposure. Therefore, we believe our proprietary beta-blocker technology represents a validated but differentiated pharmacological approach.

Our preclinical study results

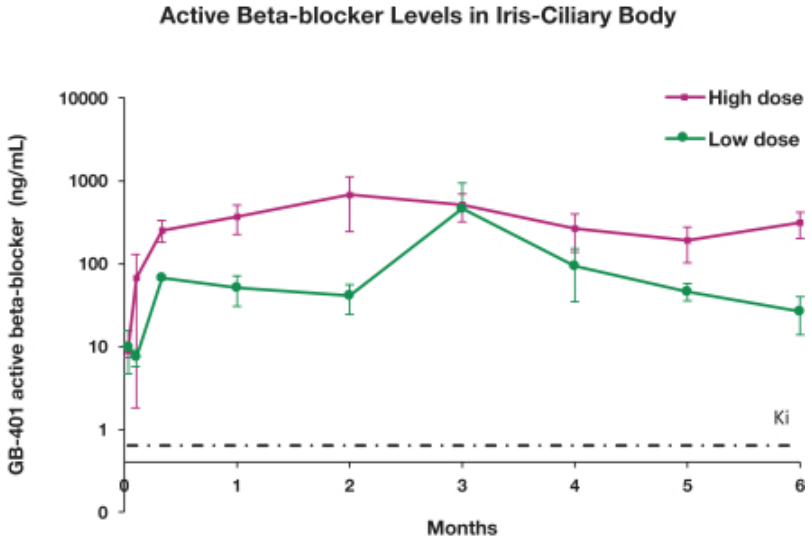
Set forth below is a summary of data from our preclinical studies to date:

- In a rat model for ocular hypertension, we observed sustained IOP reduction from a single intravitreal injection that appeared to be at least as potent as twice daily administration of topical timolol 0.5% ophthalmic solution for 28 days.
- In pigmented rabbit eyes, we observed sustained therapeutic tissue drug levels for at least six months from a single intravitreal injection.
- In a six-month good laboratory practice, or GLP, toxicity study in minipigs, no active beta-blocker was detected in the plasma at any dose or time point.

The figure below illustrates the proof of concept study in a rat ocular hypertension, or OHT, model. The control group received no drug (black dotted lined). The active control group (gray bar) received twice daily topical timolol 0.5% and demonstrated 10 to 15% relative reduction in IOP. Following a single administration of GB-401 intravitreally, the low dose (green circles) and high dose (pink squares) groups demonstrated statistically significant reductions in IOP compared to baseline ($p<0.05$). The results suggest that intravitreal administration of GB-401 may be at least as potent in reducing IOP as traditional timolol eye drops.



The figure below illustrates tissue drug levels of the GB-401 beta-blocker from a single intravitreal injection at day one comparing low (pink squares) and high dose (green circles) in the iris-ciliary body of pigmented rabbit eyes. The levels of the beta-blocker are above the Ki required to inhibit the beta-adrenergic receptors at all recorded time points out through six months.



Preclinical toxicology profile of GB-401

The toxicology profile of GB-401 has been evaluated in a six-month GLP toxicology study in minipigs following a single intravitreal injection. GB-401 was shown to be well tolerated in this study. There were no observations of adverse events and no test article-related effects on mortality, body weight, hematology, coagulation or chemistry parameters. In addition, there were no significant ocular observations associated with GB-401 based on ophthalmoscopic examinations, IOP and electroretinogram. There were no test article-related macroscopic or microscopic findings, either. Systemic levels of the GB-401 active beta-blocker were not detected in the plasma at any dose or time point.

Our future development plans

We plan to pursue clinical development for GB-401 under a 505(b)(2) regulatory pathway, which obviates the need to conduct repeat preclinical toxicology and safety studies. We plan to initiate a first-in-human, multicenter, open-label, sequential escalating dose-cohorts Phase 1/2a clinical trial evaluating the safety, tolerability and pharmacodynamic effects of a single intravitreal injection of GB-401 with POAG in the second half of 2021. The primary endpoint will be the occurrence of ocular and non-ocular adverse events. Secondary endpoints will include pharmacodynamic evaluation of IOP.

Commercialization

We currently have no sales, marketing or commercial product distribution capabilities. We intend to start developing commercialization capabilities after the data read-out from the ALTISSIMO trial in patients with wet AMD in the first half of 2021.

If GB-102 receives regulatory approval, we plan to commercialize it in the United States with our own specialty sales force. We believe that retinal specialists in the United States, who perform most of the medical

procedures involving diseases of the back of the eye, are sufficiently concentrated that we expect to be able to effectively promote GB-102 to these specialists with our own sales and marketing group. We expect to use a variety of types of collaboration, distribution and other marketing arrangements with one or more parties to commercialize GB-102 in markets outside the United States.

If GB-401 receives marketing approval, we plan to commercialize it in the United States with our own specialty sales force. Similar to GB-102, we will explore a variety of types of collaboration, distribution and other marketing arrangements with one or more third parties in markets outside the United States.

Competition

The biotechnology and pharmaceutical industries are characterized by rapidly advancing technologies, intense competition and a strong emphasis on proprietary products. While we believe that our technologies, knowledge, experience and scientific resources provide us with competitive advantages, we face potential competition from many different sources, including major pharmaceutical, specialty pharmaceutical and biotechnology companies, generic drug companies, academic institutions and governmental agencies and public and private research institutions. Any product candidates that we successfully develop and commercialize will compete with existing therapies and new therapies that may become available in the future.

Many of our competitors have significantly greater financial and human resources and expertise in research and development, manufacturing, preclinical testing, conducting clinical trials, obtaining regulatory approvals and marketing approved products than we do. Smaller and other early stage companies may also prove to be significant competitors, particularly through collaborative arrangements with large and established companies. These organizations compete with us for recruiting and retaining qualified scientific and management personnel, establishing clinical trial sites and patient enrollment for clinical trials, as well as in acquiring products, product candidates or other technologies complementary to our programs.

The key competitive factors affecting the success of GB-102, if approved, are likely to be its efficacy, safety, method and frequency of administration, on-mechanism durability of therapeutic effect, convenience, price, level of generic competition and availability of coverage and reimbursement from government and other third-party payors. The method of administration of GB-102, intravitreal injection, is commonly used to administer ophthalmic drugs for the treatment of severe disease and is generally accepted by patients facing the prospect of severe visual loss or blindness. However, a therapy that offers a less invasive method of administration might have a competitive advantage over one administered by intravitreal injection, depending on the relative efficacy, safety and durability of the other method of administration.

The current standard of care for wet AMD and DME is monotherapy administration of anti-VEGF drugs, principally Avastin, Lucentis and Eylea, which are well-established therapies and are widely accepted by physicians, patients and third-party payors, as well as Beovu, the most recently approved anti-VEGF drug. There are also several product candidates in late-stage development, including those being developed by F. Hoffmann-La Roche AG, Kodiak Sciences Inc., Chengdu Kanghong Pharmaceutical Group Co., Ltd. and Opthea Limited. Physicians, patients and third-party payors may not accept the addition of GB-102 to their current treatment regimens for a variety of potential reasons, including:

- if they do not wish to incur the additional cost, if any, of GB-102;
- if they perceive the addition of GB-102 to be of limited benefit to patients compared to existing treatment options;
- if sufficient coverage and reimbursement are not available; and
- if they do not perceive GB-102 to have a favorable risk-benefit profile.

We are developing GB-102 as an alternative to existing anti-VEGF drugs, including Avastin, Lucentis, Eylea and Beovu. Accordingly, GB-102 would directly compete with these therapies. While we believe GB-102 will compete favorably with existing anti-VEGF drugs, future approved standalone or combination therapies for wet AMD with demonstrated improved efficacy over GB-102 or currently marketed therapies with a favorable safety profile and any of the following characteristics might pose a significant competitive threat to us:

- a mechanism of action that does not involve VEGF;
- a duration of action that obviates the need for twice-yearly intravitreal injection;
- a method of administration that effectively avoids intravitreal injection; and
- significant cost savings or reimbursement advantages compared to GB-102 and other anti-VEGF therapies.

Our commercial opportunity could be reduced or eliminated if one or more of our competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any products that we may develop. An anti-VEGF gene therapy product might substantially reduce the number and frequency of intravitreal injections when treating wet AMD and DME, making GBV-102 unattractive to physicians and patients. Our competitors also may obtain FDA or other regulatory approval for their products more rapidly than we may obtain approval for ours, which could result in our competitors establishing a strong market position before we are able to enter the market. In addition, our ability to compete may be affected because in many cases insurers or other third-party payors seek to encourage the use of generic products.

We expect that product candidates currently in clinical development, or that could enter clinical development in the near future, could represent competition, if approved. These product candidates may provide efficacy, safety, convenience and other benefits that are not provided by currently marketed therapies. Because there are a variety of means to treat wet AMD and DME, our patents and other proprietary protections for GB-102 will not prevent development or commercialization of product candidates that are different from GB-102.

Manufacturing

We do not have any manufacturing facilities or personnel, other than personnel who manage our CMO relationships. We currently rely, and expect to continue to rely, for the next few years, on third parties for the manufacture of our product candidates undergoing preclinical testing and clinical testing.

All of our drug candidates include small molecules and are manufactured in synthetic processes from base materials. We purchase the active pharmaceutical ingredient, or API, from a reliable source and we believe that our manufacturing process is amenable to scale-up and does not currently require unusual equipment. We expect to continue to develop product candidates that can be produced cost-effectively at contract manufacturing facilities. We anticipate that these arrangements will be sufficient for the manufacture of our product candidates until our planned manufacturing facility is established and operational.

Although we plan to establish our own manufacturing facility, we may continue to rely on CMOs for parts of the process, such as filling and labelling of our products for commercial sale. By establishing our own manufacturing facility, we expect to minimize or eliminate our reliance on CMOs. We believe that having control over the whole manufacturing process will allow us to reduce cycle times, increase the robustness and consistency of the process and reduce cost of goods for commercial production. We also believe that having a dedicated manufacturing facility will allow us to optimize commercial-scale processes.

Intellectual property

Our commercial success depends in part on our ability to obtain and maintain proprietary protection for our therapeutic products for ocular diseases, which include our novel microparticle aggregation technology, to

deliver known active agents such as sunitinib as well as our novel prodrugs such as that in GB-401. We also seek to protect our proprietary methods of treatment using our microparticles for ocular disease, alone and in combination with other therapeutic agents. In addition, we seek protection on processes for the production of our aggregating microparticles, and dosing regimens and formulations for the ocular administration of our microparticles. Our success also depends on our ability to operate without infringing on the proprietary rights of others and to prevent others from infringing our proprietary rights.

Our policy is to seek to protect our proprietary position by filing or exclusively licensing U.S. and foreign patent applications covering our proprietary technologies, inventions and improvements that are important to the development and implementation of our business. In addition, we currently plan to seek patent term adjustments, restorations and/or patent term extensions where applicable in the United States, Europe and other jurisdictions. We also rely on trade secrets, know-how, continuing technological innovation and potential in-licensing opportunities to develop and maintain our proprietary position. Additionally, we expect to benefit, where appropriate, from statutory frameworks in the United States, Europe and other countries that provide a period of regulatory data exclusivity to compensate for the time required for regulatory approval of our drug products.

We are the sole owner of ten patent families covering our products and proprietary aggregating microparticle technology, which include composition of matter, methods of use and processes of manufacture, as described in more detail below. Our owned patent estate as of July 17, 2020, on a worldwide basis, includes 83 granted or pending patent applications with eight granted U.S. patents, six pending U.S. non-provisional applications, one pending U.S. provisional application, four pending international patent applications filed under the Patent Cooperation Treaty and 64 pending patent applications that have entered the national phase of prosecution in countries outside the United States.

We have exclusively licensed five patent families from Johns Hopkins University, or JHU, described below, and have granted an exclusive sublicense to Kala Pharmaceuticals, Inc., or Kala, solely in the area of delivery through a mucosal barrier for the five families licensed from JHU only. Our patent estate exclusively licensed from JHU as of July 17, 2020, on a worldwide basis, includes 50 granted or pending patent applications with eight granted U.S. patents, five pending U.S. non-provisional applications and 37 pending or granted patents that have entered the national phase of prosecution in countries outside the United States.

We continually assess and refine our intellectual property strategies as we develop new technologies and product candidates. We plan to file additional patent applications based on our intellectual property strategies where appropriate, including where we seek to adapt to competition or to improve business opportunities. Further, we plan to file patent applications, as we consider appropriate under the circumstances, to protect new technologies that we develop. Our patent filing strategy generally includes seeking patent protection in the United States, the European Union and China (which may include Macau and Hong Kong) and may in addition seek protection in countries where we believe such protection is likely to be useful, including one or more of Argentina, Australia, Brazil, Canada, countries of the Gulf Cooperation Council, India, Israel, Japan, Mexico, Russia and Taiwan.

The exclusivity terms of our patents depend upon the laws of the countries in which they are obtained. In the countries in which we currently file, the patent term is 20 years from the earliest date of filing of a non-provisional patent application. The term of a U.S. patent may be extended to compensate for the time required to obtain regulatory approval to sell a drug, referred to as a patent term extension, or by delays encountered during patent prosecution that are caused by the PTO, referred to as patent term adjustment. For example, the Hatch-Waxman Act permits a patent term extension for FDA-approved new chemical entity drugs of up to five years beyond the expiration of the patent. The length of the patent term extension is related to the length of time the drug is under regulatory review and diligence during the review process. Patent term extensions in the United States cannot extend the term of a patent beyond a total of 14 years from the date of product approval, and only one patent covering an approved drug or its method of use may be extended. A similar kind of patent extension, referred to as a Supplementary Protection Certificate, is available in Europe.

Legal frameworks are also available in certain other jurisdictions to extend the term of a patent. We currently intend to seek patent term extensions on any of our issued patents in any jurisdiction where we have a qualifying patent and the extension is available; however, there is no guarantee that the applicable regulatory authorities, including the FDA in the United States, will agree with our assessment of whether such extensions should be granted, and even if granted, the length of such extensions. Further, even if our patent is extended, the patent, including the extended portion of the patent, may be held invalid or unenforceable by a court of final jurisdiction in the United States or a foreign country.

Current issued patents and patent applications covering the composition of matter for our present clinical candidates GB-102 and GB-103 will expire on dates ranging from 2031 to 2039, if the applications are issued and held valid by a court of final jurisdiction if challenged. Current issued patents and patent applications covering our clinical candidate GB-401 will also expire on dates ranging from 2031 to 2041, if the applications are issued and held valid if challenged. Our pending applications on additional methods of use of our clinical candidates, should they issue, will expire in 2039. We plan to file additional applications on aspects of our innovations that may have patent terms that extend beyond these dates. However, any of our patents, including patents that we may rely on to protect our market for approved products, may be held invalid or unenforceable by a court of final jurisdiction. Alternatively, we may decide that it is in our interest to settle a litigation in a manner that affects the term or enforceability of our patent. Changes in either the patent laws or in interpretations of patent laws in the United States and other countries may diminish our ability to protect our inventions and enforce our intellectual property rights. Accordingly, we cannot predict the breadth or enforceability of claims that have been or may be granted on our patents or on third-party patents. The biotechnology and pharmaceutical industries are characterized by extensive litigation regarding patents and other intellectual property rights. Our ability to obtain and maintain our proprietary position for our microparticle technologies and novel prodrugs will depend on our success in enforcing the claims that have been granted or may grant. We do not know whether any of the pending patent applications that we have filed or may file or license from third parties will result in the issuance of any additional patents. The issued patents that we own or may receive in the future may be challenged, invalidated or circumvented, and the rights granted under any issued patents may not provide us with sufficient protection or competitive advantages against competitors with similar technology. Furthermore, our competitors may be able to independently develop and commercialize drugs with similar mechanisms of action and/or duplicate our methods of treatments or strategies without infringing our patents. Because of the extensive time required for clinical development and regulatory review of a drug we may develop, it is possible that, before any of our drugs can be commercialized, any related patent may expire or remain in force for only a short period following commercialization, thereby reducing any advantage of any such patent.

GB-102 and GB-103 patent coverage

Patents solely owned by us

We own a first patent family that generally describes our proprietary surface modifying microparticle technology that allows the microparticles to remain separate prior to *in vivo* administration and then aggregate *in vivo* into at least one microparticle of at least 500 microns that provides controlled drug delivery. Alternatively, the microparticle can be aggregated into an implant that is used in the eye. This family consists of one issued U.S. Patent (US 10,441,548) and two pending U.S. applications (US 2020/0000734 and US 2020/0000735) covering the GB-102 and GB-103 aggregating microparticle composition-of-matter and their pharmaceutical compositions. Several pending corresponding patent applications cover methods of use of these aggregated microparticles and their processes of manufacture. This patent family is now also in the national stage of prosecution in Australia, Brazil, Canada, China, Eurasia, Europe, Hong Kong, Israel, India, Japan and Mexico. The expected year of expiration for these composition-of-matter patents, where issued, valid and enforceable, is 2036, without regard to any extensions, adjustments or restorations of term that may be available under national law.

We also own a second patent family that cover additional microparticle formulations and methods of manufacture, including for example suspensions of GB-102 or GB-103 and lyophilized solid GB-102 or GB-103

that have been treated to remove adhered air or gas. It consists of two U.S. applications, US 2018/0326078 and USSN 16/821,738, and is currently in the national phase of prosecution in Australia, Bahrain, Brazil, Canada, China, Europe, Israel, India, Japan, Kuwait, Mexico, Oman, Russia, Qatar, Saudi Arabia and the United Arab Emirates, that The expected year of expiration for this patent family, if issued, valid and enforceable, is 2038, without regard to any extensions, adjustments or restorations of term that may be available under U.S. or other national laws.

We own a third patent family that discloses coordinated control of a number of processing factors that result in a significantly harder or more durable aggregated microparticle, and which may be used in the process of manufacture of our GB-102 or GB-103 products. This family includes one international application filed under the Patent Cooperation Treaty, PCT/US19/61859 (which we intend to file in the United States and other selected foreign countries on or before the deadline to do so), one patent application filed in Taiwan and one patent application filed in Argentina. The expected year of expiration for this patent family, if issued, valid and enforceable, is 2039, without regard to any extensions, adjustments or restorations of term that may be available under U.S. or other national laws.

In addition, we own a fourth patent family that discloses various processes for the manufacture of our aggregating microparticles that can be used to manufacture GB-102 or GB-103. The family includes one international application filed under the Patent Cooperation Treaty, PCT/US2019/028803 (which we intend to file in the United States and other selected foreign countries on or before the deadline to do so). The expected year of expiration for this patent family, if issued, valid and enforceable, is 2039, without regard to any extensions, adjustments or restorations of term that may be available under U.S. or other national laws.

Patent Filings Exclusively Licensed from JHU

We have exclusively licensed from JHU a first patent family that claims microparticles with a hydrophobic polymeric core (such as PLGA or PLA or a combination of both PLGA and PLA) and a hydrophilic coating (such as PLGA permanently linked to polyethylene glycol) to reduce inflammation for intraocular injections and their methods of use. This patent family includes four U.S. Patents (US 8,889,193; US 9,566,242; US 9,937,130; and US 10,369,107). This patent family also currently includes one pending U.S. application, US 2019/0321297, as well as corresponding patent applications Europe and Canada. The expected year of expiration for this patent family, where issued, valid and enforceable, is 2031, without regard to any extensions, adjustments or restorations of term that may be available under national law.

We have also exclusively licensed from JHU a second patent family, which covers sunitinib-encapsulated polymeric microparticles, including GB-102 and GB-103, and their use as therapeutic compositions to treat disorders of the eye. This patent family currently includes two U.S. pending applications, US 2017/0273901 and US 2019/0275001 and is also pending in Australia, Brazil, Canada, China, Europe, Hong Kong, India, Israel, Japan, Mexico, Oman, Qatar, Russia, Saudi Arabia and United Arab Emirates. The expected year of expiration for this patent family, where issued, valid and enforceable, is 2035, without regard to any extensions, adjustments or restorations of term that may be available under national law.

A third patent family exclusively licensed from JHU discloses method for reducing neuronal damage in the eye that includes administration of a sustained release formulation of dual leucine kinase inhibitor in a polymeric particle, and wherein the dual leucine kinase inhibitor may be sunitinib. This family consists of one issued U.S. Patent, US 10,525,034, one pending U.S. application, US 2020/0147044, and corresponding applications in Europe, China, Japan and Hong Kong. The expected year of expiration for this patent family, where issued, valid and enforceable, is 2035, without regard to any extensions, adjustments or restorations of term that may be available under national law.

GB-401 patent coverage

We own a fifth patent family that describes the composition of matter of a range of proprietary prodrugs, one of which is a prodrug of a beta-adrenergic receptor inhibitor that is in GB-401. This patent family provides

the basis for compound (new chemical entity), pharmaceutical compositions and methods of use of these prodrugs. The family includes one pending U.S. patent application, US 2020/0031783, and corresponding applications in Australia, Bahrain, Brazil, Canada, China, Europe, Hong Kong, Israel, India, Japan, Kuwait, Mexico, Oman, Russia, Qatar, Saudi Arabia and the United Arab Emirates. The expected year of expiration for these composition-of-matter patents, where issued, valid and enforceable, is 2038, without regard to any extensions, adjustments or restorations of term that may be available under national law.

We own a sixth patent family that describes microparticles and implants with high-drug loadings of GB-401. This family includes one provisional application and the expected year of expiration for this patent family, if issued, valid and enforceable, is 2041, without regard to any extensions, adjustments or restorations of terms that may be available under U.S. or other national laws.

The four patent families that we solely own described above covering GB-102 and GB-103 also cover aggregating microparticles that encapsulate GB-401, pharmaceutical compositions of these aggregating microparticles, and methods of use. Therefore, we have six patent families that cover GB-401 as a compound and in an aggregating microparticle, and their uses and manufacture.

In addition, the first patent family exclusively licensed from JHU described above that describes polymeric microparticles has claims that cover GB-401, pharmaceutical compositions of these microparticles, and methods of use.

Patent filings that cover additional novel prodrugs, compositions, uses and manufacture

Patent filings solely owned by us

We also own several patent families that cover additional novel prodrugs, pharmaceutical compositions and methods of use in the area of ocular therapy. We may or may not develop these inventions to commercial products, and we have the possibility to license undeveloped technologies to other entities where advantageous to us.

The seventh patent family owned by us covers an extensive number of novel prodrugs, including prodrugs of sunitinib, timolol, brinzolamide and dorzolamide, pharmaceutical compositions, and methods of use for ocular therapy. The family includes seven granted U.S. Patents (US 9,808,531; US 9,956,302; US 10,098,965; US 10,111,964; US 10,117,950; US 10,159,747; and US 10,485,876) and is currently pending in Australia, Brazil, Canada, China, Eurasia, Europe, Hong Kong, Israel, India, Japan and Mexico. The expected year of expiration for these composition-of-matter patents, where issued, valid and enforceable, is 2036, without regard to any extensions, adjustments or restorations of term that may be available under national law.

The eighth patent family covers prodrug derivatives of ethacrynic acid, timolol, brinzolamide and pharmaceutical compositions, and methods of use for ocular disorders, including the lowering of intraocular pressure. The patent family includes one U.S. pending application and corresponding applications in Australia, Canada, China, Europe, Japan and Russia. The expected year of expiration for these composition-of-matter patents, where issued, valid and enforceable, is 2038, without regard to any extensions, adjustments or restorations of term that may be available under national law.

The ninth patent family covers novel prodrugs of loop diuretics, pharmaceutical compositions, and methods of use for ocular disorders, including the lowering of intraocular pressure. This family includes one international application filed under the Patent Cooperation Treaty, PCT US 2019/029416 (which we intend to file in the United States and other selected foreign countries on or before the deadline to do so). The expected year of expiration for these composition-of-matter patents, where issued, valid and enforceable, is 2039, without regard to any extensions, adjustments or restorations of term that may be available under national law.

Our tenth patent family includes one international application filed under the Patent Cooperation Treaty, PCT/US19/53513 (which we intend to file in the United States and other selected foreign countries on or before

the deadline to do so), and one patent application filed in Taiwan that covers additional novel prodrugs of sunitinib, brinzolamide, and dorzolamide, pharmaceutical compositions, and methods of use for ocular disorders. The expected year of expiration for these composition-of-matter patents, where issued, valid and enforceable, is 2039, without regard to any extensions, adjustments or restorations of term that may be available under national law.

Patent filings exclusively licensed from JHU

We have exclusively licensed a fourth patent family from JHU that covers hydrophobic-hydrophilic copolymers of HIF-1 inhibitors, pharmaceutical compositions, and method of use for ocular therapeutics. This patent family includes two granted U.S. Patents (US 8,962,577 and US 9,950,072) and corresponding applications in Australia, Canada, China, Eurasia, Europe, Hong Kong and Japan. The expected year of expiration for these composition-of-matter patents, where issued, valid and enforceable, is 2033, without regard to any extensions, adjustments or restorations of term that may be available under national law.

We have in addition exclusively licensed from JHU a fifth patent family that covers hydrophobic-hydrophilic copolymers of non-HIF active agents for ocular therapy, pharmaceutical compositions, and method of use. The family includes one granted U.S. Patent (US 10,159,743) and one pending U.S. application (US 2019/0070302) as well as corresponding applications in Australia, Canada, China, Eurasia, Europe, Hong Kong and Japan. The expected year of expiration for these composition-of-matter patents, where issued, valid and enforceable, is 2033, without regard to any extensions, adjustments or restorations of term that may be available under national law.

License agreements

Johns Hopkins University

In June 2011, we entered into an Exclusive License Agreement with JHU, which has been amended from time to time, which we refer to as the JHU Agreement. Pursuant to the JHU Agreement, JHU granted us an exclusive, worldwide, sublicensable license to three patent families to research, develop, make, use and sell products and provide services in any field, and a non-exclusive license to use specified know-how and materials with a provision that JHU will not grant a license to know how and materials to any other commercial entity. The JHU first patent family describes microparticles with a hydrophobic polymeric core (such as PLGA or PLA or a combination of both PLGA and PLA) and a hydrophilic coating (such as PLGA permanently linked to polyethylene glycol) to reduce inflammation for intraocular injections and their methods of use, which technology is incorporated into our GB-102, GB-103 and GB-401 product candidates. The JHU licensed fourth and fifth patent families cover potential future technologies. See “Intellectual Property” above for additional description of the JHU patent families.

In September 2015, the JHU Agreement was amended to include the JHU second patent family which covers sunitinib-encapsulated polymeric microparticles, including GB-102 and GB-103, and their use as therapeutic compositions to treat disorders of the eye. Under the terms of the amended JHU Agreement, we paid a one-time, non-refundable upfront fee, with a remaining amount to be paid upon the occurrence of certain events. We also agreed to pay an additional one-time, non-refundable fee of $100,000 on the occurrence of the first commercial sale of a product falling under the claims of a patent in the second patent family.

In April 2016, the JHU Agreement was further amended to include a third patent family which discloses a method for reducing neuronal damage in the eye that includes administration of a sustained release formulation of a dual leucine kinase inhibitor in a polymeric particle, and wherein the dual leucine kinase inhibitor may be sunitinib, and thus is relevant to both our GB-102 and GB-103 product candidates. Under the terms of the amended JHU Agreement, we paid a one-time, non-refundable upfront fee, and a milestone payment for the grant of the first patent. We also agreed to use our best efforts to develop a licensed product under the third patent family and enter into a Phase I clinical trial on or before April 2019, and to have cumulatively spent several million dollars on research and development within six years of execution of the amendment.

Upon execution of the JHU Agreement in 2011, we paid JHU an upfront license fee in the low tens of thousands of dollars and issued to JHU a low single digit percentage of our equity interests as of such date. We have also reimbursed JHU for the prosecution and maintenance costs incurred by JHU for the licensed patent rights prior to our entering into the JHU Agreement, and we are responsible for all of the ongoing costs relating to the prosecution and maintenance of the JHU patent rights licensed to us. We also agreed to pay minimum annual royalties in the tens of thousands of dollars per year until the first commercial sale of a licensed product or service.

The JHU Agreement further requires single digit running royalties on our annual net sales, which may be reduced by 50% of any payments we make to third parties for freedom to operate, up to a maximum credit of 50% of the running royalty rate otherwise due to JHU. Royalties must be paid on products that fall within a patent claim of an issued and unexpired patent or a pending patent application that has not been finally rejected or is pending for less than seven years. We also must pay developmental milestones for achieving certain clinical progression events, ranging from tens of thousands to hundreds of thousand dollars per event, which in the aggregate, total less than $2 million per product. Under the JHU Agreement, prior to the Kala Agreement renegotiation described below, we were responsible for paying each developmental milestone payment for the first three products to achieve such milestone, and milestones for the second and third products are reduced by 50%. We further agreed to pay a percentage of any sublicense consideration we receive. Once commercial, we expect ongoing royalties on sales to be in the low single digits.

The JHU Agreement will remain effective until (i) the later of the expiration date of the last-to-expire patents covered under the JHU Agreement or 20 years from the effective date; (ii) the termination by either party upon the bankruptcy or uncured breach of the other party or (iii) if we terminate the JHU Agreement, with a 90-day notification period. We may terminate the entire agreement or on a patent by patent basis if desired, subject to the 90-day notification period.

Kala Pharmaceuticals

A dispute arose between us, JHU and Kala, over rights licensed to us and Kala by JHU. In October 2014, we entered into a Settlement and License Agreement, or the Kala Agreement, with Kala and JHU, which settled all pending disputes and amended our and Kala's existing license agreements with JHU and created new rights and obligations among the parties.

Under the Kala Agreement, each of Kala and us provided the other with a royalty-free, exclusive sublicense with respect to certain intellectual property rights granted by JHU in limited fields of use. Specifically, we provided Kala with an exclusive sublicense for the use of a particle with specific characteristics for delivery of a biologically active material through mucus, mucin or a mucosal barrier (provided that such delivery does not involve administration via injection to the eye), or the Kala Field of Use, and Kala provided us with an exclusive sublicense to the use of a particle with specific characteristics for delivery of a biologically active material to the eye via injection (excluding such use of any particle comprising or consisting of loteprednol etabonate). Kala also agreed not to use a particle with those specific characteristics that include sunitinib in the Kala Field of Use under the license from us or JHU. Neither we nor Kala owe JHU any payments under its existing JHU agreement with respect to the sublicenses granted to the other. Both we and Kala hold rights to sublicense our respective rights in connection with a future collaboration arrangement and subject to any such sublicensee being bound by the applicable terms of the Kala Agreement.

Under the Kala Agreement, JHU agreed to a number of financial concessions to both us and Kala. The payments under the existing JHU agreements were modified by reducing all milestones and minimum annual royalties by 25%, including the development milestone payments due for the first licensed product; the development milestone payments due for the first license product were each extended by one year; development milestone payments for the second and third licensed products were eliminated; and the commercial milestone payments for the first commercial sale of a licensed product were reduced by 50% in the United States. New

sales-based milestones were added for the second and third licensed products. Upon the second licensed product under the JHU Agreement reaching a certain level of sales or receiving sublicense royalty income, we are required to pay $100,000 plus the amounts of the eliminated development milestones and reduced first commercial sale milestone. For the third licensed product, on reaching the same level of sales or receiving sublicense royalty income, we are required to pay $150,000 plus the amounts of the eliminated development milestones and reduced first commercial sale milestone. In addition, we, Kala and JHU released each other from any liability or claims known to Kala and us as of the Kala Agreement and arising out of the actions leading to, and related to the subject of, the Kala Agreement.

The Kala Agreement will expire upon the expiration of all the patent rights that are the subject of the Kala Agreement. We may terminate one or more of the licenses or sublicenses granted to us in the Kala Agreement on a country-by-country basis for convenience upon 30 days' prior written notice to Kala. We or Kala may terminate one or more the sublicenses granted to the other party under the JHU patent rights if the other party, or its employees, officers, directors, agents or representatives, takes certain steps to oppose, attempt to invalidate or prevent the issuance of any of the patent rights directly licensed to the terminating party by JHU.

AffaMed Therapeutics

In July 2019, we entered into a letter agreement with AffaMed Project Limited, or AffaMed, in connection with their purchase of our Series C preferred, which we refer to as the AffaMed Letter. Under the AffaMed Letter, we granted AffaMed a right of first negotiation, or the Option, to enter into a license agreement to exclusively develop, register and commercialize GB-102 solely in the territories of China, Hong Kong, Taiwan, Macau and South Korea. The Option expires upon the earlier of (i) July 31, 2021 and (ii) 60 days after we provide top line data from the Phase 2b trial for GB-102. If AffaMed does not exercise the Option, we will have no further obligation to AffaMed to license rights to GB-102.

The AffaMed Letter provides AffaMed with an initial 30-day period to propose terms for such a license which, if such terms are approved by a majority of our board of directors (excluding the director appointed by AffaMed), shall lead to a 60-day exclusive negotiation period. During this period of up to 90 days, we are prohibited from soliciting, initiating, encouraging or assisting the submission of any other proposal, negotiation or offer for the development, registration and commercialization of GB-102 in China, Hong Kong, Taiwan, Macau or South Korea.

We will enter into a license agreement for such services with AffaMed if approved by a majority of the members of our board of directors, excluding the director appointed by AffaMed, during the exclusive negotiation period. If our board of directors does not approve AffaMed's proposed terms under the Option following good faith negotiations and following a further 10 business day period of discussion if requested by AffaMed, we have the right to enter into an alternative license agreement with any third party for such services. If AffaMed does not exercise its Option, we have the right to enter into an alternative license agreement with a different party. The AffaMed Letter does not limit our ability to develop, register and commercialize GB-102 in territories other than China, Hong Kong, Taiwan, Macau and South Korea.

Trade secrets

In addition to patents, we rely upon unpatented trade secrets and know-how and continuing technological innovation to develop and maintain our competitive position. We seek to protect our proprietary information, in part, using confidentiality agreements with our commercial partners, collaborators, employees and consultants, and invention assignment agreements with our employees. These agreements are designed to protect our proprietary information and, in the case of the invention assignment agreements, to grant us ownership of technologies that are developed through a relationship with a third party. These agreements may be breached, and we may not have adequate remedies for any breach. In addition, our trade secrets may otherwise become known or be independently discovered by competitors. To the extent that our commercial partners, collaborators,

employees and consultants use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting know-how and inventions.

Government regulation

Government authorities in the United States, at the federal, state and local level, and in other countries and jurisdictions, 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 and other regulatory authorities, require the expenditure of substantial time and financial resources.

FDA approval process

In the United States, pharmaceutical products are subject to extensive regulation by FDA under the FDCA, and other federal and state statutes and regulations. The failure to comply with applicable U.S. requirements may subject a company to a variety of administrative or judicial sanctions, such as FDA refusal to approve pending NDAs, warning or untitled letters, product recalls, product seizures, total or partial suspension of production or distribution, injunctions, fines, civil penalties and criminal prosecution.

Pharmaceutical product development for a new product or certain changes to an approved product in the U.S. typically involves preclinical laboratory and animal tests, the submission to FDA of an IND, which must become effective before clinical testing may commence, and adequate and well-controlled clinical trials to establish the safety and effectiveness of the drug for each indication for which FDA approval is sought. Satisfaction of FDA pre-market approval requirements typically takes many years and the actual time required may vary substantially based upon the type, complexity and novelty of the product or disease.

Preclinical tests include laboratory evaluation of product chemistry, formulation and toxicity, as well as animal trials to assess the characteristics and potential safety and efficacy of the product. The conduct of the preclinical tests must comply with federal regulations and requirements, including good laboratory practices. The results of preclinical testing are submitted to FDA as part of an IND along with other information, including information about product chemistry, manufacturing and controls, and a proposed clinical trial protocol. Long-term preclinical tests, such as animal tests of reproductive toxicity and carcinogenicity, may continue after the IND is submitted. A 30-day waiting period after the submission of each IND is required prior to the commencement of clinical testing in humans.

If FDA has neither commented on nor questioned the IND within this 30-day period, the clinical trial proposed in the IND may begin. Clinical trials involve the administration of the investigational new drug to healthy volunteers or patients under the supervision of a qualified investigator. Clinical trials must be conducted: (i) in compliance with federal regulations; (ii) in compliance with good clinical practice, or GCP, an international standard meant to protect the rights and health of patients and to define the roles of clinical trial sponsors, administrators and monitors; as well as (iii) under protocols detailing the objectives of the trial, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated. Each protocol involving testing on U.S. patients and subsequent protocol amendments must be submitted to FDA as part of the IND.

FDA may order the temporary, or permanent, discontinuation of a clinical trial at any time, or impose other sanctions, if it believes that the clinical trial either is not being conducted in accordance with FDA requirements or presents an unacceptable risk to the clinical trial patients. The study protocol and informed consent information for patients in clinical trials must also be submitted to an institutional review board, or IRB, for approval. An IRB may also require the clinical trial at the site to be halted, either temporarily or permanently, for failure to comply with the IRB's requirements, or may impose other conditions.

Clinical trials to support NDAs for marketing approval are typically conducted in three sequential phases, but the phases may overlap. In Phase 1, the initial introduction of the drug into healthy human subjects or patients, the drug is tested to assess metabolism, pharmacokinetics, pharmacological actions, side effects associated with increasing doses, and, if possible, early evidence of effectiveness. Phase 2 usually involves trials in a limited patient population to determine the effectiveness of the drug for a particular indication, dosage tolerance and optimum dosage, and to identify common adverse effects and safety risks. If a drug demonstrates evidence of effectiveness and an acceptable safety profile in Phase 2 evaluations, Phase 3 trials are undertaken to obtain the additional information about clinical efficacy and safety in a larger number of patients, typically at geographically dispersed clinical trial sites, to permit FDA to evaluate the overall benefit-risk relationship of the drug and to provide adequate information for the labeling of the drug. In most cases, FDA requires two adequate and well-controlled Phase 3 clinical trials to demonstrate the efficacy of the drug. A single Phase 3 trial with other confirmatory evidence may be sufficient in rare instances, such as where the study is a large multicenter trial demonstrating internal consistency and a statistically very persuasive finding of a clinically meaningful effect on mortality, irreversible morbidity or prevention of a disease with a potentially serious outcome, and confirmation of the result in a second trial would be practically or ethically impossible.

The manufacturer of an investigational drug in a Phase 2 or 3 clinical trial for a serious or life-threatening disease is required to disclose, such as by posting on its website, its policy on evaluating and responding to requests for expanded access to such investigational drug.

After completion of the required clinical testing, an NDA is prepared and submitted to FDA. FDA approval of the NDA is required before marketing of the product may begin in the U.S. The NDA must include the results of all preclinical, clinical and other testing and a compilation of data relating to the product's pharmacology, chemistry, manufacture and controls. The cost of preparing and submitting an NDA is substantial. Furthermore, under the Prescription Drug User Fee Act, or PDUFA, the submission of most NDAs is additionally subject to a substantial application user fee, and the applicant under an approved NDA is also subject to an annual program fee for each prescription product. These fees are typically increased annually.

FDA has 60 days from its receipt of an NDA to determine whether the application will be accepted for filing based on the agency's threshold determination that it is sufficiently complete to permit substantive review. Once the submission is accepted for filing, FDA begins an in-depth review. Under PDUFA, FDA has agreed to certain performance goals in the review of NDAs to encourage timeliness. NDAs for most standard review drug products are reviewed within twelve months from submission of NDAs for new molecular entities, or NMEs, and ten months from submission of NDAs for non-NMEs. Priority review can be applied to drugs that FDA determines offer major advances in treatment or provide a treatment where no adequate therapy exists. NDAs for most priority review drug products are reviewed within eight months from submission of NDAs for NMEs and six months from submission of NDAs for non-NMEs. The review process for both standard and priority review may be extended by FDA for three additional months to consider certain late-submitted information or information intended to clarify information already provided in the submission.

FDA may also refer applications for novel drug products, or drug products that present difficult questions of safety or efficacy, to an outside advisory committee—typically a panel that includes clinicians and other experts—for review, evaluation and a recommendation as to whether the application should be approved. FDA is not bound by the recommendation of an advisory committee, but it generally follows such recommendations.

Before approving an NDA, FDA will typically inspect one or more clinical sites to assure compliance with GCP. Additionally, FDA will inspect the facility or the facilities at which the drug is manufactured. FDA will not approve the product unless compliance with current good manufacturing practices is satisfactory and the NDA contains data that provide substantial evidence that the drug is safe and effective in the indication studied.

After FDA evaluates the NDA and the manufacturing facilities, it issues either an approval letter or a complete response letter. A complete response letter generally outlines the deficiencies in the submission and

may require substantial additional testing, or information, in order for FDA to reconsider the application. The applicant may either resubmit the NDA, addressing all of the deficiencies identified in the letter, or withdraw the application. If, or when, those deficiencies have been addressed to FDA's satisfaction in a resubmission of the NDA, FDA will issue an approval letter. FDA has committed to reviewing such resubmissions in two or six months depending on the type of information included. An approval letter authorizes commercial marketing of the drug with specific prescribing information for specific indications. As a condition of NDA approval, FDA may require a risk evaluation and mitigation strategy, or REMS, to help ensure that the benefits of the drug outweigh the potential risks. REMS can include medication guides, communication plans for healthcare professionals, and elements to assure safe use, or ETASU. ETASU can include, but are not limited to, special training or certification for prescribing or dispensing, dispensing only under certain circumstances, special monitoring and the use of patient registries. The requirement for a REMS can materially affect the potential market and profitability of the drug. Moreover, product approval may require substantial post-approval testing and surveillance to monitor the drug's safety or efficacy. Once granted, product approvals may be withdrawn if compliance with regulatory standards is not maintained or problems are identified following initial marketing.

Once granted, product approvals may be withdrawn if compliance with regulatory standards is not maintained or problems are identified following initial marketing. Changes to some of the conditions established in an approved application, including changes in indications, labeling or manufacturing processes or facilities, require submission and FDA approval of a new NDA or NDA supplement before the change can be implemented. An NDA supplement for a new indication typically requires clinical data similar to that in the original application, and FDA uses the same procedures and actions in reviewing NDA supplements as it does in reviewing NDAs.

Disclosure of clinical trial information

Sponsors of clinical trials of FDA regulated products, including drugs, are required to register and disclose certain clinical trial information in the ClinicalTrials.gov database. Information related to the product, patient population, phase of investigation, study sites and investigators, and other aspects of the clinical trial is then made public as part of the registration. Sponsors are also obligated to discuss the results of their clinical trials after completion. Disclosure of the results of these trials can be delayed in certain circumstances for up to two years after the date of completion of the trial. Competitors may use this publicly available information to gain knowledge regarding the progress of development programs.

Pediatric information

Under the Pediatric Research Equity Act, or PREA, NDAs or supplements to NDAs must contain data to assess the safety and effectiveness of the drug for the claimed indications in all relevant pediatric subpopulations and to support dosing and administration for each pediatric subpopulation for which the drug is safe and effective. FDA may grant full or partial waivers, or deferrals, for submission of data. With certain exceptions, PREA does not apply to any drug for an indication for which orphan designation has been granted.

The Best Pharmaceuticals for Children Act, or BPCA, provides NDA holders a six-month extension of any exclusivity—patent or nonpatent—for a drug if certain conditions are met. Conditions for exclusivity include FDA's determination that information relating to the use of a new drug in the pediatric population may produce health benefits in that population, FDA making a written request for pediatric studies, and the applicant agreeing to perform, and reporting on, the requested studies within the statutory timeframe. Applications under the BPCA are treated as priority applications, with all of the benefits that designation confers.

Post-approval requirements

Once an NDA is approved, a product will be subject to certain post-approval requirements, including, among other things, record-keeping requirements, providing the FDA with updated safety information, product

sampling and distribution requirements, and promotion and advertising requirements. For instance, FDA closely regulates the post-approval marketing and promotion of drugs, including standards and regulations for direct-to-consumer advertising, off-label promotion, industry-sponsored scientific and educational activities and promotional activities involving the internet. Drugs may be marketed or promoted only for the approved indications and in accordance with the provisions of the approved labeling.

Adverse event reporting and submission of periodic reports are required following FDA approval of an NDA. FDA also may require post-marketing testing, known as Phase 4 testing, REMS and surveillance to monitor the effects of an approved product, or FDA may place conditions on an approval that could restrict the distribution or use of the product. In addition, quality control, drug manufacture, packaging and labeling procedures must continue to conform to current good manufacturing practices after approval. Drug manufacturers and certain of their subcontractors are required to register their establishments with FDA and certain state agencies. Registration with FDA subjects entities to periodic unannounced inspections by FDA, during which the Agency inspects manufacturing facilities to assess compliance with current good manufacturing practices. Accordingly, manufacturers must continue to expend time, money and effort in the areas of production and quality-control to maintain compliance with current good manufacturing practices. Regulatory authorities may withdraw product approvals, request product recalls or take other administrative or judicial enforcement actions if a company fails to comply with regulatory standards, if it encounters problems following initial marketing, or if previously unrecognized problems are subsequently discovered.

The Hatch-Waxman Amendments

Orange Book listing

In seeking approval for a drug through an NDA, applicants are required to list with the FDA each patent whose claims cover the applicant's product. Upon approval of a drug, each of the patents listed in the application for the drug is then published in the FDA's Approved Drug Products with Therapeutic Equivalence Evaluations, commonly known as the Orange Book. Drugs listed in the Orange Book can, in turn, be referenced by potential generic competitors in support of approval of an abbreviated new drug application, or ANDA. An ANDA provides for marketing of a drug product that has the same active ingredients in the same strengths and dosage form as the listed drug and has been shown through bioequivalence testing to be therapeutically equivalent to the listed drug. Other than the requirement for bioequivalence testing, ANDA applicants are not required to conduct, or submit results of, preclinical or clinical tests to prove the safety or effectiveness of their drug product. Drugs approved in this way are commonly referred to as "generic equivalents" to the listed drug and can often be substituted by pharmacists under prescriptions written for the original listed drug.

The ANDA applicant is required to certify to the FDA concerning any patents listed for the approved product in the FDA's Orange Book. Specifically, the applicant must certify that (i) the required patent information has not been filed; (ii) the listed patent has expired; (iii) the listed patent has not expired but will expire on a particular date and approval is sought after patent expiration; or (iv) the listed patent is invalid or will not be infringed by the new product. The ANDA applicant may also elect to submit a section viii statement certifying that its proposed ANDA label does not contain (or carve out) any language regarding the patented method-of-use rather than certify to a listed method-of-use patent. If the applicant does not challenge the listed patents, the ANDA application will not be approved until all the listed patents claiming the referenced product have expired. A certification that the new product will not infringe the already approved product's listed patents, or that such patents are invalid, is called a Paragraph IV certification. If the ANDA applicant has provided a Paragraph IV certification to the FDA, the applicant must also send notice of the Paragraph IV certification to the NDA and patent holders once the ANDA 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. The filing of a patent infringement lawsuit within 45 days of the receipt of a Paragraph IV certification automatically prevents the FDA from approving the ANDA until the earlier of 30 months, expiration of the patent, settlement of the lawsuit or a decision in the infringement case that is favorable to the ANDA applicant.

The ANDA application also will not be approved until any applicable non-patent exclusivity listed in the Orange Book for the referenced product has expired.

Exclusivity

Upon NDA approval of a new chemical entity, or NCE, which is a drug that contains no active moiety that has been approved by FDA in any other NDA, that drug receives five years of exclusivity during which FDA may not receive any ANDA seeking approval of a generic version of that drug. An ANDA may be submitted one year before NCE exclusivity expires if a Paragraph IV certification is filed. If there is no listed patent in the Orange Book, there may not be a Paragraph IV certification, and, thus, no ANDA may be filed before the expiration of the exclusivity period. Certain changes to a drug, such as the addition of a new indication to the package insert, can be the subject of a three-year period of exclusivity if the application contains reports of new clinical investigations (other than bioavailability studies) conducted or sponsored by the sponsor that were essential to approval of the application. FDA cannot approve an ANDA for a generic drug that includes the change during the period of exclusivity.

Patent term extension

After NDA approval, owners of relevant drug patents may apply for up to a five-year patent extension. The allowable patent term extension is calculated as half of the drug's testing phase (the time between IND application and NDA submission) and all of the review phase (the time between NDA submission and approval up to a maximum of five years). The time can be shortened if FDA determines that the applicant did not pursue approval with due diligence. The total patent term after the extension may not exceed 14 years, and only one patent can be extended. For patents that might expire during the application phase, the patent owner may request an interim patent extension. An interim patent extension increases the patent term by one year and may be renewed up to four times. For each interim patent extension granted, the post-approval patent extension is reduced by one year. The director of the United States Patent and Trademark Office must determine that approval of the drug covered by the patent for which a patent extension is being sought is likely. Interim patent extensions are not available for a drug for which an NDA has not been submitted.

Hatch-Waxman patent certification and the 30-month stay

Upon 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. Each of the patents listed by the NDA sponsor is published in the Orange Book. When an ANDA applicant files its application with the FDA, the applicant is required to certify to the FDA concerning any patents listed for the reference product in the Orange Book, except for patents covering methods of use for which the ANDA applicant is not seeking approval. To the extent that the Section 505(b)(2) applicant is relying on studies conducted for an already approved product, the applicant is required to certify to the FDA concerning any patents listed for the approved product in the Orange Book to the same extent that an ANDA applicant would.

Specifically, the applicant must certify with respect to each patent that:

- the required patent information has not been filed;
- the listed patent has expired;
- the listed patent has not expired, but will expire on a particular date and approval is sought after patent expiration; or
- the listed patent is invalid, unenforceable or will not be infringed by the new product.

A certification that the new product will not infringe the already approved product's listed patents or that such patents are invalid or unenforceable is called 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 application will not be approved until all the listed patents claiming the referenced product have expired (other than method of use patents involving indications for which the applicant is not seeking approval).

If the ANDA applicant has provided a Paragraph IV certification to the FDA, the applicant must also send notice of the Paragraph IV certification to the NDA and patent holders once the ANDA 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. The filing of a patent infringement lawsuit within 45 days after the receipt of a Paragraph IV certification automatically prevents the FDA from approving the ANDA until the earlier of 30 months after the receipt of the Paragraph IV notice, expiration of the patent or a decision in the infringement case that is favorable to the ANDA applicant.

To the extent that the Section 505(b)(2) applicant is relying on studies conducted for an already approved product, the applicant is required to certify to the FDA concerning any patents listed for the approved product in the Orange Book to the same extent that an ANDA applicant would. As a result, approval of a Section 505(b)(2) NDA can be stalled until all the listed patents claiming the referenced product have expired, until any non-patent exclusivity, such as exclusivity for obtaining approval of a new chemical entity, listed in the Orange Book for the referenced product has expired, and, in the case of a Paragraph IV certification and subsequent patent infringement suit, until the earlier of 30 months, settlement of the lawsuit or a decision in the infringement case that is favorable to the Section 505(b)(2) applicant.

Section 505(b)(2) NDAs

NDAs for most new drug products are based on two full clinical studies which must contain substantial evidence of the safety and efficacy of the proposed new product for the proposed use. These applications are submitted under Section 505(b)(1) of the FDCA. The FDA is, however, authorized to approve an alternative type of NDA under Section 505(b)(2) of the FDCA. This type of application enables the applicant in certain circumstances to rely, in part, on the FDA's prior findings in approving a similar product or published literature in support of its application. A Section 505(b)(2) NDA may provide an alternate path to FDA approval for a new or improved formulation, a new route of administration or a new use of a previously approved product.

Specifically, Section 505(b)(2) applies to NDAs for a drug for which the investigations made to show whether or not the drug is safe for use and effective in use and relied upon by the applicant for approval of the application "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." If the Section 505(b)(2) applicant can establish that reliance on the FDA's prior findings of safety and/or effectiveness is scientifically appropriate, it may eliminate the need to conduct certain preclinical or clinical studies of the new product. The FDA may also require companies to perform additional studies or measurements to support the change from the approved product. The FDA may then approve the new product candidate for all, or some, of the indications for which the referenced product has been approved, as well as for any new indication sought by the Section 505(b)(2) applicant.

Thus, Section 505(b)(2) authorizes the FDA to approve an NDA based on safety and effectiveness data that were not developed by the applicant. NDAs filed under Section 505(b)(2) may provide an alternate and potentially more expeditious pathway to FDA approval for new or improved formulations or new uses of previously approved products. If the 505(b)(2) applicant can establish that reliance on the FDA's previous approval is scientifically appropriate, the applicant may eliminate the need to conduct certain preclinical or clinical studies of the new product. The FDA may also require companies to perform additional studies or measurements to support the change from the approved product. The FDA may then approve the new drug candidate for all or some of the label indications for which the referenced product has been approved, as well as for any new indication sought by the Section 505(b)(2) applicant.

To the extent that the Section 505(b)(2) applicant is relying on the FDA's prior findings of safety or effectiveness for an already approved product, the applicant is required to certify to the FDA concerning any patents listed for the approved product in the Orange Book to the same extent that an ANDA applicant would. Thus, approval of a Section 505(b)(2) NDA can be stalled until all the listed patents claiming the referenced product have expired, until any non-patent exclusivity, such as exclusivity for obtaining approval of a new chemical entity, listed in the Orange Book for the referenced product has expired, and, in the case of a Paragraph IV certification and subsequent patent infringement suit, until the earlier of 30 months, settlement of the lawsuit or a decision in the infringement case that is favorable to the Section 505(b)(2) applicant.

Other U.S. healthcare laws and compliance requirements

In the United States, pharmaceutical company activities are potentially subject to regulation by various federal, state and local authorities in addition to the FDA, including but not limited to, the Centers for Medicare & Medicaid Services, or CMS, other divisions of the U.S. Department of Health and Human Services (e.g., the Office of Inspector General), the U.S. Department of Justice, or DOJ, and individual U.S. Attorney offices within the DOJ, and state and local governments. For example, sales, marketing and scientific/educational grant programs may have to comply with the anti-fraud and abuse provisions of the Social Security Act, the federal false claims laws, the privacy and security provisions of the Health Insurance Portability and Accountability Act, or HIPAA, and similar state laws, each as amended.

The federal Anti-Kickback Statute prohibits, among other things, any person or entity, from knowingly and willfully offering, paying, soliciting or receiving any remuneration, directly or indirectly, overtly or covertly, in cash or in kind, to induce or in return for purchasing, leasing, ordering, recommending or arranging for the purchase, lease or order of any item or service reimbursable under Medicare, Medicaid or other federal healthcare programs. The term remuneration has been interpreted broadly to include anything of value. The Anti-Kickback Statute has been interpreted to apply to arrangements between pharmaceutical manufacturers on one hand and prescribers, purchasers, and/or formulary managers on the other. There are a number of statutory exceptions and regulatory safe harbors protecting some common activities from prosecution. The exceptions and safe harbors are drawn narrowly and practices that involve remuneration that may be alleged to be intended to induce prescribing, purchasing or recommending may be subject to scrutiny if they do not qualify for an exception or safe harbor. Failure to meet all of the requirements of a particular applicable statutory exception or regulatory safe harbor does not make the conduct per se illegal under the Anti-Kickback Statute. Instead, the legality of the arrangement will be evaluated on a case-by-case basis based on a cumulative review of all of its facts and circumstances. Practices may not in all cases meet all of the criteria for protection under a statutory exception or regulatory safe harbor.

Additionally, the intent standard under the Anti-Kickback Statute was amended by the Patient Protection and Affordable Care Act, or ACA, to a stricter standard such that a person or entity no longer needs to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation. In addition, the ACA codified case law 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 federal False Claims Act (discussed below).

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

Federal false claims laws, including the federal civil False Claims Act, prohibit, among other things, any person or entity from knowingly presenting, or causing to be presented, a false claim for payment to, or approval by, the federal government or knowingly making, using or causing to be made or used a false record or statement material to a false or fraudulent claim to the federal government. As a result of a modification made by the Fraud Enforcement and Recovery Act of 2009, a claim includes "any request or demand" for money or property

presented to the U.S. government. In addition, manufacturers can be held liable under the civil False Claims Act even when they do not submit claims directly to government payors if they are deemed to "cause" the submission of false or fraudulent claims. Pharmaceutical and other healthcare companies have been prosecuted under these laws for, among other things, allegedly providing free product to customers with the expectation that the customers would bill federal programs for the product. Other companies have been prosecuted for causing false claims to be submitted because of the companies' marketing of the product for unapproved, and thus generally non-reimbursable, uses and purportedly concealing price concessions in the pricing information submitted to the government for government priced reporting purposes.

HIPAA created additional federal criminal statutes that prohibit knowingly and willfully executing, or attempting to execute, a scheme to defraud or to obtain, by means of false or fraudulent pretenses, representations or promises, any money or property owned by, or under the control or custody of, any healthcare benefit program, including private third-party payors and knowingly and willfully falsifying, concealing or covering up by trick, scheme or device, a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. Similar to the Anti-Kickback Statute, a person or entity does not need to have actual knowledge of the statute or specific intent to violate it in order to have committed a violation.

Also, many states have similar fraud and abuse statutes or regulations that apply to items and services reimbursed under Medicaid and other state programs, or, in several states, apply regardless of the payor.

Data privacy and security regulations by both the federal government and the states in which business is conducted may also be applicable. HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act, or HITECH, and its implementing regulations, imposes requirements on certain types of people and entities relating to the privacy, security and transmission of individually identifiable health information. HIPAA requires covered entities to limit the use and transmission of individually identifiable health information. HIPAA requires covered entities to limit the use and disclosure of protected health information to specifically authorized situations and requires covered entities to implement security measures to protect health information that they maintain in electronic form. Among other things, HITECH made HIPAA's security standards directly applicable to business associates, independent contractors or agents of covered entities that receive or obtain protected health information in connection with providing a service on behalf of a covered entity. HITECH also created four 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. In addition, state laws govern the privacy and security of health information in specified circumstances, many of which differ from each other in significant ways and may not have the same effect, thus complicating compliance efforts.

Additionally, the federal Physician Payments Sunshine Act within the ACA, and its implementing regulations, require that certain manufacturers of drugs, devices, biological and medical supplies for which payment is available under Medicare, Medicaid or the Children's Health Insurance Program (with certain exceptions) report annually information related to certain payments or other transfers of value made or distributed to physicians and teaching hospitals, or to entities or individuals at the request of, or designated on behalf of, the physicians and teaching hospitals and to report annually certain ownership and investment interests held by physicians and their immediate family members.

Commercial distribution of products requires compliance with state laws that require the registration of manufacturers and wholesale distributors of drug products in a state, including, in certain states, manufacturers and distributors who ship products into the state even if such manufacturers or distributors have no place of business within the state. Some states also impose requirements on manufacturers and distributors to establish the pedigree of product in the chain of distribution, including some states that require manufacturers and others to adopt new technology capable of tracking and tracing product as it moves through the distribution chain. Several

states have enacted legislation requiring pharmaceutical and biotechnology companies to establish marketing compliance programs, file periodic reports with the state, make periodic public disclosures on sales, marketing, pricing, clinical trials and other activities, and/or register their sales representatives, as well as to prohibit pharmacies and other healthcare entities from providing certain physician prescribing data to pharmaceutical and biotechnology companies for use in sales and marketing, and to prohibit certain other sales and marketing practices. Sales and marketing activities are also potentially subject to federal and state consumer protection and unfair competition laws.

Violation of any of the federal and state healthcare laws described above or any other governmental regulations may result in penalties, including without limitation, civil, criminal and/or administrative penalties, damages, fines, disgorgement, exclusion from participation in government programs, such as Medicare and Medicaid, injunctions, private "qui tam" actions brought by individual whistleblowers in the name of the government, refusal to enter into government contracts, contractual damages, reputational harm, administrative burdens, diminished profits and future earnings.

Pharmaceutical insurance coverage and health care reform

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 or part of the associated health care costs. Significant uncertainty exists as to the coverage and reimbursement status of products approved by the FDA and other government authorities. 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. The process for determining whether a 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 marketing approvals. 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 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 health care costs also has become a priority of federal, state and foreign governments and the prices of products have been a focus in this effort. Governments have shown significant interest in implementing cost-containment programs, including price controls, restrictions on reimbursement and requirements for substitution of generic products. 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. Coverage policies and third-party reimbursement rates may change at any time. Even if favorable coverage and reimbursement status is attained for one or more products for which a company or its collaborators receive marketing approval, less favorable coverage policies and reimbursement rates may be implemented in the future.

There have been a number of federal and state proposals during the last few years regarding the pricing of pharmaceutical and biopharmaceutical products, limiting coverage and reimbursement for drugs and biologics and other medical products, government control and other changes to the health care system in the United States.

In March 2010, the United States Congress enacted the ACA, which, among other things, includes changes to the coverage and payment for drug products under government health care programs. Among the provisions of the ACA of importance to our potential product candidates are:

- an annual, nondeductible fee on any entity that manufactures or imports specified branded prescription drugs and biologic agents, apportioned among these entities according to their market share in certain government healthcare programs;
- expansion of eligibility criteria for Medicaid programs by, among other things, allowing states to offer Medicaid coverage to certain individuals with income at or below 133% of the federal poverty level, thereby potentially increasing a manufacturer's Medicaid rebate liability;
- expanded manufacturers' rebate liability under the Medicaid Drug Rebate Program by increasing the minimum rebate for both branded and generic drugs and revising the definition of "average manufacturer price," or AMP, for calculating and reporting Medicaid drug rebates on outpatient prescription drug prices;
- addressed a new methodology by which rebates owed by manufacturers under the Medicaid Drug Rebate Program are calculated for drugs that are inhaled, infused, instilled, implanted or injected;
- expanded the types of entities eligible for the 340B drug discount program;
- established the Medicare Part D coverage gap discount program by requiring manufacturers to provide a point-of-sale-discount (now 70%) off the negotiated price of applicable brand drugs to eligible beneficiaries during their coverage gap period as a condition for the manufacturers' outpatient drugs to be covered under Medicare Part D; and
- a new Patient-Centered Outcomes Research Institute to oversee, identify priorities in, and conduct comparative clinical effectiveness research, along with funding for such research.

Some of the provisions of the ACA have yet to be implemented, and there have been judicial and Congressional challenges to certain aspects of the ACA, as well as recent efforts by the Trump administration to repeal or replace certain aspects of the ACA. Since January 2017, President Trump has signed two Executive Orders and other directives designed to delay the implementation of certain provisions of the ACA. Concurrently, Congress has considered legislation that would repeal or repeal and replace all or part of the ACA. While Congress has not passed comprehensive repeal legislation, it has enacted laws that modify certain provisions of the ACA such as removing penalties, starting January 1, 2019, for not complying with the ACA's individual mandate to carry health insurance, and delaying the implementation of certain ACA-mandated fees, and increasing the point-of-sale discount that is owed by pharmaceutical manufacturers who participate in Medicare Part D. On December 14, 2018, a Texas U.S. District Court Judge ruled that the ACA is unconstitutional in its entirety because the "individual mandate" was repealed by Congress as part of the Tax Cuts and Jobs Act of 2017. While the Texas U.S. District Court Judge, as well as the Trump administration and CMS, have stated that the ruling will have no immediate effect pending appeal of the decision, it is unclear how this decision, subsequent appeals, and other efforts to repeal and replace the ACA will impact the ACA.

There has been heightened governmental scrutiny in the United States of pharmaceutical pricing practices in light of the rising cost of prescription drugs and biologics. Such scrutiny has resulted in several recent congressional inquiries and proposed and enacted federal and state legislation designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufacturer patient programs, and reform government program reimbursement methodologies for products. At the federal level, the Trump administration's budget proposals for fiscal year 2020 contains further drug price control measures that

could be enacted during the 2020 budget process or in other future legislation. For example, proposals would create a new out-of-pocket spending cap for Medicare Part D, allow some states to negotiate drug prices directly with manufacturers under Medicaid, and eliminate cost sharing for generic drugs for low-income patients. Further, the Trump administration released a "Blueprint" to lower drug prices and reduce out of pocket costs of drugs that contains additional proposals to increase drug manufacturer competition, increase the negotiating power of certain federal healthcare programs, incentivize manufacturers to lower the list price of their products, and reduce the out of pocket costs of drug products paid by consumers. HHS has already started soliciting feedback on some of these measures and, at the same, is immediately implementing others under its existing authority. 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. Any reduction in reimbursement from Medicare and other government programs may result in a similar reduction in payments from private payors. The implementation of cost containment measures or other healthcare reforms may prevent the generation revenue, attainment of profitability or commercialization of products. In addition, it is possible that there will be further legislation or regulation that could harm the business, financial condition and results of operations.

Other legislative changes have been proposed and adopted in the United States since the ACA was enacted. In August 2011, the Budget Control Act of 2011, among other things, created measures for spending reductions by Congress. A Joint Select Committee on Deficit Reduction, tasked with recommending a targeted deficit reduction of at least $1.2 trillion for the years 2013 through 2021, was unable to reach required goals, thereby triggering the legislation's automatic reduction to several government programs. This includes aggregate reductions of Medicare payments to providers up to 2% per fiscal year, which went into effect in April 2013 and, due to subsequent legislative amendments, will remain in effect through 2029 unless additional Congressional action is taken, with the exception of a temporary suspension from May 1, 2020 through December 31, 2020 implemented under the CARES Act. In January 2013, President Obama signed into law the American Taxpayer Relief Act of 2012, which, among other things, further reduced Medicare payments to several providers, including hospitals, imaging centers and cancer treatment centers, and increased the statute of limitations period for the government to recover overpayments to providers from three to five years.

Since enactment of the ACA, there have been numerous legal challenges and Congressional actions to repeal and replace provisions of the law. For example, with enactment of the Tax Cuts and Jobs Act of 2017, which was signed by the President on December 22, 2017, Congress repealed the "individual mandate." The repeal of this provision, which requires most Americans to carry a minimal level of health insurance, will become effective in 2019. According to the Congressional Budget Office, the repeal of the individual mandate will cause 13 million fewer Americans to be insured in 2027 and premiums in insurance markets may rise. Additionally, on January 22, 2018, President Trump signed a continuing resolution on appropriations for fiscal year 2018 that delayed the implementation of certain ACA-mandated fees, including the so-called "Cadillac" tax on certain high cost employer-sponsored insurance plans, the annual fee imposed on certain health insurance providers based on market share, and the medical device excise tax on non-exempt medical devices. The Congress will likely consider other legislation to replace elements of the ACA during the next Congressional session.

The Trump Administration has also taken executive actions to undermine or delay implementation of the ACA. Since January 2017, President Trump has signed two Executive Orders designed to delay the implementation of certain provisions of the ACA or otherwise circumvent some of the requirements for health insurance mandated by the ACA. One Executive Order directs federal agencies with authorities and responsibilities under the ACA to waive, defer, grant exemptions from or delay the implementation of any provision of the ACA that would impose a fiscal or regulatory burden on states, individuals, healthcare providers, health insurers or manufacturers of pharmaceuticals or medical devices. The second Executive Order terminates the cost-sharing subsidies that reimburse insurers under the ACA. Several state Attorneys General filed suit to

stop the administration from terminating the subsidies, but their request for a restraining order was denied by a federal judge in California on October 25, 2017. In addition, CMS has recently proposed regulations that would give states greater flexibility in setting benchmarks for insurers in the individual and small group marketplaces, which may have the effect of relaxing the essential health benefits required under the ACA for plans sold through such marketplaces. Further, on June 14, 2018, U.S. Court of Appeals for the Federal Circuit ruled that the federal government was not required to pay more than $12 billion in ACA risk corridor payments to third-party payors who argued were owed to them. The effects of this gap in reimbursement on third-party payors, the viability of the ACA marketplace, providers, and potentially our business, are not yet known. Further, there have been several recent U.S. congressional inquiries and proposed federal and proposed and enacted state legislation designed to, among other things, bring more transparency to drug pricing, review the relationship between pricing and manufacturer patient programs, reduce the costs of drugs under Medicare and reform government program reimbursement methodologies for drug products. At the federal level, Congress and the Trump administration have each indicated that it will continue to seek new legislative and/or administrative measures to control drug costs. For example, on May 11, 2018, the Administration issued a plan to lower drug prices. Under this blueprint for action, the Administration indicated that the Department of Health and Human Services will: take steps to end the gaming of regulatory and patent processes by drug makers to unfairly protect monopolies; advance biosimilars and generics to boost price competition; evaluate the inclusion of prices in drug makers' ads to enhance price competition; speed access to and lower the cost of new drugs by clarifying policies for sharing information between insurers and drug makers; avoid excessive pricing by relying more on value-based pricing by expanding outcome-based payments in Medicare and Medicaid; work to give Part D plan sponsors more negotiation power with drug makers; examine which Medicare Part B drugs could be negotiated for a lower price by Part D plans, and improving the design of the Part B Competitive Acquisition Program; update Medicare's drug-pricing dashboard to increase transparency; prohibit Part D contracts that include "gag rules" that prevent pharmacists from informing patients when they could pay less out-of-pocket by not using insurance; and require that Part D plan members be provided with an annual statement of plan payments, out-of-pocket spending, and drug price increases.

At the state level, individual states are increasingly aggressive in passing legislation and implementing regulations designed to control pharmaceutical and biological product pricing, including price or patient reimbursement constraints, discounts, restrictions on certain product access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from other countries and bulk purchasing. 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. These measures could reduce the ultimate demand for drug products, once approved, or put pressure on product pricing. Additional state and federal healthcare reform measures will likely be adopted in the future, any of which could limit the amounts that federal and state governments will pay for healthcare products and services, which could result in reduced demand for such product candidates or additional pricing pressures.

Employees

As of December 31, 2019, we had 29 full time employees, six of whom have an M.D. or Ph.D. None of our employees are represented by a labor union or covered by collective bargaining agreements, and we believe our relationship with our employees is good.

Properties and facilities

Our principal executive office is located in Redwood City, California, and consists of approximately 6,000 square feet of office space under a lease which expires in August 2021. We use this facility for operations and administrative purposes. We also have facilities located in Baltimore, Maryland. The Maryland facility consists of approximately 8,500 square feet of office and laboratory space under a lease which expires in June 2023. We use the Maryland facility for our internal research and development activities. We believe that our facilities are adequate to meet our needs for the foreseeable future.

Legal proceedings

From time to time, we may be involved in legal proceedings arising in the ordinary course of our business. We are not presently a party to any legal proceedings that, in the opinion of management, would have a material adverse effect on our business. Regardless of outcome, litigation can have an adverse impact on us due to defense and settlement costs, diversion of management resources, negative publicity and reputational harm, and other factors.

MANAGEMENT

Executive Officers and Directors

The following table provides information regarding our executive officers and directors as of July 31, 2020:

Name	Age	Position
Executive Officers:		
Frederic Guerard, Pharm.D.	48	President, Chief Executive Officer and Director
Daniel Geffken	63	Interim Chief Financial Officer
Parisa Zamiri, M.D., Ph.D.	55	Chief Medical Officer
Daniel Salain	53	Chief Technical Operations Officer
Non-employee Directors:		
Christy Shaffer, Ph.D.	62	Chairperson, Director
Gerald Cagle, Ph.D.	76	Director
Emmett Cunningham, Jr., M.D., Ph.D.	59	Director
Hansoo Michael Keyoung, M.D., Ph.D.	46	Director
Chau Khuong	44	Director
Cameron Wheeler, Ph.D.	42	Director

Executive Officers

Frederic Guerard, Pharm.D., has served as our President and Chief Executive Officer and a member of our board of directors, since February 2019. From 1999 to February 2019, Dr. Guerard held key leadership roles at Novartis AG, a multinational pharmaceutical company, including Worldwide Business Franchise Head of Ophthalmology from April 2016 to February 2019, Global Franchise Head of Pharmaceuticals at Alcon Vision LLC, a Novartis company, from May 2015 to April 2016, Managing Director of the United Kingdom and Ireland from July 2012 to April 2015, and Country President and Managing Director of Australia and New Zealand from April 2009 to July 2012, among others. Dr. Guerard holds a Pharm.D. and a Master of Biological and Medical Sciences from the University of Rouen, France and a Master of Marketing from HEC Paris. We believe that Dr. Guerard is qualified to serve on our board of directors because of his extensive experience serving in leadership positions in biotechnology companies, as well as the operational expertise and continuity that he brings to our board of directors as our President and Chief Executive Officer.

Daniel Geffken has served as our interim Chief Financial Officer since November 2019 and prior to that as our Senior Financial Advisor from September 2019 to November 2019. Mr. Geffken is a founder and managing director at Danforth Advisors, LLC, a management consulting firm, where he has served since 2011. Mr. Geffken holds a B.S. in Economics from The Wharton School, University of Pennsylvania, and a M.B.A. from Harvard Business School.

Parisa Zamiri, M.D., Ph.D., has served as our Chief Medical Officer since June 2020. From April 2012 to June 2020, Dr. Zamiri held key leadership roles at Novartis, a multinational pharmaceutical company, including Vice President, Global Head of Clinical Development and Therapeutic Area Head for Ophthalmology. From February 2007 to November 2011, Dr. Zamiri served as a Director of Pre-clinical Sciences at Arsenal Medical Inc., an early stage combination medical device company, where she led teams across cardiovascular, ophthalmology and pain programs using innovative drug/device combination technologies. Dr. Zamiri received her medical degree from the King's College Hospital, University of London, and did her ophthalmology residency at the North Thames Rotation, London, England. She earned her Ph.D. in ocular immunology for her research on the immune privilege of the subretinal space conducted at the Schepen's Eye Research Institute of Massachusetts Eye and Ear, a Harvard Medical School affiliated institute. The Ph.D. institution is University College London, London, England.

Daniel Salain has served as our Chief Technical Operations Officer since November 2019, and prior to that, as our Chief Operating Officer since December 2017. From 2016 to 2017, Mr. Salain served as Senior Vice President of Technical Operations of Ophthotech Corporation (now known as Iveric bio, Inc.), a biopharmaceutical company specializing in the development of therapies to treat ophthalmic diseases, and as Global Head of Manufacturing & Supply Chain and Senior Vice President from April 2015 to November 2017. Prior to that, Mr. Salain served as Vice President, Global Supply Chain and Manufacturing at Aptalis Pharma, Inc., a pharmaceutical company focused on gastroenterology and cystic fibrosis, from July 1999 to November 2014. Mr. Salain holds a B.S. in Chemistry from the University of Indianapolis.

Non-Employee Directors

Gerald Cagle, Ph.D., has served as a member of our board of directors since April 2014 and is also our Senior Advisor and Head of Business Development. Dr. Cagle also served as our interim CEO from October 2018 to February 2019. From 2008 to 2013, Dr. Cagle served as Chief Operating Officer at Cognoptix, lnc., a biotechnology company focused on the diagnosis of Alzheimer's disease. Previously, Dr. Cagle held various roles with Alcon Vision LLC, from 1996 to 2008, including Senior Vice President of Research & Development and Chief Scientific Officer. Dr. Cagle has also served on the board of directors of Aerie Pharmaceuticals, Inc., a clinical-stage pharmaceutical company, since September 2013 and previously served on the board of directors of Clearside Biomedical, Inc., a clinical biopharmaceutical company, from July 2013 to June 2018. Dr. Cagle also currently serves on the boards of directors of two private pharmaceutical companies. Dr. Cagle received a B.S. from Wayland Baptist University and a M.S. and a Ph.D. from the University of North Texas. We believe that Dr. Cagle is qualified to serve on our board of directors due to his strong scientific background, particularly in ocular therapies, and his board experience.

Emmett Cunningham, Jr., M.D., Ph.D., has served as a member of our board of directors since April 2016. Dr. Cunningham is Senior Managing Director at The Blackstone Group Inc., a life sciences private investment platform, having joined Blackstone as part of its acquisition of Clarus Ventures, LLC, a venture capital and asset management firm, in December 2018. Dr. Cunningham joined Clarus in 2006 as a Principal. Dr. Cunningham has also served as Adjunct Clinical Professor of Ophthalmology at Stanford University School of Medicine since July 2008 and as co-founder and Chairman of the Ophthalmology Innovation Summit since October 2009. From 2004 to 2005, Dr. Cunningham served as Senior Vice President, Medical Strategy at Eyetech Pharmaceuticals, Inc., and prior to that, as Vice President of Clinical Research Development and Licensing from 2002 to 2004. Prior to joining Eyetech, Dr. Cunningham served as Early Clinical Leader at Pfizer Inc., a multinational pharmaceutical corporation, from August 2001 to April 2002. Dr. Cunningham serves on the boards of directors of a number of private companies and on the Scientific Advisory Board of Aerie Pharmaceuticals, Inc. Dr. Cunningham previously served on the board of directors at Restoration Robotics, Inc., a medical device company, from 2011 to 2018. Dr. Cunningham holds a B.S. from Drexel University, a M.D. and M.P.H. from Johns Hopkins University, and a Ph.D. in neuroscience from the University of California, San Diego. We believe that Dr. Cunningham is qualified to serve on our board of directors due to his experience in research and investing in medical companies.

Hansoo Michael Keyoung, M.D., Ph.D., has served as a member of our board of directors since July 2019. Since August 2017, Dr. Keyoung has served as Managing Director and Head of North America at CBC Group, formerly known as C-Bridge Capital, a healthcare-dedicated private equity firm with over $2 billion assets under management. Dr. Keyoung is Founding Managing Partner of Portola Capital Partners LLC, a healthcare-dedicated investment and advisory firm, since November 2013. Dr. Keyoung was previously President and CEO of Genexine Inc., a clinical stage biotechnology company, from July 2015 to August 2017. Prior to that, Dr. Keyoung served as President, Asia of Catalyst Biosciences Inc., a hemophilia and ophthalmology-focused clinical stage company, from December 2013 to June 2015, and as Managing Director and Head of Pan-Asia at Burrill & Company LLC, a venture capital firm, where he oversaw investments in private and public biotechnology and medtech companies from 2008 to 2013. Dr. Keyoung received both a M.D. and a Ph.D. in Neuroscience and Neurology as a Tri-Institutional MD-PHD Program Scholarship recipient from Cornell University Weill Medical College,

Memorial Sloan Kettering Cancer Center and The Rockefeller University. Currently, Dr. Keyoung serves as Chairman and Member of the Board of Directors at AffaMed Therapeutics, member of the Board of Directors at InxMed, and served as founding board member of Everest Medicines Ltd. and I-Mab biopharma US Ltd. We believe that Dr. Keyoung is qualified to serve on our board of directors due to his extensive experience in research and investing in biomedical companies.

Chau Q. Khuong has served as a member of our board of directors since April 2016. Mr. Khuong is a Private Equity Partner at OrbiMed Advisors, LLC, an investment firm. Mr. Khuong currently serves on the boards of directors of Fusion Pharmaceuticals, Inc., a biopharmaceutical company, Inspire Medical Systems, Inc., a medical technology company, NextCure, Inc., a biopharmaceutical company, and Synlogic, Inc., a clinical stage company. Mr. Khuong previously served as a member of the boards of directors of Aerpio Therapeutics Inc., a biopharmaceutical company, BELLUS Health Inc., a biopharmaceutical company, Nabriva Therapeutics plc (formerly Nabriva Therapeutics AG), a commercial-stage biotechnology company, Pieris, Inc., a clinical stage biotechnology company, and Otonomy, Inc., a biopharmaceutical company. Mr. Khuong holds a B.S. in molecular, cellular and development biology and a M.P.H. with a concentration in infectious diseases, both from Yale University. We believe that Mr. Khuong is qualified to serve on our board of directors based on his roles on several public and private boards of directors as well as his extensive experience in investing in healthcare companies.

Christy Shaffer, Ph.D., has served as a member of our board of directors since February 2015 and as Chairperson of the board since March 2015. Since August 2015, Dr. Shaffer has served as a General Partner at Hatteras Venture Partners, a venture capital firm, where she has also served as Managing Director of Hatteras Discovery since August 2011. Prior to that, Dr. Shaffer was President and Chief Executive Officer of Inspire Pharmaceuticals, Inc., a biopharmaceutical company, from 1995 to March 2010. Dr. Shaffer serves as Chair of the board of directors of Clearside Biomedical, Inc., a biopharmaceutical company, and on the boards of directors for a number of private biotechnology companies. Dr. Shaffer holds a Ph.D. in Pharmacology from the University of Tennessee Health Science Center. We believe Dr. Shaffer is qualified to serve on our board of directors because of her experience in the ophthalmology, pharmaceutical and biotechnology businesses, and because of her training as a pharmacologist.

Cameron Wheeler, Ph.D., has served as a member of our board of directors since April 2016. Dr. Wheeler is a Partner in the Biotherapeutics group at Deerfield Management Company, L.P., a healthcare-focused investment firm, which he joined in 2014. Dr. Wheeler has served as a Principal on the Private Transactions team at Deerfield. Prior to Deerfield, Dr. Wheeler worked for and on behalf of Eleven Biotherapeutics, Inc., as a director since 2009. Previous to Eleven Biotherapeutics, Dr. Wheeler was the manager of the Business Development and Operations team at Constellation Pharmaceuticals, Inc. and a Senior Associate at Third Rock Ventures, LLC from 2008 to 2009. Dr. Wheeler holds a Ph.D. and S.M. in Biological Engineering and a S.B. in Mechanical Engineering from the Massachusetts Institute of Technology. We believe Dr. Wheeler is qualified to serve on our board of directors because of his scientific background and longtime involvement with biotechnology companies.

Election of Officers

Our executive officers are appointed by, and serve at the discretion of, our board of directors. There are no family relationships among any of our directors or executive officers.

Board Composition

Our board of directors currently consists of seven members. Pursuant to our current voting agreement and certificate of incorporation, Christy Shaffer, Cameron Wheeler, Chau Khuong, Emmett Cunningham, Jr., Frederic Guerard, Hansoo Michael Keyoung and Gerald Cagle have been designated to serve as members of our board. Christy Shaffer was elected by the holders of our Series A-2 convertible preferred stock, or Series A-2 preferred. Cameron Wheeler, Chau Khuong and Emmett Cunningham, Jr. were elected by the holders of our

Series B preferred. Hansoo Michael Keyoung was elected by the holders of our Series C preferred. Frederic Guerard was elected by the holders of our common stock. Gerald Cagle was elected by the holders of our common stock and convertible preferred stock, voting together as a single class on an as-converted basis.

The voting agreement and the provisions of our current certificate of incorporation that govern the election and designation of our directors will terminate in connection with this offering, after which no contractual obligations will concern the election of our directors.

Classified Board of Directors

Upon the completion of this offering, our board of directors will be divided into three staggered classes of directors. At each annual meeting of stockholders, a class of directors will be subject to re-election for a three-year term. As a result, only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. Our directors will be divided among the three classes as follows:

- the Class I directors will be and and their terms will expire at the first annual meeting of stockholders held following the completion of the offering;
- the Class II directors will be and and their terms will expire at the second annual meeting of stockholders held following the completion of the offering; and
- the Class III directors will be , and and their terms will expire at the third annual meeting of stockholders held following the completion of the offering.

Each director's term continues until the election and qualification of his or her successor, or his or her earlier death, resignation or removal. Our restated certificate of incorporation and restated bylaws that will be in effect upon the completion of this offering authorize only our board of directors to fill vacancies on our board of directors. Any increase or decrease 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. This classification of our board of directors may have the effect of delaying or preventing changes in control of our company. See the section entitled "Description of Capital Stock—Anti-Takeover Provisions—Restated Certificate of Incorporation and Restated Bylaw Provisions."

Director Independence

In connection with this offering, we intend to list our common stock on the Nasdaq Global Market, or The Nasdaq. Under the rules of The Nasdaq, independent directors must comprise a majority of a listed company's board of directors within a specified period following the completion of this offering. In addition, the rules of The Nasdaq require that, subject to specified exceptions, each member of a listed company's audit, compensation and nominating and governance committees be independent. Under the rules of The Nasdaq, a director will only qualify as an "independent director" if, in the opinion of that company's board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

Audit committee members must also satisfy the independence criteria set forth in Rule 10A-3 under the Exchange Act. In order to be considered independent for purposes of Rule 10A-3, a member of an audit committee of a listed company may not, other than in his or her capacity as a member of the audit committee, the board of directors or any other board committee: (i) accept, directly or indirectly, any consulting, advisory or other compensatory fee from the listed company or any of its subsidiaries; or (ii) be an affiliated person of the listed company or any of its subsidiaries. We intend to satisfy the audit committee independence requirements of Rule 10A-3 as of the completion of this offering. Additionally, compensation committee members must not have a relationship with us that is material to the director's ability to be independent from management in connection with the duties of a compensation committee member.

Our board of directors has undertaken a review of the independence of each director and considered whether each director has a material relationship with us that could compromise his ability to exercise independent judgment in carrying out his responsibilities. As a result of this review, our board of directors determined that all of our directors, except for , are "independent directors" as defined under the applicable rules and regulations of the SEC, and the listing requirements and rules of The Nasdaq. In making these determinations, our board of directors reviewed and discussed information provided by the directors and us with regard to each director's business and personal activities and relationships as the may relate to us and our management, including the beneficial ownership of our capital stock by each non-employee director and then transactions involving them described in the section entitled "Certain Relationships and Related Party Transactions."

Committees of the Board of Directors

Our board of directors has an audit committee, a compensation committee and a nominating and governance committee, each of which will have the composition and responsibilities described below as of the completion of this offering. Each of the below committees has a written charter approved by our board of directors. Upon completion of this offering, copies of each charter will be posted on the investor relations section of our website. Members serve on these committees until their resignation or until otherwise determined by our board of directors.

Audit Committee

Our audit committee is composed of , and , with as the chairman of our audit committee. The composition of our audit committee meets the requirements for independence under the current Nasdaq and SEC rules and regulations. Each member of our audit committee is financially literate. In addition, our board of directors has determined that is an "audit committee financial expert," as defined in Item 407(d)(5)(ii) of Regulation S-K promulgated under the Securities Act of 1933, as amended. This designation does not impose any duties, obligations or liabilities that are greater than are generally imposed on members of our audit committee and our board of directors. Our audit committee is directly responsible for, among other things:

- selecting and hiring our independent registered public accounting firm;
- the qualifications, independence and performance of our independent auditors;
- the preparation of the audit committee report to be included in our annual proxy statement;
- our compliance with legal and regulatory requirements;
- our accounting and financial reporting processes, including our financial statement audits and the integrity of our financial statements;
- the oversight of our cybersecurity measures; and
- reviewing and approving related-party transactions.

Compensation Committee

Our compensation committee is comprised of , , and with as the chairman of our compensation committee. Each member of our compensation committee is a non-employee director, as defined by Rule 16b-3 promulgated under the Exchange Act and meets the requirements for independence under the current Nasdaq listing standards and SEC rules and regulations. Our compensation committee is responsible for, among other things:

- evaluating, recommending, approving and reviewing executive officer compensation arrangements, plans, policies and programs;

- evaluating and recommending non-employee director compensation arrangements for determination by our board of directors;
- administering our cash-based and equity-based compensation plans; and
- overseeing our compliance with regulatory requirements associated with the compensation of directors, officers and employees.

Nominating and Governance Committee

Our nominating and governance committee is comprised of , and , with as the chairman of our nominating and governance committee. Each member of our nominating and governance committee meets the requirements for independence under the current Nasdaq listing standards. Our nominating and governance committee is responsible for, among other things:

- identifying, considering and recommending candidates for membership on our board of directors;
- overseeing the process of evaluating the performance of our board of directors; and
- advising our board of directors on other corporate governance matters.

Compensation Committee Interlocks and Insider Participation

None of the members of our compensation committee has at any time been one of our officers or employees, and none of our executive officers has served as a member of the board of directors, or as a member of the compensation or similar committee, of any entity that has one or more executive officers who served on our board of directors or compensation committee during the year ended December 31, 2019. Prior to establishing the compensation committee, our full board of directors made decisions relating to the compensation of our officers.

Code of Business Conduct and Ethics

Prior to the completion of this offering, our board of directors will adopt a code of business conduct and ethics that applies to all of our employees, officers and directors, including our Chief Executive Officer, Chief Financial Officer and other executive and senior officers. The full text of our business code of conduct and ethics will be posted on the investor relations section of our website. The reference to our website address in this prospectus does not include or incorporate by reference the information on our website into this prospectus. We intend to disclose future amendments to certain provisions of our business code of conduct and ethics, or waivers of these provisions, on our website or in public filings to the extent required by the applicable rules.

Non-Employee Director Compensation

No compensation was paid to our non-employee directors during the year ended December 31, 2019. All compensation paid to Frederic Guerard, our only employee director, is set forth below in the section titled “Executive Compensation—Summary Compensation Table.” No compensation was paid to Dr. Guerard in his capacity as a director in 2019.

As of December 31, 2019, Gerald Cagle held outstanding options to purchase 736,829 shares of common stock with a weighted-average exercise price of $0.21 per share. As of December 31, 2019, 736,829 shares subject to the stock options were vested and no share was unvested. No other non-employee director held equity awards as of December 31, 2019.

Prior to this offering, we did not have a formal policy to provide any cash or equity compensation to our non-employee directors for their service on our board of directors or committees of our board of directors. In connection with this offering, our board of directors expects to approve annual non-employee director compensation, which will take effect following the completion of this offering.

EXECUTIVE COMPENSATION

The following tables and accompanying narrative disclosure set forth information about the compensation earned by our named executive officers during the year ended December 31, 2019. Our named executive officers, who are our principal executive officer, our prior interim principal executive officer, our prior chief financial officer and the two most highly compensated executive officers (other than our principal executive officer) serving as executive officers as of December 31, 2019, were:

- Frederic Guerard, President, Chief Executive Officer, Secretary and Treasurer;
- Gerald Cagle, Former Interim Chief Executive Officer;
- Pamela Wapnick, Former Chief Financial Officer;
- Daniel Salain, Chief Technical Operations Officer; and
- Charles Semba, Former Chief Medical Officer

Summary Compensation Table

The following table presents summary information regarding the total compensation for services rendered in all capacities that was awarded to and earned by our named executive officers during the year ended December 31, 2019.

Name and Principal Position	Salary ($)	Option Awards(1)	Non-equity Incentive Plan Compensation ($)	All Other Compensation ($)	Total ($)
Frederic Guerard *Chief Executive Officer(2)*	433,617	233,054	223,992	98,560(3)	989,223
Gerald Cagle *Former Interim Chief Executive Officer(4)*	—	54,712	—	—	54,712
Pamela Wapnick *Former Chief Financial Officer(5)*	224,943	159,159	64,179	428,145(6)	876,426
Daniel Salain *Chief Technical Operations Officer*	345,050	56,358	134,570	29,800(3)	565,778
Charles Semba *Former Chief Medical Officer(7)*	351,117	63,159	136,936	—	551,212

(1) The amounts reported in this column represent the aggregate grant-date fair value of the awards granted under our 2015 Stock Incentive Plan to our named executive officers during the year ended December 31, 2019 as computed in accordance with FASB ASC Topic 718. The assumptions used in calculating the grant date fair value of the awards reported in the All Other Compensation column are set forth in Note 10 to our financial statements included elsewhere in this prospectus. Note that the amounts reported in this column reflect the aggregate accounting cost for these awards, and do not necessarily correspond to the actual economic value that may be received by the named executive officers from the awards.
(2) Dr. Guerard was hired as our Chief Executive Officer in February 2019.
(3) Amount reported includes travel reimbursement and income tax gross-up.
(4) Mr. Cagle served as our Interim Chief Executive Officer until February 2019.
(5) Ms. Wapnick served as our Chief Financial Officer until September 2019.
(6) Amounts reported in this column represent 12 months' severance, 18 months COBRA benefits, travel reimbursement and an income tax gross-up.
(7) Dr. Semba served as our Chief Medical Officer until March 2020.

Equity Compensation

From time to time, we grant equity awards in the form of stock options to our named executive officers, which are generally subject to vesting based on each named executive officer's continued service with us. Each of our named executive officers currently holds outstanding options to purchase shares of our common stock that were granted under the 2015 Plan, as set forth in the table below titled "Outstanding Equity Awards at 2019 Fiscal Year-End Table."

Outstanding Equity Awards at 2019 Fiscal Year-End Table

		Option Awards				
Name	Grant Date(1)	Vesting Commencement Date	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Option Exercise Price ($)	Option Expiration Date
Frederic Guerard	2/1/2019(2)	2/1/2019	4,900,379	—	0.25	1/31/2029
	11/7/019(3)	11/1/2019	3,260,000	—	0.43	11/6/2029
Gerald Cagle	4/2/2015(4)	4/2/2015	108,178	—	0.11	4/1/2025
	5/18/2015(4)	5/1/2015	95,583	—	0.11	5/17/2025
	8/24/2016(4)	8/24/2016	10,000	—	0.18	8/23/2026
	10/15/2018(4)	9/6/2018	300,000	—	0.25	10/14/2028
	2/1/2019(4)	2/1/2019	223,068	—	0.25	1/31/2029
Pamela Wapnick	12/20/2017(5)	12/11/2017	586,572	—	0.20	12/19/2027
	2/6/2018(6)	1/9/2018	140,123	—	0.24	2/5/2028
	12/18/2018(7)	12/18/2018	195,677	—	0.25	12/17/2028
Daniel Salain	12/20/2017(8)	12/11/2017	750,738	—	0.20	12/19/2027
	2/6/2018(9)	1/9/2018	207,542	—	0.24	2/5/2028
	12/18/2018(10)	12/18/2018	422,663	—	0.25	12/17/2028
	11/7/019(3)	11/1/2019	250,000	—	0.43	11/6/2029
Charles Semba(11)	6/15/2016(12)	6/20/2016	616,440	—	0.18	6/14/2026
	8/24/2017(13)	8/24/2017	217,714	—	0.20	8/23/2027
	2/6/2018(9)	1/9/2018	230,602	—	0.24	2/5/2028
	12/18/2018(10)	12/18/2018	469,626	—	0.25	12/17/2028
	11/7/2019(3)	11/1/2019	600,000	—	0.43	11/6/2029

(1) All of the outstanding equity awards were granted under our 2015 Stock Incentive Plan.

(2) This stock option vests at a rate of 1/4th of the shares of our common stock underlying the stock option on February 1, 2020 and 1/48th of the shares of our common stock underlying the stock option monthly thereafter. This stock option contains an early-exercise provision and is exercisable as to the unvested shares, subject to our right of repurchase.

(3) This stock option vests at a rate of 1/4th of the shares of our common stock underlying the stock option on November 1, 2020, and 1/48th of the shares of our common stock underlying the stock option monthly thereafter. This stock option contains an early-exercise provision and is exercisable as to the unvested shares, subject to our right of repurchase.

(4) This stock option was fully vested as of December 31, 2019.

(5) Pursuant to the terms of the Separation Agreement, dated September 11, 2019, by and between us and Ms. Wapnick, or the Separation Agreement, the stock option was vested as to 586,572 of the shares of our common stock underlying the stock option as of December 31, 2019, and 108,556 of the shares of our common stock underlying the stock option were unvested and canceled as of December 31, 2019. Ms. Wapnick has until December 31, 2020 to exercise the vested shares.

(6) Pursuant to the terms of the Separation Agreement, the stock option was vested as to 140,123 of the shares of our common stock underlying the stock option as of December 31, 2019, and 52,046 of the shares of our

common stock underlying the stock option were unvested and canceled as of December 31, 2019. Ms. Wapnick has until December 31, 2020 to exercise the vested shares.

(7) Pursuant to the terms of the Separation Agreement, the stock option was vested as to 195,677 of the shares of our common stock underlying the stock option as of December 31, 2019, and 19,840 of the shares of our common stock underlying the stock option were unvested and canceled as of December 31, 2019. Ms. Wapnick has until December 31, 2020 to exercise the vested shares.

(8) This stock option vests at a rate of 1/4th of the shares of our common stock underlying the stock option on December 11, 2018 and 1/48th of the shares of our common stock underlying the stock option monthly thereafter. This stock option contains an early-exercise provision and is exercisable as to the unvested shares, subject to our right of repurchase. The stock option is subject to acceleration upon certain events.

(9) This stock option vests at a rate of 1/4th of the shares of our common stock underlying the stock option on January 9, 2019 and 1/48th of the shares of our common stock underlying the stock option monthly thereafter. This stock option contains an early-exercise provision and is exercisable as to the unvested shares, subject to our right of repurchase. The stock option is subject to acceleration upon certain events.

(10) This stock option vests at a rate of 1/4th of the shares of our common stock underlying the stock option on December 18, 2019 and 1/48th of the shares of our common stock underlying the stock option monthly thereafter. This stock option contains an early-exercise provision and is exercisable as to the unvested shares, subject to our right of repurchase.

(11) Pursuant to the terms of the Master Consulting Agreement, dated March 20, 2020, by and between us and Dr. Semba, Dr. Semba's outstanding stock options continue to vest so long as he is providing consulting services to us.

(12) This stock option vests at a rate of 1/4th of the shares of our common stock underlying the stock option on June 20, 2017 and 1/48th of the shares of our common stock underlying the stock option monthly thereafter. This stock option contains an early-exercise provision and is exercisable as to the unvested shares, subject to our right of repurchase.

(13) This stock option vests at a rate of 1/4th of the shares of our common stock underlying the stock option on August 24, 2018 and 1/48th of the shares of our common stock underlying the stock option monthly thereafter. This stock option contains an early-exercise provision and is exercisable as to the unvested shares, subject to our right of repurchase.

Employment Agreements

We intend to enter into new employment agreements with certain senior management personnel in connection with this offering, including our named executive officers. We expect that each of these agreements will provide for at-will employment and include each officer's base salary, a discretionary annual incentive bonus opportunity and standard employee benefit plan participation. We also expect these agreements, or a separate related policy, to provide for severance benefits upon termination of employment or a change in control of our company.

Equity Compensation Plans

2015 Stock Incentive Plan

Our board of directors originally adopted our 2015 Stock Incentive Plan, or 2015 Plan, which was also approved by our stockholders, in February 2015. Our board of directors, or a committee thereof appointed by our board of directors, administers the 2015 Plan and the awards granted thereunder. Awards under our 2015 Plan apply to shares of our common stock.

The 2015 Plan provides for the grant of both incentive stock options, which qualify for favorable tax treatment to their recipients under Section 422 of the Code, and nonqualified stock options, as well as for the issuance of restricted stock units, or RSUs, stock appreciation rights, or SARs, restricted stock awards, or RSAs, and performance awards. We may grant incentive stock options only to our employees. We may grant nonqualified stock options, phantom stock unit awards, RSUs, SARs, RSAs and performance awards to our

employees, directors, and consultants. Only stock options and RSAs have been granted under the 2015 Plan. We refer to such employees, directors or consultants who receive an award under our 2015 Plan as participants.

The exercise price of each stock option intended to qualify as incentive stock options must be at least equal to the fair market value of our common stock on the date of grant. The maximum permitted term of options granted under our 2015 Plan is ten years. Options generally vest over a four-year period, and will cease to vest on the date a participant ceases to provide services to us and all then unvested options will be forfeited. Our board of directors, or a committee thereof, may provide for options to be exercised only as they vest or to be immediately exercisable with any shares issued on exercise being subject to our right of repurchase that lapses as the shares vest. Our board of directors has discretion to accelerate, in whole or part, the vesting and exercisability of an award, such as in connection with an award holder's termination of service. Stock options granted under the 2015 Plan generally may be exercised, to the extent vested as of the date of termination, for a period of thirty days after the termination of the optionee's service to us, for a period of twelve months in the case of disability, for a period of twelve months in the case of death or such longer or shorter period as our compensation committee may provide, but in any event no later than the expiration date of the stock option.

All RSAs granted under the 2015 are fully vested.

In the event there is a specified type of change in our capital structure without our receipt of consideration, such as a stock split, appropriate adjustments will be made as set forth in the 2015 Plan.

In the event of a merger or consolidation, or in the event of a liquidation, dissolution or sale of all or substantially all of our assets, each, a corporate transaction, outstanding awards under our 2015 Plan shall terminate upon such corporate transaction, unless continuation or assumption of such awards is provided in connection with the corporate transaction. Our board of directors has discretion to provide that, upon a corporate transaction, awards shall be cancelled in exchange for a payment equal to the value of the per share consideration payable to holders of our common stock in the transaction and, in respect of awards, less the awards exercise price or purchase price, as applicable (this payment may be zero if the award has no value). Generally, stock options granted under the 2015 Plan shall accelerate in full if they are not continued, assumed or substituted in connection with a corporate transaction, or, notwithstanding any continuation, assumption or substitution of such awards, if the award holder's service to the company is involuntarily terminated (without "cause" or for "good reason", as defined under the 2015 Plan) within one year following a corporate transaction.

As of December 31, 2019, we had reserved 26,042,772 shares of our common stock for issuance under our 2015 Plan. As of December 31, 2019, options to purchase 19,066,237 shares of these reserved shares remained outstanding and 5,478,139 of these reserved shares remained available for future grant. The stock options outstanding as of December 31, 2019 had a weighted-average exercise price of $0.28 per share.

Our 2020 Plan (described below) will be effective upon the date immediately prior to the date of this prospectus. As a result, we will not grant any additional equity awards under the 2015 Plan following that date, and the 2015 Plan will terminate at that time. However, any outstanding stock options granted under the 2015 Plan will remain outstanding, subject to the terms of our 2015 Plan and the applicable stock option agreements evidencing such awards, until such outstanding awards are exercised, or until they terminate or expire by their terms. Upon the effectiveness of our 2020 Plan, the shares reserved but not issued or subject to outstanding awards under our 2015 Plan on the date immediately prior to the date of this prospectus will become available for grant and issuance under our 2020 Plan as common stock.

2020 Equity Incentive Plan

We intend to adopt our 2020 Equity Incentive Plan, or 2020 Plan, that will become effective on the date immediately prior to the date of the effectiveness of the registration of which this prospectus forms a part and will serve as the successor to our 2015 Plan. Our 2020 Plan authorizes the award of stock options, RSAs, SARs,

RSUs, performance awards and stock bonus awards. We have initially reserved shares of our common stock, plus any reserved shares not issued or subject to outstanding grants under the 2015 Plan on the effective date of the 2020 Plan, for issuance pursuant to awards granted under our 2020 Plan. The number of shares reserved for issuance under our 2020 Plan will increase automatically on January 1 of each of 2021 through 2030 by the number of shares equal to the lesser of % of the aggregate number of outstanding shares of our common stock as of the immediately preceding December 31, or a number as may be determined by our board of directors.

In addition, the following shares will again be available for issuance pursuant to awards granted under our 2020 Plan:

- shares subject to options or SARs granted under our 2020 Plan that cease to be subject to the option or SAR for any reason other than exercise of the option or SAR;
- shares subject to awards granted under our 2020 Plan that are subsequently forfeited or repurchased by us at the original issue price;
- shares subject to awards granted under our 2020 Plan that otherwise terminate without such shares being issued;
- shares subject to awards granted under our 2020 Plan that are surrendered, cancelled or exchanged for cash or a different award (or combination thereof);
- shares issuable upon the exercise of options or subject to other awards granted under our 2015 Plan that cease to be subject to such options or other awards, by forfeiture or otherwise, after the termination of the 2015 Plan;
- shares subject to awards granted under our 2015 Plan that are forfeited or repurchased by us at the original price after the termination of the 2015 Plan; and
- shares subject to awards under our 2015 Plan or our 2020 Plan that are used to pay the exercise price of an option or withheld to satisfy the tax withholding obligations related to any award.

Administration. Our 2020 Plan is expected to be administered by our compensation committee, all of the members of which are outside directors as defined under applicable federal tax laws, or by our board of directors acting in place of our compensation committee. Subject to the terms and conditions of the 2020 Plan, the compensation committee will have the authority, among other things, to select the persons to whom awards may be granted, construe and interpret our 2020 Plan as well as to determine the terms of such awards and prescribe, amend and rescind the rules and regulations relating to the plan or any award granted thereunder. The 2020 Plan provides that the board or compensation committee may delegate its authority, including the authority to grant awards, to one or more executive officers to the extent permitted by applicable law, provided that awards granted to non-employee directors may only be determined by our board of directors.

Eligibility. Our 2020 Plan provides for the grant of awards to our employees, directors, consultants, independent contractors and advisors. No non-employee director may receive awards under our 2020 Plan that, when combined with cash compensation received for service as a non-employee director, exceeds $ in a calendar year or $ in the calendar year of his or her initial services as a non-employee director with us.

Options. The 2020 Plan provides for the grant of both incentive stock options intended to qualify under Section 422 of the Code, and non-statutory stock options to purchase shares of our common stock at a stated exercise price. Incentive stock options may only be granted to employees, including officers and directors who are also employees. The exercise price of stock options granted under the 2020 Plan must be at least equal to the fair market value of our common stock on the date of grant. Incentive stock options granted to an individual who holds, directly or by attribution, more than ten percent of the total combined voting power of all classes of our capital stock must have an exercise price of at least 110% the fair market value of our common stock on the date of grant. Subject to stock splits, dividends, recapitalizations or similar events, no more than shares may be issued pursuant to the exercise of incentive stock options granted under the 2020 Plan.

Options may vest based on service or achievement of performance conditions. Our compensation committee may provide for options to be exercised only as they vest or to be immediately exercisable, with any shares

issued on exercise being subject to our right of repurchase that lapses as the shares vest. The maximum term of options granted under our 2020 Plan is ten years from the date of grant, except that the maximum permitted term of incentive stock options granted to an individual who holds, directly or by attribution, more than ten percent of the total combined voting power of all classes of our capital stock is five years from the date of grant.

Restricted Stock Awards. An RSA is an offer by us to sell shares of our common stock subject to restrictions, which may lapse based on the satisfaction of service or achievement of performance conditions. The price, if any, of an RSA will be determined by the compensation committee. Holders of RSAs, unlike holders of options, will have the right to vote and any dividends or stock distributions paid pursuant to unvested RSAs will be accrued and paid when the restrictions on such shares lapse. Unless otherwise determined by the compensation committee at the time of award, vesting will cease on the date the participant no longer provides services to us and unvested shares will be forfeited to or repurchased by us.

Stock Appreciation Rights. An SAR provides for a payment, in cash or shares of our common stock (up to a specified maximum of shares, if determined by our compensation committee), to the holder based upon the difference between the fair market value of our common stock on the date of exercise and a predetermined exercise price, multiplied by the number of shares. The exercise price of a SAR must be at least the fair market value of a share of our common stock on the date of grant. SARs may vest based on service or achievement of performance conditions, and may not have a term that is longer than ten years from the date of grant.

Restricted Stock Units. RSUs represent the right to receive shares of our common stock at a specified date in the future, and may be subject to vesting based on service or achievement of performance conditions. Payment of earned RSUs will be made as soon as practicable on a date determined at the time of grant, and may be settled in cash, shares of our common stock or a combination of both. No RSU may have a term that is longer than ten years from the date of grant.

Performance Awards. Performance awards granted to pursuant to the 2020 Plan may be in the form of a cash bonus, or an award of performance shares or performance units denominated in shares of our common stock, that may be settled in cash, property or by issuance of those shares subject to the satisfaction of achievement of specified performance conditions.

Stock Bonus Awards. A stock bonus award provides for payment in the form of cash, shares of our common stock or a combination thereof, based on the fair market value of shares subject such award as determined by our compensation committee. The awards may be granted as consideration for services already rendered, or at the discretion of the compensation committee, may be subject to vesting restrictions based on continued service or performance conditions.

Dividend Equivalents Rights. Dividend equivalent rights may be granted at the discretion of our compensation committee, and represent the right to receive the value of dividends, if any, paid by us in respect of the number of shares of our common stock underlying an award. Dividend equivalent rights will be subject to the same vesting or performance conditions as the underlying award and will be paid only at such time as the underlying award has become fully vested. Dividend equivalent rights may be settled in cash, shares or other property, or a combination of thereof as determined by the compensation committee.

Change of Control. Our 2020 Plan provides that, in the event of a change of control, as defined in the 2020 Plan, outstanding awards under our 2020 Plan shall be subject to the agreement evidencing the change of control, which need not treat all outstanding awards in an identical manner, and may include one or more of the following: (i) the continuation of the outstanding awards; (ii) the assumption of the outstanding awards by the surviving corporation or its parent; (iii) the substitution by the surviving corporation or its parent of new options or equity awards for the outstanding awards; (iv) the full or partial acceleration of exercisability or vesting or lapse of Company's right to repurchase or forfeiture rights and accelerated expiration of the award; (v) the settlement of the full value of the outstanding awards (whether or not then vested or exercisable) in cash, cash

equivalents, or securities of the successor entity with a fair market value equal to the required amount, as determined in accordance with the 2020 Plan and which payments may be deferred until the date or dates the award would have become exercisable or vested; or (vi) the cancellation of the outstanding awards for no consideration. The vesting of all awards granted to our non-employee directors will accelerate and such awards will become exercisable (to the extent applicable) in full prior to the consummation of the change of control at such times and on such conditions as the committee determines.

Adjustment. In the event of a change in the number of outstanding shares of our common stock without consideration by reason of a stock dividend, extraordinary dividend or distribution, recapitalization, stock split, reverse stock split, subdivision, combination, consolidation reclassification, spin-off or similar change in our capital structure, appropriate proportional adjustments will be made to the number of shares reserved for issuance under our 2020 Plan; the exercise prices, number and class of shares subject to outstanding options or SARs; the number and class of shares subject to other outstanding awards; and any applicable maximum award limits with respect to incentive stock options.

Clawback; Transferability. All awards will be subject to clawback or recoupment pursuant to any compensation clawback or recoupment policy adopted by our board of directors (or a committee thereof) or required by law during the term of service of the award holder, to the extent set forth in such policy or applicable agreement. Except in limited circumstances, awards granted under our 2020 Plan may generally not be transferred in any manner prior to vesting other than by will or by the laws of descent and distribution.

Amendment and Termination. Our board of directors may amend our 2020 Plan at any time, subject to stockholder approval as may be required. Our 2020 Plan will terminate ten years from the date our board of directors adopts the plan, unless it is terminated earlier by our board of directors. No termination or amendment of the 2020 Plan may adversely affect any then-outstanding award without the consent of the affected participant, except as is necessary to comply with applicable laws.

2020 Employee Stock Purchase Plan

We intend to adopt a 2020 Employee Stock Purchase Plan, or ESPP, that will become effective upon the effectiveness of the registration statement of which this prospectus forms a part in order to enable eligible employees to purchase shares of our common stock with accumulated payroll deductions. Our ESPP is intended to qualify under Section 423 of the Code.

Shares Available. We have initially reserved shares of our common stock for sale under our ESPP. The aggregate number of shares reserved for sale under our ESPP will increase automatically on January 1st of each of the first ten calendar years after the first offering date under the ESPP by the number of shares equal to the lesser of % of the total outstanding shares of our common stock as of the immediately preceding December 31 (rounded to the nearest whole share) or a number of shares as may be determined by our board of directors in any particular year. The aggregate number of shares issued over the term of our ESPP, subject to stock-splits, recapitalizations or similar events, may not exceed shares of our common stock.

Administration. Our compensation committee will administer our ESPP subject to the terms and conditions of the ESPP. Among other things, the compensation committee will have the authority to determine eligibility for participation in the ESPP, designate separate offerings under the plan, and construe, interpret and apply the terms of the plan.

Eligibility. Employees eligible to participate in any offering pursuant to the ESPP generally include any employee that is employed by us or certain of our designated subsidiaries at the beginning of the offering period. However, our compensation committee may determine that employees who are customarily employed for 20 hours or less per week or for five months or less in a calendar year are not eligible to participate in the ESPP. In addition, any employee who owns (or is deemed to own as a result of attribution) 5% or more of the total

combined voting power or value of all classes of our capital stock, or the capital stock of one of our qualifying subsidiaries, or who will own such amount as a result of participation in the ESPP, will not be eligible to participate in the ESPP. The compensation committee may impose additional restrictions on eligibility from time to time.

Offerings. Under our ESPP, eligible employees will be offered the option to purchase shares of our common stock at a discount over a series of offering periods. Each offering period may itself consist of one or more purchase periods. No offering period may be longer than 27 months.

Participation. Participating employees will be able to purchase the offered shares of our common stock by accumulating funds through payroll deductions. Participants may select a rate of payroll deduction between % and % of their compensation. However, a participant may not purchase more than shares during any one purchase period, and may not subscribe for more than $25,000 in fair market value of shares of our common stock (determined as of the date the offering period commences) in any calendar year in which the offering is in effect. Our compensation committee, in its discretion, may set a lower maximum amount of shares which may be purchased.

The purchase price for shares of our common stock purchased under the ESPP will be % of the lesser of the fair market value of our common stock on (i) the first trading day of the applicable offering period or (ii) the last trading day of each purchase period in the applicable offering period.

Once an employee becomes a participant in an offering period, the participant will be automatically enrolled in each subsequent offering period at the same contribution level. A participant may reduce his or her contribution in accordance with procedures set forth by the compensation committee and may withdraw from participation in the ESPP at any time prior the end of an offering period, or such other time as may be specified by the compensation committee. Upon withdrawal, the accumulated payroll deductions will be returned to the participant without interest.

Adjustments upon Recapitalization. If the number of outstanding shares of our common stock is changed by stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification or similar change in our capital structure without consideration, then our compensation committee will proportionately adjust the number and class of common stock that is available under the ESPP, the purchase price and number of shares any participant has elected to purchase as well as the maximum number of shares which may be purchased by participants.

Change of Control. If we experience a change of control transaction, any offering period that commenced prior to the closing of the proposed change of control transaction will be shortened and terminated on a new purchase date. The new purchase date will occur on or prior to the closing of the proposed change of control transaction, and our ESPP will then terminate on the closing of the proposed change of control.

Transferability. A participant may not assign, transfer, pledge or otherwise dispose of payroll deductions credited to his or her account, or any rights with regard to an election to purchase shares pursuant to the ESPP other than by will or the laws of descent or distribution.

Amendment; Termination. The compensation committee may amend, suspend or terminate the ESPP at any time without stockholder consent, except as required by law. Our ESPP will continue until the earlier to occur of (a) termination of the ESPP by the Board, (b) issuance of all of the shares reserved for issuance under the ESPP or (c) the tenth anniversary of the effective date under the ESPP.

401(k) Plan

We sponsor a retirement savings plan established in June 2017, 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. Participants may make pre-tax and certain after-tax, or 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. No minimum benefit is provided under the plan. An employee's interest in his or her salary deferral contributions is 100% vested when contributed.

Other Benefits

Our named executive officers are eligible to participate in our employee benefit plans on the same basis as our other employees, including our health and welfare plans.

Limitations on Liability and Indemnification Matters

Our restated certificate of incorporation that will become effective in connection with the completion of this offering contains provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by the Delaware General Corporation Law, or DGCL. Consequently, our directors will not be personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for:

- any breach of the director'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;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the DGCL; or
- any transaction from which the director derived an improper personal benefit.

Our restated certificate of incorporation and our restated bylaws that will become effective in connection with the completion of this offering require us to indemnify our directors and officers to the maximum extent not prohibited by the DGCL and allow us to indemnify other employees and agents as set forth in the DGCL.

We have entered, and intend to continue to enter, into separate indemnification agreements with our directors, officers and certain of our key employees, in addition to the indemnification provided for in our restated certificate of incorporation and restated bylaws. These agreements, among other things, require us to indemnify our directors, officers and key employees for certain expenses, including attorneys' fees, judgments, penalties, fines and settlement amounts actually incurred by these individuals in any action or proceeding arising out of their service to us or any of our subsidiaries or any other company or enterprise to which these individuals provide services at our request. Subject to certain limitations, our indemnification agreements also require us to advance expenses incurred by our directors, officers and key employees for the defense of any action for which indemnification is required or permitted.

We believe that these indemnification provisions and agreements are necessary to attract and retain qualified directors, officers and key employees. We also maintain directors' and officers' liability insurance.

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

At present, there is no pending litigation or proceeding involving any of our directors or executive officers as to which indemnification is required or permitted, and we are not aware of any threatened litigation or proceeding that may result in a claim for indemnification.

Insofar as indemnification for liabilities arising under the Securities Act, may be permitted to directors, executive officers or persons controlling us, we have been informed that, in the opinion of the Securities and Exchange Commission, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

The following is a description of each transaction since January 1, 2017 and each currently proposed transaction to which we have been or are to be a participant, in which:

- the amounts involved exceeded or will exceed $120,000; and
- any of our directors, executive officers or holders of more than 5% of our capital stock, or an affiliate or immediate family member of the foregoing persons, had or will have a direct or indirect material interest.

Other than as described below, there have not been, nor are there any currently proposed, transactions or series of similar transactions to which we have been or will be a party other than compensation arrangements, which are described where required under "Executive Compensation."

Danforth Advisors Consulting Agreement and Warrant

On September 3, 2019, we entered into a Consulting Agreement with Danforth Advisors, LLC, or Danforth. A Founding Managing Director of Danforth is Daniel Geffken, our Interim Chief Financial Officer. The agreement provides for Danforth to provide business consulting and advisory services to us. The agreement remains in effect until such time as either party has given notice of termination and may be terminated by either party upon 60 days prior written notice to the other party. As consideration under the agreement, the company shall compensate Danforth with consulting fees based on hourly rates as enumerated in the agreement. In connection with the agreement, we also granted Danforth a warrant to purchase 250,000 shares of our common stock at a price per share of $0.43, of which warrant 1/12 of the shares become vested and exercisable on October 3, 2019, and an additional 1/12 of the shares become vested on the same day of each full succeeding calendar month thereafter.

Series C Convertible Preferred Stock Financing

Between July and August 2019, we sold an aggregate of 37,432,787 shares of our Series C preferred at a purchase price of $1.4693 per share, for an aggregate purchase price of approximately $55.0 million. Each share of our Series C preferred will convert automatically into one share of our common stock upon the completion of this offering. The Series C Financing further allowed for a milestone closing, whereby certain purchasers of Series C preferred have the option to purchase up to an additional 17,014,902 shares of Series C preferred at a price per share of $1.4693.

The following table summarizes the Series C preferred purchased by members of our board of directors or their affiliates and holders of more than 5% of our outstanding capital stock:

Name of Stockholder	Series C Preferred	Total Purchase Price ($)
AffaMed Project Limited	10,208,943	15,000,000
CVF 2018, LLC	6,805,962	10,000,000
Hatteras Venture Partners IV SBIC, L.P.(1)	1,361,192	1,999,999
Entities affiliated with Deerfield(2)	7,874,703	11,570,301
OrbiMed Private Investments VI, L.P.(3)	7,624,082	11,202,064
Clarus Lifesciences III, L.P.(4)	3,557,905	5,227,630

(1) Christy Shaffer, a member of our board of directors, is a general partner at Hatteras.
(2) Consists of shares held by Deerfield Healthcare Innovations Fund, L.P., Deerfield Private Design Fund III, L.P. and Deerfield Partners, L.P. Cameron Wheeler, a member of our board of directors, is a Principal at Deerfield.
(3) Chau Khuong, a member of our board of directors, is a Private Equity Partner at OrbiMed.
(4) Emmett Cunningham, Jr., a member of our board of directors, is a Senior Managing Director at Clarus, a fund managed by Blackstone Life Sciences.

Also in connection with our Series C preferred financing, we granted a right of first negotiation and first refusal to AffaMed Project Limited with regards to a potential exclusive license to GB-102 solely with regards to certain territories. Under the terms of the right of first negotiation and first refusal, the option period for such license will run from the initial closing of the Series C preferred financing until the earlier of July 31, 2021 or 60 days following the date that we provide them with a top line data package of the GB-102 Phase 2b clinical trial results. See "*Business—License Agreements—AffaMed*" for addition detail.

Series B Convertible Preferred Stock Financing

Between April 2016 and May 2018, we sold an aggregate of 76,078,535 shares of our Series B preferred at a purchase price of $0.991 per share, or $0.842 per share for shares issued upon conversion and/or cancellation of outstanding convertible promissory notes, for an aggregate purchase consideration of approximately $74.9 million. Each share of our Series B preferred will convert automatically into one share of our common stock upon the completion of this offering.

The following table summarizes the Series B preferred purchased by members of our board of directors or their affiliates and holders of more than 5% of our outstanding capital stock:

Name of Stockholder	Series B Preferred	Total Purchase Price ($)
Hatteras Venture Partners IV SBIC, L.P.(1)	11,186,293	10,734,449
Entities affiliated with Deerfield(2)	25,619,822	25,389,244
OrbiMed Private Investments VI, L.P.(3)	24,804,439	24,581,199
Clarus Lifesciences III, L.P.(4)	11,575,405	11,471,226
Gerald D. Cagle, Ph.D.(5)	29,925	25,197

(1) Christy Shaffer, a member of our board of directors, is a general partner at Hatteras.
(2) Consists of shares held by Deerfield Healthcare Innovations Fund, L.P. and Deerfield Private Design Fund III, L.P. Cameron Wheeler, a member of our board of directors, is a Principal at Deerfield.
(3) Chau Khuong, a member of our board of directors, is a Private Equity Partner at OrbiMed.
(4) Emmett Cunningham, Jr., a member of our board of directors, is a Senior Managing Director at Clarus, a fund managed by Blackstone Life Sciences.
(5) Gerald Cagle is a member of our board of directors.

Amended and Restated Investors' Rights Agreement

We have entered into an amended and restated investors' rights agreement with certain holders of our convertible preferred stock, including entities with which certain of our directors are affiliated. These stockholders are entitled to rights with respect to the registration of their shares following this offering under the Securities Act of 1933, as amended. For a description of these registration rights, see the section entitled "Description of Capital Stock—Registration Rights."

Indemnification Agreements

In connection with this offering, we intend to enter into new indemnification agreements with each of our directors and executive officers. The indemnification agreements, our restated certificate of incorporation and our restated bylaws will require us to indemnify our directors to the fullest extent not prohibited by Delaware law. Subject to certain limitations, our restated bylaws also require us to advance expenses incurred by our directors and officers. For more information regarding these agreements, see the section entitled "Executive Compensation—Limitations on Liability and Indemnification Matters" for information on our indemnification arrangements with our directors and executive officers.

Policies and Procedures for Related Party Transactions

In connection with this offering, we intend to adopt a written related person transactions policy that provides that our executive officers, directors, nominees for election as a director, beneficial owners of more than 5% of our common stock, and any members of the immediate family of and any entity affiliated with any of the foregoing persons, are not permitted to enter into a material related person transaction with us without the review and approval of our audit committee, or a committee composed solely of independent directors in the event it is inappropriate for our audit committee to review such transaction due to a conflict of interest. We expect the policy to provide that 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 our common stock or with any of their immediate family members or affiliates in which the amount involved exceeds $120,000 will be presented to our audit committee (or the committee composed solely of independent directors, if applicable) for review, consideration and approval. In approving or rejecting any such proposal, we expect that our audit committee (or the committee composed solely of independent directors, if applicable) will consider the relevant facts and circumstances available and deemed relevant to the audit committee (or the committee composed solely of independent directors, if applicable), including, but not limited to, 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 and accompanying footnotes set forth certain information with respect to the beneficial ownership of our common stock at June 30, 2020, and as adjusted to reflect the shares of common stock to be issued and sold in this offering, for:

- each of our directors;
- each of our named executive officers;
- all of our current directors and executive officers as a group; and
- each person, or group of affiliated persons, who beneficially owned more than 5% of our outstanding shares of common stock.

We have determined beneficial ownership in accordance with the rules of the Securities and Exchange Commission, and the information is not necessarily indicative of beneficial ownership for any other purpose. Except as indicated by the footnotes below, we believe, based on information furnished to us, that the persons and entities named in the table below have sole voting and sole investment power with respect to all shares of common stock that they beneficially owned, subject to applicable community property laws.

Beneficial ownership prior to this offering is based on 130,297,298 shares of common stock outstanding as of June 30, 2020, assuming the automatic conversion of all outstanding shares of our convertible preferred stock into common stock in connection with this offering. Beneficial ownership after this offering is based on shares of common stock outstanding, assuming (i) the automatic conversion of all outstanding shares of our convertible preferred stock into common stock as described above and (ii) the issuance of shares of common stock in this offering.

In computing the number of shares of common stock beneficially owned by a person and the percentage ownership of that person, we deemed to be outstanding all shares of common stock subject to options held by that person or entity that are currently exercisable or that will become exercisable within 60 days of June 30, 2020. We did not deem these shares outstanding, however, for the purpose of computing the percentage ownership of any other person. Unless otherwise indicated, the address of each beneficial owner listed in the table below is c/o Graybug Vision, Inc., 275 Shoreline Drive, Suite 450, Redwood City, CA 94065.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Shares Beneficially Owned	
		Before Offering	After Offering
Directors and Named Executive Officers:			
Frederic Guerard, Pharm.D.(1)	8,160,379	5.9%	%
Gerald Cagle, Ph.D.(2)	766,754	*	%
Daniel Geffken(3)	229,167	*	%
Pamela Wapnick(4)†	922,372	*	%
Daniel Salain(5)	1,630,943	1.2%	%
Charles Semba, M.D., FACC, FACR(6)†	2,134,382	1.6%	%
Emmett Cunningham, Jr., M.D., Ph.D., M.P.H.(7)	15,133,310	11.6%	%
Hansoo Michael Keyoung, M.D., Ph.D.(8)	10,208,943	7.8%	%
Chau Khuong, M.P.H.(9)	32,428,521	24.9%	%
Christy Shaffer, Ph.D.(10)	14,807,513	11.3%	%
Cameron Wheeler, Ph.D.(11)	33,494,525	25.7%	%
All executive officers and directors as a group (9 persons)(12)	116,860,055	82.7%	%
5% Stockholders:			
Entities affiliated with Deerfield(11)	33,494,525	25.7%	%
OrbiMed Private Investments VI, L.P.(9)	32,428,521	24.9%	%
Clarus Lifesciences III, L.P.(7)	15,133,310	11.6%	%
Hatteras Venture Partners IV SBIC, L.P.(10)	14,807,513	11.3%	%
AffaMed Project Limited(8)	10,208,943	7.8%	%
CVF 2018, LLC(13)	6,805,962	5.2%	%

* Represents beneficial ownership of less than one percent.

† Former executive officer.

(1) Consists of 8,160,379 shares of our common stock subject to options that are exercisable within 60 days of June 30, 2020, of which 6,322,737 shares are unvested, but early exercisable within 60 days of June 30, 2020.

(2) Consists of (i) 29,925 shares of our common stock and (ii) 736,829 shares of our common stock subject to options that are exercisable within 60 days of June 30, 2020.

(3) Consists of 229,167 shares of our common stock subject to a warrant held by SG DAN Equity Holdings LLC that is exercisable within 60 days of June 30, 2020. SG DAN Equity Holdings LLC is wholly owned by Danforth Advisors, LLC, or Danforth. Daniel Geffken, our interim chief financial officer, is a member of the board of directors of Danforth.

(4) Consists of 922,372 shares of our common stock subject to options that are exercisable within 60 days of June 30, 2020.

(5) Consists of 1,630,943 shares of our common stock subject to options that are exercisable within 60 days of June 30, 2020, of which 820,305 shares are unvested, but early exercisable within 60 days of June 30, 2020.

(6) Consists of 2,134,382 shares of our common stock subject to options that are exercisable within 60 days of June 30, 2020, of which 1,010,050 shares are unvested, but early exercisable within 60 days of June 30, 2020.

(7) Consists of 15,133,310 shares of our common stock held of record by Clarus Lifesciences III, L.P., or Clarus. Clarus Ventures III GP, L.P. is the sole general partner of Clarus. Blackstone Clarus III L.L.C. is the sole general partner of Clarus Ventures III GP, L.P. The sole member of Blackstone Clarus III L.L.C. is Blackstone Holdings II L.P. The sole general partner of Blackstone Holdings II L.P. is Blackstone Holdings I/II GP L.L.C. The sole member of Blackstone Holdings I/II GP L.L.C. is The Blackstone Group Inc. The sole holder of the Class C common stock of The Blackstone Group Inc. is Blackstone Group Management L.L.C. Blackstone Group Management L.L.C. is wholly-owned by The Blackstone Group Inc.'s senior managing directors and controlled by its founder, Stephen A. Schwarzman. The address of Clarus is 101 Main Street, Cambridge, MA 02142.

(8) Consists of 10,208,943 shares of our common stock held of record by AffaMed Project Limited, or AffaMed. Mengjiao Jiang and Hansoo Michael Keyoung, a member of our board of directors, are the directors of AffaMed and each of them may be deemed to hold shared voting and dispositive power with respect to the shares held by AffaMed. The address of AffaMed is Trinity Chambers, P.O. Box 4301, Road Town, Tortola, British Virgin Islands.

(9) Consists of 32,428,521 shares of our common stock held of record by OrbiMed Private Investments VI, L.P., or OPI IV. OrbiMed Capital GP VI LLC, or GP VI, is the general partner of OPI VI, and OrbiMed Advisors LLC, or Advisors, is the managing member of GP VI. By virtue of such relationships, GP VI and Advisors may be deemed to have voting power and investment power over the securities held by OPI VI and as a result, may be deemed to have beneficial ownership over such securities. Advisors exercises voting and investment power through a management committee comprised of Carl L. Gordon, Sven H. Borho and Jonathan T. Silverstein, each of whom disclaims beneficial ownership of the shares held by OPI VI. The address of OPI IV is 601 Lexington Avenue, New York, NY 10022-4629.

(10) Consists of (i) 14,287,624 shares of our common stock held of record by Hatteras Venture Partners IV SBIC, L.P., or HVP IV SBIC, and (ii) 519,889 shares of our common stock subject to options held of record by HVP IV SBIC that are exercisable within 60 days of June 30, 2020. Hatteras Venture Advisors IV SBIC, L.L.C., or HVA IV SBIC, is the general partner of HVP IV SBIC. The managing members of HVA IV SBIC include: Robert Ingram, Douglas Reed, Clay Thorp, John Crumpler and Kenneth Lee. These managing members share voting and dispositive power over the securities directly held by HVP IV SBIC. The address of HVP IV SBIC is 280 S. Mangum Street, Suite 350, Durham, NC 27701.

(11) Consists of (i) 15,434,813 shares of our common stock held of record by Deerfield Healthcare Innovations Fund, L.P., (ii) 15,434,811 shares of our common stock held of record by Deerfield Private Design Fund III, L.P. and (iii) 2,624,901 shares of our common stock held of record by Deerfield Special Situations Fund, L.P. Deerfield Mgmt III, L.P. is the general partner of Deerfield Private Design Fund III, L.P., Deerfield Mgmt. HIF, L.P. is the general partner of Deerfield Healthcare Innovations Fund, L.P. and Deerfield Mgmt, L.P. is the general partner of Deerfield Special Situations Fund, L.P. Deerfield Management Company, L.P. is the investment manager of each of Deerfield Private Design Fund III, L.P., Deerfield Healthcare Innovations Fund, L.P. and Deerfield Special Situations Fund, L.P. Mr. James E. Flynn is the sole member of the general partner of each of Deerfield Mgmt III, L.P., Deerfield Mgmt HIF, L.P., Deerfield Mgmt, L.P. and Deerfield Management Company, L.P. and Mr. James E. Flynn may be deemed to beneficially own the securities held by Deerfield Private Design Fund III, L.P., Deerfield Mgmt HIF, L.P., Deerfield Management Company, L.P. The address of each of Deerfield Private Design Fund III, L.P., Deerfield Healthcare Innovations Fund, L.P. and Deerfield Special Situations Fund, L.P. is c/o Deerfield Management Company, L.P., 780 Third Avenue, 37th Floor, New York, NY 10017.

(12) Consists of (i) 105,582,848 shares of our common stock, (ii) 11,048,040 shares of our common stock subject to options that are exercisable within 60 days of June 30, 2020, and (iii) 229,167 shares of our common stock subject to warrants that are exercisable within 60 days of June 30, 2020 held by all our executive officers and directors, as a group, of which 7,143,042 shares subject to stock options are unvested as of such date.

(13) Consists of 6,805,962 shares of our common stock held of record by CVF 2018, LLC, or CVF. The address of CVF is 222 North LaSalle Street, Suite 2000, Chicago, IL 60601.

DESCRIPTION OF CAPITAL STOCK

The following description summarizes the most important terms of our capital stock, as they will be in effect following this offering. Because it is only a summary, it does not contain all the information that may be important to you. We expect to adopt a restated certificate of incorporation and restated bylaws that will become effective upon the completion of this offering, and this description summarizes provisions that are expected to be included in these documents. For a complete description, you should refer to our restated certificate of incorporation and restated bylaws, which are included as exhibits to the registration statement of which this prospectus forms a part, and to the applicable provisions of Delaware law.

General

Upon the completion of this offering, our authorized capital stock will consist of shares of common stock, $0.0001 par value per share, and shares of undesignated preferred stock, $0.0001 par value per share.

Pursuant to the provisions of our current certificate of incorporation all of the outstanding convertible preferred stock will automatically convert into common stock in connection with the completion of this offering. Our Series A convertible preferred stock, or Series A preferred, will convert at a ratio of 1:1.01729399796, our Series A-2 preferred will convert at a ratio of 1:1, our Series B preferred will convert at a ratio of 1:1 and our Series C preferred will convert at a ratio of 1:1. Assuming the effectiveness of the conversion of preferred stock into shares of common stock as of December 31, 2019, there were 130,200,641 shares of our common stock issued and outstanding, held by approximately 85 stockholders of record, and no shares of our convertible preferred stock outstanding. Our board of directors is authorized, without stockholder approval, to issue additional shares of our capital stock not in excess of our total authorized shares.

In connection with our Series C preferred financing, certain purchasers of Series C preferred have the option to purchase up to an additional 17,014,902 shares of Series C preferred at a price per share of $1.4693.

Common Stock

Dividend Rights

Subject to preferences that may apply to any shares of preferred stock outstanding at the time, the holders of our common stock are entitled to receive dividends out of funds legally available if our board of directors, in its discretion, determines to issue dividends and then only at the times and in the amounts that our board of directors may determine. See the section entitled “Dividend Policy.”

Voting Rights

Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders. We have not provided for cumulative voting for the election of directors in our restated certificate of incorporation, which means that holders of a majority of the shares of our common stock will be able to elect all of our directors. Our restated certificate of incorporation will establish a classified board of

directors, to be divided into three classes with staggered three-year terms. Only one class of directors will be elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms.

No Preemptive or Similar Rights

Our common stock is not entitled to preemptive rights, and is not subject to conversion, redemption or sinking fund provisions.

Right to Receive Liquidation Distributions

Upon our liquidation, dissolution or winding-up, the assets legally available for distribution to our stockholders would be distributable ratably among the holders of our common stock and any participating preferred stock outstanding at that time, subject to prior satisfaction of all outstanding debt and liabilities and the preferential rights of and the payment of liquidation preferences, if any, on any outstanding shares of preferred stock.

Preferred Stock

Immediately prior to the completion of this offering, each outstanding share of preferred stock will be converted into common stock. Our Series A preferred will convert at a ratio of 1:1.01729399796, our Series A-2 preferred will convert at a ratio of 1:1, our Series B preferred will convert at a ratio of 1:1 and our Series C preferred will convert at a ratio of 1:1.

Following the completion of this offering, our board of directors will be authorized, subject to limitations prescribed by Delaware law, to issue preferred stock in one or more series, to establish from time to time the number of shares to be included in each series and to fix the designation, powers, preferences and rights of the shares of each series and any of their qualifications, limitations or restrictions, in each case without further vote or action by our stockholders. Our board of directors will also be able to increase or decrease the number of shares of any series of preferred stock, but not below the number of shares of that series then outstanding and not above the number of shares of that series authorized, without any further vote or action by our stockholders. Our board of directors may authorize the issuance of preferred stock with voting or conversion rights that could adversely affect the voting power or other rights of the holders of our common stock. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in control of our company and might adversely affect the market price of our common stock and the voting and other rights of the holders of our common stock. We have no current plan to issue any shares of preferred stock.

Warrants

As of June 30, 2020, we had one outstanding warrant to purchase 250,000 shares of our common stock, issued on December 11, 2019, with an exercise price per share of $0.43. Upon issuance, 1/12th of the shares issuable upon exercise of such warrant became vested and exercisable, and an additional 1/12th of the shares become vested on the same day of each full succeeding calendar month thereafter

Stock Options

As of June 30, 2020, we had outstanding options to purchase an aggregate 18,606,675 shares of our common stock, with a weighted-average exercise price of $0.28.

Registration Rights

Pursuant to the terms of our amended and restated investors' rights agreement, immediately following this offering, the holders of shares of our common stock will be entitled to rights with respect to the

registration of these shares under the Securities Act, as described below. We refer to these shares collectively as registrable securities.

Demand Registration Rights

Beginning 180 days after the completion of this offering, the holders of at least a majority of the then-outstanding registrable securities may make a written request to us for the registration under the Securities Act of registrable securities representing at least twenty five percent (25%) of the then outstanding registrable securities (or a lesser percent if the anticipated aggregate offering price, net of selling expenses, would exceed $20.0 million). Within 10 days after the date such request is given, we are obligated to provide notice of such request to all holders of registrable securities and as soon as practicable, and in any event within 60 days after the date such request is given, to file a 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. We are only required to file two registration statements that are declared effective upon exercise of these demand registration rights. We may postpone taking action with respect to such filing not more than once during any 12-month period for a total period of not more than 90 days, if after receiving a request for registration, we furnish to the holders requesting such registration a certificate signed by our Chief Executive Officer stating that, in the good faith judgment of our board of directors, it would be materially detrimental to us and our stockholders for such registration statement to be effected at such time.

Form S-3 Registration Rights

The holders of at least fifteen percent (15%) of the then-outstanding registrable securities can request that we register their shares on Form S-3 if we are eligible to file a registration statement on Form S-3 and if the anticipated aggregate price to the public of the shares offered is at least $5.0 million. Within ten (10) days after the date such request is given, we are obligated to provide notice of such request to all holders of registrable securities and as soon as practicable, and in any event within 45 days after the date such request is given, to file a Form S-3 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. We are only required to file two registration statements that are declared effective upon exercise of these demand registration rights. We may postpone taking action with respect to such filing not more than once during any 12-month period for a total period of not more than 90 days, if after receiving a request for registration, we furnish to the holders requesting such registration a certificate signed by our Chief Executive Officer stating that, in the good faith judgment of our board of directors, it would be materially detrimental to us and our stockholders for such registration statement to be effected at such time.

Piggyback Registration Rights

If we register any of our securities for public sale, holders of then-outstanding registrable securities or their permitted transferees will have the right to include their registrable securities in the registration statement. However, this right does not apply to a registration relating to this offering, a Form S-3 registration as described above, employee benefit plans or a registration relating to a corporate reorganization. The underwriters of any underwritten offering will have the right to limit the number of shares registered by these holders if they determine that marketing factors require limitation, in which case the number of shares to be registered will be apportioned pro rata among these holders, according to the total number of registrable securities originally requested by such holders to be included in the registration statement. However, the number of shares to be registered by these holders cannot be reduced below 30% of the registrable securities such holders requested to be included in such offering.

Expenses of Registration Rights

We generally will pay all expenses, including expenses of one counsel for the selling holders, other than underwriting discounts and commissions.

Expiration of Registration Rights

The registration rights described above will expire, with respect to any particular holder of these rights, on the earlier of (i) a deemed liquidation event, as defined in our restated certificate of incorporation, (ii) such time after this offering as the registrable securities held by such holder may be sold within any ninety day period without restriction pursuant to Rule 144 promulgated under the Securities Act and (iii) the third anniversary of this public offering.

Anti-Takeover Provisions

The provisions of the DGCL, our restated certificate of incorporation and our restated bylaws, as we expect they will be in effect upon the completion of this offering, could have the effect of delaying, deferring or discouraging another person from acquiring control of our company. These provisions, which are summarized below, may have the effect of discouraging takeover bids. They are also designed, in part, to encourage persons seeking to acquire control of us to negotiate first with our board of directors. We believe that the benefits of increased protection of our potential ability to negotiate with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us because negotiation of these proposals could result in an improvement of their terms.

Delaware Law

We are subject to the provisions of Section 203 of the DGCL regulating corporate takeovers. In general, Section 203 prohibits a publicly held Delaware corporation from engaging in a "business combination" with an "interested stockholder" for a period of three years following the date on which the person became an interested stockholder unless:

- prior to the date of the transaction, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding, but not the outstanding voting stock owned by the interested stockholder, (i) shares owned by persons who are directors and also officers and (ii) shares owned by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to the date of the transaction, the business combination is approved by the board of directors of the corporation and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66.67% of the outstanding voting stock that is not owned by the interested stockholder.

Generally, a business combination includes a merger, asset or stock sale, or other transaction or series of transactions together resulting in a financial benefit to the interested stockholder. An interested stockholder is a person who, together with affiliates and associates, owns or, within three years prior to the determination of interested stockholder status, did own 15% or more of a corporation's outstanding voting stock. We expect the existence of this provision to have an anti-takeover effect with respect to transactions our board of directors does not approve in advance. We also anticipate that Section 203 may also discourage attempts that might result in a premium over the market price for the shares of common stock held by stockholders.

Restated Certificate of Incorporation and Restated Bylaw Provisions

Our restated certificate of incorporation and our restated bylaws, as we expect they will be in effect upon the completion of this offering, include a number of provisions that could deter hostile takeovers or delay or prevent changes in control of our company, including the following:

- *Board of Directors Vacancies.* Our restated certificate of incorporation and restated bylaws will authorize only our board of directors to fill vacant directorships, including newly created seats. In addition, the number of directors constituting our board of directors is permitted to be set only by a resolution adopted by a majority vote of our entire board of directors. These provisions would prevent a stockholder from increasing the size of our board of directors and then gaining control of our board of directors by filling the resulting vacancies with its own nominees. This makes it more difficult to change the composition of our board of directors but promotes continuity of management.
- *Classified Board.* Our restated certificate of incorporation and restated bylaws will provide that our board of directors is classified into three classes of directors, each with staggered three-year terms. A third party may be discouraged from making a tender offer or otherwise attempting to obtain control of us as it is more difficult and time consuming for stockholders to replace a majority of the directors on a classified board of directors. See the section entitled "Management—Board Composition."
- *Stockholder Action; Special Meetings of Stockholders.* Our restated certificate of incorporation will provide that our stockholders may not take action by written consent, but may only take action at annual or special meetings of our stockholders. As a result, a holder controlling a majority of our capital stock would not be able to amend our restated bylaws or remove directors without holding a meeting of our stockholders called in accordance with our restated bylaws. Further, our restated bylaws will provide that special meetings of our stockholders may be called only by a majority of our board of directors, the chairman of our board of directors, our Chief Executive Officer or our President, thus prohibiting a stockholder from calling a special meeting. These provisions might delay the ability of our stockholders to force consideration of a proposal or for stockholders controlling a majority of our capital stock to take any action, including the removal of directors.
- *Advance Notice Requirements for Stockholder Proposals and Director Nominations.* Our restated bylaws will provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders or to nominate candidates for election as directors at our annual meeting of stockholders. Our restated bylaws also will specify certain requirements regarding the form and content of a stockholder's notice. These provisions might preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at our annual meeting of stockholders if the proper procedures are not followed. We expect that these provisions might also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.
- *No Cumulative Voting.* The DGCL provides that stockholders are not entitled to the right to cumulate votes in the election of directors unless a corporation's certificate of incorporation provides otherwise. Our restated certificate of incorporation and restated bylaws will not provide for cumulative voting.
- *Directors Removed Only for Cause.* Our restated certificate of incorporation will provide that stockholders may remove directors only for cause and only by the affirmative vote of the holders of at least two-thirds of our outstanding common stock.
- *Amendment of Charter Provisions.* Any amendment of the above expected provisions in our restated certificate of incorporation would require approval by holders of at least two-thirds of our outstanding common stock.
- *Issuance of Undesignated Preferred Stock.* Our board of directors has the authority, without further action by the stockholders, to issue up to shares of undesignated preferred stock with rights and preferences, including voting rights, designated from time to time by our board of directors. The

existence of authorized but unissued shares of preferred stock would enable our board of directors to render more difficult or to discourage an attempt to obtain control of us by merger, tender offer, proxy contest or other means.

- *Choice of Forum.* Our restated certificate of incorporation will provide that, to the fullest extent permitted by law, the Court of Chancery of the State of Delaware will be the exclusive forum for any derivative action or proceeding brought on our behalf; any action asserting a breach of fiduciary duty; any action asserting a claim against us arising pursuant to the DGCL, our restated certificate of incorporation or our restated bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine. Our restated bylaws will provide that the federal district courts of the United States of America will, to the fullest extent permitted by law, be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, which we refer to as a Federal Forum Provision. Our decision to adopt a Federal Forum Provision followed a decision by the Supreme Court of the State of Delaware holding that such provisions are facially valid under Delaware law. While there can be no assurance that federal courts or state courts will follow the holding of the Delaware Supreme Court or determine that the Federal Forum Provision should be enforced in a particular case, application of the Federal Forum Provision means that suits brought by our stockholders to enforce any duty or liability created by the Securities Act must be brought in federal court and cannot be brought in state court. While neither the exclusive forum provision nor the Federal Forum Provision applies to suits brought to enforce any duty or liability created by the Exchange Act, 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. Accordingly, actions by our stockholders to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder also must be brought in federal court. Our stockholders will not be deemed to have waived our compliance with the federal securities laws and the regulations promulgated thereunder. Any person or entity purchasing or otherwise acquiring or holding any interest in any of our securities shall be deemed to have notice of and consented to our exclusive forum provisions, including the Federal Forum Provision. These provisions may limit a stockholder's ability to bring a claim in a judicial forum of their choosing for disputes with us or our directors, officers or other employees, which may discourage lawsuits against us and our directors, officers, and other employees.

Transfer Agent and Registrar

Upon the completion of this offering, the transfer agent and registrar for our common stock will be . The transfer agent's address is , and its telephone number is .

The Nasdaq Global Market Listing

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

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our common stock, and we cannot predict the effect, if any, that market sales of shares of our common stock or the availability of shares of our common stock for sale will have on the market price of our common stock prevailing from time to time. Nevertheless, sales of substantial amounts of our common stock, including shares issued upon exercise of outstanding options and warrants, in the public market following this offering could adversely affect market prices prevailing from time to time and could impair our ability to raise capital through the sale of our equity securities.

Upon the completion of this offering, we will have a total of shares of our common stock outstanding, assuming (i) the automatic conversion of all outstanding shares of our convertible preferred stock into an aggregate of 117,849,307 shares of our common stock and (ii) the issuance of shares of common stock in this offering. Of these outstanding shares, all of the shares of common stock sold in this offering will be freely tradable, except that any shares purchased in this offering by our affiliates, as that term is defined in Rule 144 under the Securities Act, can only be sold in compliance with the Rule 144 limitations described below.

The remaining outstanding shares of our common stock will be deemed "restricted securities" as defined in Rule 144. Restricted securities may be sold in the public market only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rule 144 or Rule 701 promulgated under the Securities Act, which rules are summarized below. In addition, substantially all of our security holders have, or will have, entered into market standoff agreements with us or lock-up agreements with the underwriters under which they have agreed, subject to specific exceptions, not to sell any of our stock for at least 180 days following the date of this prospectus, as described below. As a result of these agreements and the provisions of our amended and restated investors' rights agreement described above under "Description of Capital Stock—Registration Rights," subject to the provisions of Rule 144 or Rule 701, shares will be available for sale in the public market as follows:

- beginning on the date of this prospectus, all of the shares sold in this offering will be immediately available for sale in the public market; and
- beginning 181 days after the date of this prospectus, additional shares will become eligible for sale in the public market, of which shares will be held by affiliates and subject to the volume and other restrictions of Rule 144, as described below.

Lock-Up/Market Standoff Agreements

All of our directors and officers and substantially all of our security holders are, or will be, subject to lock-up agreements or market standoff provisions that prohibit them from offering for sale, selling, contracting to sell, granting any option for the sale of, transferring or otherwise disposing of any shares of our common stock, options or warrants to acquire shares of our common stock or any security or instrument related to our common stock, or entering into any swap, hedge or other arrangement that transfers any of the economic consequences of ownership of our common stock, for a period of 180 days following the date of this prospectus without the prior written consent of SVB Leerink LLC and Piper Sandler & Co., subject to certain exceptions. See the section entitled "Underwriting" appearing elsewhere in this prospectus for more information.

Rule 144

In general, under Rule 144 as currently in effect, once we have been subject to public company reporting requirements for at least 90 days, a person who is not deemed to have been one of our affiliates for purposes of the Securities Act at any time during the three months preceding a sale and who has 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, is entitled to sell those 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. 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 that person would be entitled to sell those shares without complying with any of the requirements of Rule 144.

In general, under Rule 144, as currently in effect, our affiliates or persons selling shares on behalf of our affiliates are entitled to sell upon expiration of the lock-up and market standoff agreements described above, within any three-month period, a number of shares that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately shares immediately after this offering; or
- the average reported weekly trading volume of our common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to that 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 generally allows a stockholder who purchased shares of our common stock pursuant to a written compensatory plan or contract and who is not deemed to have been an affiliate of our company during the immediately preceding three months to sell these shares in reliance upon 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 pursuant to Rule 701 and are subject to the lock-up and market standoff agreements described above.

Form S-8 Registration Statement

In connection with this offering, we intend to file a registration statement on Form S-8 under the Securities Act covering all of the shares of our common stock subject to outstanding options and the shares of our common stock reserved for issuance under our stock plans. We expect to file this registration statement as soon as permitted under the Securities Act. However, the shares registered on Form S-8 may be subject to the volume limitations and the manner of sale, notice and public information requirements of Rule 144 and will not be eligible for resale until expiration of the lock-up and market standoff agreements to which they are subject. Of the 18,606,675 shares of our common stock that were subject to options outstanding as of June 30, 2020, options to purchase 7,860,741 shares of common stock were vested as of June 30, 2020. Shares of our common stock underlying outstanding options will not be eligible for sale until expiration of the 180-day lock-up and market standoff agreements to which they are subject.

Registration Rights

We have granted demand, piggyback and Form S-3 registration rights to certain of our stockholders to sell our common stock. Registration of the sale of these shares under the Securities Act would result in these shares becoming freely tradable without restriction under the Securities Act immediately upon the effectiveness of the registration, except for shares purchased by affiliates. For a further description of these rights, see the section entitled “Description of Capital Stock—Registration Rights.”

MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS

The following summary describes the material U.S. federal income tax consequences of the acquisition, ownership and disposition of our common stock acquired in this offering by Non-U.S. Holders (as defined below). This discussion does not address all aspects of U.S. federal income taxes, does not discuss the potential application of the alternative minimum tax or Medicare Contribution tax on net investment income and does not deal with state or local taxes, U.S. federal gift and estate tax laws, except to the limited extent provided below, or any non-U.S. tax consequences that may be relevant to Non-U.S. Holders in light of their particular circumstances.

Special rules different from those described below may apply to certain Non-U.S. Holders that are subject to special treatment under the Internal Revenue Code of 1986, as amended, or Code, such as:

- insurance companies, banks and other financial institutions;
- tax-exempt organizations (including private foundations) and tax-qualified retirement plans;
- foreign governments and international organizations;
- broker-dealers and traders in securities;
- U.S. expatriates and certain former citizens or long-term residents of the United States;
- persons that own, or are deemed to own, more than 5% of our capital stock;
- "controlled foreign corporations," "passive foreign investment companies" and corporations that accumulate earnings to avoid U.S. federal income tax;
- persons that hold our common stock as part of a "straddle," "hedge," "conversion transaction," "synthetic security" or integrated investment or other risk reduction strategy;
- persons required for U.S. federal income tax purposes to conform the timing of income accruals to their financial statements under Section 451(b) of the Code;
- persons who do not hold our common stock as a capital asset within the meaning of Section 1221 of the Code (generally, for investment purposes); and
- partnerships and other pass-through entities, and investors in such pass-through entities (regardless of their places of organization or formation).

Such Non-U.S. Holders are urged to consult their own tax advisors to determine the U.S. federal, state, local and other tax consequences that may be relevant to them.

Furthermore, the discussion below is based upon the provisions of the Code, and U.S. Treasury Regulations, rulings and judicial decisions thereunder as of the date hereof, and such authorities may be repealed, revoked or modified, possibly retroactively, and are subject to differing interpretations which could result in U.S. federal income tax consequences different from those discussed below. We have not requested a ruling from the Internal Revenue Service, or IRS, with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS will agree with such statements and conclusions or will not take a contrary position regarding the tax consequences described herein, or that any such contrary position would not be sustained by a court.

PERSONS CONSIDERING THE PURCHASE OF OUR COMMON STOCK PURSUANT TO THIS OFFERING SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE U.S. FEDERAL INCOME TAX CONSEQUENCES OF ACQUIRING, OWNING AND DISPOSING OF OUR COMMON STOCK IN LIGHT OF THEIR PARTICULAR SITUATIONS AS WELL AS ANY CONSEQUENCES ARISING UNDER THE LAWS OF ANY OTHER TAXING JURISDICTION, INCLUDING ANY STATE, LOCAL OR NON-U.S. TAX CONSEQUENCES OR ANY U.S. FEDERAL NON-INCOME TAX CONSEQUENCES, AND THE POSSIBLE APPLICATION OF TAX TREATIES.

For the purposes of this discussion, a "Non-U.S. Holder" is a beneficial owner of common stock that is not a U.S. Holder or a partnership or other pass-through entity for U.S. federal income tax purposes. A "U.S. Holder" means a beneficial owner of our common stock that is, for U.S. federal income tax purposes, (a) an individual citizen or resident of the United States, (b) a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes), created or organized in or under the laws of the United States, any state thereof or the District of Columbia, (c) an estate the income of which is subject to U.S. federal income taxation regardless of its source or (d) a trust if it (1) is subject to the primary supervision of a court within the United States and one or more U.S. persons (within the meaning of Section 7701(a)(30) of the Code) have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

If you are an individual non-U.S. citizen, you may, in some cases, be deemed to be a resident alien (as opposed to a nonresident alien) by virtue of being present in the United States for at least 31 days in the calendar year and for an aggregate of at least 183 days during a three-year period ending in the current calendar year. Generally, for this purpose, all the days present in the current year, one-third of the days present in the immediately preceding year, and one-sixth of the days present in the second preceding year, are counted.

Resident aliens are generally subject to U.S. federal income tax as if they were U.S. citizens. Individuals who are uncertain of their status as resident or nonresident aliens for U.S. federal income tax purposes are urged to consult their own tax advisors regarding the U.S. federal income tax consequences of the ownership or disposition of our common stock.

Distributions

We do not expect to make any distributions on our common stock in the foreseeable future. If we do make distributions on our common stock, however, such distributions made to a Non-U.S. Holder of our common stock will constitute dividends for U.S. tax purposes to the extent paid out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Distributions in excess of our current and accumulated earnings and profits will constitute a return of capital that is applied against and reduces, but not below zero, a Non-U.S. Holder's adjusted tax basis in our common stock. Any remaining excess will be treated as gain realized on the sale or exchange of our common stock as described below under the section entitled "—Gain on Disposition of Our Common Stock."

Any distribution on our common stock that is treated as a dividend paid to a Non-U.S. Holder that is not effectively connected with the holder's conduct of a trade or business in the United States will generally be subject to withholding tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty between the United States and the Non-U.S. Holder's country of residence. To obtain a reduced rate of withholding under a treaty, a Non-U.S. Holder generally will be required to provide the applicable withholding agent with a properly executed IRS Form W-8BEN, IRS Form W-8BEN-E or other appropriate form, certifying the Non-U.S. Holder's entitlement to benefits under that treaty. Such form must be provided prior to the payment of dividends and must be updated periodically. If a Non-U.S. Holder holds stock through a financial institution or other agent acting on the holder's behalf, the holder will be required to provide appropriate documentation to such agent. The holder's agent may then be required to provide certification to the applicable withholding agent, either directly or through other intermediaries. If you are eligible for a reduced rate of U.S. withholding tax under an income tax treaty, you should consult with your own tax advisor to determine if you are able to obtain a refund of any excess amounts withheld by timely filing an appropriate claim for a refund with the IRS.

We generally are not required to withhold tax on dividends paid to a Non-U.S. Holder that are effectively connected with the holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, are attributable to a permanent establishment that the holder maintains in the United States) if a properly executed IRS Form W-8ECI, stating that the dividends are so connected, is furnished to us (or, if stock is held through a financial institution or other agent, to the applicable withholding agent). In general,

such effectively connected dividends will be subject to U.S. federal income tax on a net income basis at the regular graduated rates applicable to U.S. persons. A corporate Non-U.S. Holder receiving effectively connected dividends may also be subject to an additional "branch profits tax," which is imposed, under certain circumstances, at a rate of 30% (or such lower rate as may be specified by an applicable treaty) on the corporate Non-U.S. Holder's effectively connected earnings and profits, subject to certain adjustments.

See also the section below entitled "—Foreign Accounts" for additional withholding rules that may apply to dividends paid to certain foreign financial institutions or non-financial foreign entities.

Gain on Disposition of Our Common Stock

Subject to the discussions below under the sections entitled "—Backup Withholding and Information Reporting" and "—Foreign Accounts," a Non-U.S. Holder generally will not be subject to U.S. federal income or withholding tax with respect to gain realized on a sale or other disposition of our common stock unless (a) the gain is effectively connected with a trade or business of the holder in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment that the holder maintains in the United States), (b) the Non-U.S. Holder is a nonresident alien individual and is present in the United States for 183 or more days in the taxable year of the disposition and certain other conditions are met or (c) we are or have been a "United States real property holding corporation" within the meaning of Code Section 897(c)(2) at any time within the shorter of the five-year period preceding such disposition or the holder's holding period in the common stock.

If you are a Non-U.S. Holder described in (a) above, you will be required to pay tax on the net gain derived from the sale at the regular graduated U.S. federal income tax rates applicable to U.S. persons. Corporate Non-U.S. Holders described in (a) above may also be subject to the additional branch profits tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. If you are an individual Non-U.S. Holder described in (b) above, you will be required to pay a flat 30% tax on the gain derived from the sale, which gain may be offset by certain U.S. source capital losses (even though you are not considered a resident of the United States), provided you have timely filed U.S. federal income tax returns with respect to such losses. With respect to (c) above, in general, we would be a United States real property holding corporation if U.S. real property interests as defined in the Code and the U.S. Treasury Regulations comprised (by fair market value) at least half of our worldwide real property interests plus our other assets used or held for use in a trade or business. We believe that we are not, and do not anticipate becoming, a United States real property holding corporation. However, there can be no assurance that we will not become a United States real property holding corporation in the future. Even if we were treated as a U.S. real property holding corporation, 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 or constructively, no more than five percent of our common stock at all times within the shorter of (i) the five-year period preceding the disposition or (ii) the holder's holding period and (2) our common stock is regularly traded on an established securities market. There can be no assurance that our common stock will qualify as regularly traded on an established securities market.

U.S. Federal Estate Tax

The estates of nonresident alien individuals generally are subject to U.S. federal estate tax on property with a U.S. situs. Because we are a U.S. corporation, our common stock will be U.S. situs property and, therefore, will be included in the taxable estate of a nonresident alien decedent, unless an applicable estate tax treaty between the United States and the decedent's country of residence provides otherwise. The terms "resident" and "nonresident" are defined differently for U.S. federal estate tax purposes than for U.S. federal income tax purposes. Investors are urged to consult their own tax advisors regarding the U.S. federal estate tax consequences of the ownership or disposition of our common stock.

Backup Withholding and Information Reporting

Generally, we or certain financial middlemen must report information to the IRS with respect to any dividends we pay on our common stock including the amount of any such dividends, the name and address of the recipient, and the amount, if any, of tax withheld. A similar report is sent to the holder to whom any such dividends are paid. Pursuant to tax treaties or certain other agreements, the IRS may make its reports available to tax authorities in the recipient's country of residence.

Dividends paid by us (or our paying agents) to a Non-U.S. Holder may also be subject to U.S. backup withholding. U.S. backup withholding generally will not apply to a Non-U.S. Holder who provides a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, or otherwise establishes an exemption, provided that the applicable withholding agent does not have actual knowledge or reason to know the holder is a U.S. person.

Under current U.S. federal income tax law, U.S. information reporting and backup withholding requirements generally will apply to the proceeds of a disposition of our common stock effected by or through a U.S. office of any broker, U.S. or non-U.S., unless the Non-U.S. Holder provides a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E, as applicable, or otherwise meets documentary evidence requirements for establishing non-U.S. person status or otherwise establishes an exemption. Generally, U.S. information reporting and backup withholding requirements will not apply to a payment of disposition proceeds to a Non-U.S. Holder where the transaction is effected outside the United States through a non-U.S. office of a non-U.S. broker. Information reporting and backup withholding requirements may, however, apply to a payment of disposition proceeds if the broker has actual knowledge, or reason to know, that the holder is, in fact, a U.S. person. For information reporting purposes, certain brokers with substantial U.S. ownership or operations will generally be treated in a manner similar to U.S. brokers.

Backup withholding is not an additional tax. If backup withholding is applied to you, you should consult with your own tax advisor to determine whether you have overpaid your U.S. federal income tax, and whether you are able to obtain a tax refund or credit of the overpaid amount.

Foreign Accounts

In addition, U.S. federal withholding taxes may apply under legislation commonly known as the Foreign Account Tax Compliance Act, or FATCA, on certain types of payments, including dividends paid to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on our common stock paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution agrees to undertake certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. The 30% federal withholding tax described in this paragraph cannot be reduced under an income tax treaty with the United States. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States-owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Under proposed U.S. Treasury Regulations promulgated by the Treasury Department on December 13, 2018, which state that taxpayers may rely on the proposed Treasury Regulations until final Treasury Regulations are issued, this withholding tax will not apply to the gross proceeds from any sale or disposition of our common stock. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in our common stock.

EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF PURCHASING, HOLDING AND DISPOSING OF OUR COMMON STOCK, INCLUDING THE CONSEQUENCES OF ANY 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 SUCH AS ESTATE AND GIFT TAX.

UNDERWRITING

SVB Leerink LLC and Piper Sandler & Co. are acting as representatives of each of the underwriters named below and as joint bookrunning managers for this offering. Subject to the terms and conditions set forth in the underwriting agreement among us and the underwriters, we have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from us, the number of shares of common stock set forth opposite its name below.

Underwriter	Number of Shares
SVB Leerink LLC	
Piper Sandler & Co.	
Needham & Company, LLC	
Wedbush Securities Inc.	
Total	

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have agreed, severally and not jointly, to purchase all of the shares sold under the underwriting agreement if any of the shares are purchased. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated.

We have agreed to indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering the shares, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the shares, and subject to other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officers' certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Discounts and Commissions

The representatives have advised us that the underwriters propose initially to offer the shares to the public at the initial public offering price set forth on the cover page of this prospectus and to dealers at that price less a concession not in excess of $ per share. After the initial offering of the shares, the public offering price, concession or any other term of this offering may be changed by the representatives.

The following table shows the initial public offering price, underwriting discounts and commissions and proceeds, before expenses, to us. The information assumes either no exercise or full exercise by the underwriters of their option to purchase additional shares of our common stock.

		Total	
	Per Share	Without Option	With Option
Initial public offering price	$	$	$
Underwriting discounts and commissions	$	$	$
Proceeds, before expenses, to us	$	$	$

We estimate expenses payable by us in connection with this offering, other than the underwriting discounts and commissions referred to above, will be approximately $. We also have agreed to reimburse the underwriters for up to $ for their FINRA counsel fee. In accordance with FINRA Rule 5110, this reimbursed fee is deemed underwriting compensation for this offering.

Option to Purchase Additional Shares

We have granted an option to the underwriters, exercisable for 30 days after the date of this prospectus, to purchase up to additional shares at the initial public offering price, less underwriting discounts and commissions. If the underwriters exercise this option, each underwriter will be obligated, subject to the conditions contained in the underwriting agreement, to purchase a number of additional shares proportionate to that underwriter's initial amount reflected in the above table.

No Sales of Similar Securities

We, our executive officers and directors and all of our other existing security holders have agreed not to sell or transfer any common stock or securities convertible into or exchangeable or exercisable for common stock, for 180 days after the date of this prospectus without first obtaining the written consent of SVB Leerink LLC and Piper Sandler & Co. on behalf of the underwriters. Specifically, we and these other persons have agreed, with certain limited exceptions, not to directly or indirectly:

- offer, pledge, sell or contract to sell any common stock;
- sell any option or contract to purchase any common stock;
- purchase any option or contract to sell any common stock;
- grant any option, right or warrant for the sale of any common stock;
- otherwise dispose of or transfer any common stock;
- request or demand that we file a registration statement related to the common stock; or
- enter into any swap or other agreement or any transaction that transfers, in whole or in part, the economic consequence of ownership of any common stock, whether any such swap, agreement or transaction is to be settled by delivery of shares or other securities, in cash or otherwise.

The lock-up provisions apply to common stock and to securities convertible into or exchangeable or exercisable for common stock. They also apply to common stock owned now or acquired later by the person executing the lock-up agreement or for which the person executing the lock-up agreement later acquires the power of disposition.

Nasdaq Global Market Listing

We intend to apply to list our common stock on the Nasdaq Global Market, subject to notice of issuance, under the symbol "GRAY."

Determination of Offering Price

Prior to this offering, there has been no public market for our common stock. The initial public offering price for our common stock will be determined through negotiations between us and the representatives. In addition to prevailing market conditions, the factors to be considered in determining the initial public offering price are:

- the valuation multiples of publicly traded companies that the representatives believe to be comparable to us;
- our financial information;
- the history of, and the prospects for, our company and the industry in which we compete;
- an assessment of our management, its past and present operations, and the prospects for, and timing of, our future revenues;

- the present state of our development; and
- the above factors in relation to market values and various valuation measures of other companies engaged in activities similar to ours.

An active trading market for the shares may not develop. It is also possible that after this offering, our common stock will not trade in the public market at or above the initial public offering price.

The underwriters do not expect to sell more than 5% of the shares in the aggregate to accounts over which they exercise discretionary authority.

Price Stabilization, Short Positions and Penalty Bids

Until the distribution of the shares is completed, SEC rules may limit underwriters and selling group members from bidding for and purchasing our common stock. However, the representatives may engage in transactions that stabilize the price of the common stock, such as bids or purchases to peg, fix or maintain that price.

In connection with this offering, the underwriters may purchase and sell our common stock in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in this offering. "Covered" short sales are sales made in an amount not greater than the underwriters' option to purchase additional shares described above. The underwriters may close out 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 close out 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 shares through the option to purchase additional shares granted to them under the underwriting agreement described above. "Naked" short sales are sales in excess of such option. The underwriters must close out any naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our common stock in the open market after pricing that could adversely affect investors who purchase in this offering. Stabilizing transactions consist of various bids for or purchases of shares of common stock made by the underwriters in the open market prior to the closing of this 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.

Similar to other purchase transactions, the underwriters' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our common stock or preventing or retarding a decline in the market price of our common stock. As a result, the price of our common stock may be higher than the price that might otherwise exist in the open market. The underwriters may conduct these transactions on the Nasdaq Global Market, in the over-the-counter market or otherwise.

Neither we nor any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our common stock. In addition, neither we nor any of the underwriters make any representation that the representatives will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Electronic Distribution

In connection with this offering, certain of the underwriters or securities dealers may distribute prospectuses by electronic means, such as e-mail.

Other Relationships

The underwriters and certain of their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, investment research, principal investment, hedging, financing and brokerage activities. Some of the underwriters and certain of their affiliates may in the future engage in investment banking and other commercial dealings in the ordinary course of business with us and our affiliates, for which they may in the future receive customary fees, commissions and expenses.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Selling Restrictions

European Economic Area and the United Kingdom

In relation to each Member State of the European Economic Area and the United Kingdom, each, a "Relevant State", no shares have been offered or will be offered pursuant to the offering to the public in that Relevant State prior to the publication of a prospectus in relation to the shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that offers of shares may be made to the public in that Relevant State at any time under the following exemptions under the Prospectus Regulation:

A. to any legal entity which is a qualified investor as defined under the Prospectus Regulation;

B. to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Regulation), subject to obtaining the prior consent of the underwriters for any such offer; or

C. in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of shares shall require us or any of the underwriters to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

Each person in a Relevant State who initially acquires any shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with us and the underwriters that it is a qualified investor within the meaning of the Prospectus Regulation and each person who initially acquires any shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with each of the underwriters and us that it is a "qualified investor" within the meaning of Article 2(e) of the Prospectus Regulation.

In the case of any shares being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in a Relevant State to qualified investors, in circumstances in which the prior consent of the representatives has been obtained to each such proposed offer or resale.

We, the underwriters and each of our and the underwriters' respective affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

For the purposes of this provision, the expression an "offer to the public" in relation to any shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129, as amended.

References to the Prospectus Regulation include, in relation to the United Kingdom, the Prospectus Regulation as it forms part of United Kingdom domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended.

The above selling restriction is in addition to any other selling restrictions set out below.

Notice to Prospective Investors in the United Kingdom

In addition, in the United Kingdom, this document is being distributed only to, and is directed only at, and any offer subsequently made may only be directed at persons who are "qualified investors" (as defined in the Prospectus Regulation) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, or the Order, and/or (ii) who are high net worth companies (or persons to whom it may otherwise be lawfully communicated) falling within Article 49(2)(a) to (d) of the Order, all such persons together being referred to as relevant persons, or otherwise in circumstances which have not resulted and will not result in an offer to the public of the shares in the United Kingdom within the meaning of the Financial Services and Markets Act 2000, as amended.

Any person in the United Kingdom that is not a relevant person should not act or rely on the information included in this document or use it as basis for taking any action. In the United Kingdom, any investment or investment activity that this document relates to may be made or taken exclusively by relevant persons.

Notice to Prospective Investors in Canada

The shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this prospectus (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts, or 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.

LEGAL MATTERS

The validity of the shares of common stock offered by this prospectus will be passed upon for us by Fenwick & West LLP, San Francisco, California. Certain legal matters relating to the offering will be passed upon for the underwriters by Wilmer Cutler Pickering Hale and Dorr LLP, New York, New York.

EXPERTS

Ernst & Young LLP, independent registered public accounting firm, has audited our financial statements at December 31, 2018 and 2019, and for the years then ended, as set forth in their report thereon (which contains an explanatory paragraph describing conditions that raise substantial doubt about the company's ability to continue as a going concern as described in Note 1 to the financial statements) appearing elsewhere herein. We have included our financial statements in this prospectus and elsewhere in the registration statement in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the Securities and Exchange Commission, or SEC, a registration statement on Form S-1 under the Securities Act of 1933, as amended, with respect to the shares of common stock offered hereby. This prospectus, which constitutes a part of the registration statement, does not contain all of the information set forth in the registration statement or the exhibits filed therewith. For further information about us and the common stock offered hereby, reference is made to the registration statement and the exhibits filed therewith. Statements contained in this prospectus regarding the contents of any contract or any other document that is filed as an exhibit to the registration statement are not necessarily complete, and in each instance we refer you to the copy of such contract or other document filed as an exhibit to the registration statement.

We currently do not file periodic reports with the SEC. Upon the completion of this offering, we will be required to file periodic reports, proxy statements and other information with the SEC pursuant to the Securities Exchange Act of 1934, as amended. The SEC maintains a website that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC. The address of the website is www.sec.gov.

We also maintain a website at www.graybug.com. Upon completion of this offering, you may access these materials at our website free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on our website is not a part of this prospectus and the inclusion of our website address in this prospectus is an inactive textual reference only.

GRAYBUG VISION, INC.

INDEX TO FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors of Graybug Vision, Inc.

Opinion on the Financial Statements

We have audited the accompanying balance sheets of Graybug Vision, Inc. (the Company) as of December 31, 2019 and 2018, the related statements of operations, comprehensive loss, convertible preferred stock and stockholders' deficit and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

The Company's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has suffered recurring losses and negative cash flows from operations, and has stated that substantial doubt exists about the Company's ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding these matters are also described in Note 1 to the financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2017.

Redwood City, California
April 21, 2020

GRAYBUG VISION, INC.

Balance Sheets

(in thousands, except share and per share amounts)

	December 31, 2019	December 31, 2018
Assets		
Current assets		
Cash and cash equivalents	$ 15,870	$ 12,834
Short-term investments	20,086	—
Prepaid expenses and other current assets	315	611
Total current assets	36,271	13,445
Property and equipment, net	1,975	1,515
Prepaid expenses and other non-current assets	2,414	2,853
Total assets	$ 40,660	$ 17,813
Liabilities, convertible preferred stock and stockholders' deficit		
Current liabilities		
Accounts payable	$ 4,636	$ 2,523
Accrued research and development	2,333	1,693
Other current liabilities	3,124	1,578
Preferred stock tranche obligation	2,158	—
Total current liabilities	12,251	5,794
Commitments and contingencies (Note 7)		
Convertible preferred stock, $0.0001 par value; 142,150,096 and 87,898,561 shares authorized, 117,809,883 and 80,377,096 shares issued and outstanding as of December 31, 2019 and 2018, respectively; aggregate liquidation value of $148,592 as of December 31, 2019	131,363	78,811
Stockholders' deficit		
Common stock, $0.0001 par value; 188,000,000 and 120,000,000 shares authorized, 12,351,334 and 11,643,401 shares issued and outstanding as of December 31, 2019 and 2018, respectively	1	1
Additional paid-in capital	2,878	2,006
Accumulated deficit	(105,836)	(68,799)
Accumulated other comprehensive income	3	—
Total stockholders' deficit	(102,954)	(66,792)
Total liabilities, convertible preferred stock and stockholders' deficit	$ 40,660	$ 17,813

See accompanying notes to the financial statements.

GRAYBUG VISION, INC.

Statements of Operations

(in thousands, except share and per share amounts)

	Year Ended December 31,	
	2019	2018
Operating expenses		
Research and development	$ 30,580	$ 22,971
General and administrative	6,922	5,599
Total operating expenses	37,502	28,570
Loss from operations	(37,502)	(28,570)
Interest income	393	192
Change in fair value of preferred stock tranche obligation	72	—
Net loss	(37,037)	(28,378)
Cumulative dividends on convertible preferred stock	(7,055)	(4,317)
Net loss attributable to common stockholders	$ (44,092)	$ (32,695)
Net loss per common share—basic and diluted	$ (3.71)	$ (2.86)
Weighted-average number of shares outstanding used in computing net loss per common share—basic and diluted	11,886,861	11,426,034
Pro forma net loss per common share—basic and diluted (unaudited)	$ (0.34)	
Weighted-average number of shares used in computing pro forma net loss per common share—basic and diluted (unaudited)	108,087,193	

See accompanying notes to the financial statements.

GRAYBUG VISION, INC.

Statements of Comprehensive Loss

(in thousands)

	Year Ended December 31,	
	2019	2018
Net loss	$ (37,037)	$ (28,378)
Unrealized gain on available-for-sale securities, net of tax	3	—
Comprehensive loss	$ (37,034)	$ (28,378)

See accompanying notes to the financial statements.

GRAYBUG VISION, INC.

Statements of Convertible Preferred Stock and Stockholders' Deficit

(in thousands, except share amounts)

	Convertible Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
Balance—December 31, 2017	37,995,663	$ 36,916	10,871,931	$ 1	$ 1,534	$ (40,421)	$ —	$ (38,886)
Issuance of Series B convertible preferred stock, net of issuance costs of $105	42,381,433	41,895	—	—	—	—	—	—
Stock issued on exercise of stock options	—	—	771,470	—	124	—	—	124
Stock-based compensation expense	—	—	—	—	348	—	—	348
Net loss	—	—	—	—	—	(28,378)	—	(28,378)
Balance—December 31, 2018	80,377,096	78,811	11,643,401	1	2,006	(68,799)	—	(66,792)
Issuance of Series C convertible preferred stock, net of issuance costs of $217 and discount on allocation of proceeds to preferred stock tranche obligation of $2,230	37,432,787	52,552	—	—	—	—	—	—
Stock issued on exercise of stock options	—	—	707,933	—	134	—	—	134
Stock-based compensation expense	—	—	—	—	738	—	—	738
Net loss	—	—	—	—	—	(37,037)	—	(37,037)
Unrealized gain on available-for-sale securities, net of tax	—	—	—	—	—	—	3	3
Balance—December 31, 2019	117,809,883	$131,363	12,351,334	$ 1	$ 2,878	$ (105,836)	$ 3	$ (102,954)

See accompanying notes to the financial statements.

GRAYBUG VISION, INC.

Statements of Cash Flows

(in thousands)

	Year Ended December 31, 2019	2018
Operating activities		
Net loss	$ (37,037)	$ (28,378)
Adjustments to reconcile net loss to net cash used in operating activities		
Stock-based compensation expense	738	348
Depreciation	303	175
Change in fair value of preferred stock tranche obligation	(72)	—
Accretion of premium and discounts on short-term investments	(68)	—
Loss on disposal of property and equipment	—	18
Changes in operating assets and liabilities		
Prepaid expenses and other current and noncurrent assets	1,597	(2,721)
Accounts payable	1,403	1,370
Accrued research and development	640	904
Other current liabilities	1,281	136
Deferred rent	—	(68)
Net cash used in operating activities	(31,215)	(28,216)
Investing activities		
Purchases of property and equipment	(605)	(1,461)
Purchases of short-term investments	(22,515)	—
Maturity of short-term investments	2,500	—
Net cash used in investing activities	(20,620)	(1,461)
Financing activities		
Proceeds from issuance of convertible preferred stock, net of issuance costs	54,782	41,895
Proceeds from exercise of stock options	134	124
Payment of offering costs	(45)	—
Net cash provided by financing activities	54,871	42,019
Net increase in cash and cash equivalents	3,036	12,342
Cash and cash equivalents—beginning of year	12,834	492
Cash and cash equivalents—end of year	$ 15,870	$ 12,834
Supplemental disclosure of noncash items		
Property and equipment purchases included in accounts payable	$ 126	$ —
Deferred offering costs included in accounts payable and accrued liabilities	$ 849	$ —

See accompanying notes to the financial statements.

GRAYBUG VISION, INC.

Notes to the Financial Statements

1. Organization, Description of Business and Going Concern Considerations

Graybug Vision, Inc., the Company or Graybug, is a clinical stage biopharmaceutical company developing medicines for the treatment of diseases of the retina and optic nerve. The Company presently devotes substantially all of its resources to conducting research and development and raising capital. The Company was founded in May 2011 and maintains facilities in Redwood City, California and Baltimore, Maryland.

The Company is subject to risks common to clinical stage companies in the biopharmaceutical industry, including dependence on the clinical success of its product candidates, ability to obtain regulatory approvals of its product candidates, compliance with regulatory requirements, the need for substantial additional financing and protection of its proprietary technology.

Going Concern Considerations

The Company incurred losses from operations and had negative cash flows from operating activities for the years ended December 31, 2019 and 2018. The Company's current operating plan indicates it will continue to incur losses from operations and generate negative cash flows from operating activities, given ongoing expenditures related to extensive research and development and the Company's lack of revenue generating activities at this point in the Company's lifecycle. These events and conditions raise substantial doubt about the Company's ability to continue as a going concern.

The Company will need to raise additional funds in order to further advance its research and development programs, operate its business and meet its obligations as they come due. The Company is pursuing financing alternatives, similar to what the Company has previously executed, which include preferred equity financing. However, financing may not be available to the Company in the necessary time frame, in the amounts that the Company requires, on terms that are acceptable to the Company, or at all. If the Company is unable to raise the necessary funds when needed or reduce spending on currently planned activities, it may not be able to continue the development of its products or the Company could be required to delay, scale back, or eliminate some or all of its research and development programs and other operations and will materially harm its business, financial position and results of operations. Based on the Company's current plans, it is anticipated that the existing cash will allow the Company to conduct planned operations into the fourth quarter of 2020.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern and do not include adjustments that might result from the outcome of this uncertainty. This basis of accounting contemplates the recovery of the Company's assets and the satisfaction of liabilities in the normal course of business. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts of liabilities that might be necessary should the Company be unable to continue as a going concern. Based on the Company's current cash position and current financial position as of the date of the financial statements, there is a substantial doubt about the Company's ability to continue as a going concern.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, or GAAP, and stated in U.S. dollars. Any reference in these notes to applicable guidance is meant to refer to the authoritative GAAP as found in the Accounting Standards Codification and Accounting Standards Updates, or ASUs, of the Financial Accounting Standards Board, or FASB.

GRAYBUG VISION, INC.

Notes to the Financial Statements (continued)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Company to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting periods. Actual results could differ from those estimates. On an ongoing basis, the Company evaluates its estimates, including those related to accrued research and development expenses, other long-lived assets, the fair values of the Company's preferred stock tranche obligation, or Preferred Stock Tranche Obligation, common stock, stock-based compensation and the valuation of deferred tax assets. The Company bases its estimates using historical experience, Company forecasts and future plans, current economic conditions, and information from third-party professionals that management believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities and recorded amounts of expenses that are not readily apparent from other sources and adjusts those estimates and assumptions when facts and circumstances dictate.

The Company utilizes estimates and assumptions in determining the fair value of its common stock, including stock-based awards. The Company has granted stock options at exercise prices that represented the fair value of its common stock on the specific grant dates. The Company utilized various valuation methodologies in accordance with the framework of the American Institute of Certified Public Accountants Technical Practice Aid, *Valuation of Privately Held Company Equity Securities Issued as Compensation*, or AICPA TPA, to estimate the fair value of its common stock. Each valuation methodology includes estimates and assumptions that require the Company's judgment. These estimates and assumptions include a number of objective and subjective factors, including external market conditions, the prices at which the Company sold shares of convertible preferred stock, the superior rights and preferences of the convertible preferred stock senior to the Company's common stock at the time, and a probability analysis of various liquidity events, such as a public offering or sale of the Company, under differing scenarios. Changes to the key assumptions used in the valuations could result in different fair values of common stock at each valuation date.

The Company's results can also be affected by economic, political, legislative, regulatory and legal actions. Economic conditions, such as recessionary trends, inflation, interest, changes in regulatory laws and monetary exchange rates, and government fiscal policies, can have a significant effect on operations. While the Company maintains reserves for anticipated liabilities, the Company could be affected by civil, criminal, regulatory or administrative actions, claims or proceedings.

Cash, Cash Equivalents

The Company considers all highly liquid investments with original maturities at the date of purchase of three months or less to be cash equivalents. Cash and cash equivalents are stated at fair value and may include money market funds, U.S. Treasury and U.S. government-sponsored agency securities, corporate debt, commercial paper and certificates of deposit. The Company's cash equivalents at December 31, 2019 and 2018 consist of money market fund investments.

Investments

The Company invests its excess cash balances in marketable government agency bonds, corporate debt securities and commercial paper. The Company classifies its investments as available-for-sale and report available-for-sale investments at fair value at each balance sheet date and include any unrealized holding gains and losses (the adjustment to fair value) in accumulated other comprehensive loss, a component of stockholders' deficit. Realized gains and losses are determined using the specific-identification method, and are included in

other expense, net in the statements of operations. Should any adjustment to fair value reflect a decline in the value of the investment, the Company considers all available evidence to evaluate the extent to which the decline is "other than temporary" and, if so, recognizes the associated unrealized loss through a charge to the statements of operations. The Company did not record any impairment charges related to its marketable securities during the years ended December 31, 2019 and 2018. The Company classifies its available-for-sale marketable securities as current or non-current based on each instrument's underlying effective maturity date and for which the Company has the intent and ability to hold the investment for a period of greater than 12 months. Marketable securities with maturities of less than 12 months are classified as current and are included in investments in the balance sheets. Marketable securities with maturities greater than 12 months for which the Company has the intent and ability to hold the investment for greater than 12 months are classified as non-current and are included in investments, non-current in the balance sheets.

Concentrations of Credit Risk and Off-balance Sheet Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents and available-for-sale investment securities. The Company's investment policy includes guidelines regarding the quality of the financial institutions and financial instruments and defines allowable investments that the Company believes minimizes the exposure to concentration of credit risk. The Company may invest in money market funds, U.S. Treasury securities, corporate debt, U.S. government-related agency securities, commercial paper and certificates of deposit. At December 31, 2019 and 2018, the Company's cash and cash equivalents are held in financial institutions that management believes are creditworthy. These deposits may exceed federally insured limits The Company has not experienced any losses historically in these accounts and believes it in not exposed to significant credit risk in its cash and cash equivalents. The Company has no significant off-balance sheet concentrations of credit risk, such as foreign currency exchange contracts, option contracts, or other hedging arrangements.

Fair Value of Financial Instruments

Assets and liabilities recorded at fair value on a recurring basis in the balance sheets are categorized based upon the level of judgment associated with the inputs used to measure their fair values. Fair value is defined as the exchange price that would be received for an asset or an exit price that would be paid to transfer a liability 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. The authoritative guidance on fair value measurements establishes a three-tier fair value hierarchy for disclosure of fair value measurements as follows:

Level 1—Observable inputs such as unadjusted, quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2—Inputs (other than quoted prices included in Level 1) that are either directly or indirectly observable for the asset or liability. These include quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

To the extent that the valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for instruments categorized in Level 3. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value instrument.

GRAYBUG VISION, INC.

Notes to the Financial Statements (continued)

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. Capitalized deferred offering costs are included in prepaid and other non-current assets in the Company's balance sheet at December 31, 2019. After consummation of the equity financing, these costs are recorded in stockholders' 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 will be expensed immediately as a charge to operating expenses in the statements of operations.

Property and Equipment

Property and equipment are stated at cost, subject to adjustments for impairments, less accumulated depreciation and amortization. Depreciation is calculated using the straight-line method over the useful life of the asset as follows:

Asset	Estimated useful life
Manufacturing and laboratory equipment	Three to five years
Computer hardware	Three to five years
Office furniture and equipment	Three to five years

Maintenance and repairs that do not improve or extend the life of the respective asset are expensed to operations as incurred. Manufacturing and laboratory equipment received is classified as construction in progress until placed into service, at which time depreciation commences. Upon disposal of an asset, the related cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is included in the results of operations.

Impairment of Long-lived Assets

The Company evaluates whether current facts or circumstances indicate that the carrying values of its long-lived assets may not be recoverable. If such facts or circumstances are determined to exist, an estimate of the undiscounted future cash flows of these assets is compared to the carrying value the assets to determine whether impairment exists. If the assets are determined to be impaired, the loss is measured based on the difference between the fair value and carrying value of the assets. No impairment losses were recorded during the years ended December 31, 2019 or 2018.

Research and Development Expenses

Research and development costs are expensed as incurred. The Company's research and development expenses consist primarily of costs incurred for the development of its product candidates and include expenses incurred under agreements with contract manufacturing organizations, or CMOs, contract research organizations, or CROs, investigative sites and consultants to conduct clinical trials and preclinical and non-clinical studies, costs to acquire, develop and manufacture supplies for clinical trials and other studies, salaries and related costs, including stock-based compensation, depreciation and other allocated facility-related and overhead expenses.

Accrued Research and Development Costs

The Company records accruals for estimated costs of preclinical and clinical studies and manufacturing development. A portion of the Company's clinical and manufacturing development activities are conducted by

third-party service providers, including CROs and CMOs. The financial terms of these contracts are subject to negotiation, which vary by contract and may result in payments that do not match the periods over which materials or services are provided. The Company accrues the costs incurred under the agreements based on an estimate of actual work completed in accordance with the agreements. In the event the Company makes advance payments for goods or services that will be used or rendered for future research and development activities, the payments are deferred and capitalized as a prepaid expense and recognized as expense as the goods are received or the related services are rendered. Such payments are evaluated for current or long-term classification based on when they are expected to be realized. If the Company does not identify costs that have begun to be incurred or if the Company underestimates or overestimates the level of services performed or the costs of these services, actual expenses could differ from the Company's estimates. To date, the Company has not experienced significant changes in its estimates of preclinical studies, clinical trial and contract manufacturing accruals.

Patent Costs

Costs to secure and maintain patents covering the Company's technology and product candidates are expensed as incurred and are classified as general and administrative expenses in the statements of operations.

Convertible Preferred Stock

The Company classifies convertible preferred stock outside of stockholders' deficit on its balance sheets as the requirements of triggering a deemed liquidation event are not within the Company's control. In the event of a deemed liquidation event, the proceeds from the event are distributed in accordance with liquidation preferences (see Note 8). The Company adjusts the carrying value of the convertible preferred stock to their redemption values when it becomes probable a redemption event will occur.

Preferred Stock Tranche Obligation

The Company's Series C convertible preferred stock includes features the Company has determined are not clearly and closely related to the equity host are therefore bifurcated and accounted for separately as freestanding derivative liability on the balance sheet at its estimated fair value. This derivative liability is a result of certain investors' rights to purchase from the Company, on the same terms as the Series C Preferred Stock Purchase Agreement executed in July 2019, additional shares of Series C convertible preferred stock in subsequent tranches based on the achievement of certain development milestones. At initial recognition, the Company recorded this derivative as a liability on the balance sheets at its estimated fair value. The derivative is subject to remeasurement at each balance sheet date, with changes in fair value recognized in change in fair value of Preferred Stock Tranche Obligation on the Company's statements of operations.

Stock-based Compensation

Stock-based compensation expense related to stock options and warrants granted to employees, directors and non-employees is recognized based on the grant-date estimated fair values of the awards using the Black-Scholes option pricing model, or Black-Scholes. The value is recognized as expense ratably over the requisite service period, which is generally the vesting term of the award. The Company adjusts the expense for actual forfeitures as they occur.

The grant date fair value of the Company's common stock utilized in Black-Scholes is determined by the Company's board of directors with the assistance of management. The grant date fair value of the Company's common stock is determined using valuation methodologies which utilizes certain assumptions including

probability weighting of events, volatility, time to liquidation, a risk-free interest rate and an assumption for a discount for lack of marketability. In determining the fair value of the Company's common stock, the methodologies used to estimate the enterprise value of the Company were performed using methodologies, approaches, and assumptions consistent with the AICPA TPA.

Income Taxes

The Company uses the liability method to account for income taxes. Under this method, deferred tax assets and liabilities are determined based on differences between the financial statement carrying amounts of existing assets and liabilities and their tax bases. Deferred tax assets and liabilities are measured using enacted tax rates applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company assesses the likelihood of deferred tax assets being realized. A valuation allowance is provided when it is more likely than not that some portion or all of a deferred tax asset will not be realized. In assessing the realizability of deferred tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which the temporary differences representing net future deductible amounts become deductible.

The Company files U.S. federal and state income tax returns. The Company's tax positions are subject to audit. Financial statement effects of uncertain tax positions are recognized when it is more likely than not, based on the technical merits of the position, that it will be sustained upon examination. The Company evaluates uncertain tax positions on a regular basis. The evaluations are based on a number of factors, including changes in facts and circumstances, changes in tax law, correspondence with tax authorities during the course of the audit, and effective settlement of audit issues. Interest and penalties related to unrecognized tax benefits are included within the provision for income tax. To date, the Company has not been subject to any interest and penalties.

Net Loss Per Share

The Company calculates basic and diluted net loss per share attributable to common stockholders in conformity with the two-class method required for participating securities. The Company considers its convertible preferred stock to be participating securities as, in the event a dividend is paid on common stock, the holders of convertible preferred stock and unvested shares of common stock would be entitled to receive dividends on a basis consistent with the common stockholders. The net loss attributable to common stockholders is not allocated to the convertible preferred stock as the holders of those securities do not have a contractual obligation to share in losses. Cumulative dividends on preferred stock are added to net loss to arrive at net loss available to common stockholders.

Under the two-class method, basic net loss per share attributable to common stockholders is computed by dividing the net loss attributable to common stockholders by the weighted average number of common shares outstanding during the period, without consideration of potential dilutive securities. Diluted net loss per share is calculated by dividing net loss by the weighted average number of shares of common stock and potential dilutive common stock equivalents outstanding during the period if the effect is dilutive. Potentially dilutive securities include warrants, stock options and convertible preferred stock. Upon achievement of certain development milestones, the calculation of diluted loss per share also requires that, to the extent issuance of additional shares from the Preferred Stock Tranche Obligation is dilutive to loss per share for the period, adjustments to net loss

used in the calculation are required to remove the change in fair value of the Preferred Stock Tranche Obligation for the period. Likewise, adjustments to the denominator are required to reflect the related dilutive shares. In all periods presented, the Company's outstanding stock options, convertible preferred stock, common stock warrants and issuance of additional preferred shares from the preferred stock tranche were excluded from the calculation of diluted net loss per share because their effects were antidilutive and the development milestones for the issuance of additional shares from the preferred stock tranche were not achieved.

Unaudited Pro Forma Net Loss Per Share

The unaudited pro forma basic and diluted net loss per share has been computed to give effect to the conversion of all outstanding convertible preferred stock into 117,849,307 shares of common stock immediately prior to the completion of the Company's planned initial public offering, or IPO. The unaudited pro forma net loss per share for the year ended December 31, 2019, was computed using the weighted-average number of shares of common stock outstanding, including the pro forma effect of the conversion of all outstanding shares of convertible preferred stock into shares of common stock, as if such conversion had occurred at January 1, 2019, or their issuance dates, if later.

Related Party Transactions

In August 2019, the Company engaged a firm managed by the acting chief financial officer of the Company for professional services related to accounting, finance and other administrative functions. For the year ended December 31, 2019, the costs incurred under this arrangement totaled $468,000 which were recorded as general and administrative expense in the accompanying statement of operations. As of December 31, 2019, amounts owed under this arrangement totaled $104,000 are included in accounts payable in the accompanying balance sheet.

The issuance of Series C Preferred in 2019 (see Note 8) included 20,417,882 shares to and proceeds of $30.0 million from certain stockholders considered to be related parties. The issuance of Series B Preferred in 2018 included 41,097,259 shares to and proceeds of $40.7 million from certain stockholders considered to be related parties.

Segments

Operating segments are defined as components of an entity for which separate financial information is available and that is regularly reviewed by the chief operating decision maker, or CODM, in deciding how to allocate resources to an individual segment and in assessing performance. The Company's CODM is its chief executive officer. The Company has determined it operates in one segment.

Comprehensive Loss

Comprehensive loss is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from non-owner sources.

Emerging Growth Company Status

The Company is an emerging growth company, as defined in the Jumpstart Our Business Startups Act of 2012, or JOBS Act. Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards issued subsequent to the enactment of the JOBS Act, until such time as those standards

apply to private companies. The Company has elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date that it (i) is no longer an emerging growth company or (ii) affirmatively and irrevocably opts out of the extended transition period provided in the JOBS Act. As a result, these financial statements may not be comparable to companies that comply with the new or revised accounting pronouncements as of public company effective dates.

Recently Adopted Accounting Pronouncements

In June 2018, the FASB issued ASU 2018-07, *Compensation—Stock Compensation (Topic 718): Improvements to Employee Share-based Payment Accounting.* ASU 2018-07 aligns the measurement and classification guidance for share-based payments to nonemployees with the guidance under Topic 718 for share-based payments to employees. Under ASU 2018-07, the measurement of equity-classified nonemployee awards is fixed at the grant date at the fair value of the award. ASU 2018-07 permits an entity to make an entity-wide policy election for all nonemployee awards to either (1) estimate forfeitures or (2) recognize forfeitures when they occur. Nonemployee awards that contain a performance condition that affects the quantity or other terms of the award are measured based on the outcome that is probable. Under ASU 2018-07, nonpublic entities that measure liability-classified employee awards using intrinsic value must also measure liability-classified nonemployee awards using intrinsic value. The Company early-adopted ASU 2018-07 effective January 1, 2019 with no material impact on its financial statements.

Recently Issued Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, as amended, or ASU 2016-02, with guidance regarding the accounting for and disclosure of leases. The update requires lessees to recognize the liabilities related all leases, including operating leases, with a term greater than 12 months on the balance sheet. This update also requires lessees and lessors to disclose key information about their leasing transactions. This guidance became effective for public companies for annual and interim periods beginning after December 15, 2018. For all other entities, including emerging growth companies, this standard is effective for annual reporting periods beginning after December 15, 2020, and interim periods within annual periods beginning after December 15, 2021. Early adoption is permitted. The Company is currently assessing the potential impact of adopting ASU 2016-02 on its financial statements and financial statement disclosures.

In June 2016, the FASB issued Accounting Standards Update No. 2016-13, *Financial Instruments-Credit Losses: Measurement of Credit Losses on Financial Instruments*. ASU 2016-13 requires measurement and recognition of expected credit losses for financial assets. In April 2019, the FASB issued clarification to ASU 2016-13 within ASU 2019-04, *Codification Improvements to Topic 326, Financial Instruments-Credit Losses, Topic 815, Derivatives and Hedging*, *and Topic 825, Financial Instruments*, or ASU 2016-13. The guidance will become effective as of January 1, 2020, and must be adopted using a modified retrospective approach, with certain exceptions. This guidance is effective for public business entities that meet the definition of a Securities and Exchange Commission filer, excluding eligible smaller reporting companies for fiscal years beginning after December 15, 2021. For all other entities, including emerging growth companies, it is effective for fiscal years beginning after December 15, 2022. The Company is currently assessing the potential impact of adopting ASU 2016-13 on its financial statements and financial statement disclosures.

In July 2017, the FASB issued ASU 2017-11, *Earnings Per Share (Topic 260), Distinguishing Liabilities from Equity (Topic 480) and Derivatives and Hedging (Topic 815): I. Accounting for Certain Financial Instruments with Down Round Features; II. Replacement of the Indefinite Deferral for Mandatorily Redeemable*

GRAYBUG VISION, INC.

Notes to the Financial Statements (continued)

Financial Instruments of Certain Nonpublic Entities and Certain Mandatorily Redeemable Noncontrolling Interests with a Scope Exception, or ASU 2017-11. Part I of this update addresses the complexity of accounting for certain financial instruments with down round features. Down round features are features of certain equity-linked instruments (or embedded features) that result in the strike price being reduced on the basis of the pricing of future equity offerings. Current accounting guidance creates cost and complexity for entities that issue financial instruments (such as warrants and convertible instruments) with down round features that require fair value measurement of the entire instrument or conversion option. Part II of this update addresses the difficulty of navigating Topic 480, *Distinguishing Liabilities from Equity*, because of the existence of extensive pending content in the FASB Accounting Standards Codification. This pending content is the result of the indefinite deferral of accounting requirements about mandatorily redeemable financial instruments of certain nonpublic entities and certain mandatorily redeemable noncontrolling interests. The amendments in Part II of this update do not have an accounting effect. For public business entities, the amendments in Part I of ASU 2017-11 became effective for fiscal years and interim periods within those years beginning after December 15, 2018. For all other entities, the amendments in Part I of this update are effective for fiscal years beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020. Early adoption is permitted for all entities, including adoption in an interim period. The Company is currently assessing the potential impact of adopting ASU 2017-11 on its financial statements and financial statement disclosures.

In August 2018, the FASB issued ASU No. 2018-13, *Fair Value Measurement (Topic 820), Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement*, or ASU 2018-13. This ASU removed the following disclosure requirements: (1) the amount of and reasons for transfers between Level 1 and Level 2 of the fair value hierarchy; (2) the policy for timing of transfers between levels; and (3) the valuation processes for Level 3 fair value measurements. Additionally, this update added the following disclosure requirements: (1) the changes in unrealized gains and losses for the period included in other comprehensive income and loss for recurring Level 3 fair value measurements held at the end of the reporting period; (2) the range and weighted average of significant unobservable inputs used to develop Level 3 fair value measurements. For certain unobservable inputs, an entity may disclose other quantitative information (such as the median or arithmetic average) in lieu of the weighted average if the entity determines that other quantitative information would be a more reasonable and rational method to reflect the distribution of unobservable inputs used to develop Level 3 fair value measurements. ASU No. 2018-13 will be effective for fiscal years beginning after December 15, 2019 with early adoption permitted. As of December 31, 2019, the Company has not elected to early adopt this guidance but does not expect that the adoption of ASU 2018-13 will have a material effect on its financial statements.

In December 2019, the FASB issued ASU 2019-12, *Simplifying the Accounting for Income Taxes*, or ASU 2019-12. ASU 2019-12 eliminates certain exceptions related to the approach for intra-period tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. It also clarifies and simplifies other aspects of the accounting for income taxes. This guidance is effective for public business entities for fiscal years beginning after December 15, 2020, and interim periods within those fiscal years. For all other entities, including emerging growth companies, it is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. Early adoption is permitted. The Company is currently evaluating the impact adoption of ASU 2019-12 will have on the financial statements and disclosures.

GRAYBUG VISION, INC.

Notes to the Financial Statements (continued)

3. Fair Value Measurements

The following tables present information about the Company's financial assets and liabilities measured at fair value on a recurring basis and indicate the level of the fair value hierarchy utilized to determine such fair values (in thousands):

	As of December 31, 2019			
	Level 1	Level 2	Level 3	Total
Current assets				
Cash equivalents				
Money market funds	$12,859	$ —	$ —	$12,859
Corporate debt securities	—	500	—	500
Short-term investments:				
Government agency bonds	—	2,750	—	2,750
Corporate debt securities	—	11,349	—	11,349
Commercial paper	—	5,987	—	5,987
Total assets measured at fair value	$12,859	$20,586	$ —	$33,445
Current liabilities				
Preferred stock tranche obligation	$ —	$ —	$2,158	$ 2,158
Total liabilities measured at fair value	$ —	$ —	$2,158	$ 2,158

	As of December 31, 2018			
	Level 1	Level 2	Level 3	Total
Current assets				
Cash equivalents				
Money market funds	$10,161	$ —	$ —	$10,161
Total assets measured at fair value	$10,161	$ —	$ —	$10,161

The following tables present information as to cost, unrealized holding gains and losses and fair value determination of the company's financial assets measured at fair value on a recurring basis (in thousands):

	As of December 31, 2019			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Cash equivalents				
Money market funds	$ 12,859	$ —	$ —	$ 12,859
Corporate debt securities	500	—	—	500
Total cash equivalents	13,359	—	—	13,359
Short-term investments				
Government agency bonds	2,750	—	—	2,750
Corporate debt securities	11,348	2	(1)	11,349
Commercial paper	5,985	2	—	5,987
Total short-term investments	20,083	4	(1)	20,086
	$ 33,442	$ 4	$ (1)	$ 33,445

GRAYBUG VISION, INC.

Notes to the Financial Statements (continued)

	As of December 31, 2018			
	Amortized Cost	Unrealized Gains	Unrealized Losses	Estimated Fair Value
Cash equivalents				
Money market funds	$ 10,161	$ —	$ —	$ 10,161

Money market funds are highly liquid investments and are actively traded. The pricing information on the Company's money market funds are based on quoted prices in active markets for identical securities. This approach results in the classification of these securities as Level 1 of the fair value hierarchy.

The fair value of short-term investments is determined from market pricing and other observable market inputs for similar securities obtained from various third-party data providers. The pricing services utilize industry standard valuation models, including both income and market-based approaches, for which all significant inputs are observable, either directly or indirectly, to estimate fair value. These inputs include reported trades of and broker/dealer quotes on the same or similar securities, issuer credit spreads; benchmark securities; prepayment/default projections based on historical data; and other observable inputs. This approach results in the classification of these securities as Level 2 of the fair value hierarchy.

The Company's Preferred Stock Tranche Obligation is measured at fair value using an option pricing valuation methodology. The fair value of Preferred Stock Tranche Obligation includes inputs not observable in the market and thus represents a Level 3 measurement. The option pricing valuation methodology utilized requires inputs based on certain subjective assumptions, including (a) expected stock price volatility, (b) calculation of an expected term, (c) a risk-free interest rate, and (d) expected dividends. The assumptions utilized to value the Preferred Stock Tranche Obligation as of December 31, 2019 were (a) expected stock price volatility of 30%; (b) expected term of 0.7 years; (c) a risk-free interest rate of 1.6%; and (d) an expectation of no dividends.

The following table provides a reconciliation of assets and liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) (in thousands):

	Amount
Balance at December 31, 2018	$ —
Additions	2,230
Change in fair value	(72)
Balance at December 31, 2019	$2,158

There were no transfers among Level 1, Level 2 or Level 3 categories in the years ended December 31, 2019 or 2018.

GRAYBUG VISION, INC.

Notes to the Financial Statements (continued)

4. Property and Equipment, net

Property and equipment, net, consist of the following (in thousands):

	December 31,	
	2019	2018
Manufacturing and laboratory equipment	$1,863	$1,420
Computer hardware	28	35
Office furniture and equipment	28	28
Construction in progress	795	475
Total property and equipment, at cost	2,714	1,958
Less: accumulated depreciation	(739)	(443)
Property and equipment, net	$1,975	$1,515

Depreciation expense for the years ended December 31, 2019 and 2018 was $303,000 and $175,000, respectively.

5. Prepaid Expenses and Other Non-current Assets

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

	December 31,	
	2019	2018
Prepaid clinical and research expenses	$1,462	$2,707
Deferred offering costs	894	—
Deposits	58	146
Total prepaid expenses and other non-current assets	$2,414	$2,853

6. Other Current Liabilities

Other current liabilities consist of the following (in thousands):

	December 31,	
	2019	2018
Salaries and benefits	$2,044	$1,231
Deferred rent	—	68
Other	1,080	279
Total other current liabilities	$3,124	$1,578

7. Commitments and Contingencies

Operating Lease Agreements

The Company leases facilities in Redwood City, California under an operating lease through August 2021 and in Baltimore, Maryland under an operating lease through June 2023. Rent expense for the years ended

GRAYBUG VISION, INC.

Notes to the Financial Statements (continued)

December 31, 2019 and 2018 was $696,000 and $682,000, respectively. Future minimum lease payments under the Company's non–cancelable operating leases as of December 31, 2019 were as follows:

2020	$656
2021	266
Total future minimum lease payments	$922

License Agreements

Johns Hopkins University

In June 2011, the Company entered into an Exclusive License Agreement with Johns Hopkins University, or JHU, which has been amended from time to time, such agreement as amended is referred to as the JHU Agreement. Pursuant to the JHU Agreement, JHU granted the Company an exclusive, worldwide, sublicensable license to three patent families to research, develop, make, use and sell products and provide services in any field, and a non-exclusive license to use specified know-how and materials with a provision that JHU will not grant a license to know how and materials to any other commercial entity. The JHU first patent family describes microparticles with a hydrophobic polymeric core (such as PLGA or PLA or a combination of both PLGA and PLA) and a hydrophilic coating (such as PLGA permanently linked to polyethylene glycol) to reduce inflammation for intraocular injections and their methods of use, which technology is incorporated into the Company's GB-102, GB-103 and GB-401 product candidates. The JHU licensed fourth and fifth patent families cover potential future technologies.

In September 2015, the JHU Agreement was amended to include the JHU second patent family which covers sunitinib-encapsulated polymeric microparticles, including GB-102 and GB-103, and their use as therapeutic compositions to treat disorders of the eye. Under the terms of the amended JHU Agreement, the Company paid a one-time, non-refundable upfront fee, with a remaining amount to be paid upon the occurrence of certain events. The Company also agreed to pay an additional one-time, non-refundable fee of $100,000 on the occurrence of the first commercial sale of a product falling under the claims of a patent in the second patent family.

In April 2016, the JHU Agreement was further amended to include a third patent family which discloses a method for reducing neuronal damage in the eye that includes administration of a sustained release formulation of a dual leucine kinase inhibitor in a polymeric particle, and wherein the dual leucine kinase inhibitor may be sunitinib, and thus is relevant to both the Company's GB-102 and GB-103 product candidates. Under the terms of the amended JHU Agreement, the Company paid a one-time, non-refundable upfront fee, and a milestone payment for the grant of the first patent. The Company also agreed to use its best efforts to develop a licensed product under the third patent family and enter into a Phase I clinical trial on or before April 2019, and to have cumulatively spent several million dollars on research and development within six years of execution of the amendment.

Upon execution of the JHU Agreement in 2011, the Company paid JHU an upfront license fee in the low tens of thousands of dollars and issued to JHU a low single digit percentage of the Company's equity interests as of such date. The Company also reimbursed JHU for the prosecution and maintenance costs incurred by JHU for the licensed patent rights prior to the Company entering into the JHU Agreement, and the Company is responsible for all of the ongoing costs relating to the prosecution and maintenance of the JHU patent rights licensed to the Company. The Company also agreed to pay minimum annual royalties in the tens of thousands of dollars per year until the first commercial sale of a licensed product or service.

GRAYBUG VISION, INC.

Notes to the Financial Statements (continued)

The JHU Agreement further requires single-digit running royalties on the Company's annual net sales, which may be reduced by 50% of any payments the Company makes to third parties for freedom to operate, up to a maximum credit of 50% of the running royalty rate otherwise due to JHU. Royalties must be paid on products that fall within a patent claim of an issued and unexpired patent or a pending patent application that has not been finally rejected or is pending for less than seven years. The Company also must pay developmental milestones for achieving certain clinical progression events, ranging from tens of thousands to hundreds of thousand dollars per event, which in the aggregate, total less than $2.0 million per product. Under the JHU Agreement, prior to the Kala Agreement renegotiation described below, the Company was responsible for paying each developmental milestone payment for the first three products to achieve such milestone, and milestones for the second and third products are reduced by 50%. The Company further agreed to pay a percentage of any sublicense consideration the Company receives.

The JHU Agreement will remain effective until (i) the later of the expiration date of the last-to-expire patents covered under the JHU Agreement or 20 years from the effective date; (ii) the termination by either party upon the bankruptcy or uncured breach of the other party, or (iii) if the Company terminates the JHU Agreement, with a 90-day notification period. The Company may terminate the entire agreement or on a patent by patent basis if desired, subject to the 90-day notification period.

Milestone and royalty expenses under the JHU Agreement are classified as research and development expense and reimbursement of patent-related expenditures are classified as general and administrative expense in the statements of operations. Expense under the JHU Agreement is as follows (in thousands):

	Year Ended December 31,	
	2019	2018
Research and development	$194	$ 56
General and administrative	201	285
Total JHU Agreement expense	$395	$341

Kala Pharmaceuticals, Inc.

A dispute arose between the Company, JHU, and Kala Pharmaceuticals, Inc., or Kala, over rights licensed to the Company and Kala by JHU. In October 2014, the Company entered into a Settlement and License Agreement, or the Kala Agreement, with Kala and JHU, which settled all pending disputes and amended the Company's and Kala's existing license agreements with JHU and created new rights and obligations among the parties.

Under the Kala Agreement, each of Kala and the Company provided the other with a royalty-free, exclusive sublicense with respect to certain intellectual property rights granted by JHU in limited fields of use. Specifically, the Company provided Kala with an exclusive sublicense for the use of a particle with specific characteristics for delivery of a biologically active material through mucus, mucin, or a mucosal barrier (provided that such delivery does not involve administration via injection to the eye), or the Kala Field of Use, and Kala provided the Company with an exclusive sublicense to the use of a particle with specific characteristics for delivery of a biologically active material to the eye via injection (excluding such use of any particle comprising or consisting of loteprednol etabonate). Kala also agreed not to use a particle with those specific characteristics that include sunitinib in any technology licensed the Kala Field of Use under the license from the Company or JHU. Neither the Company nor Kala owe JHU any payments under its existing JHU agreement with respect to the sublicenses granted to the other. Both the Company and Kala hold rights to sublicense the Company's respective rights in

connection with a future collaboration arrangement and subject to any such sublicensee being bound by the applicable terms of the Kala Agreement.

Under the Kala Agreement, JHU agreed to a number of financial concessions to both the Company and Kala. The payments under the existing JHU agreements were modified by reducing all milestones and minimum annual royalties by 25%, including the development milestone payments due for the first licensed product; the development milestone payments due for the first license product were each extended by one year; development milestone payments for the second and third licensed products were eliminated; and the commercial milestone payments for the first commercial sale of a licensed product were reduced by 50% in the United States. New sales-based milestones were added for the second and third licensed products. Upon the second licensed product under the JHU Agreement reaching a certain level of sales or receiving sublicense royalty income, the Company is required to pay $100,000 plus the amounts of the eliminated development milestones and reduced first commercial sale milestone. For the third licensed product, on reaching the same level of sales or receiving sublicense royalty income, the Company is required to pay $150,000 plus the amounts of the eliminated development milestones and reduced first commercial sale milestone. In addition, the Company, Kala and JHU released each other from any liability or claims known to Kala and the Company as of the Kala Agreement and arising out of the actions leading to, and related to the subject of, the Kala Agreement.

The Kala Agreement will expire upon the expiration of all the patent rights that are the subject of the agreement. The Company may terminate one or more of the licenses or sublicenses granted to the Company in the Kala Agreement on a country-by-country basis for convenience upon 30 days' prior written notice to Kala. The Company or Kala may terminate one or more the sublicenses granted to the other party under the JHU patent rights if the other party, or its employees, officers, directors, agents or representatives, takes certain steps to oppose, attempt to invalidate or prevent the issuance of any of the patent rights directly licensed to the terminating party by JHU.

There have been no expenses under the Kala Agreement in the years ended December 31, 2019 or 2018 and no amounts payable at December 31, 2019 or 2018.

AffaMed Project Limited

In July 2019, the Company entered into a letter agreement with AffaMed Project Limited, or AffaMed, in connection with their purchase of the Company's Series C convertible preferred stock, or the AffaMed Letter. Under the AffaMed Letter, the Company granted AffaMed a right of first negotiation, or the Option, to exclusively develop, register, and commercialize GB-102 solely in the territories of China, Hong Kong, Taiwan, Macau and South Korea. The Option expires upon the earlier of (i) July 31, 2021 and (ii) 60 days after the Company provides top line data from the Phase 2b trial for GB-102. If AffaMed does not exercise the Option, the Company will have no further obligation to AffaMed to license rights to GB-102.

The AffaMed Letter provides AffaMed with an initial 30-day period to propose terms for such a license which, if such terms are approved by a majority of the Company's board of directors (excluding the director appointed by AffaMed), shall lead to a 60-day exclusive negotiation period. During this period of up to 90 days, the Company is prohibited from soliciting, initiating, encouraging or assisting the submission of any other proposal, negotiation or offer for the development, registration and commercialization, of GB-102 in China, Hong Kong, Taiwan, Macau or South Korea.

The Company may enter into a license agreement for such services with AffaMed if approved by a majority of the members of the Company's board of directors, excluding the director appointed by AffaMed, during the

exclusive negotiation period. If the Company's board of directors does not approve AffaMed's proposed terms under the Option following good faith negotiations and, following a further 10 business day period of discussion if requested by AffaMed, the Company has the right to enter into an alternative license agreement with any third party for such services. If AffaMed does not exercise its Option, the Company has the right to enter into an alternative license agreement with a different party. The AffaMed Letter does not limit the Company's ability to develop, register and commercialize GB-102 in territories other than China, Hong Kong, Taiwan, Macau and South Korea.

There have been no expenses under the Affamed Letter in the years ended December 31, 2019 or 2018 and no amounts payable at December 31, 2019 or 2018.

Indemnification

The Company, as permitted under Delaware law and in accordance with its certification of incorporation and bylaws and pursuant to indemnification agreements with certain of its officers and directors, indemnifies its officers and directors for certain events or occurrences, subject to certain limits, which the officer or director is or was serving at the Company's request in such capacity.

The Company enters into certain types of contracts that contingently requires the Company to indemnify various parties against claims from third parties. These contracts primarily relate to (i) the Company's bylaws, under which the Company must indemnify directors and executive officers, and may indemnify other officers and employees, for liabilities arising out of their relationship, (ii) contracts under which the Company must indemnify directors and certain officers and consultants for liabilities arising out of their relationship, and (iii) procurement, service or license agreements under which the Company may be required to indemnify vendors, service providers or licensees for certain claims, including claims that may be brought against them arising from the Company's acts or omissions with respect to the Company's products, technology, intellectual property or services.

From time to time, the Company may receive indemnification claims under these contracts in the normal course of business. In the event that one or more of these matters were to result in a claim against the Company, an adverse outcome, including a judgment or settlement, may cause a material adverse effect on the Company's future business, operating results or financial condition. It is not possible to determine the maximum potential amount potentially payable under these contracts since the Company has no history of prior indemnification claims and the unique facts and circumstances involved in each particular claim will be determinative.

8. Convertible Preferred Stock

As of December 31, 2019, the Company had 142,150,096 shares of $0.0001 par value convertible preferred stock, or Convertible Preferred Stock, authorized, of which 2,280,000 shares are designated as Series A convertible preferred stock, or Series A Preferred; 2,018,561 shares are designated as Series A-2 convertible preferred stock, or Series A-2 Preferred; 76,078,535 shares are designated as Series B convertible preferred stock, or Series B Preferred; and 61,773,000 are designated Series C convertible preferred stock, or Series C Preferred.

GRAYBUG VISION, INC.

Notes to the Financial Statements (continued)

The following table summarizes outstanding Convertible Preferred Stock (in thousands, except share and per share amounts):

	Series A Preferred		Series A-2 Preferred		Series B Preferred		Series C Preferred		Total Convertible Preferred Stock	
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
Balance—December 31, 2017	2,280,000	$ 2,280	2,018,561	$ 1,605	33,697,102	$ 33,031	—	$ —	37,995,663	$ 36,916
Issuance of convertible preferred stock	—	—	—	—	42,381,433	42,000	—	—	42,381,433	42,000
Issuance costs	—	—	—	—	—	(105)	—	—	—	(105)
Balance—December 31, 2018	2,280,000	2,280	2,018,561	1,605	76,078,535	74,926	—	—	80,377,096	78,811
Issuance of convertible preferred stock	—	—	—	—	—	—	37,432,787	54,999	37,432,787	54,999
Allocation of proceeds to preferred stock tranche obligation	—	—	—	—	—	—	—	(2,230)	—	(2,230)
Issuance costs	—	—	—	—	—	—	—	(217)	—	(217)
Balance—December 31, 2019	2,280,000	$ 2,280	2,018,561	$ 1,605	76,078,535	$ 74,926	37,432,787	$ 52,552	117,809,883	$ 131,363
Original issue price per share		$ 1.00		$ 0.862		$ 0.991		$ 1.4693		
Liquidation value		$ 2,280		$ 1,740		$ 87,729		$ 56,843		$ 148,592

In July 2019, the Company authorized the sale of up to 61,773,000 shares of its Series C Preferred at a price of $1.4693 per share, or Series C Financing. In initial closings in July and August 2019, the Company issued 37,432,787 shares of Series C Preferred for aggregate gross proceeds of $55.0 million. The Series C Financing further allowed for a milestone closing in the event of certain development milestones, whereby certain purchasers of Series C Preferred have the option, or the Preferred Stock Tranche Obligation to purchase up to an additional 17,014,902 shares of Series C Preferred at a price per share of $1.4693 for potential aggregate gross proceeds of up to $25.0 million.

The Company concluded that the Preferred Stock Tranche Obligation met the definition of a freestanding financial instrument, as they were legally detachable and separately exercisable from the Series C Preferred. Therefore, the Company allocated the proceeds received from the issuance of shares under the Series C Preferred Stock Purchase Agreement between the Preferred Stock Tranche Obligation and the Series C Preferred. The fair value of the Preferred Stock Tranche Obligation of $2.2 million on issuance was allocated from the $55.0 million proceeds of the Series C Preferred financing and is classified as a current liability on the balance sheet as of December 31, 2019 as the Series C Preferred would become redeemable upon a deemed liquidation event, the occurrence of which is not within the Company's control.

The rights and preferences and privileges of Convertible Preferred Stock are described below:

Dividend Rights

The holders of Series C Preferred, in preference to holders of Series B Preferred, Series A-2 Preferred, Series A Preferred and common stock, are entitled to receive cumulative dividends on each outstanding share payable when declared by the board of directors of $0.117544 per share. After payment of such dividends on the Series C Preferred, the holders of Series B Preferred, in preference to holders of Series A-2 Preferred, Series A

GRAYBUG VISION, INC.

Notes to the Financial Statements (continued)

Preferred and common stock, are entitled to receive cumulative dividends on each outstanding share payable when declared by the board of directors of $0.06937 per share. After payment of such dividends on the Series B Preferred, the holders of Series A-2 Preferred, in preference to the holders of Series A Preferred and common stock, are entitled to receive non-cumulative dividends on each outstanding share payable when declared by the board of directors of $0.06034 per share. After payment of such dividends on the Series A-2 Preferred, the holders of Series A Preferred, in preference to the holders of common stock, are entitled to receive non-cumulative dividends on each outstanding share payable when declared by the board of directors of $0.08 per share. The board of directors has not declared any dividends to-date.

Conversion Rights

Each share of Convertible Preferred Stock is convertible at the option of the holder, at any time after the date of issuance, into a fully paid and non-assessable share of common stock. Each share of Convertible Preferred Stock is convertible into that number of common shares as is determined by dividing the applicable original purchase price of such share by the applicable conversion price. The conversion rate is subject to adjustment upon the occurrence of certain events. The conversion rates for the Series C Preferred, Series B Preferred and Series A-2 Preferred is 1:1 and for the Series A Preferred is 1:1.017294:1.

All shares of the Convertible Preferred Stock automatically convert upon the closing of a firm commitment underwritten initial public offering of common stock, in which the price per share is at least $1.61623 per share, subject to adjustment, resulting in gross proceeds of at least $40.0 million. The conversion price for each series of Convertible Preferred Stock is subject to adjustment in the event of stock split, combination, common stock dividend or distribution, reclassification, exchange, substitution, reorganization, and certain antidilution adjustments.

Liquidation Rights

In the event of any liquidation, dissolution, or winding up of the Company or a deemed liquidation event, the holders of Series C Preferred are entitled to receive, prior to any distribution made to any other class of security, an amount equal to $1.4693 per share, plus any dividends accrued and declared but unpaid. Upon distribution to holders of Series C Preferred, the holders of Series B Preferred are entitled to receive, prior to distribution to holders of Series A-2 Preferred, Series A Preferred and common stock, an amount equal to $0.991 per share, plus any dividends accrued and declared but unpaid. Upon distribution to holders of Series C Preferred and Series B Preferred, the holders of Series A-2 Preferred are entitled to receive, prior to distribution to holders of Series A Preferred and common stock, an amount equal to $0.862 per share, plus any dividends declared but unpaid. Upon distributions to the holders of Series C Preferred, Series B Preferred and Series A-2 Preferred, the holders of Series A Preferred are entitled to receive, prior to any distribution or payment to the holders of common stock, an amount equal to $1.00 per share, plus any dividends declared but unpaid. Upon the completion of the distribution to the holders of Series C Preferred, Series B Preferred, Series A-2 Preferred and Series A Preferred, any remaining assets available for distribution will be distributed among the holders of the shares of Series C Preferred, Series B Preferred, Series A-2 Preferred, Series A Preferred and common stock, on a pro rata basis on the number of shares held by each such holder, treating each share as if they had been converted to common stock immediately prior to such liquidation, dissolution or winding up of the Company.

Voting Rights

Each share of Series A Preferred has voting rights equal to the number of common shares into which the Series A Preferred can be converted. Shares of Series A-2 Preferred, Series B Preferred and Series C Preferred do not have voting rights.

GRAYBUG VISION, INC.

Notes to the Financial Statements (continued)

The holders of Series C Preferred are entitled to elect one director of the Company; the holders of Series B Preferred are entitled to elect three directors of the Company; the holders of Series A-2 Preferred, are entitled to elect one director; the holders of common stock are entitled to elect one director; and holders of common stock and any other class or series of voting stock, exclusively and voting together as a single class on an as-converted basis, are entitled to elect one director. Holders of Series A Preferred are not entitled to a director of the Company.

Redemption Rights

Shares of Series C Preferred, Series B Preferred and Series A-2 Preferred may be redeemed at the greater of the fair market value or the original issue price for the applicable series of convertible preferred stock plus any dividends accrued but unpaid with respect to the Series C Preferred and the Series B Preferred and any dividend declared by unpaid with respect to the Series A-2 Preferred. A redemption will occur upon a written request from the holders of a majority of the then outstanding shares of Series C Preferred, voting exclusively as a separate series, and the holders of a majority of the Series B Preferred and Series A-2 Preferred, voting together on an as-converted basis, which request can be made at any time after July 2024.

Cumulative dividends and accretion of discount on Series A-2 Preferred, Series B Preferred and Series C Preferred, together the Contingently Redeemable Preferred, is not recorded until the Contingently Redeemable Preferred is probable of becoming redeemable. As of December 31, 2019, the Company has determined that the Contingently Redeemable Preferred are not currently probable of becoming redeemable and, as such, the cumulative dividend and accretion of discount on the Contingently Redeemable Preferred has not been recorded.

9. Common Stock

The holders of common stock are entitled to dividends when and if declared by the board of directors, subject to the preferences applicable to outstanding shares of Convertible Preferred Stock. The board of directors has not declared any dividends and the Company has not paid any dividends.

The holders of common stock are entitled to one vote per share on all matters to be voted upon by the stockholders.

10. Stock-based Compensation

2015 Stock Incentive Plan

In February 2015, the Company adopted the 2015 Stock Incentive Plan, or 2015 Plan. Under the terms of the 2015 Plan, the Company may issue stock options, restricted stock and other stock awards, to employees, non-employee directors, and consultants. As of December 31, 2019, there were 26,042,772 shares of common stock reserved for future issuance under the 2015 Plan. Awards granted under the 2015 Plan expire no later than 10 years from the date of grant. For incentive stock options and non-statutory stock options, the option exercise price will not be less than 100% of the estimated fair value on the date of grant. Options granted to employees typically vest over a four-year period but may be granted with different vesting terms.

As of December 31, 2019, 5,478,139 shares remained available for grant under the 2015 Plan.

GRAYBUG VISION, INC.

Notes to the Financial Statements (continued)

Stock Option Activity

The following summarizes stock option activity:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in thousands)
Outstanding—December 31, 2018	10,713,940	0.21	8.7	$ 447
Granted	11,294,172	0.35		
Exercised	(707,933)	0.19		
Forfeited	(2,233,942)	0.29		
Outstanding—December 31, 2019	19,066,237	$ 0.28	8.7	$ 2,825
Vested and expected to vest—December 31, 2019	19,066,237	$ 0.28	8.7	$ 2,825
Options Exercisable—December 31, 2019	6,666,595	$ 0.20	7.7	$ 1,508

The aggregate intrinsic value of options granted is calculated as the difference between the exercise price of the options and the estimated fair value of the Company's common stock. The aggregate intrinsic value of options exercised in the years ended December 31, 2019 and 2018 was $157,000 and $61,000, respectively. The weighted average grant date fair value of options granted in the years ended December 31, 2019 and 2018 was $0.24 and $0.17, respectively.

The aggregate fair value of options that vested during the year ended December 31, 2019 was $659,000. The weighted average grant date fair value of options that vested during the year ended December 31, 2019 was $0.16.

Fair Value of Stock Option Awards

The Company estimates the fair value of stock option awards on the grant date using Black-Scholes. The weighted-average grant date fair value per option granted to during the years ended December 31, 2019 and 2018 was $0.24 and $0.17, respectively, per option. The fair value of each award is estimated using Black-Scholes based on the following assumptions:

	Year Ended December 31,	
	2019	2018
Expected term (years)	5.1 – 6.1	5.1 – 6.1
Expected volatility	80%	80%
Risk-free interest rate	1.8% – 2.5%	2.6% – 3.1%
Expected dividend yield	— %	— %

Black-Scholes requires the use of subjective assumptions which determine the fair value of stock-based awards. These assumptions include:

Expected Term: The Company's expected term represents the period that options are expected to be outstanding and is determined using the simplified method, based on the mid-point between the vesting date and the end of the contractual term as the Company does not have sufficient historical data to use any other method to estimate expected term.

GRAYBUG VISION, INC.

Notes to the Financial Statements (continued)

Expected Volatility: The Company is a private company without any trading history in its common stock. The expected volatility the Company uses in Black-Scholes is estimated based on the average volatility for comparable publicly-traded biopharmaceutical companies over a period equal to the expected term of the stock option grants. The comparable companies are chosen based on their similarities to the Company, including life cycle stage, therapeutic focus and size.

Risk-free Interest Rate. The risk-free interest rate is based on the U.S. Treasury zero coupon issues in effect at the time of grant for periods corresponding with the expected term of the stock option grants.

Expected Dividend: The Company has never paid dividends on its common stock and has no plans to pay dividends on its common stock. Therefore, the Company used an expected dividend yield of zero.

Stock-based Compensation Expense

Stock-based compensation expense is classified as follows (in thousands):

	Year Ended December 31,	
	2019	2018
Research and development	$215	$225
General and administrative	523	123
Total stock-based compensation expense	$738	$348

As of December 31, 2019, total unrecognized stock–based compensation cost related to unvested stock options was $2.7 million. As of December 31, 2019, the weighted–average period over which such stock-based compensation was expected to be recognized was approximately 3.4 years.

During the year ended December 31, 2019, the Company accelerated the vesting of 556,670 unvested stock options and extended the exercise period related to the awards. The modification resulted in additional stock-based compensation of $128,000. During the year ended December 31, 2018, the Company accelerated the vesting of 694,000 unvested stock options and extended the exercise period related to the awards. The modification resulted in additional stock-based compensation of $70,000.

11. Income Taxes

The Company has incurred net operating losses for all the periods presented. The Company has not reflected the benefit of any such net operating loss carryforwards in the accompanying financial statements.

In December 2017, the U.S. government signed into law the Tax Cuts and Jobs Act, or Tax Act, that significantly reforms the Internal Revenue Code of 1986, as amended. The Tax Act, among other things, contains significant changes to corporate taxation, including reduction of the corporate tax rate from a top marginal rate of 35% to a flat rate of 21%, effective as of January 1, 2018; limitation of the tax deduction for interest expense; limitation of the deduction for net operating losses to 80% of annual taxable income and elimination of net operating loss carrybacks, in each case, for losses arising in taxable years beginning after December 31, 2017 (though any such tax losses may be carried forward indefinitely); and modifying or repealing many business deductions and credits, including reducing the business tax credit for certain clinical testing expenses incurred in the testing of certain drugs for rare diseases or conditions generally referred to as orphan drugs.

GRAYBUG VISION, INC.

Notes to the Financial Statements (continued)

The effective tax rate for the years ended December 31, 2019 and 2018 is different from the federal statutory rate primarily due to the valuation allowance against deferred tax assets as a result of insufficient sources of income. The reconciliation of the federal statutory income tax rate to the Company's effective income tax rate is as follows:

	Year Ended December 31,	
	2019	2018
Income tax benefit at the federal statutory rate	21.0%	21.0%
State income taxes, net of federal benefit	1.1	2.7
Research and development tax credits	2.8	2.7
Other	(0.3)	(0.2)
Change in valuation allowance	(24.6)	(26.2)
Total	— %	— %

Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The principal components of the Company's deferred tax assets consisted of the following (in thousands):

	December 31,	
	2019	2018
Deferred tax assets		
Federal and state net operating loss carryforwards	$ 21,262	$ 13,793
Research and development tax credits	4,140	2,616
Other	488	346
Gross deferred tax assets	25,890	16,755
Less: valuation allowance	(25,841)	(16,719)
Total deferred tax assets	49	36
Deferred tax liabilities		
Depreciation	(49)	(36)
Total deferred tax liabilities	(49)	(36)
Net deferred tax assets	$ —	$ —

The Company has incurred annual net operating losses in each year since inception. The Company has not reflected the benefit of any such net operating loss carryforwards in the financial statements. Due to the Company's history of losses, and lack of other positive evidence, the Company has determined that it is more likely than not that its net deferred tax assets will not be realized, and therefore, the net deferred tax assets are fully offset by a valuation allowance at December 31, 2019 and 2018. The Company increased its valuation allowance by $9.1 million for the year ended December 31, 2019 in order to maintain a full valuation allowance against its deferred tax assets.

As of December 31, 2019, the Company had federal net operating loss carryforwards, or NOLs, of $97.6 million and federal tax credits of $4.5 million available to offset tax liabilities. The Company's federal NOLs and federal tax credit carryforwards begin to expire in 2035 and 2036, respectively. Of the federal NOLs, $63.5 million have an infinite life. The Company also had gross state NOLs of $12.3 million and state tax credits of $1.3 million which are available to offset state tax liabilities. The state NOLs begin to expire in 2036 and the

state tax credit carryforwards can be carried forward indefinitely. Federal and state NOLs and tax credit carryforwards are also subject to annual limitations in the event that cumulative changes in the ownership interests of significant stockholders exceed 50% over a three-year period, as defined under Sections 382 and 383 of the Internal Revenue Code of 1986. The Company has not completed an analysis to determine if the NOLs and tax credits are limited due to a change in ownership. Should there be ownership changes that occurred, the Company's ability to utilize existing carryforwards could be substantially restricted.

The Company determines its uncertain tax positions based on whether and how much of a tax benefit taken by the Company in its tax filings is more likely than not to be sustained upon examination by the relevant income tax authorities.

A reconciliation of the unrecognized tax benefit is as follows (in thousands):

	Year Ended December 31,	
	2019	2018
Balance—beginning of year	$ 873	$447
Addition based on tax position related to current year	533	426
Addition based on tax position related to prior year	—	—
Balance—end of year	$1,406	$873

The unrecognized tax benefits, if recognized, would not have an impact on the Company's effective tax rate assuming the Company continues to maintain a full valuation allowance position. Based on prior year's operations and experience, the Company does not expect a significant change to its unrecognized tax benefits over the next twelve months. The unrecognized tax benefits may increase or change during the next year for unexpected or unusual items for items that arise in the ordinary course of business.

The Company files income tax returns in the U.S., California, Florida, Illinois, Indiana, Texas and Maryland. The Company is not currently under examination by any taxing authority for any open tax year. Due to net operating loss carryforwards, all years remain open for income tax examination. To the extent the Company has tax attribute carryforwards, the tax years in which the attribute was generated may still be adjusted upon examination by the Internal Revenue Service, or IRS, or state tax authorities to the extent utilized in a future period. No federal or state tax audits are currently in process.

12. Employee Retirement Plan

The Company maintains a 401(k) retirement savings plan, or 401(k) Plan. The 401(k) Plan allows employees to make pre- and post-tax contributions up to the maximum allowable by the IRS. The Company did not make any contributions to the 401(k) Plan on behalf of its employees in the years ended December 31, 2019 or 2018.

GRAYBUG VISION, INC.

Notes to the Financial Statements (continued)

13. Net Loss Per Common Share

Basic and diluted net loss per share attributable to common stockholders is calculated as follows (in thousands except share and per share amounts):

	Year Ended December 31,	
	2019	2018
Net loss	$ (37,037)	$ (28,378)
Cumulative dividends on convertible preferred stock	(7,055)	(4,317)
Net loss attributable to common stockholders	$ (44,092)	$ (32,695)
Net loss per common share—basic and diluted	$ (3.71)	$ (2.86)
Weighted-average number of common shares used in computing net loss per share—basic and diluted	11,886,861	11,426,034

The following outstanding potentially dilutive securities have been excluded from the calculation of diluted net loss per common share, as their effect is anti-dilutive:

	December 31,	
	2019	2018
Convertible Preferred Stock	117,809,883	80,377,096
Stock options to purchase common stock	19,066,237	10,713,940
Warrants to purchase common stock	250,000	—

Under the Series C Financing, up to 17,014,902 shares of convertible preferred stock may be contingently issued upon achievement of certain development milestones.

14. Unaudited Pro Forma Net Loss per Common Share

The following table sets forth the computation of unaudited pro forma basic and diluted net loss per share attributable to common shareholders for the year ended December 31, 2019 was calculated as follows (in thousands except share and per share data):

	Year Ended December 31, 2019
Numerator	
Net loss attributable to common stockholders	$ (44,092)
Cumulative dividends on convertible preferred stock	7,055
Pro forma net loss	$ (37,037)
Denominator	
Weighted-average number of shares used in computing net loss per common share—basic and diluted	11,886,861
Pro forma adjustment to reflect automatic conversion of convertible preferred stock to common stock upon completion of the proposed initial public offering	96,200,332
Weighted-average number of shares used in computing pro forma net loss per common share—basic and diluted	108,087,193
Pro forma net loss per common share—basic and diluted	$ (0.34)

GRAYBUG VISION, INC.

Notes to the Financial Statements (continued)

15. Subsequent Events

The Company has evaluated subsequent events through April 21, 2020, the date these financial statements were issued.

Coronavirus Outbreak

In March 2020 the World Health Organization declared the global novel coronavirus disease 2019, or COVID-19, outbreak a pandemic. As of April 21, 2020, the Company's operations have not been significantly impacted by the COVID-19 outbreak. However, the Company cannot at this time predict the specific extent, duration, or full impact that the COVID-19 outbreak will have on its financial condition and operations, including ongoing and planned clinical trials. The impact of the COVID-19 outbreak on the financial performance of the Company will depend on future developments, including the duration and spread of the outbreak and related governmental advisories and restrictions. These developments and the impact of COVID-19 on the financial markets and the overall economy are highly uncertain and cannot be predicted. If the financial markets and/or the overall economy are impacted for an extended period, the Company's results may be materially adversely affected.

In March 2020, the U.S. government enacted the Coronavirus Aid, Relief, and Economic Security Act, or CARES Act, which includes modifications to the limitation on business interest expense and net operating loss provisions and provides a payment delay of employer payroll taxes during 2020 after the date of enactment. The Company does not expect the CARES Act to have a material impact on the Company's financial statements.

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Shares

Common Stock

PROSPECTUS

SVB Leerink

Needham & Company

Piper Sandler

Wedbush PacGrow

, 2020

PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

ITEM 13. *OTHER EXPENSES OF ISSUANCE AND DISTRIBUTION.*

The following table sets forth all costs and expenses, other than underwriting discounts and commissions, paid or payable by the Registrant in connection with the sale of the common stock being registered. All amounts shown are estimates except for the Securities and Exchange Commission, or SEC, registration fee, the Financial Industry Regulatory Approval, or FINRA, filing fee and the Nasdaq Global Market listing fee:

	Amount Paid or to be Paid
SEC registration fee	$ *
FINRA filing fee	*
The Nasdaq Global Market listing fee	*
Printing and engraving expenses	*
Legal fees and expenses	*
Accounting fees and expenses	*
Blue Sky, qualification fees and expenses	*
Transfer agent and registrar fees and expenses	*
Miscellaneous expenses	*
Total	$ *

* To be completed by amendment.

ITEM 14. *INDEMNIFICATION OF DIRECTORS AND OFFICERS.*

Section 145 of the Delaware General Corporation Law, or DGCL, authorizes a court to award, or a corporation's board of directors to grant, indemnity to directors and officers under certain circumstances and subject to certain limitations. The terms of Section 145 of the DGCL are sufficiently broad to permit indemnification under certain circumstances for liabilities, including reimbursement of expenses incurred, arising under the Securities Act of 1933, as amended, or Securities Act.

As permitted by the DGCL, the Registrant's restated certificate of incorporation to be effective in connection with the completion of this offering contains provisions that eliminate the personal liability of its directors for monetary damages for any breach of fiduciary duties as a director, except liability for the following:

- any breach of the director's duty of loyalty to the Registrant or its stockholders;
- acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- under Section 174 of the DGCL (regarding unlawful dividends and stock purchases); or
- any transaction from which the director derived an improper personal benefit.

As permitted by the DGCL, the Registrant's restated bylaws to be effective in connection with the completion of this offering, provide that:

- the Registrant is required to indemnify its directors and executive officers to the fullest extent permitted by the DGCL, subject to limited exceptions;
- the Registrant may indemnify its other employees and agents as set forth in the DGCL;

- the Registrant is required to advance expenses, as incurred, to its directors and executive officers in connection with a legal proceeding to the fullest extent permitted by the DGCL, subject to limited exceptions; and
- the rights conferred in the restated bylaws are not exclusive.

Prior to the completion of this offering, the Registrant intends to enter into indemnification agreements with each of its current directors and executive officers to provide these directors and executive officers additional contractual assurances regarding the scope of the indemnification set forth in the Registrant's restated certificate of incorporation and restated bylaws and to provide additional procedural protections. There is no pending litigation or proceeding involving a director or executive officer of the Registrant for which indemnification is sought. Reference is also made to the underwriting agreement to be filed as Exhibit 1.1 to this registration statement, which provides for the indemnification of executive officers, directors and controlling persons of the Registrant against certain liabilities. The indemnification provisions in the Registrant's restated certificate of incorporation, restated bylaws and the indemnification agreements entered into or to be entered into between the Registrant and each of its directors and executive officers may be sufficiently broad to permit indemnification of the Registrant's directors and executive officers for liabilities arising under the Securities Act.

The Registrant has directors' and officers' liability insurance for securities matters.

ITEM 15. *RECENT SALES OF UNREGISTERED SECURITIES.*

The following lists set forth information regarding all securities sold or granted by the Registrant from July 31, 2017 through the date of the prospectus that is a part of this registration statement that were not registered under the Securities Act, and the consideration, if any, received by the Registrant for such securities:

Stock Option Grants

From July 31, 2017 through July 31, 2020, the Registrant has granted to its employees, directors, consultants and other service providers options to purchase an aggregate of 22,617,724 shares of common stock under its 2015 Plan, with exercise prices ranging from $0.20 to $0.43 per share. In addition, during this period the Registrant issued options outside the 2015 Stock Plan to purchase an aggregate of 70,475 shares of common stock to two individuals with an exercise price of $0.11 per share.

From July 31, 2017 through July 31, 2020, employees, directors, consultants and other service providers of the Registrant exercised options granted under the 2015 Plan aggregating 1,568,962 shares of common stock with exercise prices ranging from $0.11 to $0.25 per share for an aggregate exercise price of $280,952. In addition, during this period the Registrant issued 12,000 shares of its common stock to one entity upon exercise of options outside the 2015 Stock Plan with an exercise price of $0.11 per share for an aggregate exercise price of $1,320.

Preferred Stock

Between July and August 2019, the Registrant issued and sold to eight accredited investors an aggregate of 37,432,787 shares of Series C convertible preferred stock, at a purchase price of $1.4693 per share, for aggregate consideration of approximately $55.0 million. In connection with the completion of this offering, these shares of Series C convertible preferred stock will convert into 37,432,787 shares of the Registrant's common stock.

Between April 2016 and May 2018, the Registrant issued and sold to 17 accredited investors an aggregate of 76,078,535 shares of Series B convertible preferred stock, at a purchase price of $0.991 per share, or $0.842 per share for shares issued upon conversion and/or cancellation of outstanding convertible promissory notes, for aggregate purchase consideration of approximately $74.9 million. In connection with the completion of this offering, these shares of Series B convertible preferred stock will convert into 76,078,535 shares of the Registrant's common stock.

Unless otherwise stated, the sales of the above securities were deemed to be exempt from registration under the Securities Act in reliance on Section 4(a)(2) of the Securities Act (or Regulation D or Regulation S promulgated thereunder), or Rule 701 promulgated under Section 3(b) of the Securities Act, as transactions by an issuer not involving any public offering or pursuant to benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed on the stock certificates issued in each of the foregoing transactions.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions or any public offering, and the Registrant believes each transaction was exempt from the registration requirements of the Securities Act as stated above. All recipients of the foregoing transactions either received adequate information about the Registrant or had access, through their relationships with the Registrant, to such information. Furthermore, the Registrant affixed appropriate legends to the share certificates and instruments issued in each foregoing transaction setting forth that the securities had not been registered and the applicable restrictions on transfer.

ITEM 16. ***EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.***

(a) Exhibits.

Exhibit Number	Description of Document
1.1*	Form of Underwriting Agreement.
3.1	Amended and Restated Certificate of Incorporation, as amended to date, as currently in effect.
3.2*	Form of Restated Certificate of Incorporation to be effective upon the completion of this offering.
3.3	Amended and Restated Bylaws, as currently in effect.
3.4*	Form of Restated Bylaws to be effective upon the completion of this offering.
4.1*	Form of Common Stock Certificate.
4.2	Amended and Restated Investors' Rights Agreement, dated July 31, 2019, by and among the Registrant and certain of its stockholders.
4.3	Warrant to Purchase Common Stock, dated December 11, 2019, by and between the Registrant and SG DAN Equity Holdings, LLC.
5.1*	Opinion of Fenwick & West LLP.
10.1*	Form of Indemnification Agreement.
10.2	2015 Stock Incentive Plan, as amended, and forms of award agreements thereunder.
10.3*	2020 Equity Incentive Plan, to become effective on the date immediately prior to the date the registration statement is declared effective, and forms of award agreements.
10.4*	2020 Employee Stock Purchase Plan, to become effective on the date the registration statement is declared effective, and forms of award agreements.
10.5	Separation Agreement, dated September 11, 2019, by and between the Registrant and Pamela Wapnick.
10.6*	Employment Agreement, effective as of , by and between the Registrant and Frederic Guerard.
10.7*	Employment Agreement, effective as of , by and between the Registrant and Daniel Salain.

10.8*	Employment Agreement, effective as of , by and between the Registrant and Parisa Zamiri.
10.9	Master Consulting Agreement, dated March 20, 2020, by and between the Registrant and Charles Semba.
10.10	Office Lease, dated May 17, 2016, by and between the Registrant and Hudson Shorebreeze, LLC, as amended by that certain First Amendment, dated April 1, 2019.
10.11	Lease, dated October 8, 2019, by and between the Registrant and Ventas Beckley, LLC, as amended by that certain First Amendment to Lease, dated December 5, 2019, and that certain Second Amendment to Lease, dated June 26, 2020.
10.12*†	Exclusive License Agreement, dated June 23, 2011, by and between the Registrant and Johns Hopkins University School of Medicine, as amended.
10.13*†	Settlement and License Agreement, dated October 24, 2014, by and among the Registrant, Johns Hopkins University School of Medicine, and Kala Pharmaceuticals, Inc.
10.14*	Letter Agreement, dated July 31, 2019, by and between the Registrant and AffaMed Project Limited.
10.15	Consulting Agreement, dated September 3, 2019, by and between the Registrant and Danforth Advisors, LLC.
23.1*	Consent of Independent Registered Public Accounting Firm.
23.2*	Consent of Fenwick & West LLP (included in Exhibit 5.1).
24.1*	Power of Attorney (included in the signature page to this registration statement).

* To be filed by amendment.
† Registrant has omitted portions of the exhibit as permitted under Item 601(b)(10) of Regulation S-K.

(b) Financial Statement Schedules.

No financial statement schedules are provided because the information called for is not required or is shown either in the financial statements or notes.

ITEM 17. *UNDERTAKINGS.*

The undersigned Registrant hereby undertakes to provide to the underwriter at the completion specified in the underwriting agreements, certificates in such denominations and registered in such names as required by the underwriter to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned Registrant hereby undertakes that:

(1) For purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained

in a form of prospectus filed by the Registrant pursuant to Rule 424(b)(1) or (4) or 497(h) under the Securities Act shall be deemed to be part of this registration statement as of the time it was declared effective.

(2) For the purpose of determining any liability under the Securities Act, each post-effective amendment that contains a form of prospectus shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, as amended, 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 Redwood City, State of California, on the day of , 2020.

GRAYBUG VISION, INC.

By: _____

Frederic Guerard, Pharm.D.
President and Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Frederic Guerard and Daniel Geffken, and each of them, as his or her true and lawful attorneys-in-fact, proxies and agents, each with full power of substitution and resubstituting and full power to act without the other, for him or her in any and all capacities, to sign any and all amendments to this registration statement (including post-effective amendments or any abbreviated registration statement and any amendments thereto filed pursuant to Rule 462(b) increasing the number of securities for which registration is sought), and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact, proxies and agents full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully for all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact, proxies and agents, or their or his or her substitute or substitutes, 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 on Form S-1 has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
_____ Frederic Guerard, Pharm.D.	Chief Executive Officer (Principal Executive Officer)	, 2020
_____ Daniel Geffken	Interim Chief Financial Officer (Principal Accounting and Financial Officer)	, 2020
_____ Christy Shaffer, Ph.D.	Director	, 2020
_____ Gerald Cagle, Ph.D.	Director	, 2020
_____ Emmett Cunningham, Jr., M.D., Ph.D., M.P.H.	Director	, 2020
_____ Hansoo Michael Keyoung, M.D., Ph.D.	Director	, 2020
_____ Chau Khuong, M.P.H.	Director	, 2020
_____ Cameron Wheeler, Ph.D.	Director	, 2020

Exhibit 3.1

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
GRAYBUG VISION, INC.

(Pursuant to Sections 242 and 245 of the
General Corporation Law of the State of Delaware)

Graybug Vision, 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 Graybug Vision, Inc., and that this corporation was originally incorporated pursuant to the General Corporation Law on February 19, 2015 under the name Graybug, Inc.

2. That the Board of Directors duly adopted resolutions proposing to amend and restate the Certificate of Incorporation 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 Certificate of Incorporation of this corporation be amended and restated in its entirety to read as follows:

FIRST: The name of this corporation is Graybug Vision, 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) 188,000,000 shares of Common Stock, $0.0001 par value per share ("**Common Stock**") and (ii) 142,150,096 shares of Preferred Stock, $0.0001 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 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

2,280,000 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series A Preferred Stock**" 2,018,561 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series A-2 Preferred Stock**". 76,078,535 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series B Preferred Stock**". 61,773,000 shares of the authorized Preferred Stock of the Corporation are hereby designated "**Series C Preferred Stock**." The Preferred Stock shall have 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.

1. Dividends.

1.1 Series C Preferred Stock. From and after the date of the issuance of any shares of Series C Preferred Stock, dividends at the rate per annum of eight percent (8%) of the Applicable Original Issue Price (as defined in Section 4.4 below) per share shall accrue on such shares of Series C Preferred Stock (the "**Series C Accruing Dividends**"). Accruing Dividends shall accrue from day to day, whether or not declared, and shall be cumulative; provided, however, that such Series C Accruing Dividends shall be payable only when, as, and if declared by the Board of Directors and the Corporation shall be under no obligation to pay such Series C Accruing Dividends unless declared by the Board of Directors. 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 the Certificate of Incorporation) the holders of the Series C Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Series C Preferred Stock in an amount at least equal to the sum of (i) the amount of the aggregate Series C Accruing Dividends then accrued on such share of Series C Preferred Stock and not previously paid and (ii) (A) 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 Series C Preferred Stock as would equal the product of (1) 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 (2) the number of shares of Common Stock issuable upon conversion of a share of Series C Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend or (B) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of Series C Preferred Stock determined by (1) 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 (2) multiplying such fraction by an amount equal to the Applicable Original Issue Price; provided that if the Corporation declares, pays or sets aside, on the same date, a dividend on shares of more than one class or series of capital stock of the Corporation, the dividend payable to the holders of Series C Preferred Stock pursuant to this Section 1.1 shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest Series C Preferred Stock dividend. The "**Series C Original Issue Price**" shall mean $1.4693 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 C Preferred Stock.

1.2 Series B Preferred Stock. From and after the date of the issuance of any shares of Series B Preferred Stock, dividends at the rate per annum of seven percent (7%) of the Applicable Original Issue Price per share shall accrue on such shares of Series B Preferred Stock (the "**Series B Accruing Dividends**"). Accruing Dividends shall accrue from day to day, whether or not declared, and shall be cumulative; provided, however, that such Series B Accruing Dividends shall be payable only when, as, and if declared by the Board of Directors and the Corporation shall be under no obligation to pay such Series B Accruing Dividends unless declared by the Board of Directors. Except as set forth in Section 1.1 above, 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 the Certificate of Incorporation) the holders of the Series B Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Series B Preferred Stock in an amount at least equal to the sum of (i) the amount of the aggregate Series B Accruing Dividends then accrued on such share of Series B Preferred Stock and not previously paid and (ii) (A) 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 Series B Preferred Stock as would equal the product of (1) 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 (2) the number of shares of Common Stock

issuable upon conversion of a share of Series B Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend or (B) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of Series B Preferred Stock determined by (1) 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 (2) multiplying such fraction by an amount equal to the Applicable Original Issue Price; provided that if the Corporation declares, pays or sets aside, on the same date, a dividend on shares of more than one class or series of capital stock of the Corporation, the dividend payable to the holders of Series B Preferred Stock pursuant to this Section 1.2 shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest Series B Preferred Stock dividend. The "**Series B Original Issue Price**" shall mean $0.991 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.

1.3 Series A-2 Preferred Stock. From and after the date of the issuance of any shares of Series A-2 Preferred Stock, when, as and if declared by the Board of Directors and out of funds of the Corporation legally available for that purpose, the holder of each share of Series A-2 Preferred Stock shall be entitled to receive non-cumulative, non-compounding dividends at the rate per annum of seven percent (7%) of the Series A-2 Original Issue Price (the "**Series A-2 Dividends**"). The Series A-2 Dividends shall be payable only when, as, and if declared by the Board of Directors and the Corporation shall be under no obligation to pay such Series A-2 Dividends unless declared by the Board of Directors. Except as set forth in Section 1.1 and Section 1.2 above, 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 the Certificate of Incorporation) the holders of the Series A-2 Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Series A-2 Preferred Stock in an amount at least equal to the sum of (i) the Series A-2 Dividends that would have then been accrued if such dividends had been cumulative and accruing daily from and after the date of issuance of such Series A-2 Preferred Stock and (ii) (A) 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 Series A-2 Preferred Stock as would equal the product of (1) 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 (2) the number of shares of Common Stock issuable upon conversion of a share of Series A-2 Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend or (B) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of Series A-2 Preferred Stock determined by (1) 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 (2) multiplying such fraction by an amount equal to the Series A-2 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 class or series of capital stock of the Corporation, the dividend payable to the holders of Series A-2 Preferred Stock pursuant to this Section 1.3 shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest Series A-2 Preferred Stock dividend. The "**Series A-2 Original Issue Price**" shall mean $0.862 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-2 Preferred Stock.

1.4 Series A Preferred Stock. From and after the date of the issuance of any shares of Series A Preferred Stock, when, as and if declared by the Board of Directors and out of funds of the Corporation legally available for that purpose, the holder of each share of Series A Preferred Stock shall be entitled to receive non-cumulative, non-compounding dividends at the rate per annum of eight percent (8%) of the Series A Original Issue Price (the "**Series A Dividends**"). The Series A Dividends shall be payable only when, as, and if declared by the Board of Directors and the Corporation shall be under no obligation to pay such Series A Dividends unless declared by the Board of Directors. Except as set forth in Section 1.1, Section 1.2and Section 1.3 above, 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 the Certificate of Incorporation) the holders of the Series A Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Series A Preferred Stock in an amount at least equal to the sum of (i) the Series A Dividends that would have then been accrued if such dividends had been cumulative and accruing daily from and after the date of issuance of such Series A Preferred Stock and (ii) (A) 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 Series A Preferred Stock as would equal the product of (1) 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 (2) the number of shares of Common Stock issuable upon conversion of a share of Series A Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend or (B) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of Series A Preferred Stock determined by (1) 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 (2) multiplying such fraction by an amount equal to the Series A 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 class or series of capital stock of the Corporation, the dividend payable to the holders of Series A Preferred Stock pursuant to this Section 1.4 shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest Series A Preferred Stock dividend. 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. The issuance date of any shares of Series A Preferred Stock that was issued upon the conversion of a Series A Preferred Unit pursuant to the Corporation's Plan of Conversion, dated on or about February 19, 2015, shall be the date of issuance of such Series A Preferred Unit.

2. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales.

2.1 Preferential Payments to Holders of Preferred Stock.

2.1.1 Series C Preferred Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the holders of shares of Series C Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders or, in the case of a Deemed Liquidation Event, be entitled to be paid out 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 Series B Preferred Stock, Series A-2 Preferred Stock, Series A Preferred Stock, or Common Stock by reason of their ownership thereof, an amount per share equal to the Series C Original Issue Price, plus any declared Series C Accruing Dividends accrued but unpaid thereon, together with any other dividends declared but unpaid thereon (the amount payable pursuant to this sentence is hereinafter referred to as the "**Series C Preferred Liquidation Amoun**t"). If upon any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series C Preferred Stock the full amount to which they shall be entitled under this Section 2.1.1, the holders of shares of Series C 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 of Series C Preferred Stock held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

2.1.2 Series B Preferred Stock. Subject to payment or setting aside for payment the amounts referenced in Section 2.1.1,in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the holders of shares of Series B Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders before any payment shall be made to the holders of Series A-2 Preferred Stock, Series A Preferred Stock, or Common Stock by reason of their ownership thereof, an amount per share equal to the Series B Original Issue Price, plus any declared Series B Accruing Dividends accrued but unpaid thereon, together with any other dividends declared but unpaid thereon (the amount payable pursuant to this sentence is hereinafter referred to as the "**Series B Preferred Liquidation Amoun**t"). If upon any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series B Preferred Stock the full amount to which they shall be entitled under this Section 2.1.2, the holders of shares of Series B 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 of Series B Preferred Stock held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

2.1.3 Series A-2 Preferred Stock. Subject to payment or setting aside for payment the amounts referenced in Section 2.1.1 and Section 2.1.2, in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the holders of shares of Series A-2 Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders before any payment shall be made to the holders of Series A Preferred Stock or Common Stock by reason of their ownership thereof, an amount per share equal to the Series A-2 Original Issue Price, plus any dividends declared but unpaid thereon (the amount payable pursuant to this sentence is hereinafter referred to as the "**Series A-2 Liquidation Amount**"). If upon any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series A-2 Preferred Stock the full amount to which they shall be entitled under this Section 2.1.3, the holders of shares of Series A-2 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 of Series A-2 Preferred Stock held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

2.1.4 Series A Preferred Stock. Subject to payment or setting aside for payment the amounts referenced in Section 2.1.1, Section 2.1.2 and Section 2.1.3, in the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the holders of shares of Series A Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to the Series A Original Issue Price, plus any dividends declared but unpaid thereon (the amount payable pursuant to this sentence is hereinafter referred to as the "**Series A Liquidation Amount**"). If upon any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series A Preferred Stock the full amount to which they shall be entitled under this Section 2.1.4, the holders of shares of Series A 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 of Series A Preferred Stock held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

2.2 Distribution of Remaining Assets. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, after the payment of all preferential amounts required to be paid to the holders of shares of Series C Preferred Stock, Series B Preferred Stock, Series A-2 Preferred Stock and Series A 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 the 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 the shares of Series C Preferred Stock, Series B Preferred Stock, Series A-2 Preferred Stock, Series A Preferred Stock and Common Stock, pro rata based on the number of shares held by each such holder, treating for this purpose all such securities as if they had been converted to Common Stock pursuant to the terms of the Certificate of Incorporation immediately prior to such liquidation, dissolution or winding up of the Corporation.

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 (x) a majority of the votes represented by all outstanding shares of Preferred Stock (voting together as a single class on an as-if converted to Common Stock basis), (y) a majority of the outstanding shares of Series B Preferred Stock (voting together as a single class) and (z) if and only if, such Deemed Liquidation Event would result in holders of Series C Preferred Stock receiving less than the Series C Original Issue Price for each share of Series C Preferred Stock held by them upon the consummation of such Deemed Liquidation Event pursuant to Section 2 hereunder, a majority of the outstanding shares of Series C Preferred Stock (voting together as a single class) ((x), (y) and as applicable pursuant to this Section 2.3.1(z), the holders of a majority of the outstanding shares of Series C Preferred Stock (voting together as a single class) collectively, the "**Requisite Investors**") elect otherwise by written notice sent to the Corporation at least 10 days prior to the effective date of any such event:

(a) a merger, consolidation, sale or reorganization 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, consolidation, sale or reorganization involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to such merger, consolidation, sale or reorganization continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, a majority, by voting power, in substantially the same relative proportions as among such stockholders prior to such transaction, of the capital stock of (1) the surviving or resulting corporation; or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation; or

(b) the transfer by one or more stockholder(s) of the Corporation of outstanding securities of the Corporation representing a majority of the combined voting power of the then-outstanding securities of the Corporation; or

(c) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets of the Corporation and its subsidiaries taken as a whole or the sale or disposition (whether by merger, consolidation or otherwise) of one or more subsidiaries of the Corporation if substantially all of the assets of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation.

2.3.2 Effecting a Deemed Liquidation Event.

(a) The Corporation shall not have the power to effect a Deemed Liquidation Event referred to in Subsection 2.3.1(a)(i) 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 shall be allocated among the holders of capital stock of the Corporation in accordance with Section 2.1 and Section 2.2.

(b) In the event of a Deemed Liquidation Event referred to in Subsection 2.3.1(a)(ii), Subsection 2.3.1(b) or Subsection 2.3.1(c), if the Corporation does not effect a dissolution of the Corporation under the General Corporation Law within ninety (90) days after such Deemed Liquidation Event, then (i) the Corporation shall send a written notice to each holder of Preferred Stock no later than the ninetieth (90th) day after the Deemed Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause; (ii) to require the redemption of such shares of Preferred Stock, and (iii) if the Requisite Investors so request in a written instrument delivered to the Corporation not later than one hundred twenty (120) days after such Deemed Liquidation Event, the Corporation shall use the consideration received by the Corporation for such Deemed Liquidation Event, if any, (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)**,** together with any other assets of the Corporation available for distribution to its stockholders, all to the extent permitted by Delaware law governing distributions to stockholders (the "**Available Proceeds**"), on the one hundred fiftieth (150th) day after such Deemed Liquidation Event, to redeem all outstanding shares of Preferred Stock at a price per share equal to the Series C Preferred Liquidation Amount, Series B Preferred Liquidation Amount, Series A-2 Liquidation Amount, or Series A Liquidation Amount, as applicable. 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, the Corporation shall ratably redeem each holder's shares of Preferred Stock to the fullest extent of such Available Proceeds, and shall redeem the remaining shares as soon as it may lawfully do so under Delaware law governing distributions to stockholders; *provided however* that (i) no shares of Series B Preferred Stock may be redeemed until all shares of Series C Preferred Stock have been redeemed (or the payment therefor has been set aside), (ii) no shares of Series A-2 Preferred Stock may be redeemed until all shares of Series C Preferred Stock and Series B Preferred Stock have been redeemed (or the payment therefor has been set aside) and (iii) no shares of Series A Preferred Stock may be

redeemed until all outstanding shares of Series C Preferred Stock, Series B Preferred Stock and Series A-2 Preferred Stock have been redeemed (or the payment therefor has been set aside). The provisions of Section 6 shall apply, with such necessary changes in the details thereof as are necessitated by the context, 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.

2.3.3 Amount Deemed Paid or Distributed. The amount deemed paid or distributed to the holders of capital stock of the Corporation upon any such merger, consolidation, sale, transfer, exclusive license, other disposition or redemption shall be the cash or the value of the property, rights or securities paid or distributed to such holders by the Corporation or the acquiring person, firm or other entity. The value of such property, rights or securities shall be determined in good faith by the Board of Directors of the Corporation, including a majority of the Preferred Directors (defined below).

2.3.4 Allocation of Escrow and Contingent Consideration. 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 Sections 2.1 and Section 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 Sections 2.1 and Section 2.2 after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this Section 2.3.4, consideration placed into escrow or retained as holdback to be available for satisfaction of indemnification or similar obligations in connection with such Deemed Liquidation Event shall be deemed to be Additional Consideration.

3. Voting.

3.1 General. On any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written consent of stockholders in lieu of meeting), each holder of outstanding shares of Series A 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 Series A Preferred Stock shall vote together with the holders of Common Stock as a single class.

3.2 Election of Directors. The holders of record of the shares of Series C Preferred Stock, exclusively and as a separate class shall be entitled to elect one (1) director of the Corporation (the "**Series C Director**"). The holders of record of the shares of Series B Preferred Stock, exclusively and as a separate class, shall be entitled to elect three (3) directors of the Corporation (the "**Series B Directors**"). The holders of record of the shares of Series A-2 Preferred Stock, exclusively and as a separate class, shall be entitled to elect one (1) director of the Corporation (together with the Series C Director and the Series B Directors, the "**Preferred Directors**"). The holders of record of the shares of Common Stock, exclusively and as a separate class, shall be entitled to elect one (1) director of the Corporation (the "**Common Director**"). Any director elected as provided in the preceding sentences of this Section 3.2 may be removed without cause by, and only by, the affirmative vote of the holders of the shares of the class or series of capital stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders. If the holders of shares of Series C Preferred Stock, Series B Preferred Stock, Series A-2 Preferred Stock or Common Stock, as the case may be, fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors, voting exclusively and as a separate class, pursuant to the first sentence of this Section 3.2, then any directorship not so filled shall remain vacant until such time as the holders of the Series C Preferred Stock, Series B Preferred Stock, Series A-2 Preferred Stock or Common Stock, as the case may be, elect a person to fill such directorship by vote or written consent in lieu of a meeting; and no such directorship may be filled by stockholders of the Corporation other than by the stockholders of the Corporation that are entitled to elect a person to fill such directorship, voting exclusively and as a separate class. The holders of record of the shares of Common Stock and of any other class or series of voting stock (including the Preferred Stock), exclusively and voting together as a single class on an as-converted basis, shall be entitled to elect the balance of the total number of directors of the Corporation. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director. Except as otherwise provided in this Section 3.2, a vacancy in any directorship filled by the holders of any class or series shall be filled only by vote or written consent in lieu of a meeting of the holders of such class or series or by any remaining director or directors elected by the holders of such class or series pursuant to this Section 3.2.

3.3 Preferred Stock Protective Provisions. At any time when shares of Preferred Stock are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of the Requisite Investors, given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class (except (i) as required under General Corporation Law Section 242(b)(2) for amendments that alter or change the powers, preferences or special rights of the Series A Preferred Stock, Series A-2 Preferred Stock, Series B Preferred Stock or Series C Preferred Stock adversely but not all series of Preferred Stock or (ii) for increases or decreases in the authorized number of shares of Series A Preferred Stock, Series A-2 Preferred Stock, Series B Preferred Stock or Series C Preferred Stock, wherein, in each such case described in (i) or (ii), the written consent or affirmative vote of the holders of a majority of the outstanding shares of Series A Preferred Stock, Series A-2 Preferred Stock, Series B Preferred Stock or Series C Preferred Stock, as applicable, shall also be required), 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 amend, alter or repeal any provision of the Certificate of Incorporation or Bylaws of the Corporation;

3.3.2 alter or change the rights, preferences or privileges of the Preferred Stock, or any series thereof;

3.3.3 take an action, including without limitation, by way of merger, consolidation or otherwise that would adversely affect the powers, preferences of privileges of the Preferred Stock;

3.3.4 increase or decrease the authorized number of shares of Common Stock or Preferred Stock or any series thereof (except as provided for pursuant to Section 4.3.3, Section 5.1, and Section 7);

3.3.5 create (by reclassification or otherwise), or authorize the creation of, or issue or obligate itself to issue shares of, any additional class or series of capital stock unless the same ranks junior to each series of Preferred Stock with respect to the distribution of assets on the liquidation, dissolution or winding up of the Corporation, the payment of dividends and rights of redemption;

3.3.6 purchase or redeem (or permit any subsidiary to purchase or redeem) or pay or declare any dividend or make any distribution on, any shares of capital stock of the Corporation other than (i) redemptions of or dividends or distributions on the Preferred Stock as expressly authorized herein, (ii) stock splits, dividends or other distributions payable on the Common Stock solely in the form of additional shares of Common Stock for which adjustments are made to the Preferred Stock pursuant to Section 4.5, Section 4.6 or Section 4.7, (iii) repurchases of stock from former employees, officers, directors, consultants or other persons who performed services for the Corporation or any subsidiary in connection with the cessation of such employment or service at the lower of the original purchase price or the then-current fair market value thereof and (iv) repurchases pursuant to the MVF Documents (as defined in that certain Series C Preferred Stock Purchase Agreement, dated as of the Original Issue Date by and among the Corporation and the purchasers listed therein);

3.3.7 liquidate, dissolve or wind-up the business and affairs of the Corporation, effect any merger or consolidation or any other Deemed Liquidation Event, sell, exclusively license or otherwise dispose of a majority of its assets, or consent to any of the foregoing (in each case referenced in this Section 3.3.7, in a single transaction or series of related transactions);

3.3.8 increase or decrease the authorized number of directors constituting the Board of Directors;

3.3.9 (i) reclassify, alter or amend any existing security of the Corporation that is pari passu with the Preferred Stock (or any series thereof) 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 (or any series thereof) 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 Preferred Stock (or any series thereof) 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 (or any series thereof) in respect of any such right, preference or privilege;

3.3.10 create, or authorize the creation of, or issue, or authorize the issuance of any debt security, or permit any subsidiary to take any such action with respect to any debt security, if the aggregate indebtedness of the Corporation and its subsidiaries for borrowed money following such action would exceed $250,000, unless such debt security has received the prior approval of the Board of Directors, including a majority of the Preferred Directors; or

3.3.11 create, or hold capital stock in, any subsidiary, or sell, transfer or otherwise dispose of any capital stock of any direct or indirect subsidiary of the Corporation, or permit any direct or indirect subsidiary to sell, lease, transfer, exclusively license or otherwise dispose (in a single transaction or series of related transactions) of all or a material part of the assets of such subsidiary, in each case unless approved by the Board of Directors, including a majority of the Preferred Directors;

3.3.12 make any change in the principal business of the Corporation or its material subsidiary, enter new lines of business or exit the current line of business;

3.3.13 adopt or amend any equity incentive plan including form agreements thereto or increase the number of shares of Common Stock reserved for issuance under any equity incentive plan; or

3.3.14 sell, assign, exclusively license, pledge, or encumber material technology or intellectual property of the Corporation.

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. 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 Series Conversion Price (as defined below) in effect at the time of conversion.

4.1.2 Termination of Conversion Rights. In the event of a notice of redemption of any shares of Preferred Stock pursuant to Section 6, 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 for a given series of Preferred Stock 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 the applicable series of Preferred Stock.

4.2 Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of the any series of 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 of the Corporation. 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 shares 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). Such notice shall state such holder's name or the names of the nominees in which such holder wishes the shares of Common Stock to be issued. If

required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such notice and, if applicable, certificates (or lost certificate affidavit and agreement) shall be the time of conversion (the "**Conversion Time**"), and the shares of Common Stock issuable upon conversion of the specified shares shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Conversion Time (i) issue and deliver to such holder of Preferred Stock, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof and a certificate for the number (if any) of the shares of Preferred Stock represented by the surrendered certificate that were not converted into Common Stock, (ii) pay in cash such amount as provided in Section 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and (iii) pay all declared but unpaid dividends on the shares of Preferred Stock converted.

4.3.2 Reservation of Shares. The Corporation shall at all times when the Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Preferred Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to the Certificate of Incorporation. Before taking any action which would cause an adjustment reducing the Applicable Series 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 Series 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 in lieu of any fraction of a share otherwise issuable upon such conversion as provided in Section 4.2 and to receive payment of any dividends declared but unpaid thereon. Any shares of Preferred Stock so converted shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Preferred Stock and the associated series of Preferred Stock accordingly.

4.3.4 No Further Adjustment. Upon any such conversion, no adjustment to the Applicable Series Conversion Price shall be made for any declared but unpaid dividends on the Preferred Stock surrendered for conversion or on the Common Stock delivered upon conversion.

4.3.5 Taxes. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Preferred Stock pursuant to this Section 4. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

4.4 Adjustments to Applicable Series Conversion Price for Diluting Issues.

4.4.1 Special Definitions. For purposes of this Article Fourth, the following definitions shall apply:

(a) "**Applicable Series Conversion Price**" for the Series A Preferred Stock will initially equal $0.9830, for the Series A-2 Preferred Stock will initially equal the Series A-2 Original Issue Price, for the Series B Preferred Stock will initially equal the Series B Original Issue Price and for the Series C Preferred Stock will initially equal the Series C Original Issue Price; provided however that such initial Applicable Series Conversion Price, and the rate at which shares of a series of Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

(b) "**Original Issue Date**" shall mean the date on which the first share of Series C Preferred Stock was issued.

(c) "**Applicable Original Issue Price**" for the Series A Preferred Stock, Series A-2 Preferred Stock, Series B Preferred Stock and Series C Preferred Stock will equal the Series A Original Issue Price, Series A-2 Original Issue Price, Series B Original Issue Price and Series C Original Issue Price, respectively, plus, in each case, any declared but unpaid dividends thereon.

(d) "**Option**" shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

(e) "**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.

(f) "**Additional Shares of Common Stock**" shall mean for a given series of Preferred Stock, all shares of Common Stock issued (or, pursuant to Subsection 4.4.3 below, deemed to be issued) by the Corporation after the Original Issue Date, other than (1) the following shares of Common Stock and (2) shares of Common Stock deemed issued pursuant to the following Options and Convertible Securities (clauses (1) and (2), collectively, "**Exempted Securities**"):

(i) shares of Common Stock, Options or Convertible Securities issued as a dividend or distribution on Preferred Stock or any series thereof;

(ii) shares of Common Stock, Options or Convertible Securities issued by reason of a dividend, stock split, split-up or other distribution on shares of Common Stock that is covered by Section 4.5 Section 4.6, Section 4.7, or Section 4.8;

(iii) 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 of the Corporation, including a majority of the Preferred Directors;

(iv) shares of Common Stock or Convertible Securities actually issued upon the exercise of Options or shares of Common Stock actually issued upon the conversion or exchange of Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security;

(v) shares of Common Stock, Options or Convertible Securities issued to banks, equipment lessors or other financial institutions, or to real property lessors, in each such case pursuant to a debt financing for the purposes of equipment leasing or real property leasing transaction approved by the Board of Directors of the Corporation, including a majority of the Preferred Directors; or

(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 of the Corporation, including a majority of the Preferred Directors; or

(vii) shares of Common Stock issued in connection with a firm commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, pursuant to which all shares of Preferred Stock convert into shares of Common Stock.

4.4.2 No Adjustment of Conversion Price. No adjustment in the Applicable Series Conversion Price for any series 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 Requisite Investors, provided however, that any such waiver by the Requisite Investors must apply to all series that would otherwise be entitled to adjustment in the Applicable Series Conversion Price as the result of such issuance or deemed issuance of 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 Original Issue Date shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which are themselves Exempted Securities) or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares of Common Stock (as set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

(b) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to the Applicable Series Conversion Price for a series of Preferred Stock pursuant to the terms of Section 4.4.4, are revised as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, the Applicable Series Conversion Price for such series 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 Series 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 Series Conversion Price for such series to an amount which exceeds the lower of (i) the Applicable Series Conversion Price in effect for such series immediately prior to the original adjustment made as a result of the issuance of such Option or Convertible Security, or (ii) the Applicable Series Conversion Price for such series 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 Series Conversion Price for a series of Preferred Stock pursuant to the terms of Section 4.4.4 (either because the consideration per share (determined pursuant to Section 4.4.5) of the Additional Shares of Common Stock subject thereto was equal to or greater than the Applicable Series Conversion Price for such series then in effect, or because such Option or Convertible Security was issued before the Original Issue Date), are revised after the Original Issue Date as a result of an amendment to such terms or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any decrease in the consideration payable to the Corporation upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended or adjusted, and the Additional Shares of Common Stock subject thereto (determined in the manner provided in Subsection (a) of this Section 4.4.3 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 Series Conversion Price for a series of Preferred Stock pursuant to the terms of Subsection 4.4.4, the Applicable Series Conversion Price for such series shall be readjusted to such Applicable Series Conversion Price as would have obtained had such Option or Convertible Security (or portion thereof) never been issued.

(e) If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, is calculable at the time such Option or Convertible Security is issued or amended but is subject to adjustment based upon subsequent events, any adjustment to the Applicable Series Conversion Price for a series of Preferred Stock 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 Subsection (b) and Subsection (c) of this Section 4.4.3). If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, cannot be calculated at all at the time such Option or Convertible Security is issued or amended, any adjustment to the Applicable Series Conversion Price for a series of Preferred Stock that would result under the terms of this Section 4.4.3 at the time of such issuance or amendment shall instead be effected at the time such number of shares and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming for purposes of calculating such adjustment to the Applicable Series Conversion Price that such issuance or amendment took place at the time such calculation can first be made.

4.4.4 Adjustment of Applicable Series Conversion Price Upon Issuance of Additional Shares of Common Stock. In the event the Corporation shall, at any time after the Original Issue 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 Series Conversion Price for such series in effect immediately prior to such issue, then such Applicable Series Conversion Price shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula:

$$CP_2 = CP_1 * (A + B) \div (A + C).$$

For purposes of the foregoing formula, the following definitions shall apply:

(a) "**CP_2**" shall mean such Applicable Series Conversion Price in effect immediately after such issue of Additional Shares of Common Stock

(b) "**CP_1**" shall mean such Applicable Series Conversion Price in effect immediately prior to such issue of Additional Shares of Common Stock;

(c) "**A**" shall mean the number of shares of Common Stock outstanding immediately prior to such issue of Additional Shares of Common Stock (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities (including the Preferred Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue);

(d) "**B**" shall mean the number of shares of Common Stock that would have been issued if such Additional Shares of Common Stock had been issued at a price per share equal to CP_1 (determined by dividing the aggregate consideration received by the Corporation in respect of such issue by CP_1); and

(e) "**C**" shall mean the number of such Additional Shares of Common Stock issued in such transaction.

4.4.5 Determination of Consideration. For purposes of this Section 4.4, the consideration received by the Corporation for the issue of any Additional Shares of Common Stock shall be computed as follows:

(a) Cash and Property: Such consideration shall:

(i) insofar as it consists of cash, be computed at the aggregate amount of cash received by the Corporation, excluding amounts paid or payable for accrued interest;

(ii) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors of the Corporation; and

(iii) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (i) and (ii) above, as determined in good faith by the Board of Directors of the Corporation.

(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 Series Conversion Price for one or more series of Preferred Stock pursuant to the terms of Subsection 4.4.4, and such issuance dates occur within a period of no more than ninety (90) days from the first such issuance to the final such issuance, then, upon the final such issuance, each affected Applicable Series 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 Original Issue Date effect a subdivision of the outstanding Common Stock, the Applicable Series Conversion Price for such series 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 Original Issue Date combine the

outstanding shares of Common Stock, the Applicable Series Conversion Price for such series in effect immediately before the combination shall be proportionately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the aggregate number of shares of Common Stock outstanding. Any adjustment under this subsection 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 Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable on the Common Stock in additional shares of Common Stock, then and in each such event the Applicable Series Conversion Price for such series 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 Series Conversion Price for such series 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 Series Conversion Price for such series shall be recomputed accordingly as of the close of business on such record date and thereafter the Applicable Series Conversion Price for such series shall be adjusted pursuant to this subsection as of the time of actual payment of such dividends or distributions; and (b) that no such adjustment shall be made if the holders of such 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 such 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 Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation (other than a distribution of shares of Common Stock in respect of outstanding shares of Common Stock) or in other property and the provisions of Section 1 do not apply to such dividend or distribution, then and in each such event the holders of such series 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 such series 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 or merger involving the Corporation in which the Common Stock (but not a given series of Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction covered by Section 4.4, Section 4.6 or Section 4.7), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each share of such series 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 such series of Preferred Stock immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors of the Corporation) 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 such series 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 Series Conversion Price for such series) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of such series of Preferred Stock. For the avoidance of doubt, nothing in this Subsection 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 DGCL in connection with a merger 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 Series Conversion Price pursuant to this Section 4, the Corporation at its expense shall, as promptly as reasonably practicable but in any event not later than ten (10) days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of such effected 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 such 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 ten (10) days thereafter), furnish or cause to be furnished to such holder a certificate setting forth (i) the Applicable Series Conversion Price then in effect for the series of Preferred Stock held by such holder, 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 series of Preferred Stock held by such holder.

4.10 Notice of Record Date. In the event:

(a) the Corporation shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of the Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of capital stock of any class or any other securities, or to receive any other security; or

(b) of any capital reorganization of the Corporation, any reclassification of the Common Stock of the Corporation, or any Deemed Liquidation Event; or

(c) of the voluntary or involuntary dissolution, liquidation or winding-up of the Corporation,

then, and in each such case, the Corporation will send or cause to be sent to the holders of the Preferred Stock a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon the conversion of the Preferred Stock) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Preferred Stock and the Common Stock. Such notice shall be sent at least ten (10) days prior to the record date or effective date for the event specified in such notice.

5. Mandatory Conversion.

5.1 Trigger Events. Upon either (a) the closing of the sale of shares of Common Stock to the public at a price of at least 1.1 times the Series C Original Issue Price per share then in effect, in a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, resulting in at least $40,000,000 of gross proceeds to the Corporation and following which the Common Stock of the Corporation shall be listed or quoted on The Nasdaq Global Market or New York Stock Exchange (a "**Qualified IPO**") or (b) the date and time, or the occurrence of an event, specified by vote or written consent of the Applicable Requisite Investors (the time of such closing or the date and time specified or the time of the event specified in such vote or written consent is referred to herein as the "**Mandatory Conversion Time**"), then (i) all outstanding shares of Series C Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective conversion rate as calculated pursuant to Subsection 4.1.1 provided that such conversion is approved by written consent of holders of a majority of shares of Series C Preferred Stock(the "**Series C Majority**"), (ii) all outstanding shares of Series B Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective conversion rate as calculated pursuant to Subsection 4.1.1 provided that such conversion is approved by written consent of holders of a majority of shares of Series B Preferred Stock (the "**Series B Majority**") and (iii) all outstanding shares of Series A Preferred Stock and Series A-2 Preferred Stock shall automatically

be converted into shares of Common Stock, at the then effective conversion rate as calculated pursuant to Subsection 4.1.1 provided that such conversion is approved by written consent of holders of a majority of shares of Preferred Stock voting together as a single class on an as-converted basis (the "**Preferred Majority**") (collectively, such conversion the "**Mandatory Conversion**"). Such shares shall be retired and canceled pursuant to the Mandatory Conversion and may not be reissued by the Corporation. For this Section 5.1, the "**Applicable Requisite Investors**" shall mean the Series C Majority with respect to Subsection 5.1(b)(i), the Series B Majority with respect to Subsection 5.1(b)(ii) and the Preferred Majority with respect to Subsection 5.1(b)(iii).

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 in certificated form shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Preferred Stock converted pursuant to Section 5.1, including the rights, if any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the Mandatory Conversion Time (notwithstanding the failure of the holder or holders thereof to surrender any certificates at or prior to such time), except only the rights of the holders thereof, upon surrender of any certificate or certificates of such holders (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Section 5.2. 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.

6. Redemption.

6.1 General. Unless prohibited by Delaware law governing distributions to stockholders, shares of Series C Preferred Stock, Series B Preferred Stock and Series A-2 Preferred Stock shall be redeemed by the Corporation at a price per share equal to the greater of (A) the Series C Preferred Liquidation Amount, Series B Preferred Liquidation Amount and Series A-2 Liquidation Amount, respectively and (B) the Fair Market Value (determined in the manner set forth below) of a single share of Series C Preferred Stock, Series B Preferred Stock and Series A-2 Preferred Stock, respectively, as of the date of the Company's receipt of the Redemption Request (the "**Redemption Price**"), in three (3) annual installments commencing not more than ninety (90) days after receipt by the Corporation at any time on or after the fifth anniversary of the Original Issue Date from the holders of (i) with respect to the shares of Series B Preferred Stock and Series A-2 Preferred Stock, the holders of a majority of the shares of Series B Preferred Stock and Series A-2 Preferred Stock voting together on an as-if converted basis or (ii) with respect to the shares of Series C Preferred Stock, the Series C Majority, ((i) and (ii) the "**Redemption Requisite Investors**") of written notice requesting redemption of all shares of Series C Preferred Stock, Series B Preferred Stock and Series A-2 Preferred Stock (the "**Redemption Request**"). Upon receipt of a Redemption Request, the Corporation shall apply all of its assets to any such redemption, and to no other corporate purpose, except to the extent prohibited by Delaware law governing distributions to stockholders. For purposes of this Section 6.1, the Fair Market Value of a single share of Series C Preferred Stock, Series B Preferred Stock and Series A-2 Preferred Stock shall be the value of a single share of Series C Preferred Stock, Series B Preferred Stock and Series A-2 Preferred Stock, respectively, as mutually agreed upon by the Company and the Redemption Requisite Investors, and, in the event that they are unable to reach agreement, as determined by a third-party appraiser agreed to by the Company and the Redemption Requisite Investors. The date of each such installment shall be referred to as a "**Redemption Date.**" On each Redemption Date, the Corporation shall redeem, in total, that number of shares that is equal to (i) the total number of shares of Series C Preferred Stock, Series B Preferred Stock and Series A-2 Preferred Stock outstanding, respectively, immediately prior to such Redemption Date divided by (ii) the number of remaining Redemption Dates (including the Redemption Date to which such calculation applies). Prior to the redemption of any shares of Series A-2 Preferred Stock, all shares of Series B Preferred Stock shall be redeemed on a pro rata basis in accordance with the number of shares of Series B Preferred Stock then outstanding and prior to the redemption of any shares of Series B Preferred Stock, all shares of Series C Preferred Stock shall be redeemed on a pro rata basis in accordance with the number of shares of Series C Preferred Stock then outstanding. After all shares of Series C Preferred Stock have been redeemed, all shares of Series B Preferred Stock shall be redeemed on a pro rata basis in accordance with the number of shares of Series B Preferred Stock then outstanding. After all shares of Series B Preferred Stock have been redeemed, all shares of Series A-2 Preferred Stock shall be redeemed on a pro rata basis in accordance with the number of shares of Series A-2 Preferred Stock then outstanding. If on any Redemption Date Delaware law governing distributions to stockholders prevents the Corporation from redeeming all shares to be redeemed pursuant to this Section 6.1, the Corporation shall redeem the maximum number of shares that it may redeem consistent with such law, and shall ratably redeem the remaining shares as soon as it may lawfully do so under such law, in each case, consistent with the preferences set forth in this Section 6.1.

6.2 Redemption Notice. The Corporation shall send written notice of the mandatory redemption (the "**Redemption Notice**") to each holder of record of Preferred Stock not less than forty (40) days prior to each Redemption Date. Each Redemption Notice shall state:

(a) the number of shares of Preferred Stock held by the holder that the Corporation shall redeem on the Redemption Date specified in the Redemption Notice;

(b) the Redemption Date and the Redemption Price;

(c) the date upon which the holder's right to convert such shares terminates (as determined in accordance with Subsection 4.1); and

(d) for holders of shares in certificated form, that the holder is to surrender to the Corporation, in the manner and at the place designated, his, her or its certificate or certificates representing the shares of Preferred Stock to be redeemed.

6.3 Surrender of Certificates; Payment. On or before the applicable Redemption Date, each holder of shares of Series A-2 Preferred Stock, Series B Preferred Stock and Series C Preferred Stock to be redeemed on such Redemption Date, unless such holder has exercised his, her or its right to convert such shares as provided in Section 4, shall, if a holder of shares in certificated form, surrender the certificate or certificates representing such shares (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) to the Corporation, in the manner and at the place designated in the Redemption Notice, and thereupon the Redemption Price for such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner thereof. In the event less than all of the shares of Series A-2 Preferred Stock, Series B Preferred Stock or Series C Preferred Stock represented by a certificate are redeemed, a new certificate, instrument, or book entry representing the unredeemed shares of Series A-2 Preferred Stock, Series B Preferred Stock or Series C Preferred Stock, as applicable, shall promptly be issued to such holder.

6.4 Rights Subsequent to Redemption. If the Redemption Notice shall have been duly given, and if on the applicable Redemption Date the Redemption Price payable upon redemption of the shares of Series A-2 Preferred Stock, Series B Preferred Stock and/or Series C 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 in a timely manner, then notwithstanding that any certificates evidencing any of the shares of Series A-2 Preferred Stock, Series B Preferred Stock and/or Series C Preferred Stock so called for redemption shall not have been surrendered, dividends with respect to such shares of Series A-2 Preferred Stock, Series B Preferred Stock or Series C Preferred Stock shall cease to accrue after such Redemption Date and all rights with respect to such shares shall forthwith after the Redemption Date terminate, except only the right of the holders to receive the Redemption Price without interest upon surrender of any such certificate or certificates therefor.

7. Redeemed or Otherwise Acquired Shares. 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.

8. Waiver. Any of the rights, powers, preferences and other terms applicable to 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 Requisite Investors. Any of the rights, powers, preferences and other terms unique to the Series A Preferred Stock set forth herein may be waived on behalf of all holders of Series A Preferred Stock by the affirmative written consent or vote of the holders of a majority of the shares of Series A Preferred Stock then outstanding. Any of the rights, powers, preferences and other terms unique to the Series A-2 Preferred Stock set forth herein may be waived on behalf of all holders of Series A-2 Preferred Stock by the affirmative written consent or vote of the holders of a majority of the shares of Series A-2 Preferred Stock then outstanding. Any of the rights, powers, preferences and other terms unique to the Series B Preferred Stock set forth herein may be waived on behalf of all holders of Series B Preferred Stock by the affirmative written consent or vote of the holders of a majority of the shares of Series B Preferred Stock then outstanding. Any of the rights, powers, preferences and other terms unique to the Series C Preferred Stock set forth herein may be waived on behalf of all holders of Series C Preferred Stock by the affirmative written consent or vote of the holders of a majority of the shares of Series C Preferred Stock then outstanding. Any of the rights, powers, preferences and other terms unique to the Series A-2 Preferred Stock, Series B Preferred Stock and Series C Preferred Stock together set forth herein may be waived on behalf of all holders of Series A-2 Preferred Stock, Series B Preferred Stock and Series C Preferred Stock, as applicable, by the affirmative written consent or vote of the Redemption Requisite Investors.

9. Notices. Any notice required or permitted by the provisions of this Article Fourth to be given to a holder of shares of Preferred Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the General Corporation Law, and shall be deemed sent upon such mailing or electronic transmission.

FIFTH: Subject to any additional vote required by the Certificate of Incorporation or Bylaws, in furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, repeal, alter, amend and rescind any or all of the Bylaws of the Corporation.

SIXTH: 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.

SEVENTH: Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

EIGHTH: Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

NINTH: To the fullest extent permitted by law, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director. If the General Corporation Law or any other law of the State of Delaware is amended after approval by the stockholders of this Article Ninth to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law as so amended.

Any repeal or modification of the foregoing provisions of this Article Ninth by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of, or increase the liability of any director of the Corporation with respect to any acts or omissions of such director occurring prior to, such repeal or modification.

TENTH: To the fullest extent permitted by applicable law, the Corporation is authorized to provide indemnification of (and advancement of expenses to) directors, officers and agents of the Corporation (and any other persons to which General Corporation Law permits the Corporation to provide indemnification) through Bylaw provisions, agreements with such agents or other persons, vote of stockholders or disinterested directors or otherwise, in excess of the indemnification and advancement otherwise permitted by Section 145 of the General Corporation Law.

Any amendment, repeal or modification of the foregoing provisions of this Article Tenth shall not adversely affect any right or protection of any director, officer or other agent of the Corporation existing at the time of such amendment, repeal or modification.

ELEVENTH: The Corporation renounces, to the fullest extent permitted by law, any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An "**Excluded Opportunity**" is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of (i) any director of the Corporation who is not an employee of the Corporation or any of its subsidiaries, or (ii) any holder of Preferred Stock or any partner, member, director, stockholder, employee or agent of any such holder, other than someone who is an employee of the Corporation or any of its subsidiaries (collectively, "**Covered Persons**"), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person's capacity as a director of the Corporation.

TWELFTH: Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery in the State of Delaware shall be the sole and exclusive forum for any stockholder (including a beneficial owner) to bring (i) any derivative action or proceeding brought on behalf of the Corporation, (ii) any action asserting a claim of breach of fiduciary duty owed by any director, officer or other employee of the Corporation to the Corporation or the Corporation's stockholders, (iii) any action asserting a claim against the Corporation, its directors, officers or employees arising pursuant to any provision of the 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 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. Notwithstanding the foregoing, Maryland Venture Fund InvestMaryland II, LLC ("**MVF**"), Maryland Venture Partners, L.P. ("**MVP**"), Maryland Innovation Opportunity Fund I, LLC ("**MIOF**"), Maryland Innovation Venture Fund Enterprise Fund, LLC ("**MVFEIF**") and the Maryland Technology Development Corporation ("**TEDCO**" and together with MVP, MVF, MIOF and MVFEIF and any of their successors and assigns that are controlled by TEDCO, the "**MVF Parties**"), each of which are or may become stockholders of the Company, do not consent to the selection of the Court of Chancery of the State of Delaware as to the actions set forth in this Article TWELFTH, and this Article TWELFTH shall not govern with respect to any actions brought by, on behalf of or against the MVF Parties or the State of Maryland. The appropriate forum for such actions with respect to the MVF Parties or the State of Maryland shall be a court in the state of Maryland (or in the event of exclusive federal jurisdiction, the federal courts for the District of Maryland).

THIRTEENTH: For purposes of Section 500 of the California Corporations Code (to the extent applicable), in connection with any repurchase of shares of Common Stock permitted under this Certificate of Incorporation from employees, officers, directors or consultants of the Company in connection with a termination of employment or services pursuant to

agreements or arrangements approved by the Board of Directors (in addition to any other consent required under this Certificate of Incorporation), such repurchase may be made without regard to any "preferential dividends arrears amount" or "preferential rights amount" (as those terms are defined in Section 500 of the California Corporations Code). Accordingly, for purposes of making any calculation under California Corporations Code Section 500 in connection with such repurchase, the amount of any "preferential dividends arrears amount" or "preferential rights amount" (as those terms are defined therein) shall be deemed to be zero (0).

* * *

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 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.

IN WITNESS WHEREOF, this Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on this 30th day of July, 2019.

By: /s/ Frédéric Guerard
Frédéric Guerard
Chief Executive Officer

SIGNATURE PAGE TO GRAYBUG VISION, INC.
AMENDED AND RESTATED CERTIFICATE OF INCORPORATION

Exhibit 3.3

AMENDED AND RESTATED BYLAWS

OF

GRAYBUG, INC.

(a Delaware corporation)

Adopted as of April 26, 2016

TABLE OF CONTENTS

AMENDED AND RESTATED BYLAWS

OF

GRAYBUG, INC.
(a Delaware corporation)

Adopted as of April 26, 2016

ARTICLE I.
IDENTIFICATION; OFFICES

Section 1. NAME. The name of the corporation is Graybug, Inc. (the "Corporation").

Section 2. PRINCIPAL AND BUSINESS OFFICES. The Corporation may have such principal and other business offices, either within or outside of the state of Delaware, as the Board of Directors may designate or as the Corporation's business may require from time to time.

Section 3. REGISTERED AGENT AND OFFICE. The Corporation's registered agent may be changed from time to time by or under the authority of the Board of Directors. The address of the Corporation's registered agent may change from time to time by or under the authority of the Board of Directors, or the registered agent. The business office of the Corporation's registered agent shall be identical to the registered office. The Corporation's registered office may be but need not be identical with the Corporation's principal office in the state of Delaware. The Corporation's initial registered office shall be in the City of Wilmington, County of New Castle, State of Delaware.

Section 4. PLACE OF KEEPING CORPORATE RECORDS. The records and documents required by law to be kept by the Corporation permanently shall be kept at the Corporation's principal office or as the Board of Directors may designate.

ARTICLE II.
STOCKHOLDERS

Section 1. ANNUAL MEETING. An annual meeting of the stockholders shall be held on such date as may be determined by resolution of the Board of Directors. At each annual meeting, the stockholders shall elect directors to hold office for the term provided in Section 1 of Article III of these Bylaws.

Section 2. SPECIAL MEETING. A special meeting of the stockholders may be called by the President of the Corporation, the Board of Directors, or by such other officers or persons as the Board of Directors may designate.

Section 3. PLACE OF STOCKHOLDER MEETINGS. The Board of Directors may designate any place, either within or without the State of Delaware, as the place of meeting for any annual meeting or for any special meeting. If no such place is designated by the Board of Directors, the place of meeting will be the principal business office of the Corporation or the Board of Directors may, in its sole discretion, determine that the meeting shall not be held at any place, but will instead be held solely by means of remote communication as provided under Section 211 of the Delaware General Corporation Law.

Section 4. NOTICE OF MEETINGS. Unless waived as herein provided, whenever stockholders are required or permitted to take any action at a meeting, written notice of the meeting shall be given stating the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders may be deemed to be present in person and vote at such meeting and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Such written notice shall be given not less than ten (10) days nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at the meeting. If mailed, notice is given when deposited in the United States mail, postage prepaid, directed to the stockholder at the stockholder's address as it appears on the records of the Corporation. If electronically transmitted, then notice is deemed given when transmitted and directed to a facsimile number or electronic mail address at which the stockholder has consented to receive notice. An affidavit of the secretary or of the transfer agent or other agent of the Corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be *prima facie* evidence of the facts stated therein.

When a meeting is adjourned to reconvene at the same or another place, if any, or by means of remote communications, if any, in accordance with Section 5 of Article II of these Bylaws, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken.

Section 5. QUORUM AND ADJOURNED MEETINGS. Unless otherwise provided by law or the Corporation's Certificate of Incorporation, a majority of the shares entitled to vote, present in person or represented by proxy, shall constitute a quorum at a meeting of stockholders. If a majority of the shares entitled to vote at a meeting of stockholders is present in person or represented by proxy at such meeting, such stockholders may continue to transact business until adjournment, notwithstanding the withdrawal of such number of stockholders as may leave less than a quorum. If less than a majority of the shares entitled to vote at a meeting of stockholders is present in person or represented by proxy at such meeting, a majority of the shares so represented may adjourn the meeting from time to time, to reconvene at the same or another place, if any, or by means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, and notice need not be given of any such adjourned meeting if the time, date, place, if any, thereof, 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; provided, however, that if the adjournment is for more than thirty (30) days a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. At the adjourned meeting the Corporation may transact any business that might have been transacted at the original meeting.

Section 6. FIXING OF RECORD DATE.

(a) For the purpose of determining stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall not be more than sixty (60) days nor less than ten (10) days before the date of such meeting. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

(b) For the purpose of determining stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is established by the Board of Directors, and which date shall not be more than ten (10) days after the date on which the resolution fixing the record date is adopted by the Board of Directors. If no record date has been fixed by the Board of Directors, the record date for determining stockholders entitled to consent to corporate action in writing without a meeting, when no prior action by the Board of Directors is required by law, shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal office, or an officer or agent of the Corporation having custody of the book in which the proceedings of meetings of stockholders are recorded. Delivery to the Corporation's registered office shall be by hand or by certified or registered mail, return receipt requested. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by law, the record date for determining stockholders' consent to corporate action in writing without a meeting shall be the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

(c) For the purpose of determining the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect to any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board of Directors may fix the record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than sixty (60) days prior to such action. If no record date is fixed, the record date for determining the stockholders for any such purpose shall be the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 7. VOTING LIST. 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 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. 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, (i) by a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (ii) during ordinary business hours, at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to the stockholders of the Corporation. If the meeting is to be held at a place, then the list shall be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the meeting. Except as otherwise provided by law, such list shall be the only evidence as to the identity of stockholders entitled to examine the list of stockholders required by this Section 7 or to vote in person or by proxy at any meeting of the stockholders. The Corporation shall not be required to include electronic mail addresses or other electronic contact information on such list.

Section 8. VOTING. Unless otherwise provided by the Certificate of Incorporation, each stockholder shall be entitled to one vote for each share of capital stock held by each stockholder. In all matters other than the election of directors, the affirmative vote of the majority of shares present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the stockholders. Directors shall be elected by plurality of the votes of the shares present in person or represented by a proxy at the meeting entitled to vote on the election of directors.

Section 9. PROXIES. 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 him by proxy, but no such proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A proxy may remain irrevocable regardless of whether the interest with which it is coupled is an interest in the stock itself or an interest in the Corporation generally.

Section 10. RATIFICATION OF ACTS OF DIRECTORS AND OFFICERS. Except as otherwise provided by law or by the Certificate of Incorporation of the Corporation, any transaction or contract or act of the Corporation or of the directors or the officers of the Corporation may be ratified by the affirmative vote of the holders of the number of shares which would have been necessary to approve such transaction, contract or act at a meeting of stockholders, or by the written consent of stockholders in lieu of a meeting.

Section 11. INFORMAL ACTION OF STOCKHOLDERS. Any action required to be taken at any annual or special meeting of stockholders of the Corporation, or any action which may be taken at any annual or special meeting of such 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 delivered to the Corporation 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. Prompt notice of the taking of the corporate action without a meeting by less than unanimous consent shall be given to those stockholders who have not consented in writing.

A telegram, cablegram or other electronic transmission consenting to an action to be taken and transmitted by a stockholder or proxy holder, or by a person or persons authorized to act for a stockholder or proxy holder, shall be deemed to be written, signed and dated for the purposes of this section, provided that any such telegram, cablegram or other electronic transmission sets forth or is delivered with information from which the Corporation can determine that the telegram, cablegram or other electronic transmission was transmitted by the stockholder or proxy holder or by a person or persons authorized to act for the stockholder or proxy holder and the date on which such stockholder or proxy holder or authorized person or persons transmitted such telegram, cablegram or electronic transmission. The date on which such telegram, cablegram or electronic transmission is transmitted shall be deemed to be the date on which such consent was signed. No consent given by telegram, cablegram or other electronic transmission shall be deemed to have been delivered until such consent is reproduced in paper form and until such paper form shall be delivered to the Corporation by delivery to its principal place of business or to an officer or agent of the Corporation having custody of the book in which the proceedings of meetings of stockholders are recorded. Any copy, facsimile or other reliable reproduction of a consent in writing may be substituted or used in lieu of the original writing for any and all purposes for which the original writing could be used, provided that such copy, facsimile or other reproduction shall be a complete reproduction of the entire original writing.

Section 12. ORGANIZATION. Such person as the Board of Directors may designate or, in the absence of such a designation, the president of the Corporation or, in his or her absence, such person as may be chosen by the holders of a majority of the shares entitled to vote who are present, in person or by proxy, shall call to order any meeting of the stockholders and act as chairman of such meeting. In the absence of the secretary of the Corporation, the chairman of the meeting shall appoint a person to serve as secretary at the meeting.

ARTICLE Ill.
DIRECTORS

Section 1. NUMBER AND TENURE OF DIRECTORS. The number of directors of the Corporation shall be determined from time to time by the Board. Each director shall hold office until such director’s successor is elected and qualified or until such director’s earlier resignation or removal. Any director may resign at any time upon written notice to the Corporation.

Section 2. ELECTION OF DIRECTORS. Except as otherwise provided in these Bylaws, directors shall be elected at the annual meeting of stockholders. Directors need not be residents of the State of Delaware. Elections of directors need not be by written ballot.

Section 3. SPECIAL MEETINGS. Special meetings of the Board of Directors may be called by or at the request of the Chairman of the Board, the President or at least one-third of the number of directors constituting the whole board. The person or persons authorized to call special meetings of the Board of Directors may fix any time, date or place, either within or without the State of Delaware, for holding any special meeting of the Board of Directors called by them.

Section 4. NOTICE OF SPECIAL MEETINGS OF THE BOARD OF DIRECTORS. Notice of any special meeting of the Board of Directors shall be given, orally or in writing, by the person or persons calling the meeting to all directors at least one (I) day previous thereto. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail so addressed, with first-class postage thereon prepaid. If sent by any other means (including facsimile, courier, electronic mail or express mail, etc.), such notice shall be deemed to be delivered when actually delivered to the home or business address, electronic address or facsimile number of the director.

Section 5. QUORUM. A majority of the total number of directors as provided in Section 1 of Article III of these Bylaws shall constitute a quorum for the transaction of business. If less than a majority of the directors are present at a meeting of the Board of Directors, a majority of the directors present may adjourn the meeting from time to time without further notice.

Section 6. VOTING. The vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors, unless the Delaware General Corporation Law or the Certificate of Incorporation requires a vote of a greater number.

Section 7. VACANCIES. Vacancies in the Board of Directors may be filled by a majority vote of the Board of Directors at a meeting at which a quorum is present or by an election either at an annual meeting or at a special meeting of the stockholders called for that purpose. Any directors elected by the stockholders to fill a vacancy shall hold office for the balance of the term for which he or she was elected. A director appointed by the Board of Directors to fill a vacancy shall serve until the next meeting of stockholders at which directors are elected.

Section 8. REMOVAL OF DIRECTORS. A director, or the entire Board of Directors, may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors; provided, however, that if cumulative voting obtains and less than the entire Board of Directors is to be removed, no director may be removed without cause if the votes cast against such director's removal would be sufficient to elect him if then cumulatively voted at an election of the entire Board of Directors; provided, further, that the directors elected by the holders of a particular class or series of stock may be removed without cause only by vote of the holders of a majority of the outstanding shares of such class or series.

Section 9. WRITTEN ACTION BY DIRECTORS. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board of Directors or committee. Without limiting the manner by which consent may be given, members of the Board of Directors may consent by delivery of an electronic transmission when

such transmission is directed to a facsimile number or electronic mail address at which the . Corporation has consented to receive such electronic transmissions, and copies of the electronic transmissions are filed with the minutes of proceedings of the Board of Directors or committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 10. PARTICIPATION BY CONFERENCE TELEPHONE. Members of the Board of Directors, or any committee designated by such board, may participate in a meeting of the Board of Directors, or committee thereof, by means of conference telephone or similar communications equipment as long as all persons participating in the meeting can speak with and hear each other, and participation by a director pursuant to this Section 3.10 shall constitute presence in person at such meeting.

Section 11. COMPENSATION OF DIRECTORS. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, the Board of Directors shall have the authority to fix the compensation of directors. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or a stated salary as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefore. Members of special or standing committees may be allowed like compensation for attending committee meetings.

ARTICLE IV.
WAIVER OF NOTICE

Section 1. WRITTEN WAIVER OF NOTICE. A written waiver of any required notice, signed by or electronically transmitted by the person entitled to notice, whether before or after the date stated therein, shall be deemed equivalent to notice. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of stockholders, directors or members of a committee of directors need be specified in any written waiver of notice.

Section 2. ATTENDANCE AS WAIVER OF 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, and objects, to the transaction of any business because the meeting is not lawfully called or convened.

ARTICLE V.
COMMITTEES

Section 1. GENERAL PROVISIONS. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member at any meeting 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 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 matters: (i) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by law to be submitted to stockholders for approval or (ii) adopting, amending or repealing any bylaw of the corporation.

ARTICLE VI.
OFFICERS

Section 1. GENERAL PROVISIONS. The Board of Directors shall elect a President and a Secretary of the Corporation. The Board of Directors may also elect a Chairman of the Board, one or more Vice Chairmen of the Board, one or more Vice Presidents, a Treasurer, one or more Assistant Secretaries and Assistant Treasurers and such additional officers as the Board of Directors may deem necessary or appropriate from time to time. Any two or more offices may be held by the same person. The officers elected by the Board of Directors shall have such duties as are hereafter described and such additional duties as the Board of Directors may from time to time prescribe.

Section 2. ELECTION AND TERM OF OFFICE. The officers of the Corporation shall be elected annually by the Board of Directors at the regular meeting of the Board of Directors held after each annual meeting of the stockholders. If the election of officers is not held at such meeting, such election shall be held as soon thereafter as may be convenient. New offices of the Corporation may be created and filled and vacancies in offices may be filled at any time, at a meeting or by the written consent of the Board of Directors. Unless removed pursuant to Section 3 of Article VI of these Bylaws, each officer shall hold office until his successor has been duly elected and qualified, or until his earlier death or resignation. Election or appointment of an officer or agent shall not of itself create contract rights.

Section 3. REMOVAL OF OFFICERS. Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors whenever, in its judgment, the best interests of the Corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person(s) so removed.

Section 4. THE CHIEF EXECUTIVE OFFICER. The Board of Directors shall designate an individual who will be the Chief Executive Officer of the Corporation. The Chief Executive Officer shall be the principal executive officer of the Corporation and shall in general supervise and control all of the business and affairs of the Corporation, unless otherwise provided by the Board of Directors. The Chief Executive Officer shall preside at all meetings of the stockholders and of the Board of Directors and shall see that orders and resolutions of the Board of Directors are carried into effect. The Chief Executive Officer may sign bonds, mortgages, certificates for shares and all other contracts and documents whether or not under the seal of the Corporation except in cases where the signing and execution thereof shall be expressly delegated by law, by the Board of Directors or by these Bylaws to some other officer or agent of the Corporation. The Chief Executive Officer shall have general powers of supervision and shall be the final arbiter of all differences between officers of the Corporation and his decision as to any matter affecting the Corporation shall be final and binding as between the officers of the Corporation subject only to the Board of Directors.

Section 5. THE PRESIDENT. In the absence of the Chief Executive Officer or in the event of his inability or refusal to act, if the Chairman of the Board or another individual has not been designated Chief Executive Officer, the President shall perform the duties of the Chief Executive Officer, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer. At all other times the President shall have the active management of the business of the Corporation under the general supervision of the Chief Executive Officer. The President shall have concurrent power with the Chief Executive Officer to sign bonds, mortgages, certificates for shares and other contracts and documents, whether or not under the seal of the Corporation except in cases where the signing and execution thereof shall be expressly delegated by law, by the Board of Directors, or by these Bylaws to some other officer or agent of the Corporation. In general, the President shall perform all duties incident to the office of president and such other duties as the Chief Executive Officer or the Board of Directors may from time to time prescribe.

Section 6. THE CHAIRMAN OF THE BOARD. The Chairman of the Board, if one is chosen, shall be chosen from among the members of the board. If the Chairman of the Board has not been designated Chief Executive Officer, the Chairman of the Board shall perform such duties as may be assigned to the Chairman of the Board by the Chief Executive Officer or by the Board of Directors.

Section 7. THE VICE CHAIRMAN OF THE BOARD. In the absence of the Chief Executive Officer or in the event of his inability or refusal to act, if the Chairman of the Board or another individual has not been designated Chief Executive Officer, the Vice Chairman, or if there be more than one, the Vice Chairmen, in the order determined by the Board of Directors, shall perform the duties of the Chief Executive Officer, and when so acting shall have all the powers of and be subject to all the restrictions upon the Chief Executive Officer. At all other times, the Vice Chairman or Vice Chairmen shall perform such duties and have such powers as the Chief Executive Officer or the Board of Directors may from time to time prescribe.

Section 8. THE VICE PRESIDENT. In the absence of the President or in the event of his inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Executive Vice President and then the other Vice President or Vice Presidents in the order designated, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice Presidents shall perform such other duties and have such other powers as the Chief Executive Officer or the Board of Directors may from time to time prescribe.

Section 9. THE SECRETARY. The Secretary shall attend all meetings of the Board of Directors and all meetings of the stockholders and record all the proceedings of the meetings of the Corporation and of the Board of Directors in a book to be kept for that purpose and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the stockholders and special meetings of the Board of

Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the Chief Executive Officer, under whose supervision he shall be. The Secretary shall have custody of the corporate seal of the Corporation and the Secretary, or an Assistant Secretary, shall have authority to affix the same to any instrument requiring it and when so affixed, it may be attested by his signature or by the signature of such Assistant Secretary. The Board of Directors may give general authority to any other officer to affix the seal of the Corporation and to attest the affixing by his signature.

Section 10. THE ASSISTANT SECRETARY. The Assistant Secretary, or if there be more than one, the Assistant Secretaries in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election), shall, in the absence of the Secretary or in the event of his inability or refusal to act, perform the duties and exercise the powers of the Secretary and shall perform such other duties and have such other powers as the Chief Executive Officer or the Board of Directors may from time to time prescribe.

Section 11. THE TREASURER. The Treasurer shall have the custody of the corporate funds and securities and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all moneys and other valuable effects in the name and to the credit of the Corporation in such depositories as may be designated by the Board of Directors. The Treasurer shall disburse the funds of the Corporation as may be ordered by the Board of Directors, taking proper vouchers for such disbursements, and shall render to the President and the Board of Directors, at its regular meetings, or when the Board of Directors so requires, an account of all his transactions as Treasurer and of the financial condition of the Corporation. If required by the Board of Directors, the Treasurer shall give the Corporation a bond (which shall be renewed every six (6) years) in such sum and with such surety or sureties as shall be satisfactory to the Board of Directors for the faithful performance of the duties of his office and for the restoration to the Corporation, in case of his death, resignation, retirement or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession or under his control belonging to the Corporation.

Section 12. THE ASSISTANT TREASURER. The Assistant Treasurer, or if there shall be more than one, the Assistant Treasurers in the order determined by the Board of Directors (or if there be no such determination, then in the order of their election), shall, in the absence of the Treasurer or in the event of his inability or refusal to act, perform the duties and exercise the powers of the Treasurer and shall perform such other duties and have such other powers as the Chief Executive Officer or the Board of Directors may from time to time prescribe.

Section 13. OTHER OFFICERS, ASSISTANT OFFICERS AND AGENTS. Officers, Assistant Officers and Agents, if any, other than those whose duties are provided for in these Bylaws, shall have such authority and perform such duties as may from time to time be prescribed by resolution of the board of directors.

Section 14. ABSENCE OF OFFICERS. In the absence of any officer of the Corporation, or for any other reason the Board of Directors may deem sufficient, the Board of Directors may delegate the powers or duties, or any of such powers or duties, of any officers or officer to any other officer or to any director.

Section 15. COMPENSATION. The Board of Directors shall have the authority to establish reasonable compensation of all officers for services to the Corporation.

ARTICLE VII.
INDEMNIFICATION

Section 1. RIGHT TO INDEMNIFICATION OF DIRECTORS AND OFFICERS. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (a "Covered Person") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that such person, or a person for whom such person is the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another Corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Covered Person in such proceeding. Notwithstanding the preceding sentence, except as otherwise provided in Section 3 of Article VII of these Bylaws, the Corporation shall be required to indemnify a Covered Person in connection with a proceeding (or part thereof) commenced by such Covered Person only if the commencement of such proceeding (or part thereof) by the Covered Person was authorized in advance by the Board of Directors.

Section 2. PREPAYMENT OF EXPENSES OF DIRECTORS AND OFFICERS. The Corporation shall pay the expenses (including attorneys' fees) incurred by a Covered Person in defending any proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Covered Person to repay all amounts advanced if it should be ultimately determined that the Covered Person is not entitled to be indemnified under this Article VII or otherwise.

Section 3. CLAIMS BY DIRECTORS AND OFFICERS. If a claim for indemnification or advancement of expenses under this Article VII is not paid in full within thirty (30) days after a written claim therefor by the Covered Person has been received by the Corporation, the Covered Person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim. In any such action the Corporation shall have the burden of proving that the Covered Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

Section 4. INDEMNIFICATION OF EMPLOYEES AND AGENTS. The Corporation may indemnify and advance expenses to any person who was or is made or is threatened to be made or is otherwise involved in any proceeding by reason of the fact that such person, or a person for whom such person is the legal representative, is or was an employee or agent of the Corporation or, while an employee or agent of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including

attorney's fees) reasonably incurred by such person in connection with such proceeding. The ultimate determination of entitlement to indemnification of persons who are non-director or officer employees or agents shall be made in such manner as is determined by the Board of Directors in its sole discretion. Notwithstanding the foregoing sentence, the Corporation shall not be required to indemnify a person in connection with a proceeding initiated by such person if the proceeding was not authorized in advance by the Board of Directors.

Section 5. ADVANCEMENT OF EXPENSES OF EMPLOYEES AND AGENTS. The Corporation may pay the expenses (including attorney's fees) incurred by an employee or agent in defending any proceeding in advance of its final disposition on such terms and conditions as may be determined by the Board of Directors.

Section 6. NON-EXCLUSIVITY OF RIGHTS. The rights conferred on any person by this Article VII shall not be exclusive of any other rights which such person may have or hereafter acquire under any statute, provision of the certificate of incorporation, these Bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 7. OTHER INDEMNIFICATION. The Corporation's obligation, if any, to indemnify any person who was or is serving at its request as a director, officer or employee of another Corporation, partnership, joint venture, trust, organization or other enterprise shall be reduced by any amount such person may collect as indemnification from such other Corporation, partnership, joint venture, trust, organization or other enterprise.

Section 8. INSURANCE. The Board of Directors may, to the full extent permitted by applicable law as it presently exists, or may hereafter be amended from time to time, authorize an appropriate officer or officers to purchase and maintain at the Corporation's expense insurance: (a) to indemnify the Corporation for any obligation which it incurs as a result of the indemnification of directors, officers and employees under the provisions of this Article VII; and (b) to indemnify or insure directors, officers and employees against liability in instances in which they may not otherwise be indemnified by the Corporation under the provisions of this Article VII.

Section 9. AMENDMENT OR REPEAL. Any repeal or modification of the foregoing provisions of this Article VII shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification. The rights provided hereunder shall inure to the benefit of any Covered Person and such person's heirs, executors and administrators.

ARTICLE VIII.
CERTIFICATES FOR SHARES

Section 1. CERTIFICATES OF SHARES. The shares of the Corporation shall be represented by certificates, provided that the Board of Directors of the Corporation may provide by resolution or resolutions that some or all of any or all classes or series of its stock shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Notwithstanding the adoption of such a resolution by the Board of Directors, every holder of stock represented by certificates and upon

request every holder of uncertificated shares shall be entitled to have a certificate signed by, or in the name of the Corporation by the Chairman or Vice Chairman of the Board of Directors, Chief Executive Officer, or the President or Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary of the Corporation representing the number of shares registered in certificate form. Any or all the signatures on the certificate may be a facsimile.

Section 2. SIGNATURES OF FORMER OFFICER, TRANSFER AGENT OR REGISTRAR. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person or entity were such officer, transfer agent or registrar at the date of issue.

Section 3. TRANSFER OF SHARES. Transfers of shares of the Corporation shall be made only on the books of the Corporation by the holder of record thereof or by his legal representative, who shall furnish proper evidence of authority to transfer, or by his or her attorney thereunto authorized by power of attorney duly executed and field with the Secretary of the Corporation, and on surrender for cancellation of certificate for such shares. Prior to due presentment of a certificate for shares for registration of transfer, the Corporation may treat a registered owner of such shares as the person exclusively entitled to vote, to receive notifications and otherwise have and exercise all of the right and powers of an owner of shares.

Section 4. LOST, DESTROYED OR STOLEN CERTIFICATES. Whenever a certificate representing shares of the Corporation has been lost, destroyed or stolen, the holder thereof may file in the office of the Corporation an affidavit setting forth, to the best of his knowledge and belief, the time, place, and circumstance of such loss, destruction or theft together with a statement of indemnity sufficient in the opinion of the Board of Directors to indemnify the Corporation against any claim that may be made against it on account of the alleged loss of any such certificate. Thereupon the Board may cause to be issued to such person or such person’s legal representative a new certificate or a duplicate of the certificate alleged to have been lost, destroyed or stolen. In the exercise of its discretion, the Board of Directors may waive the indemnification requirements provided herein.

ARTICLE IX.
DIVIDENDS

Section 1. DECLARATIONS OF DIVIDENDS. Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation, if any, may be declared by the Board of Directors at any regular or special meeting, pursuant to law. Dividends may be paid in cash, in property, or in shares of the capital stock, subject to the provisions of the Certificate of lncorporation.

Section 2. REQUIREMENTS FOR PAYMENT OF DIVIDENDS. Before payment of any dividend there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the directors from time to time, in their absolute discretion, think proper as a reserve fund to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose as the directors shall think conducive to the interests of the Corporation, and the directors may abolish any such reserve.

ARTICLE X.
GENERAL PROVISIONS

Section 1. CONTRACTS. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2. LOANS. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

Section 3. CHECKS, DRAFTS, ETC.. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by one or more officers or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. DEPOSITS. The funds of the Corporation may be deposited or invested in such bank account, in such investments or with such other depositaries as determined by the Board of Directors.

Section 5. FISCAL YEAR. The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

Section 6. SEAL. The corporate seal shall have inscribed thereon the name of the Corporation, the year of its organization and the words “Corporate Seal, Delaware”. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

Section 7. ANNUAL STATEMENT. The Board of Directors shall present at each annual meeting, and at any special meeting of the stockholders when called for by vote of the stockholders, a full and clear statement of the business and condition of the Corporation.

ARTICLE XI.
AMENDMENTS

Section 1. AMENDMENTS. These Bylaws may be altered, amended or repealed or new Bylaws may be adopted by the stockholders or by the Board of Directors, when such power is conferred upon the Board of Directors by the Certificate of Incorporation, at any regular meeting of the stockholders or of the Board of Directors or at any special meeting of the stockholders or of the Board of Directors if notice of such alteration, amendment, repeal or adoption of new Bylaws be contained in the notice of such special meeting. If the power to adopt, amend or repeal Bylaws is conferred upon the Board of Directors by the Certificate of Incorporation it shall not divest or limit the power of the stockholders to adopt, amend or repeal Bylaws.

CERTIFICATE OF ADOPTION OF BYLAWS

I hereby certify that:

I am the duly elected and acting Secretary of Graybug, Inc., a Delaware corporation (the "Company"); and

Attached hereto is a complete and accurate copy of the Bylaws of the Company as duly adopted by the Board of Directors by Written Consent dated April 26, 2016, and said Bylaws are presently in effect.

IN WITNESS WHEREOF, the undersigned has executed this Certificate of Adoption of Bylaws as of the 26th day of April, 2016.

/s/ Alan C. Mendelson
Alan C. Mendelson, *Secretary*

GRAYBUG VISION, INC.

AMENDED AND RESTATED

INVESTORS' RIGHTS AGREEMENT

AMENDED AND RESTATED

INVESTORS' RIGHTS AGREEMENT

THIS AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (this "**Agreement**"), is made as of July 31, 2019, by and among Graybug Vision, 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**" and any Additional Purchaser (as defined in the Purchase Agreement) that becomes a party to this Agreement in accordance with Subsection 6.9 hereof.

RECITALS

WHEREAS, certain of the Investors (the "**Existing Investors**") hold shares of the Company's Series A Preferred Stock, Series A-2 Preferred Stock, Series B Preferred Stock and/or shares of Common Stock issued upon conversion thereof and possess information rights, rights of first offer, and other rights pursuant to an Amended and Restated Investors' Rights Agreement dated as of April 29, 2016 between the Company and such Investors (the "**Prior Agreement**"); and

WHEREAS, the Existing Investors represent the Requisite Majority (as defined in the Prior Agreement), and desire to amend and restate and terminate 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 C Preferred Stock Purchase Agreement of even date herewith between the Company and certain of the Investors (as may be amended 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 such Investors, Existing Investors representing the Requisite Majority (as defined in the Prior Agreement), and the Company;

NOW, THEREFORE, the Existing Investors hereby agree that the Prior Agreement shall be amended and restated, superseded and replaced in its entirety by this Agreement, and the parties to this Agreement 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, directly or indirectly, controls, is controlled by, or is under common control with such Person, including without limitation any general partner, limited partner, managing member, officer or director of such Person or any venture capital, private equity or other investment fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management company with, such Person. Notwithstanding anything to the contrary, for purpose of this Agreement, C-Bridge IV Investment Six Limited shall be deemed an Affiliate of AffaMed Project Limited ("***AffaMed***"), and vice versa.

1.2 "**Common Stock**" means shares of the Company's common stock, par value $0.0001 per share.

1.3 "**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 a business competitive with the Company, but shall not include any financial investment firm or collective investment vehicle that, together with its Affiliates, holds less than five percent (5%) 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.

1.4 "**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.

1.5 "**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.

1.6 "**Exchange Act**" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

1.7 "**Excluded Registration**" means (i) a registration relating to the sale of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, or similar plan; (ii) a registration relating to an SEC Rule 145 transaction; (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities; or (iv) a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered.

1.8 "**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.

1.9 "**Form S-3**" means such form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the SEC that permits incorporation of substantial information by reference to other documents filed by the Company with the SEC.

1.10 "**GAAP**" means generally accepted accounting principles in the United States.

1.11 "**Holder**" means any holder of Registrable Securities who is a party to this Agreement.

1.12 "**Immediate Family Member**" means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, 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.

1.13 "**Initiating Holders**" means, collectively, Holders who properly initiate a registration request under this Agreement.

1.14 "**IPO**" means the Company's first underwritten public offering of its Common Stock under the Securities Act.

1.15 "**Major Investor**" means any Investor that, individually or together with such Investor's Affiliates, holds at least 2,500,000 shares of Registrable Securities (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof).

1.16 "**Maryland Venture Fund**" means Maryland Venture Fund InvestMaryland II, LLC, Maryland Venture Fund Enterprise Investment Fund, LLC, Maryland Innovation Opportunity Fund 1, LLC, each a wholly-owned subsidiary of the Maryland Technology Development Corporation ("**TEDCO**"), and Maryland Venture Partners, L.P., a limited partnership managed by a wholly-owned subsidiary of TEDCO.

1.17 "**New Securities**" means, collectively, equity securities of the Company, whether or not currently authorized, as well as rights, options, or warrants to purchase such equity securities, or securities of any type whatsoever that are, or may become, convertible or exchangeable into or exercisable for such equity securities.

1.18 "**Person**" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

1.19 "**Preferred Director**" shall have the meaning set forth in the Restated Certificate.

1.20 "**Preferred Stock**" means, collectively, shares of the Company's Series A Preferred Stock, Series A-2 Preferred Stock, Series B Preferred Stock and Series C Preferred Stock.

1.21 “**Registrable Securities**” means, subject to the last sentence of this Subsection 1.21, (i) the Common Stock issuable or issued upon conversion of the Preferred Stock; (ii) any Common Stock, or any Common Stock issued or issuable (directly or indirectly) upon conversion and/or exercise of any other securities of the Company acquired by the Investors after the date hereof and (iii) any Common Stock issued as (or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares referenced in clauses (i) and (ii) above; excluding in all cases, however, any Registrable Securities sold by a Person in a transaction in which the applicable rights under this Agreement are not assigned pursuant to Subsection 6.1, and excluding for purposes of Section 2 any shares for which registration rights have terminated pursuant to Subsection 2.13 of this Agreement.

1.22 “**Registrable Securities then outstanding**” means the number of shares determined by adding the number of shares of outstanding Common Stock that are Registrable Securities and the number of shares of Common Stock issuable (directly or indirectly) pursuant to then exercisable and/or convertible securities that are Registrable Securities.

1.23 “**Requisite Majority**” means the Investors holding (x) a majority of the Common Stock issued or issuable upon conversion of the Preferred Stock, (y) a majority of the Common Stock issued or issuable upon conversion of the Series B Preferred Stock, and (z) a majority of the Common Stock issued or issuable upon conversion of the Series C Preferred Stock.

1.24 **Restated Certificate**” means the Company’s Amended and Restated Certificate of Incorporation, as may be amended from time to time.

1.25 “**Restricted Securities**” means the securities of the Company required to be notated with the legend set forth in Subsection 2.12(b) hereof.

1.26 “**SEC**” means the Securities and Exchange Commission.

1.27 “**SEC Rule 144**” means Rule 144 promulgated by the SEC under the Securities Act.

1.28 “**SEC Rule 145**” means Rule 145 promulgated by the SEC under the Securities Act.

1.29 “**Securities Act**” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

1.30 “**Selling Expenses**” means all underwriting discounts, selling commissions, and stock transfer taxes applicable to the sale of Registrable Securities, and fees and disbursements of counsel for any Holder, except for the fees and disbursements of the Selling Holder Counsel borne and paid by the Company as provided in Subsection 2.6.

1.31 "**Series A Preferred Stock**" means shares of the Company's Series A Preferred Stock, par value $0.0001 per share.

1.32 "**Series A-2 Preferred Stock**" means shares of the Company's Series A-2 Preferred Stock, par value $0.0001 per share.

1.33 "**Series B Preferred Stock**" means shares of the Company's Series B Preferred Stock, par value $0.0001 per share.

1.34 "**Series C Preferred Stock**" means shares of the Company's Series C Preferred Stock, par value $0.0001 per share.

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) one hundred eighty (180) days after the effective date of the registration statement for the IPO, the Company receives a request from Holders of a majority 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 (or a lesser percent if the anticipated aggregate offering price, net of Selling Expenses, would exceed $20.0 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 fifteen percent (15%) 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 $5.0 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 stating that in the good faith judgment of the Company's 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 ninety (90) days after the request of the Initiating Holders is given; provided, however, that the Company may not invoke this right more than once in any twelve (12) month period; and provided further that the Company shall not register any securities for its own account or that of any other stockholder during such ninety (90) day period 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 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 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).

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. Notwithstanding any other provision of this Subsection 2.3, if the managing underwriter(s) advise(s) the Initiating Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, then the Initiating Holders shall so advise all Holders of Registrable Securities that otherwise would be underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwriting shall be allocated among such Holders of Registrable Securities, including the Initiating Holders, in proportion (as nearly as practicable) to the number of Registrable Securities owned by each Holder or in such other proportion as shall mutually be agreed to by all such selling Holders; provided, however, that the number of Registrable Securities held by the Holders to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting. 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), fewer than fifty percent (50%) of 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;

(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 managing underwriter(s) participating in any disposition pursuant to such registration statement, and any attorney or accountant or other agent retained by any such underwriter or selected by the selling Holders, all financial and other records, pertinent corporate documents, and properties of the Company, and cause the Company's officers, directors, employees, and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant, or agent, in each case, as necessary or advisable to verify the accuracy of the information in such registration statement and to conduct appropriate due diligence in connection therewith;

(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, 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 $100,000, of one counsel for the selling Holders ("**Selling Holder Counsel**"), shall be borne and paid by the Company; provided, however, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Subsection 2.1 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all selling Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration), unless the Holders of a majority of the Registrable Securities agree to forfeit their right to one registration pursuant to 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 partners, members, officers, directors, and stockholders of each such Holder; legal counsel and accountants for each such Holder; any underwriter (as defined in the Securities Act) for each such Holder; and each Person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any Damages, and the Company will pay to each such Holder, underwriter, controlling Person, or other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this 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.

(b) To the extent permitted by law, each selling Holder, severally and not jointly, will indemnify and hold harmless the Company, and each of its directors, each of its officers who has signed the registration statement, each Person (if any), who controls the Company within the meaning of the Securities Act, legal counsel and accountants for the Company, any underwriter (as defined in the Securities Act), any other Holder selling securities in such registration statement, and any controlling Person of any such underwriter or other Holder, against any Damages, in each case only to the extent that such Damages arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of such selling Holder expressly for use in connection with such registration; and each such selling Holder will pay to the Company and each other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this 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, solely 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) 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); and (ii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration (at any time after the Company has become subject to the reporting requirements under the Exchange Act) or pursuant to Form S-3 (at any time after the Company so qualifies to use such form).

2.10 Limitations on Subsequent Registration Rights.

From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders of a majority of the Registrable Securities then outstanding, enter into any agreement with any holder or prospective holder of any securities of the Company that (i) would allow such holder or prospective holder 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) allow such holder or prospective holder to initiate a demand for registration of any securities held by such holder or prospective holder; provided that this limitation shall not apply to any additional Investor who becomes a party to this Agreement in accordance with Subsection 6.9 and; provided, further, that this limitation shall not apply to an agreement providing "piggy-back" registration rights under Subsection 2.2 in connection with the issuance of a warrant or other convertible security issued to a bank, equipment lessor or other financial institution pursuant to a debt financing or equipment leasing arrangement approved by the Board of Directors, including a majority of the Preferred Directors unless the Restated Charter requires the consent of the holders of Preferred Stock to approve such transaction.

2.11 "Market Stand-off" Agreement.

Each Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, during the period commencing on the date of the final prospectus relating to the registration by the Company of shares of its Common Stock or any other equity securities under the Securities Act for its IPO and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days), or such longer period as may be required to accommodate applicable regulatory restrictions on (1) the publication or other distribution of research reports, and (2) analyst recommendations and opinions, including, but not limited to, the restrictions contained in FINRA Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto), (i) lend; offer; pledge; sell; contract to sell; sell any option or contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Common Stock held immediately before the effective date of the registration statement for such offering or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash, or otherwise. The foregoing provisions of this 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, or the transfer of any shares to any trust for the direct or indirect benefit of the Holder or the immediate family of the Holder, provided that the trustee of the trust agrees to be bound in writing by the restrictions set forth herein, and provided further that any such transfer shall not involve a disposition for value, and shall be applicable to the Holders only if all officers and directors are subject to the same restrictions and the Company obtains a similar agreement from all stockholders individually owning more than one percent (1.0%) of the Company's outstanding Common Stock (after giving effect to conversion into Common Stock of all outstanding Preferred Stock). 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. Any discretionary waiver or termination of the restrictions of any or all of such agreements by the Company or the underwriters shall apply pro rata to all Holders subject to such agreements based on the number of shares subject to such agreements.

2.12 Restrictions on Transfer.

(a) The Preferred Stock and the Registrable Securities shall not be sold, pledged, or otherwise transferred, and the Company shall not recognize and shall issue stop-transfer instructions to its transfer agent with respect to any such sale, pledge, or transfer, except upon the conditions specified in this Agreement, which conditions are intended to ensure compliance with the provisions of the Securities Act. A transferring Holder will cause any proposed purchaser, pledgee, or transferee of the Preferred Stock and the Registrable Securities held by such Holder to agree to take and hold such securities subject to the provisions and upon the conditions specified in this Agreement.

(b) Each certificate, instrument, or book entry representing (i) the Preferred Stock, (ii) the Registrable Securities, and (iii) any other securities issued in respect of the securities referenced in clauses (i) and (ii), upon any stock split, stock dividend, recapitalization, merger, consolidation, or similar event, shall (unless otherwise permitted by the provisions of 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. 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, the Holder thereof shall give notice to the Company of such Holder's intention to effect such sale, pledge, or transfer. Each such notice shall describe the manner and circumstances of the proposed sale, pledge, or transfer in sufficient detail and, if reasonably requested by the Company, shall be accompanied at such Holder's expense by either (i) a written opinion of legal counsel who shall, and whose legal opinion shall, be reasonably satisfactory to the Company, addressed to the Company, to the effect that the proposed transaction may be effected without registration under the Securities Act; (ii) a "no action" letter from the SEC to the effect that the proposed sale, pledge, or transfer of such Restricted Securities without registration will not result in a recommendation by the staff of the SEC that action be taken with respect thereto; or (iii) any other evidence reasonably satisfactory to counsel to the Company to the effect that the proposed sale, pledge, or transfer of the Restricted Securities may be effected without registration under the Securities Act, whereupon the Holder of such Restricted Securities shall be entitled to sell, pledge, or transfer such Restricted Securities in accordance with the terms of the notice given by the Holder to the Company. The Company will not require such a legal opinion or "no action" letter (x) in any transaction in compliance with SEC Rule 144; or (y) in any transaction in which such Holder distributes Restricted Securities to an Affiliate of such Holder for no consideration; provided that each transferee agrees in writing to be subject to the terms of this Subsection 2.12. Each certificate, instrument, or book entry representing the Restricted Securities transferred as above provided shall be notated with, except if such transfer is made pursuant to SEC Rule 144, the appropriate restrictive legend set forth in 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 Restated Certificate;

(b) such time after consummation of the IPO as Rule 144 or another similar exemption under the Securities Act is available for the sale of all of such Holder's shares without limitation during a three-month period without registration; and

(c) the third anniversary of the IPO.

3. Information and Observer Rights.

3.1 Delivery of Financial Statements.

The Company shall deliver to each Major Investor, provided that the Board of Directors has not reasonably determined that such Investor is a Competitor of the Company:

(a) as soon as practicable, but in any event no later than June 30th following the end of each fiscal year of the Company (i) a balance sheet as of the end of such year, (ii) statements of income and of cash flows for such year, and a comparison between (x) the actual amounts as of and for such fiscal year and (y) the comparable amounts for the prior year and as included in the Budget (defined below) for such year, with an explanation of any material differences between such amounts and a schedule as to the sources and applications of funds for such year, 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 recognized standing selected by the Company and a copy of such accountant's management letter prepared in connection therewith, if any; *provided, however*, (x) the obligation to deliver such financial statements audited and certified may be suspended by the Board of Directors (including a majority of the Preferred Directors) and (y) for the fiscal year ended December 31, 2018, such audited financial statements must be delivered on or prior to July 31, 2019;

(b) as soon as practicable, but in any event within forty-five (45) days after the end of each of the first three (3) quarters of each fiscal year of the Company, unaudited statements of income and cash flows for such fiscal quarter, and an unaudited balance sheet as of the end of such fiscal quarter including a comparison to projected figures, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments; and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(c) as soon as practicable, but in any event within forty-five (45) days after the end of each of the first three (3) quarters 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 the Major Investors 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;

(d) as soon as practicable, but in any event thirty (30) days before the end of each fiscal year, a budget and business plan for the next fiscal year (collectively, the "**Budget**"), which Budget shall be approved by the Board of Directors, and shall be 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 prior to any approval by the Board of Directors of any such modification to the Budget or revised budgets;

(e) with respect to the financial statements called for in Subsection 3.1(a) and Subsection 3.1(b), an instrument executed by the chief financial officer and chief executive officer of the Company certifying that such financial statements were prepared in accordance with GAAP consistently applied with prior practice for earlier periods (except as otherwise set forth in Subsection 3.1(b)) and fairly present the financial condition of the Company and its results of operation for the periods specified therein; and

(f) such other information relating to the financial condition, business, prospects, or corporate affairs of the Company as any Major Investor may from time to time reasonably request; provided, however, that the Company shall not be obligated under this Subsection 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 reasonably acceptable to the Company); or (ii) the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

If, for any period, the Company has any subsidiary whose accounts are consolidated with those of the Company, then in respect of such period the financial statements delivered pursuant to the foregoing sections shall be the consolidated and consolidating financial statements of the Company and all such consolidated subsidiaries.

Notwithstanding anything else in this Subsection 3.1 to the contrary, the Company may cease providing the information set forth in this Subsection 3.1 during the period starting with the date sixty (60) 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 Subsection 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 reasonably acceptable to the Company) or the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel; provided further that the Investor shall bear any costs or expenses of such investigations or inquiries.

3.3 Observation Rights.

(i) Each of (a) Hatteras Venture Partners IV SBIC, L.P. or its Affiliates ("**Hatteras**") and (b) the Maryland Venture Fund or its Affiliates ("**MVF**"), for so long as such Investor owns at least 435,035 shares of Series A-2 Preferred Stock (in the case of Hatteras) or 139,211 shares of Series A-2 Preferred Stock (in the case of MVF) (in each case, as adjusted for any stock splits, stock dividends, combination or other reclassification), shall have the right to appoint one nonvoting observer that is not affiliated with a Competitor to receive notice of all meetings of the Board of Directors, to attend any such meeting (or designate one representative to attend such meeting on its behalf) (for purposes of this Subsection 3.3(i), the term "meeting" shall include any "executive sessions" or any other similar meeting of all or part of the Board of Directors). Each observer so appointed as provided above shall sign a confidentiality agreement reasonably acceptable to the Board of Directors prior to his or her first attendance to his or her first meeting of the Board of Directors. The Board of Directors, or the members of any committee thereof, as applicable, shall have the right to prevent access by any or all observers to any meeting of the Board of Directors, or committee thereof, respectively, or any portion thereof, if a majority of the directors present at such meeting reasonably conclude based on advice of counsel, that it is necessary to protect the attorney-client privilege of such information.

(ii) Each of Deerfield Healthcare Innovations Fund, L.P. or its Affiliates ("**Deerfield**"), Clarus Lifesciences III, L.P. or its Affiliates and OrbiMed Private Investments VI, LP or its Affiliates, for so long as such Investor owns at least 170,000 shares of Series B Preferred Stock (in each case, as adjusted for any stock splits, stock dividends, combination or other reclassification), shall have the right to appoint one nonvoting observer that is not affiliated with a Competitor to receive notice of all meetings of the Board of Directors, to attend any such meeting (or designate one representative to attend such meeting on its behalf) (for purposes of this Subsection 3.3(ii), the term "meeting" shall include any "executive sessions" or any other similar meeting of all or part of the Board of Directors). Each observer so appointed as

provided above shall sign a confidentiality agreement reasonably acceptable to the Board of Directors prior to his or her first attendance to his or her first meeting of the Board of Directors. The Board of Directors, or the members of any committee thereof, as applicable, shall have the right to prevent access by any or all observers to any meeting of the Board of Directors, or committee thereof, respectively, or any portion thereof, if a majority of the directors present at such meeting reasonably conclude based on advice of counsel, that it is necessary to protect the attorney-client privilege of such information.

(iii) Each of AffaMed and CVF 2018, LLC or its Affiliates, for so long as such Investor owns at least 5,100,000 shares of Series C Preferred Stock (in each case, as adjusted for any stock splits, stock dividends, combination or other reclassification), shall have the right to appoint one nonvoting observer that is not affiliated with a Competitor to receive notice of all meetings of the Board of Directors, to attend any such meeting (or designate one representative to attend such meeting on its behalf) (for purposes of this Subsection 3.3(iii), the term "meeting" shall include any "executive sessions" or any other similar meeting of all or part of the Board of Directors). Each observer so appointed as provided above shall sign a confidentiality agreement reasonably acceptable to the Board of Directors prior to his or her first attendance to his or her first meeting of the Board of Directors. The Board of Directors, or the members of any committee thereof, as applicable, shall have the right to prevent access by any or all observers to any meeting of the Board of Directors, or committee thereof, respectively, or any portion thereof, if a majority of the directors present at such meeting reasonably conclude based on advice of counsel, that it is necessary to protect the attorney-client privilege of such information.

(iv) For so long as Justin Hanes, Ph. D. and his Affiliates owns at least 3,047,212 (as adjusted for any stock splits, stock dividends, combination or other reclassification) shares of Common Stock, he shall have the right to appoint one nonvoting observer that is not affiliated with a Competitor to receive notice of all meetings of the Board of Directors, to attend any such meeting (or designate one representative to attend such meeting on its behalf) (for purposes of this Subsection 3.3(iii), the term "meeting" shall include any "executive sessions" or any other similar meeting of all or part of the Board of Directors). The observer so appointed as provided above shall sign a confidentiality agreement reasonably acceptable to the Board of Directors prior to his or her first attendance to his or her first meeting of the Board of Directors. The Board of Directors, or the members of any committee thereof, as applicable, shall have the right to prevent access by any or all observers to any meeting of the Board of Directors, or committee thereof, respectively, or any portion thereof, if a majority of the directors present at such meeting reasonably conclude based on advice of counsel, that it is necessary to protect the attorney-client privilege of such information.

3.4 Termination of Rights.

The covenants set forth in Subsection 3.1 through Subsection 3.3 shall terminate and be of no further force or effect (i) immediately before 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, or (iii) upon a Deemed Liquidation Event, as such term is defined in the Restated Certificate, whichever event occurs first.

3.5 Confidentiality.

Each Investor agrees that such Investor will keep confidential and will not disclose, divulge, or use for any purpose (other than to monitor 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 3.5 by such Investor), (b) is or has been independently developed or conceived by the Investor without use of the Company's confidential information, or (c) is or has been made known or disclosed to the 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, and other professionals to the extent 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 3.5; (iii) to any existing or prospective Affiliate, partner, member, stockholder, or wholly owned subsidiary of such Investor in the ordinary course of business, provided that such Investor informs such Person that such information is confidential and directs such Person to maintain the confidentiality of such information; or (iv) as may otherwise be required by law, provided that the Investor promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure. The Company understands and acknowledges that in the regular course of each Major Investor and any of their respective representatives currently may be invested in, may invest in or may consider investments companies that have issued securities that are publicly traded (each, a "**Public Company**"). Accordingly, the Company covenants and agrees that before providing material non-public information about a Public Company ("**Public Company Information**") to each Major Investor, as applicable, the Company will use commercially reasonable efforts to provide prior written notice to the compliance personnel at each such Major Investor, as applicable, describing such information in reasonable detail. The Company shall not disclose Public Company Information to a Major Investor without written authorization from the applicable compliance personnel, provided, however, that, the Company will be permitted to disclose agreements entered into with Public Companies in the ordinary course of business, such as routine customer, supplier, advertising and publishing agreements without such written authorization.

4. Rights to Future Stock Issuances.

4.1 Right of First Offer.

Subject to the terms and conditions of this Subsection 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 Investor. Each Investor shall be entitled to apportion the right of first offer hereby granted to it, in such proportions as it deems appropriate, among itself and its Affiliates.

(a) The Company shall give notice (the "**Offer Notice**") to each Investor, stating (i) its bona fide intention to offer such New Securities, (ii) the number of such New Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Securities.

(b) By notification to the Company within twenty (20) days after the Offer Notice is given, each 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 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 Investor) bears to the total Common Stock of the Company then outstanding (assuming full conversion and/or exercise, as applicable, of all Preferred Stock and other Derivative Securities). At the expiration of such twenty (20) day period, the Company shall promptly notify each Investor that elects to purchase or acquire all the shares available to it (each, a "**Fully Exercising Investor**") of any other 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 Investors were entitled to subscribe but that were not subscribed for by the Investors which is equal to the proportion that the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of Preferred Stock and any other Derivative Securities then held, by such Fully Exercising Investor bears to the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held, by all Fully Exercising Investors who wish to purchase such unsubscribed shares. The closing of any sale pursuant to this Subsection 4.1(b) shall occur within the later of one hundred and twenty (120) days of the date that the Offer Notice is given and the date of initial sale of New Securities pursuant to Subsection 4.1(c).

(c) If all New Securities referred to in the Offer Notice are not elected to be purchased or acquired as provided in Subsection 4.1(b), the Company may, during the one hundred twenty (120) day period following the expiration of the periods provided in Subsection 4.1(b), offer and sell the remaining unsubscribed portion of such New Securities to any Person or Persons at a price not less than, and upon terms no more favorable to the offeree than, those specified in the Offer Notice. If the Company does not enter into an agreement for the sale of the New Securities within such period, or if such agreement is not consummated within thirty (30) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first reoffered to the Investors in accordance with this Subsection 4.1.

(d) The right of first offer in this Subsection 4.1 shall not be applicable to (i) Exempted Securities (as defined in the Restated Certificate); (ii) shares of Common Stock issued in the IPO; (iii) the issuance of shares of Series C Preferred Stock pursuant to the Purchase Agreement and (iv) securities that the Requisite Majority determines shall not constitute New Securities.

(e) Notwithstanding any provision hereof to the contrary, in lieu of complying with the provisions of this Subsection 4.1, the Company may elect to give notice to the Investors within thirty (30) days after the issuance of New Securities. Such notice shall describe the type, price, and terms of the New Securities. Each Investor shall have twenty (20) days from the date notice is given to elect to purchase up to the number of New Securities that would, if purchased by such Investor, maintain such Investor's percentage-ownership position, calculated as set forth in Subsection 4.1(b) before giving effect to the issuance of such New Securities. The closing of such sale shall occur within sixty (60) days of the date notice is given to the Investors.

4.2 Termination.

The covenants set forth in Subsection 4.1 shall terminate and be of no further force or effect (i) immediately before 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, or (iii) upon a Deemed Liquidation Event, as such term is defined in the Restated Certificate, whichever event occurs first.

5. Additional Covenants.

5.1 Employee Stock.

Unless otherwise approved by the Board of Directors, including a majority of the Preferred Directors, all future employees and consultants of the Company who purchase, receive options to purchase, or receive awards of shares of the Company's capital stock after the date hereof shall be required to execute restricted stock or option agreements, as applicable, providing for (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, and the remaining shares vesting in equal monthly installments over the following thirty-six (36) months, (ii) a purchase price or exercise price, as applicable, at least equal to the then current fair market value of the Common Stock, as determined by the Board, and (iii) a market stand-off provision substantially similar to that in Subsection 2.11. In addition, unless otherwise approved by the Board of Directors, including a majority of the Preferred Directors, the Company shall implement and retain a "right of first refusal" on employee transfers until the Company's IPO covering shares of capital stock acquired after the date hereof and shall have the right to repurchase unvested shares at cost upon termination of employment of a holder of restricted stock at no greater than cost upon termination of employment of a holder of restricted stock.

5.2 Employee Agreements.

The Company will cause each person now or 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 and proprietary rights assignment agreement. 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 consent of the Board of Directors.

5.3 Maintenance of Insurance.

(i) The Company shall maintain and cause each subsidiary, if any, to maintain insurance with financially sound and reputable insurance companies or associations in such amounts and covering such risks as is customarily carried by companies engaged in similar businesses and owning similar properties in the same general areas in which the Company or such subsidiary operates.

(ii) The Company shall maintain key-person life insurance with financially sound and reputable insurance companies or associations and with proceeds payable to the Company on terms and conditions reasonably satisfactory to the Board of Directors, including a majority of the Preferred Directors, with respect to the Company's chief executive officer, chief operating officer, chief scientific officer and chief financial officer.

(iii) The Company shall maintain, directors' and officer's liability insurance coverage with financially sound and reputable insurance companies or associations and on terms and conditions reasonably satisfactory to the Board of Directors, including a majority of the Preferred Directors.

5.4 Board of Directors.

(i) . The Company shall call and hold meetings of the Board of Directors in accordance with the Certificate of Incorporation and Bylaws of the Company, each as may be amended from time to time, but in any event not less than once a quarter (until at least a majority of the Preferred Directors vote to schedule meetings less frequently). Members of the Board of Directors shall be elected in accordance with the Certificate of Incorporation, as the same may be amended from time to time, and the Amended and Restated Voting Agreement by and among the Company, the Investors and certain other parties dated of even date herewith. The reasonable out of pocket expenses of members of the Board of Directors associated with attending meetings or business related to the Company will be borne by the Company, and all directors will be treated identically with regard to compensation and expense reimbursement related to their service as members of the Board of Directors. The Company shall enter into a customary indemnification agreement with each member of its board.

5.5 Negative Covenants.

(a) So long as any shares of Preferred Stock are outstanding, the Company hereby covenants and agrees with each Investor that it shall not (by amendment, merger, consolidation or otherwise), and cause its subsidiaries not to, without first obtaining the approval (by vote or written consent, as provided by law) of its Board of Directors, including the majority of the Preferred Directors:

(i) 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 (directly or indirectly) by the Company;

(ii) make any loan or advance to any Person;

(iii) take any action that results in any obligation or commitment exceeding $500,000 in the aggregate, unless included in the annual budget approved by the Board of Directors;

(iv) authorize any borrowing or incurrence of indebtedness for money borrowed by the Company in excess of $250,000 or create any material lien or security interest on its properties or assets;

(v) take any action that creates any lien or other encumbrance on the assets of the Company, other than liens created in the ordinary course of business;

(vi) 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;

(vii) hire, terminate or increase the salary, bonus or other cash and equity compensation for any officers of the Company or grant any equity compensation to any officers of the Company (other than as provided in the annual budget approved by the Board of Directors);

(viii) implement a "management bonus" or similar plan providing payments to employees in connection with a Deemed Liquidation Event, as such term is defined in the Company's Certificate of Incorporation;

(ix) change the principal business of the Company;

(x) sell, assign, license, pledge, or encumber material technology or intellectual property, other than licenses granted in the ordinary course of business; or

(xi) enter into any corporate strategic relationship involving the payment, contribution, or assignment by the Company or to the Company of money or assets greater than $500,000.

(b) So long as any shares of Series B Preferred Stock or Series C Preferred Stock are outstanding, the Company hereby covenants and agrees with each Investor holding Series B Preferred Stock or Series C Preferred Stock that it shall not amend any term of (i) any of those certain related Subscription Agreements to purchase Class A Preferred Units of Membership Interests of Graybug LLC, (ii) the Series A-2 Preferred Stock Purchase Agreement dated February 19, 2015, as amended from time to time, (iii) the Series B Preferred Stock Purchase Agreement dated April 29, 2016 (the "***Series B Purchase Agreement***"), as amended from time to time, or (iv) the MVF Documents (as defined in the Series B Purchase Agreement), without the consent of the holders of a majority of the Series B Preferred Stock and the holders of a majority of the Series C Preferred Stock.

(c) Without first obtaining the affirmative vote or written consent of the Requisite Majority, the Company shall not (i) enter into any transaction or transactions with any director, officer or stockholder of the Company, or any affiliate or Immediate Family Member of the foregoing, other than normal payments of wages, benefits and travel expenses or advances and other transactions approved by the Board of Directors, except upon terms that are at least as favorable as would result in a comparable arm's length transaction with a person or entity not a director, officer, stockholder or affiliate of the Company or any affiliate or related party of the foregoing (as determined by the majority of the disinterested directors then in office), or (ii) advance any monies to any such persons or entities, except for travel advances in the ordinary course of business.

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, its Restated Certificate, or elsewhere, as the case may be.

5.7 Right to Conduct Activities.

The Company hereby agrees and acknowledges that certain of the Major Investors, including AffaMed (together with such Investors' affiliates) (collectively, the "**Fund Investors**") are professional investment funds, and as such invest in numerous portfolio companies, some of which may be deemed competitive with the Company's business (as currently conducted or as currently propose to be conducted). The Company hereby agrees that, to the extent permitted under applicable law, a Fund Investor shall not be liable to the Company for any claim arising out of, or based upon, (i) the investment by a Fund Investor in any entity competitive with the Company, or (ii) actions taken by any partner, officer or other representative of a Fund Investor to assist any such competitive company, whether or not such action was taken as a member of the board of directors of such competitive company or otherwise, and whether or not such action has a detrimental effect on the Company; provided, however, that the foregoing shall not relieve (x) any of the Fund 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. Subject to compliance with clause (y) of the preceding sentence, nothing in this Agreement shall create an obligation or duty that in any way restricts Fund Investors from evaluating or purchasing securities, including publicly traded securities, of a particular enterprise, or investing in a particular enterprise, whether or not such enterprise has products or services which compete with those of the Company.

5.8 FCPA.

The Company represents 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 to, 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 represents 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 represents 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.

5.9 Termination of Covenants.

The covenants set forth in this Section 5, except for Subsection 5.6, shall terminate and be of no further force or effect (i) immediately before 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, or (iii) upon a Deemed Liquidation Event, as such term is defined in the Restated Certificate, whichever event occurs first.

6. Miscellaneous.

6.1 Successors and Assigns.

The rights under this Agreement may be assigned (but only with all related obligations) by a Holder to a transferee of Registrable Securities that (i) is an Affiliate 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, holds at least 1,000,000 shares of Registrable Securities (subject to appropriate adjustment for stock splits, stock dividends, combinations, and other recapitalizations); 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 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; provided further that all transferees who would not qualify individually for assignment of rights shall have 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. 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 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 facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, *e.g.*, www.docusign.com) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes**.**

6.4 Titles and Subtitles.

The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

6.5 Notices.

All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or (i) personal delivery to the party to be notified; (ii) when sent, if sent by electronic mail or facsimile during the recipient's normal business hours, and if not sent during normal business hours, then on the recipient's next business day; (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one (1) business day after the business day of deposit with a nationally recognized overnight courier, freight prepaid, specifying next-day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their addresses as set forth on Schedule A hereto, or to the principal office of the Company and to the attention of the Chief Executive Officer, in the case of the Company, or to such email address, facsimile number, or address as subsequently modified by written notice given in accordance with this Subsection 6.5. If notice is given to the Company, a copy shall also be sent to (which shall not constitute notice): Fenwick & West LLP, 555 California Street, 12th Floor, San Francisco, California 94014, Attn: Effie Toshav and Michael Brown (email:etoshav@fenwick.com and mbrown@fenwick.com).

6.6 Amendments and Waivers.

Any term of this Agreement may be amended 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 the Company and the Requisite Majority; provided that (i) the Company may in its sole discretion waive compliance with Subsection 2.12(c) (and the Company's failure to object promptly in writing after notification of a proposed assignment allegedly in violation of Subsection 2.12(c) shall be deemed to be a waiver); (ii) that any provision hereof may be waived by any waiving party on such party's own behalf, without the consent of any other party; (iii) that following an IPO, the provisions of Section 2 may be amended or waived with the consent of the Company and the holders of at least a majority of the Registrable Securities for whom registration rights have not terminated pursuant to Subsection 2.13(b); (iv) Subsection 3.3 and this clause (iv) shall not be amended, waived or terminated with respect to any Investor having board observation rights under Subsection 3.3 without the written consent of such Investor; and (v) Subsection 2.11 and this clause (v) shall not be amended, nor shall any provision of Subsection 2.11 be waived without the written consent of Deerfield. Notwithstanding the foregoing, this Agreement may not be amended or terminated and the observance of any term hereof may not be waived with respect to any Investor without the written consent of such Investor, unless such amendment, termination, or waiver applies to all Investors in the same fashion (it being agreed that a waiver of the provisions of Section 4 with respect to a particular transaction shall be deemed to apply to all Investors in the same fashion if such waiver does so by its terms, notwithstanding the fact that certain Investors may nonetheless, by agreement with the Company, purchase securities in such transaction). The Company shall give prompt written notice of any amendment or termination hereof or waiver hereunder to any party hereto that did not consent to such amendment, termination, or waiver. Any amendment, termination, or waiver effected in accordance with this Subsection 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 the Company issues additional shares of the Company's Series C Preferred Stock after the date hereof, whether pursuant to the Purchase Agreement or otherwise, any purchaser of such shares of Series C Preferred Stock may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement, and thereafter shall be deemed an "Investor" for all purposes hereunder. No action or consent by the Investors shall be required for such joinder to this Agreement by such additional Investor, so long as such additional Investor has agreed in writing to be bound by all of the obligations as an "Investor" hereunder.

6.10 Entire Agreement; Effect on Prior Agreement.

This Agreement (including the Exhibits and Schedules hereto) constitutes the full and entire understanding and agreement between the parties with respect to the subject matter hereof (other than in respect of the Maryland Venture Fund, whereby this Agreement as well as the MVF Documents (as defined in the Series B Purchase Agreement) constitutes the full and entire understanding and agreement between 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 execution and delivery of this Agreement by (x) the Company and (y) the Requisite Majority (as defined in the Prior Agreement), the Prior Agreement automatically shall be amended and restated, terminated and superseded in its entirety as set forth in this Agreement.

6.11 Dispute Resolution.

The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of Delaware and to the jurisdiction of the United States District Court for the District of Delaware for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state courts of Delaware or the United States District Court for the District of Delaware, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

WAIVER OF JURY TRIAL: EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS, THE SECURITIES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO

ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

The prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which such party may be entitled. Each of the parties to this Agreement consents to personal jurisdiction for any equitable action sought in the U.S. District Court for the District of Delaware or any court of the State of Delaware having subject matter jurisdiction.

6.12 Delays or Omissions.

No delay or omission to exercise any right, power, or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power, or remedy of such nonbreaching or nondefaulting party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

6.13 Acknowledgment.

The Company acknowledges that the Investors are in the business of venture capital investing and therefore review the business plans and related proprietary information of many enterprises, including enterprises which may have products or services which compete directly or indirectly with those of the Company. Nothing in this Agreement shall preclude or in any way restrict the Investors from investing or participating in any particular enterprise whether or not such enterprise has products or services which compete with those of the Company.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

GRAYBUG VISION, INC.

By: /s/Frédéric Guerard
Name: Frédéric Guerard
Title: Chief Executive Officer

SIGNATURE PAGE TO
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT OF
GRAYBUG VISION, INC.

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

AFFAMED PROJECT LIMITED

By: /s/ Hansoo Michael Keyoung
Name: Hansoo Michael Keyoung
Title:

SIGNATURE PAGE TO
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT OF
GRAYBUG VISION, INC.

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

CVF 2018, LLC

By: /s/ Richard H. Robb
Name: Richard H. Robb
Title: Manager

SIGNATURE PAGE TO
AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT OF
GRAYBUG VISION, INC.

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

HATTERAS VENTURE PARTNERS IV SBIC, L.P.

By: Hatteras Venture Advisors IV SBIC, LLC,
its General Partner

By: /s/ Doug Reed
Name: Doug Reed
Title: Manager

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

DEERFIELD SPECIAL SITUATIONS FUND, L.P.

By: Deerfield Mgmt, L.P.
General Partner
By: J.E. Flynn Capital HIF, LLC
General Partner

By: /s/ David J. Clark
Name: David J. Clark
Title: Authorized Signatory

DEERFIELD HEALTHCARE INNOVATIONS FUND, L.P.

By: Deerfield Mgmt HIF, L.P.
General Partner
By: J.E. Flynn Capital HIF, llc
General Partner

By: /s/ David J. Clark
Name: David J. Clark
Title: Authorized Signatory

DEERFIELD PRIVATE DESIGN FUND III, L.P.

By: Deerfield Mgmt III, L.P.
General Partner
By: J.E. Flynn Capital III, LLC
General Partner

By: /s/ David J. Clark
Name: David J. Clark
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

ORBIMED PRIVATE INVESTMENTS VI, LP

By: OrbiMed Capital GP VI LLC,
its General Partner

By: OrbiMed Advisors LLC,
its Managing Member

By: /s/ Carl Gordon
Name: Carl Gordon
Title: Member

IN WITNESS WHEREOF, the parties have executed this Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTOR:

CLARUS LIFESCIENCES III, L.P.

By: Clarus Ventures III GP, L.P., its General Partner
By: Blackstone Clarus III L.L.C., its General Partner
By: Blackstone Holdings II L.P., its managing member
By: Blackstone Holdings I/II GP Inc., its general partner

By: /s/ Emmett Cunningham
Printed Name: Emmett Cunningham

SCHEDULE A

INVESTORS

AffaMed Project Limited
Trinity Chambers, PO Box 4301, Road Town
Tortola, British Virgin Islands

CVF 2018, LLC
222 North LaSalle Street, Suite 2000
Chicago, IL 60601

Deerfield Healthcare Innovations Fund, L.P.
780 Third Avenue
37th Floor
New York, NY 10017
Attn: Cam Wheeler

Deerfield Private Design Fund III, L.P.
780 Third Avenue
37th Floor
New York, NY 10017
Attn: Cam Wheeler

Deerfield Special Situations Fund, L.P.
780 Third Avenue
37th Floor
New York, NY 10017
Attn: Cam Wheeler

OrbiMed Private Investments VI, LP
601 Lexington Avenue, 54th Floor
New York, NY 10022
Attn: Chau Khuong

Clarus Lifesciences III, L.P.
101 Main Street, Suite 1210
Cambridge, MA 02142
Attn: Emmett Cunningham, Jr.

Maryland Venture Partners, L.P.
7021 Columbia Gateway Drive, Suite 200
Columbia, MD 21046

Maryland Venture Fund InvestMaryland II, LLC
7021 Columbia Gateway Drive, Suite 200
Columbia, MD 21046

Maryland Venture Fund Enterprise Investment Fund, LLC
7021 Columbia Gateway Drive, Suite 200
Columbia, MD 21046

Maryland Innovation Opportunity Fund I, LLC
7021 Columbia Gateway Drive, Suite 200
Columbia, MD 21046

Aerie Pharmaceuticals, Inc.
4301 Emperor Blvd., Suite 400
Durham, NC 27703

Frank Bonsal, Sr.

Gerald Cagle

John Cammack

Citco Bank and Trust Company (Bahamas) Limited obo Brown Advisory Graybug Investors LLC
Citco Banking Corporation N.V.
De Ruyterkade 62, P.O. Box 707
Curacao

Copperhead Investments, LLC
8255 East Overlook Drive
Scottsdale, AZ 85255

Kristin and Daniel Verbic

Hallmarc LP

Hatteras Venture Partners IV SBIC, L.P.
280 S. Mangum St., Suite 350
Durham, NC 27701
Attn: Doug Reed

The Alan C. & Agnès B. Mendelson Family Trust

VP Company Investments 2008, LLC
c/o Latham & Watkins LLP
555 West Fifth Street, Suite 800
Los Angeles, CA 90013-1021
Attention: Russell S. Player, Partner Capital and
Investment Accounting Supervisor

Abell Foundation

Elena Ridloff

Sheri Rowen

*NEITHER THIS WARRANT NOR THE SECURITIES ISSUABLE UPON EXERCISE OF THIS WARRANT HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "**ACT**"), OR UNDER THE SECURITIES LAWS OF APPLICABLE STATES. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION UNDER SUCH LAWS OR EXEMPTION FROM SUCH REGISTRATION REQUIREMENTS. HOLDERS SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT AND ANY APPLICABLE STATE SECURITIES LAWS.*

GRAYBUG VISION, INC.

WARRANT TO PURCHASE COMMON STOCK

Issued on December 11, 2019

This certifies that that for good and valuable consideration, receipt of which is hereby acknowledged, SG DAN Equity Holdings, LLC or his/her/its registered assigns ("***Holder***") is entitled, subject to the terms and conditions of this Warrant, to purchase from Graybug Vision, Inc., a Delaware corporation (the "***Company***"), at a price per share equal to the Warrant Price (as defined below), at any time prior to the Expiration Date (as defined below), up to that number of Vested Warrant Shares (as defined below), upon surrender of this Warrant at the principal offices of the Company, together with a duly executed subscription form in the form attached hereto as Exhibit 1 and simultaneous payment of an amount equal to the product obtained by multiplying the Warrant Price by the number of Vested Warrant Shares so purchased in lawful money of the United States. The Warrant Price and the number and character of shares of Warrant Stock purchasable under this Warrant are subject to adjustment as provided herein.

This Warrant is issued in connection with that certain Consulting Agreement dated September 3, 2019 between the Company and Holder (the "***Consulting Agreement***") and satisfies all obligations to issue equity to Holder under the Consulting Agreement.

1. DEFINITIONS. The following definitions shall apply for purposes of this Warrant:

"***Act***" means the Securities Act of 1933, as amended.

"***Business Day***" means a weekday on which banks are open for general banking business in San Francisco, California.

"***Change of Control***" means a Deemed Liquidation Event (as defined in the Company's Amended and Restated Certificate of Incorporation, as the same may be amended from time to time (the "***Restated Certificate***")).

"***Company***" shall include, in addition to the Company identified in the opening paragraph of this Warrant, any corporation or other entity that succeeds to the Company's obligations under this Warrant, whether by permitted assignment, by merger or consolidation or otherwise.

"***Expiration Date***" means 5:00 p.m. Pacific Time on December 11, 2029, or such earlier date and time on which this Warrant ceases to be exercisable as provided in Section 4 hereof.

"***Initial Public Offering***" means a firm commitment underwritten public offering pursuant to an effective registration statement filed under the Act covering the offer and sale of the Company's Common Stock for the account of the Company.

"***Person***" means an individual, corporation, limited liability company, partnership, association, joint-stock company, trust, unincorporated organization, joint venture or other entity or any governmental authority.

"***Securities***" means collectively this Warrant and the Warrant Stock issuable upon exercise of this Warrant.

"***Total Warrant Shares***" means 250,000 shares of Warrant Stock.

"***Vested Warrant Shares***" means Warrant Shares that are vested pursuant to Section 2.1 below.

"***Warrant***" means this Warrant and any warrant(s) delivered in substitution or exchange therefor, as provided herein.

"***Warrant Price***" means $0.43 per share. The Warrant Price is subject to adjustment as provided herein.

"***Warrant Stock***" means the Company's Common Stock, $0.0001 par value per share. The number and character of shares of Warrant Stock are subject to adjustment as provided herein and the term "***Warrant Stock***" shall include stock and other securities and property at any time receivable or issuable upon exercise of this Warrant taking into account all such adjustments.

"***Warrant Shares***" means shares of the Warrant Stock.

2. EXERCISE.

2.1 Vesting and Exercisability. This warrant will become vested and exercisable as to portions of the Total Warrant Shares as follows: (i) this Warrant shall not vest nor be exercisable with respect to any of the Warrant Shares until October 3, 2019 (the "***First Vesting Date***"); (ii) on the First Vesting Date, this Warrant shall become vested and exercisable as to 1/12th of the Total Warrant Shares; and (iii) thereafter on the same day of each full succeeding calendar month this Warrant will become vested and exercisable as to an additional 1/12th of the Total Warrant Shares subject to this Warrant until this Warrant is vested with respect to 100% of the Total Warrant Shares.

2.2 Method of Exercise. Subject to the terms and conditions of this Warrant, Holder may exercise this Warrant in whole or in part, at any time or from time to time, on any Business Day on or before the Expiration Date, for up to that number of Vested Warrant Shares. This Warrant shall be exercised by surrendering this Warrant at the principal offices of the Company, with the subscription form attached hereto duly executed by Holder, and by payment in a form specified in Section 2.3 hereof of an amount equal to the product obtained by multiplying (a) the number of Vested Warrant Shares to be purchased by Holder by (b) the Warrant Price as determined in accordance with the terms hereof.

2.3 Form of Payment. Payment for the Warrant Stock upon exercise may be made by (a) a check payable to the Company's order, (b) wire transfer of funds to the Company or (c) any combination of the foregoing.

2.4 Partial Exercise. Upon a partial exercise of this Warrant, the number of shares of Warrant Stock issuable upon exercise of this Warrant immediately prior to such exercise shall be reduced by the aggregate number of shares of Warrant Stock issued upon such exercise of this Warrant.

2.5 No Fractional Shares. No fractional shares may be issued upon any exercise of this Warrant. If upon exercise of this Warrant in whole or in part, a fraction of a share would otherwise result, then in lieu of such fractional share, the Company shall pay to Holder an amount in cash equal to such fraction of a share multiplied by the applicable Warrant Price.

2.6 Restrictions on Exercise. This Warrant may not be exercised if the issuance of the Warrant Stock upon such exercise would constitute a violation of any applicable federal or state securities laws or other laws or regulations. As a condition to the exercise of this Warrant, Holder shall execute the subscription form attached hereto as Exhibit 1, confirming and acknowledging that the representations and warranties set forth in Section 6 hereof as they apply to Holder are true and complete as of the date of exercise.

3. ISSUANCE OF STOCK. Except as set forth in Section 4 hereof, this Warrant shall be deemed to have been exercised immediately prior to the close of business on the date of its surrender for exercise as provided above, and the Person entitled to receive the shares of Warrant Stock issuable upon such exercise shall be treated for all purposes as the holder of record of such shares as of the close of business on such date. As soon as practicable on or after such date, the Company shall issue and deliver to the Person or Persons entitled to receive the same a certificate or certificates for the number of whole shares of Warrant Stock issuable upon such exercise, together with payment of any fractional shares pursuant to Section 2.5 hereof.

4. [RESERVED]

5. ADJUSTMENT PROVISIONS. The number and character of shares of Warrant Stock issuable upon exercise of this Warrant and the Warrant Price therefor, are subject to adjustment upon each event specified in Sections 5.1 through 5.4 hereof occurring between the date this Warrant is issued and the earlier of the time that it is exercised in full or the Expiration Date:

5.1 Adjustment for Stock Splits and Stock Dividends. The Warrant Price and the number of shares of Warrant Stock for which this Warrant remains exercisable shall each be proportionally adjusted to reflect any stock dividend, stock split, reverse stock split or other similar event affecting the number of outstanding shares of Warrant Stock.

5.2 Adjustment for Other Dividends and Distributions. In case the Company shall make or issue, or shall fix a record date for the determination of eligible holders entitled to receive a dividend or other distribution payable with respect to the Warrant Stock that is payable in (a) securities of the Company (other than issuances with respect to which adjustment is made under Section 5.1 or Section 5.3 hereof) or (b) assets (other than cash) which dividend or distribution is actually made (each a "***Dividend Event***"), then, and in each such case, Holder, upon exercise of this Warrant at any time after such Dividend Event, shall receive, in addition to the shares of Warrant Stock, the securities or such other assets of the Company that would have been payable to Holder if Holder had completed such exercise of this Warrant, immediately prior to such Dividend Event.

5.3 Adjustment for Reorganization, Consolidation, Merger. (a) In case of any recapitalization or reorganization of the Company or (b) in case the Company shall consolidate with or merge into one or more other corporations or entities which results in a change of the Warrant Stock, in each case other than a Change of Control (each, a "***Reorganization Event***"), then, and in each such case, Holder, upon the exercise of this Warrant after such Reorganization Event, shall be entitled to receive, in lieu of the stock or other securities and property that Holder would have been entitled to receive upon such exercise prior to such Reorganization Event, the stock or other securities or property which Holder would have been entitled to receive upon such Reorganization Event if, immediately prior to such Reorganization Event, Holder had completed such exercise of this Warrant, all subject to further adjustment as provided in this Warrant. If after such Reorganization Event, this Warrant is exercisable for securities of a corporation or entity other than the Company, then such corporation or entity shall duly execute and deliver to Holder a supplement hereto acknowledging such corporation's or other entity's obligations under this Warrant; and in each such case, the terms of this Warrant shall be applicable to the shares of stock or other securities or property receivable upon the exercise of this Warrant after the consummation of such Reorganization Event.

5.4 Conversion of Stock. In case all (a) the authorized Warrant Stock is converted, pursuant to the Restated Certificate, into other securities or property of the Company, or (b) the Warrant Stock otherwise ceases to exist or to be authorized by the Restated Certificate (each, a "***Stock Event***"), then Holder, upon exercise of this Warrant at any time after such Stock Event, shall receive, in lieu of the number of shares of Warrant Stock that would have been issuable upon exercise of this Warrant immediately prior to such Stock Event, the stock and other securities and property that Holder would have been entitled to receive upon the Stock Event, if, immediately prior to such Stock Event, Holder had completed such exercise of this Warrant.

5.5 Notice of Adjustments. The Company shall promptly give written notice of each adjustment under this Section 5 of the Warrant Price or the number of shares of Warrant Stock or other securities that remain issuable upon exercise of this Warrant. The notice shall describe the adjustment and show in reasonable detail the facts on which the adjustment or readjustment is based.

5.6 No Change Necessary. The form of this Warrant need not be changed because of any adjustment in the Warrant Price or in the number of shares of Warrant Stock issuable upon its exercise.

5.7 Reservation of Stock. If the number of shares of Warrant Stock or other securities issuable upon exercise of this Warrant that are authorized and unissued under the Restated Certificate shall not be sufficient to effect the exercise of this Warrant in full, the Company will promptly take such corporate action as may, in the opinion of its counsel, be necessary to increase its authorized but unissued shares of Warrant Stock or other securities issuable upon exercise of this Warrant as shall be sufficient for such purpose.

6. REPRESENTATIONS; WARRANTIES AND CERTAIN AGREEMENTS OF HOLDER. Holder hereby represents and warrants to, and agrees with, the Company, that:

6.1 Purchase for Own Account. The Securities will be acquired for investment for Holder's own account, not as a nominee or agent, and not with a view to the public resale or distribution thereof within the meaning of the Act, and Holder has no present intention of selling, granting any participation in, or otherwise distributing the same.

6.2 Disclosure of Information. Holder has received or has had full access to all the information it considers necessary or appropriate to make an informed investment decision with respect to the Securities. Holder further has had an opportunity to ask questions and receive answers from the Company regarding the terms and conditions of the offering of the Securities and to obtain additional information (to the extent the Company possessed such information or could acquire it without unreasonable effort or expense) necessary to verify any information furnished to Holder or to which Holder had access.

6.3 Investment Experience. Holder understands that the purchase of the Securities involves substantial risk. Holder (a) has experience as an investor in securities of companies in the development stage and acknowledges that Holder is able to fend for itself, can bear the economic risk of Holder's investment in the Securities and has such knowledge and experience in financial or business matters that Holder is capable of evaluating the merits and risks of this investment in the Securities and protecting its own interests in connection with this investment and/or (b) has a preexisting personal or business relationship with the Company and certain of its officers, directors or controlling Persons of a nature and duration that enables such Holder to be aware of the character, business acumen and financial circumstances of such Persons.

6.4 Accredited Investor Status. Holder is familiar with the definition of, and qualifies as, an "accredited investor" within the meaning of Regulation D promulgated under the Act.

6.5 Restricted Securities. Holder understands that the Securities are characterized as "restricted securities" under the Act and Rule 144 promulgated thereunder inasmuch as they are being acquired from the Company in a transaction not involving a public offering, and that under the Act and applicable regulations thereunder such securities may be resold without registration under the Act only in certain limited circumstances. In this connection, Holder is familiar with Rule 144, as presently in effect, and understands the resale limitations imposed thereby and by the Act. Holder understands that the Company is under no obligation to register any of the securities sold hereunder. Holder understands that no public market now exists for any of the Securities and that it is uncertain whether a public market will ever exist for the Securities.

6.6 No Solicitation. At no time was Holder presented with or solicited by any publicly issued or circulated newspaper, mail, radio, television or other form of general advertising or solicitation in connection with the offer, sale and purchase of the Securities.

6.7 Further Limitations on Disposition. Without in any way limiting the representations and warranties of Holder set forth above, Holder agrees not to make any disposition of all or any portion of the Securities unless and until: (a) there is then in effect a registration statement under the Act covering such proposed disposition and such disposition is made in accordance with such registration statement; or (b) Holder shall have notified the Company of the proposed disposition, and shall have furnished the Company with a statement of the circumstances surrounding the proposed disposition, and, upon request of the Company, with an opinion of counsel, at the expense of Holder or its transferee, reasonably satisfactory to the Company, that such disposition will not require registration of such securities under the Act.

6.8 Legends. Holder understands and agrees that the certificates evidencing the Securities will bear legends substantially similar to those set forth below in addition to any other legend that may be required by applicable law, by the Restated Certificate or the Company's Bylaws, or by any agreement between the Company and Holder:

(a) **THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF APPLICABLE STATES. THESE SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND THE APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM. HOLDER SHOULD BE AWARE THAT THEY MAY BE REQUIRED TO BEAR THE FINANCIAL RISKS OF THIS INVESTMENT FOR AN INDEFINITE PERIOD OF TIME. THE ISSUER OF THESE SECURITIES MAY REQUIRE AN OPINION OF COUNSEL IN FORM AND SUBSTANCE SATISFACTORY TO THE ISSUER TO THE EFFECT THAT ANY PROPOSED TRANSFER OR RESALE IS IN COMPLIANCE WITH THE ACT.**

(b) **THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A 180 DAY MARKET STAND-OFF RESTRICTION AS SET FORTH IN A CERTAIN AGREEMENT BETWEEN THE ISSUER AND THE ORIGINAL HOLDER OF THESE SHARES, A COPY OF WHICH MAY BE OBTAINED AT THE PRINCIPAL OFFICE OF THE ISSUER. AS A RESULT OF SUCH AGREEMENT, THESE SHARES MAY NOT BE TRADED PRIOR TO 180 DAYS AFTER THE EFFECTIVE DATE OF THE PUBLIC OFFERING OF THE COMMON STOCK OF THE ISSUER HEREOF. SUCH RESTRICTION IS BINDING ON TRANSFEREES OF THESE SHARES.**

(c) Any legend required by the laws of the State of California, including any legend required by the California Department of Corporations and Sections 417 and 418 of the California Corporations Code or any other state securities laws.

The legend set forth in (a) above shall be removed by the Company from any certificate evidencing the Securities upon delivery to the Company of an opinion of counsel, reasonably satisfactory to the Company, that a registration statement under the Act is at that time in effect with respect to the legended security or that such security can be freely transferred in a public sale (other than pursuant to Rule 144 or Rule 145 under the Act) without such a registration statement being in effect and that such transfer will not jeopardize the exemption or exemptions from registration pursuant to which the Company issued the Securities. No opinion shall be required for routine transactions under Rule 144.

6.9 "Market Stand-Off" Agreement. Holder hereby agrees that it shall not, to the extent requested by the Company or an underwriter of securities of the Company, sell or otherwise transfer or dispose of any Securities or other shares of stock of the Company then owned by Holder (other than to donees or partners of Holder who agree to be similarly bound) for up to one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Act. For purposes of this Section 6.9, the term "***Company***" shall include any wholly-owned subsidiary of the Company into which the Company merges or consolidates. In order to enforce the foregoing covenant, the Company shall have the right to impose stop transfer instructions with respect to the Securities and such other Company securities of Holder (and the shares or securities of every other Person subject to the foregoing restriction) until the end of such period. Holder further agrees to enter into any agreement reasonably required by the underwriters to implement the foregoing within any reasonable timeframe so requested.

7. NO RIGHTS OR LIABILITIES AS STOCKHOLDER. This Warrant does not by itself entitle Holder to any voting rights or other rights as a stockholder of the Company. In the absence of affirmative action by Holder to purchase Warrant Stock by exercise of this Warrant, no provisions of this Warrant, and no enumeration herein of the rights or privileges of Holder, shall cause Holder to be a stockholder of the Company for any purpose.

8. GENERAL PROVISIONS.

8.1 Attorneys' Fees. In the event any party is required to engage the services of any attorneys for the purpose of enforcing this Warrant, or any provision thereof, the prevailing party shall be entitled to recover its reasonable expenses and costs in enforcing this Warrant, including attorneys' fees.

8.2 Transfer. Except as expressly provided hereunder, neither this Warrant nor any rights hereunder may be assigned, conveyed or transferred by Holder, in whole or in part, without the Company's prior written consent, which the Company may withhold in its sole discretion. The rights and obligations of the Company and the Holder under this Warrant shall be binding upon and benefit their respective permitted successors, assigns, heirs, administrators and transferees.

8.3 Governing Law. This Warrant shall be governed by and construed under the internal laws of the State of California as applied to agreements among California residents entered into and to be performed entirely within California, without reference to principles of conflict of laws or choice of laws.

8.4 Headings. The headings and captions used in this Warrant are used only for convenience and are not to be considered in construing or interpreting this Warrant. All references in this Warrant to Sections and Exhibits shall, unless otherwise provided, refer to sections hereof and exhibits attached hereto, all of which exhibits are incorporated herein by this reference.

8.5 Notices. Unless otherwise provided herein, any notice required or permitted under this Warrant shall be given in writing and shall be deemed effectively given (a) at the time of personal delivery, if delivery is in person; (b) one (1) Business Day after deposit with an express overnight courier for United States deliveries, or three (3) Business Days after deposit with an international express overnight air courier for deliveries outside of the United States, in each case with proof of delivery from the courier requested; or (c) four (4) Business Days after deposit in the United States mail by certified mail (return receipt requested) for United States deliveries, when addressed to the party to be notified at the address indicated for such party on the signature page hereto or, in the case of the Company, at principal offices of the Company located at 275 Shoreline Dr., Suite 450, Redwood City, CA 94065, or at such other address as any party hereto may designate by giving ten (10) days' advance written notice to all other parties in accordance with the provisions of this Section 8.5.

8.6 Amendment; Waiver. Any term of this Warrant may be amended, and the observance of any term of this Warrant may be waived (either generally or in a particular instance and either retroactively or prospectively) only with the written consent of the Company and Holder. Any amendment or waiver effected in accordance with this Section 8.6 shall be binding upon Holder.

8.7 Severability. If one or more provisions of this Warrant are held to be unenforceable under applicable law, then such provision(s) shall be excluded from this Warrant to the extent they are unenforceable and the remainder of this Warrant shall be interpreted as if such provision(s) were so excluded and shall be enforceable in accordance with its terms.

8.8 Entire Agreement. This Warrant and the documents referred to herein, together with all the exhibits and schedules hereto and thereto, constitute the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes any and all prior negotiations, correspondence, warrants, agreements, understandings duties or obligations between the parties with respect to the subject matter hereof.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the parties hereto have executed this Warrant to Purchase Common Stock as of the date first written above.

THE COMPANY:

GRAYBUG VISION, INC.

By: /s/ Frederic Guerard
Name: Frederic Guerard
Title: Chief Executive Officer

AGREED AND ACKNOWLEDGED:

HOLDER:

SG DAN EQUITY HOLDINGS, LLC

By: /s/ Daniel E. Geffken
Name: Daniel E. Geffken
Title:

EXHIBIT 1
FORM OF SUBSCRIPTION
(To be completed and signed only upon exercise of Warrant)

To: Graybug Vision, Inc. (the "***Company***")

We refer to that certain Warrant to Purchase Common Stock of the Company issued on December 11, 2019 (the "***Warrant***").

☐ **Cash Exercise.** On the terms and conditions set forth in the Warrant, the undersigned Holder hereby elects to purchase _____ shares of Common Stock of Graybug Vision, Inc. (the "***Warrant Stock***"), pursuant to the terms of the attached Warrant, and tenders herewith payment of the purchase price for such shares in full.

In exercising the Warrant, the undersigned Holder hereby confirms and acknowledges that the representations and warranties set forth in Section 6 of the Warrant as they apply to the undersigned Holder are true and complete as of this date. Please issue a certificate or certificates representing such shares of Warrant Stock in Holder's name and deliver such certificate(s) to Holder at the address set forth below:

_____
(Address)

_____
(City, State, Zip Code)

_____
(Federal Tax Identification Number)

WHEREFORE, the undersigned Holder has executed and delivered the Warrant and this Subscription Form as of the date set forth below.

HOLDER:

SG DAN EQUITY HOLDINGS, LLC

By: _____
Name: _____
Title: _____
Date: _____

GRAYBUG VISION, INC.

2015 STOCK INCENTIVE PLAN

As Adopted on February 19, 2015, and as Amended through February 1, 2019

1. Establishment, Purpose and Types of Awards

Graybug Vision, Inc., a Delaware corporation (the "**Company**"), hereby establishes the Graybug Vision, Inc. 2015 Stock Incentive Plan (the "**Plan**"). The purpose of the Plan is to promote the long-term growth and profitability of the Company by (i) providing key people with incentives to improve shareholder value and to contribute to the growth and financial success of the Company through their future services, and (ii) enabling the Company to attract, retain and reward the best available persons.

The Plan permits the granting of stock options (including incentive stock options qualifying under Code section 422 and nonstatutory stock options), stock appreciation rights, restricted or unrestricted stock awards, phantom stock, performance awards, other stock-based awards or any combination of the foregoing.

2. Definitions

Under this Plan, except where the context otherwise indicates, the following definitions apply:

(a) "**Administrator**" means the Board or the committee(s) or officer(s) appointed by the Board that have authority to administer the Plan as provided in Section 3 hereof.

(b) "**Affiliate**" means any entity, whether now or hereafter existing, that controls, is controlled by or is under common control with the Company (including, without limitation, joint ventures, limited liability companies and partnerships). For this purpose, "**control**" shall mean ownership of fifty percent (50%) or more of the total combined voting power or value of all classes of stock or interests of the entity, or the power to direct the management and policies of the entity, by contract or otherwise.

(c) "**Award**" means any stock option, stock appreciation right, stock award, phantom stock award, performance award or other stock-based award.

(d) "**Board**" means the Board of Directors of the Company.

(e) "**Cause**" has the meaning ascribed to such term or words of similar import in the Award holder's written employment or service contract with the Company or Grant Agreement as in effect at the time at issue and, in the absence of such agreement or definition, means the Award holder's (i) conviction of, or plea of nolo contendere to, a felony or crime involving moral turpitude; (ii) fraud on or misappropriation of any funds or property of the Company, any affiliate, customer or vendor; (iii) personal dishonesty, incompetence, willful misconduct, willful violation of any law, rule or regulation (other than minor traffic violations or similar offenses) or breach of fiduciary duty which involves personal profit; (iv) willful misconduct in connection with the Award holder's duties or willful failure to perform the Award holder's responsibilities in the best interests of the Company; (v) illegal use or distribution of drugs; (vi) violation of any Company rule, regulation, procedure or policy; or (vii) breach of any provision of any employment, non-disclosure, non-competition, non-solicitation or other similar agreement executed by the Award holder for the benefit of the Company, all as determined by the Administrator, which determination will be conclusive.

(f) "**Change in Control**" means: (a) the sale of all or substantially all of the assets of the Company, (b) the sale of more than fifty percent (50%) of the outstanding shares of any class of stock of the Company in a non-public sale, (c) the dissolution or liquidation of the Company, or (d) any merger or consolidation of the Company if, immediately after any such transaction, either (i) persons who were directors of the Company immediately prior to such transaction do not constitute at least a majority of the directors (or similar officials) of the surviving or purchasing entity, or (ii) Persons who hold a majority of the voting securities of the surviving or purchasing entity are not Persons who held a majority of the stock of the Company immediately prior to such transaction; *provided*, *however*, that for purposes of any Award or subplan that constitutes a "nonqualified deferred compensation plan," within the meaning of Code section 409A, the Administrator, in its discretion, may specify a different definition of Change in Control in order to comply with the provisions of Code section 409A. For purposes of this Section 2(e), a "**Person**" means any individual, entity or group within the meaning of Section 13(d)(3) or 14(d)(2) of the Securities Exchange Act of 1934, as amended, other than employee benefit plans sponsored or maintained by the Company and by entities controlled by the Company or an underwriter of the Common Stock in a registered public offering.

(g) "**Code**" means the Internal Revenue Code of 1986, as amended, and any regulations promulgated thereunder.

(h) "**Common Stock**" means shares of Common Stock of the Company, par value $0.0001 per share.

(i) "**Fair Market Value**" means, with respect to a share of the Company's Common Stock for any purpose on a particular date, the value of such Common Stock determined by the Administrator in good faith. However, if the Common Stock is registered under Section 12(b) or 12(g) of the Securities Exchange Act of 1934, as amended, and listed for trading on a national exchange or market, "**Fair Market Value**" means, as applicable, (i) either the closing price or the average of the high and low sale price on the relevant date, as determined in the Administrator's discretion, quoted on the New York Stock Exchange, the American Stock Exchange, the Nasdaq Global Select Market or the Nasdaq Global Market; (ii) the last sale price on the relevant date quoted on the Nasdaq Capital Market; (iii) the average of the high bid and low asked prices on the relevant date quoted on the Nasdaq OTC Bulletin Board Service or by the National Quotation Bureau, Inc. or a comparable service as determined in the Administrator's discretion; or (iv) if the Common Stock is not quoted by any of the above, the average of the closing bid and asked prices on the relevant date furnished by a professional market maker for the Common Stock, or by such other source, selected by the Administrator. If no public trading of the Common Stock occurs on the relevant date but the shares are so listed, then Fair Market Value shall be determined as of the last date before the relevant date on which trading of the Common Stock did occur. For all purposes under this Plan, the term "**relevant date**" as used in this Section 2(h) means either the date as of which Fair Market Value is to be determined or the next preceding date on which public trading of the Common Stock occurs, as determined in the Administrator's discretion.

(j) "**Good Reason**" has the meaning ascribed to such term or words of similar import in the Award holder's written employment or service contract with the Company as in effect at the time at issue. In the absence of such agreement or definition, Good Reason means (i) the material diminution in the Award holder's authority, duties, or responsibilities compared to that in effect immediately prior to the occurrence of a Change in Control; or (ii) any requirement that the Award holder relocate, by more than 25 miles, the principal location from which the Award holder perform services for the Company as compared to such location immediately prior to the occurrence of a Change in Control. The Award holder must provide notice to the Company of the existence of one of the "Good Reason" conditions within 90 days after the initial existence of the "Good Reason" condition, upon the notice of which the Company shall have 30 days to remedy the condition to avoid any obligation under the Plan or Grant Agreement relating to the existence of "Good Reason."

(k) "**Grant Agreement**" means a written document, including an electronic writing acceptable to the Administrator, memorializing the terms and conditions of an Award granted pursuant to the Plan and which shall incorporate the terms of the Plan.

3. Administration

(a) *Administration of the Plan.* The Plan shall be administered by the Board or by such committee or committees as may be appointed by the Board from time to time. To the extent allowed by applicable state law, the Board by resolution may authorize an officer or officers to grant Awards (other than stock Awards) to other officers and employees of the Company and its Affiliates, and, to the extent of such authorization, such officer or officers shall be the Administrator.

(b) *Powers of the Administrator*. The Administrator shall have all the powers vested in it by the terms of the Plan, such powers to include authority, in its sole and absolute discretion, to grant Awards under the Plan, prescribe Grant Agreements evidencing such Awards and establish programs for granting Awards.

The Administrator shall have full power and authority to take all other actions necessary to carry out the purpose and intent of the Plan, including, without limitation, the authority to (i) determine the eligible persons to whom, and the time or times at which, the Awards shall be granted; (ii) determine the types of Awards to be granted; (iii) determine the number of shares to be covered by or used for reference purposes for each Award; (iv) impose such terms, limitations, restrictions and conditions upon any such Award as the Administrator shall deem appropriate; (v) modify, amend, extend or renew outstanding Awards, or accept the surrender of outstanding Awards and substitute new Awards (*provided*, *however*, that, except as provided in Section 6 or 7(d) of the Plan, any modification that would materially adversely affect any outstanding Award shall not be made without the consent of the holder); (vi) accelerate or otherwise change the time in which an Award may be exercised or becomes payable and to waive or accelerate the lapse, in whole or in part, of any restriction or condition with respect to such Award, including, without limitation, any restriction or condition with respect to the vesting or exercisability of an Award following termination of any grantee's employment or other relationship with the Company;

(vii) establish objectives and conditions, if any, for earning Awards and determining whether Awards will be paid with respect to a performance period; and (viii) for any purpose, including, without limitation, qualifying for preferred tax treatment under foreign tax laws or otherwise complying with the regulatory requirements of local or foreign jurisdictions; to establish, amend, modify, administer or terminate sub-plans; and prescribe, amend and rescind rules and regulations relating to such sub-plans.

The Administrator shall have full power and authority, in its sole and absolute discretion, to administer, construe and interpret the Plan, Grant Agreements, and all other documents relevant to the Plan and Awards issued thereunder; to establish, amend, rescind and interpret such rules, regulations, agreements, guidelines and instruments for the administration of the Plan and for the conduct of its business as the Administrator deems necessary or advisable; and to correct any defect, supply any omission or reconcile any inconsistency in the Plan or in any Award in the manner and to the extent the Administrator shall deem it desirable to carry it into effect.

(c) *Non-Uniform Determinations*. The Administrator's determinations under the Plan (including without limitation, determinations of the persons to receive Awards, the form, amount and timing of such Awards, the terms and provisions of such Awards and the Grant Agreements evidencing such Awards) need not be uniform and may be made by the Administrator selectively among persons who receive, or are eligible to receive, Awards under the Plan, whether or not such persons are similarly situated.

(d) *Limited Liability.* To the maximum extent permitted by law, no member of the Administrator shall be liable for any action taken or decision made in good faith relating to the Plan or any Award thereunder.

(e) *Indemnification*. To the maximum extent permitted by law and by the Company's charter and bylaws, the members of the Administrator shall be indemnified by the Company in respect of all their activities under the Plan.

(f) *Effect of Administrator's Decision*. All actions taken and decisions and determinations made by the Administrator on all matters relating to the Plan pursuant to the powers vested in it hereunder shall be in the Administrator's sole and absolute discretion and shall be conclusive and binding on all parties concerned, including the Company, its shareholders, any participants in the Plan and any other employee, consultant or director of the Company, and their respective successors in interest.

4. Shares Available for the Plan; Maximum Awards

Subject to adjustments as provided in Section 7(d) of the Plan, the shares of Common Stock that may be issued with respect to Awards granted under the Plan shall not exceed an aggregate of seventeen million six hundred twenty-seven thousand eight hundred fifty (17,627,850) shares of Common Stock. The Company shall reserve such number of shares for Awards under the Plan, subject to adjustments as provided in Section 7(d) of the Plan. If any Award, or portion of an Award, under the Plan expires or terminates unexercised; becomes unexercisable; is settled in cash without delivery of shares of Common Stock; or is forfeited or otherwise terminated, surrendered or canceled as to any shares, or if any shares of Common Stock are repurchased by or surrendered to the Company in connection with any Award (whether or not such surrendered shares were acquired pursuant to any Award), or if any shares are withheld by the Company, the shares subject to such Award and the repurchased, surrendered and withheld shares shall thereafter be available for further Awards under the Plan; *provided*, *however*, that any such shares that are surrendered to or repurchased or withheld by the Company in connection with any Award or that are otherwise forfeited after issuance shall not be available for purchase pursuant to incentive stock options intended to qualify under Code section 422.

5. Participation

Participation in the Plan shall be open to all employees, officers and directors of, and other individuals providing bona fide services to or for, the Company, or of any Affiliate of the Company, as may be selected by the Administrator from time to time. The Administrator may also grant Awards to individuals in connection with hiring, recruiting or otherwise, prior to the date the individual first performs services for the Company or an Affiliate; *provided* that such Awards shall not become vested or exercisable, and no shares shall be issued to such individual, prior to the date the individual first commences performance of such services.

6. Awards

The Administrator, in its sole discretion, establishes the terms of all Awards granted under the Plan. Awards may be granted individually or in tandem with other types of Awards, concurrently with or with respect to outstanding Awards. All Awards are subject to the terms and conditions provided in the Grant Agreement.

(a) *Stock Options.* The Administrator may from time to time grant to eligible participants Awards of incentive stock options as that term is defined in Code section 422 or nonstatutory stock options; *provided*, *however*, that Awards of incentive stock options shall be limited to employees of the Company or of any current or hereafter existing "**parent corporation**" or "**subsidiary corporation**," as defined in Code sections 424(e) and (f), respectively, of the Company and any other individuals who are eligible to receive incentive stock options under the provisions of Code section 422. No stock option shall have a term longer than ten (10) years' duration. Options intended to qualify as incentive stock options under Code section 422 must have an exercise price at least equal to Fair Market Value as of the date of grant, but nonstatutory stock options may be granted with an exercise price less than Fair Market Value. No stock option shall be an incentive stock option unless so designated by the Administrator at the time of grant or in the Grant Agreement evidencing such stock option.

(b) *Stock Appreciation Rights.* The Administrator may from time to time grant to eligible participants Awards of Stock Appreciation Rights ("**SAR**"). A SAR entitles the grantee to receive, subject to the provisions of the Plan and the Grant Agreement, a payment having an aggregate value equal to the product of (i) the excess of (A) the Fair Market Value on the exercise date of one share of Common Stock over (B) the base price per share specified in the Grant Agreement, times (ii) the number of shares specified by the SAR, or portion thereof, which is exercised. The base price per share specified in the Grant Agreement shall not be less than the lower of the Fair Market Value on the grant date or the exercise price of any tandem stock option Award to which the SAR is related. No SAR shall have a term longer than ten (10) years' duration. Payment by the Company of the amount receivable upon any exercise of a SAR may be made by the delivery of Common Stock or cash, or any combination of Common Stock and cash, as determined in the sole discretion of the Administrator. If upon settlement of the exercise of a SAR a grantee is to receive a portion of such payment in shares of Common Stock, the number of shares shall be determined by dividing such portion by the Fair Market Value of a share of Common Stock on the exercise date. No fractional shares shall be used for such payment, and the Administrator shall determine whether cash shall be given in lieu of such fractional shares or whether such fractional shares shall be eliminated.

(c) *Stock Awards.* The Administrator may from time to time grant restricted or unrestricted stock Awards to eligible participants in such amounts, on such terms and conditions, and for such consideration, including no consideration or such minimum consideration as may be required by law, as it shall determine. A stock Award may be paid in Common Stock, in cash, or in a combination of Common Stock and cash, as determined in the sole discretion of the Administrator.

(d) *Phantom Stock.* The Administrator may from time to time grant Awards to eligible participants denominated in stock-equivalent units or restricted stock units ("**phantom stock**") in such amounts and on such terms and conditions as it shall determine. Phantom stock units granted to a participant shall be credited to a bookkeeping reserve account solely for accounting purposes and shall not require a segregation of any of the Company's assets. An Award of phantom stock may be settled in Common Stock, in cash, or in a combination of Common Stock and cash, as

determined in the sole discretion of the Administrator. Except as otherwise provided in the applicable Grant Agreement, the grantee shall not have the rights of a shareholder with respect to any shares of Common Stock represented by a phantom stock unit solely as a result of the grant of a phantom stock unit to the grantee.

(e) *Performance Awards*. The Administrator may, in its discretion, grant performance awards which become payable on account of attainment of one or more performance goals established by the Administrator. Performance awards may be paid by the delivery of Common Stock or cash, or any combination of Common Stock and cash, as determined in the sole discretion of the Administrator. Performance goals established by the Administrator may be based on the Company's or an Affiliate's operating income or one or more other business criteria selected by the Administrator that apply to an individual or group of individuals, a business unit, or the Company or an Affiliate as a whole, over such performance period as the Administrator may designate.

(f) *Other Stock-Based Awards.* The Administrator may from time to time grant other stock-based awards to eligible participants in such amounts, on such terms and conditions, and for such consideration, including no consideration or such minimum consideration as may be required by law, as it shall determine. Other stock-based awards may be denominated in cash, in Common Stock or other securities, in stock-equivalent units, in stock appreciation units, in securities or debentures convertible into Common Stock, or in any combination of the foregoing and may be paid in Common Stock or other securities, in cash, or in a combination of Common Stock or other securities and cash, all as determined in the sole discretion of the Administrator.

7. Miscellaneous

(a) *Withholding of Taxes*. Grantees and holders of Awards shall pay to the Company or its Affiliate, or make provision satisfactory to the Administrator for payment of, any taxes required to be withheld in respect of Awards under the Plan no later than the date of the event creating the tax liability. The Company or its Affiliate may, to the extent permitted by law, deduct any such tax obligations from any payment of any kind otherwise due to the grantee or holder of an Award. In the event that payment to the Company or its Affiliate of such tax obligations is made in shares of Common Stock, such shares shall be valued at Fair Market Value on the applicable date for such purposes and shall not exceed in amount the minimum statutory tax withholding obligation.

(b) *Loans*. To the extent otherwise permitted by law, the Company or its Affiliate may make or guarantee loans to grantees to assist grantees in exercising Awards and satisfying any withholding tax obligations.

(c) *Transferability*. Except as set forth in any stock restriction agreement, shareholders' agreement or as otherwise determined by the Administrator, and in any event in the case of an incentive stock option or a SAR granted with respect to an incentive stock option, no Award granted under the Plan shall be transferable by a grantee otherwise than by will or the laws of descent and distribution. Subject to the qualifications in this Section 7(c), an Award may be exercised during the lifetime of the grantee, only by the grantee or, during the period the grantee is under a legal disability, by the grantee's guardian or legal representative.

(d) *Adjustments for Corporate Transactions and Other Events*.

(i) *Stock Dividend, Stock Split and Reverse Stock Split.* In the event of a stock dividend of, or stock split or reverse stock split affecting, the Common Stock, (A) the maximum number of shares of such Common Stock as to which Awards may be granted under this Plan, as provided in Section 4 of the Plan, and (B) the number of shares covered by and the exercise price and other terms of outstanding Awards, shall, without further action of the Board, be adjusted to reflect such event. The Administrator may make adjustments, in its discretion, to address the treatment of fractional shares and fractional cents that arise with respect to outstanding Awards as a result of the stock dividend, stock split or reverse stock split.

(ii) *Non-Change in Control Transactions.* Except with respect to the transactions set forth in Section 7(d)(i), in the event of any change affecting the Common Stock, the Company or its capitalization, by reason of a spin-off, split-up, dividend, recapitalization, merger, consolidation or share exchange, other than any such change that is part of a transaction resulting in a Change in Control of the Company, the Administrator, in its discretion and without the consent of the holders of the Awards, may make (A) appropriate adjustments to the maximum number and kind of shares reserved for issuance or with respect to which Awards may be granted under the Plan, as provided in Section 4 of the Plan, and (B) any adjustments in outstanding Awards, including, without limitation, modifying the number, kind and price of securities subject to Awards, as the Administrator determines to be appropriate and equitable.

(iii) *Change in Control Transactions.* In the event of any transaction resulting in a Change in Control of the Company, outstanding stock options and other Awards that are payable in or convertible into Common Stock under this Plan will terminate upon the effective time of such Change in Control unless provision is made in connection with the transaction for the continuation or assumption of such Awards by, or for the substitution of equivalent awards, as determined in the sole discretion of the Administrator, of, the surviving or successor entity or a parent thereof. In the event of such termination, the Administrator may, in its sole discretion, permit the holders of stock options and other Awards under the Plan, immediately before the Change in Control, to exercise or convert all portions of such stock options or other Awards under the Plan that are then exercisable or convertible or which become exercisable or convertible upon or prior to the effective time of the Change in Control.

The Administrator may, in its sole discretion and without the consent of any Award holder, determine that, upon the occurrence of a Change in Control, each or any Award outstanding immediately prior to the Change in Control and not previously exercised or settled shall be canceled in exchange for a payment with respect to each vested share subject to such canceled Award in (I) cash, (II) stock of the Company or of a corporation or other business entity a party to the Change in Control, or (III) other property which, in any such case, shall be in an amount having a Fair Market Value equal to the Fair Market Value of the consideration to be

paid per share in the Change in Control, reduced (but not below zero) by the exercise or purchase price per share, if any, under such Award. In the event such determination is made by the Administrator, an Award having an exercise or purchase price per share equal to or greater than the Fair Market Value of the consideration to be paid per share in the Change in Control may be canceled without payment of consideration to the holder thereof.

If stock option Awards are not continued, assumed, or substituted by the surviving or successor entity or a parent thereof in connection with a Change in Control, all stock options will become fully vested immediately before and contingent upon the occurrence of the Change in Control. If stock option Awards are continued, assumed, or substituted by the surviving or successor entity or a parent thereof in connection with a Change in Control and the Award holder's continuous service with the Company is terminated coincident with or within one year following a Change in Control, either by the Company or its successor without Cause or by the Award holder for Good Reason, the stock options that had not yet become exercisable as of the date of termination will immediately become 100% exercisable.

If, immediately before the Change in Control, no stock of the Company is readily tradable on an established securities market or otherwise, and the vesting of an Award or Awards pursuant to this Section 7(d)(iii) would be treated as a "parachute payment" (as defined in Section 280G of the Code), then such Award or Awards shall not vest unless the requirements of the shareholder approval exemption of Section 280G(b)(5) of the Code have been satisfied with respect to such Award or Awards.

(iv) *Unusual or Nonrecurring Events.* The Administrator is authorized to make, in its discretion and without the consent of holders of Awards, adjustments in the terms and conditions of, and the criteria included in, Awards in recognition of unusual or nonrecurring events affecting the Company, or the financial statements of the Company or any Affiliate, or of changes in applicable laws, regulations or accounting principles, whenever the Administrator determines that such adjustments are appropriate in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan.

(e) *Substitution of Awards in Mergers and Acquisitions.* Awards may be granted under the Plan from time to time in substitution for awards held by employees, officers, consultants or directors of entities who become or are about to become employees, officers, consultants or directors of the Company or an Affiliate as the result of a merger or consolidation of the employing entity with the Company or an Affiliate, or the acquisition by the Company or an Affiliate of the assets or stock of the employing entity. The terms and conditions of any substitute Awards so granted may vary from the terms and conditions set forth herein to the extent that the Administrator deems appropriate at the time of grant to conform the substitute Awards to the provisions of the awards for which they are substituted.

(f) *Other Agreements.* As a condition precedent to the grant of any Award under the Plan, the exercise pursuant to such an Award or to the delivery of certificates for shares issued pursuant to any Award, the Administrator may require the grantee or the grantee's successor or permitted transferee, as the case may be, to become a party to a stock restriction agreement, shareholders' agreement, voting trust agreement or other agreements regarding the Common Stock of the Company in such form(s) as the Administrator may determine from time to time.

(g) *Termination, Amendment and Modification of the Plan*. The Board may terminate, amend or modify the Plan or any portion thereof at any time. Except as otherwise determined by the Board, termination of the Plan shall not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

(h) *Non-Guarantee of Employment or Service*. Nothing in the Plan or in any Grant Agreement thereunder shall confer any right on an individual to continue in the service of the Company or shall interfere in any way with the right of the Company to terminate such service at any time with or without cause or notice and whether or not such termination results in (i) the failure of any Award to vest; (ii) the forfeiture of any unvested or vested portion of any Award; and/or (iii) any other adverse effect on the individual's interests under the Plan.

(i) *Compliance with Securities Laws; Listing and Registration*. If at any time the Administrator determines that the delivery of Common Stock under the Plan is or may be unlawful under the laws of any applicable jurisdiction, or Federal, state or foreign securities laws, the right to exercise an Award or receive shares of Common Stock pursuant to an Award shall be suspended until the Administrator determines that such delivery is lawful. The Company shall have no obligation to effect any registration or qualification of the Common Stock under Federal, state or foreign laws.

The Company may require that a grantee, as a condition to exercise of an Award, and as a condition to the delivery of any share certificate, make such written representations (including representations to the effect that such person will not dispose of the Common Stock so acquired in violation of Federal, state or foreign securities laws) and furnish such information as may, in the opinion of counsel for the Company, be appropriate to permit the Company to issue the Common Stock in compliance with applicable Federal, state or foreign securities laws. The stock certificates for any shares of Common Stock issued pursuant to this Plan may bear a legend restricting transferability of the shares of Common Stock unless such shares are registered or an exemption from registration is available under the Securities Act of 1933, as amended, and applicable state or foreign securities laws.

(j) *No Trust or Fund Created*. Neither the Plan nor any Award shall create or be construed to create a trust or separate fund of any kind or a fiduciary relationship between the Company and a grantee or any other person. To the extent that any grantee or other person acquires a right to receive payments from the Company pursuant to an Award, such right shall be no greater than the right of any unsecured general creditor of the Company.

(k) *Governing Law*. The validity, construction and effect of the Plan, of Grant Agreements entered into pursuant to the Plan, and of any rules, regulations, determinations or decisions made by the Administrator relating to the Plan or such Grant Agreements, and the rights of any and all persons having or claiming to have any interest therein or thereunder, shall be determined exclusively in accordance with applicable federal laws and the laws of the State of Delaware, without regard to its conflict of laws principles.

(l) *409A Savings Clause*. The Plan and all Awards granted hereunder are intended to comply with, or otherwise be exempt from, Code section 409A. The Plan and all Awards granted under the Plan shall be administered, interpreted and construed in a manner consistent with Code section 409A to the extent necessary to avoid the imposition of additional taxes under Code section 409A(a)(1)(B). Should any provision of the Plan, any Grant Agreement, or any other agreement or arrangement contemplated by the Plan be found not to comply with, or otherwise be exempt from, the provisions of Code section 409A, such provision shall be modified and given effect (retroactively if necessary), in the sole discretion of the Administrator, and without the consent of the holder of the Award, in such manner as the Administrator determines to be necessary or appropriate to comply with, or to effectuate an exemption from, Code section 409A. Notwithstanding anything in the Plan to the contrary, in no event shall the Administrator exercise its discretion to accelerate the payment or settlement of an Award where such payment or settlement constitutes deferred compensation within the meaning of Code section 409A unless, and solely to the extent, that such accelerated payment or settlement is permissible under Treasury Regulation section 1.409A-3(j)(4) or any successor provision.

(m) *Effective Date; Termination Date*. The Plan is effective as of the date on which the Plan is adopted by the Board, subject to approval of the shareholders within twelve (12) months before or after such date. No Award shall be granted under the Plan after the close of business on the day immediately preceding the tenth (10th) anniversary of the effective date of the Plan, or if earlier, the tenth (10th) anniversary of the date this Plan is approved by the shareholders. Subject to other applicable provisions of the Plan, all Awards made under the Plan prior to such termination of the Plan shall remain in effect until such Awards have been satisfied or terminated in accordance with the Plan and the terms of such Awards.

PLAN APPROVAL

Date Approved by the Board: February 19, 2015

Date Approved by the Shareholders: February 19, 2015

Date Last Amended by the Board and Shareholders: February 1, 2019

GRAYBUG VISION, INC.

INCENTIVE STOCK OPTION NOTICE

This Incentive Stock Option Notice (this "**Notice**") evidences the award of incentive stock options (each, an "**Option**," and collectively, the "**Options**") that have been granted to you, «Optionee» (the "**Optionee"**), subject to and conditioned upon your agreement to the terms of the attached Incentive Stock Option Agreement (the "**Agreement**"). The Options entitle you to purchase shares of Common Stock, par value $0.0001 per share, of Graybug Vision, Inc., a Delaware corporation (the "**Company**"), under the Company's 2015 Stock Incentive Plan (the "**Plan**"). The number of shares you may purchase and the exercise price at which you may purchase them are specified below. This Notice constitutes part of and is subject to the terms and provisions of the Agreement and the Plan, which are incorporated by reference herein.

Grant Date: «GrantDate»

Number of Shares: «NoofShares» shares of Common Stock

Exercise Price: «ExercisePrice» per share (the "**Exercise Price**")

Vesting Commencement Date: «VestingCommenceDate»

Expiration Date: «ExpDate»

Exercisability Schedule: Subject to the terms and conditions described in the Agreement, the Options become exercisable in accordance with the following schedule (the "**Exercisability Schedule**"):

Twenty-five percent (25%) of the Shares (rounded down to the next whole number of shares) subject to the Option shall vest on the one-year anniversary of the Vesting Commencement Date and one forty-eighth (1/48th) of the Shares subject to the Option shall vest on each monthly anniversary of the Vesting Commencement Date thereafter, so that the Option shall be fully vested and exercisable on the fourth anniversary of the Vesting Commencement Date, subject to the Optionee's continued Service to the Company.

[Signature page follows]

GRAYBUG VISION, INC.

By: _____
Name:
Title:

I acknowledge that I have carefully read the attached Agreement and the Plan and agree to be bound by all of the provisions set forth in such documents.

Enclosures:

Incentive Stock Option Agreement Graybug Vision, Inc. 2015 Stock Incentive Plan Exercise Form

OPTIONEE

_____

Name: «Optionee»

Date: _____

INCENTIVE STOCK OPTION AGREEMENT

UNDER THE

GRAYBUG VISION, INC. 2015 STOCK INCENTIVE PLAN

1. Terminology. Capitalized terms used in this Agreement and not otherwise defined herein are defined in the correlating Notice and/or the Glossary at the end of the Agreement.

2. Exercise of Options.

(a) Exercisability. The Options will become exercisable in accordance with the Exercisability Schedule set forth in the Notice, so long as you are in the Service of the Company from the Grant Date through the applicable exercisability dates. None of the Options will become exercisable after your Service with the Company ceases, unless the Notice provides otherwise with respect to exercisability that arises as a result of your cessation of Service.

(b) Right to Exercise. You may exercise the Options, to the extent exercisable, at any time on or before 5:00 p.m. Pacific Time on the last business day coincident with or prior to the expiration date set forth in the Notice (the "**Expiration Date**") or the earlier termination of the Options, unless otherwise provided under applicable law. Notwithstanding the foregoing, if at any time the Administrator determines that the delivery of Shares under the Plan or this Agreement is or may be unlawful under the laws of any applicable jurisdiction, or Federal, state or foreign securities laws, the right to exercise the Options or receive Shares pursuant to the Options shall be suspended until the Administrator determines that such delivery is lawful. Section 3 below describes certain limitations on exercise of the Options that apply in the event of your death, Disability or termination of Service. The Options may be exercised only in multiples of whole Shares. No fractional Shares will be issued under the Options.

(c) Exercise Procedure. In order to exercise the Options, you must provide the following items to the Secretary of the Company or his or her delegate before the expiration or termination of the Options:

(i) notice, in such manner and form as the Administrator may require from time to time, specifying the number of Shares to be purchased under the Options;

(ii) full payment of the Exercise Price for the Shares in accordance with Section 2(d) of this Agreement; and

(iii) an executed copy of any other agreements requested by the Administrator pursuant to Section 2(e) of this Agreement.

An exercise will not be effective until the Secretary of the Company or his or her delegate receives all of the foregoing items, and such exercise otherwise is permitted under and complies with all applicable Federal, state and foreign securities laws.

(d) Method of Payment. You may pay the Exercise Price by:

(i) delivery of cash, certified or cashier's check, money order or other cash equivalent acceptable to the Administrator in its discretion;

(ii) a broker-assisted cashless exercise in accordance with Regulation T of the Board of Governors of the Federal Reserve System through a brokerage firm approved by the Administrator;

(iii) subject to such limits as the Administrator may impose from time to time, tender (via actual delivery or attestation) to the Company of other shares of Common Stock of the Company which have a Fair Market Value on the date of tender equal to the Exercise Price;

(iv) subject to such limits as the Administrator may impose from time to time, net settlement;

(v) any other method approved by the Administrator; or

(vi) any combination of the foregoing.

(e) Agreement to Execute Other Agreements. You agree to execute, as a condition precedent to the exercise of the Options and at any time thereafter as may reasonably be requested by the Administrator, a stockholders' agreement, voting trust agreement or other agreements regarding the Common Stock of the Company in such form(s) as the Administrator may determine from time to time, with respect to any shares you acquire pursuant to this Agreement; *provided*, *however*, that execution of such agreements will not be required upon any exercise that occurs after the closing of the first public offering of capital stock of the Company that is effected pursuant to a registration statement filed with, and declared effective by, the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "**Securities Act**"), or, if later, the expiration of any market stand-off agreement that applies to other stockholders of the Company respecting such public offering of capital stock.

(f) Issuance of Shares upon Exercise. The Company shall issue to you the Shares underlying the Options you exercise as soon as practicable after the exercise date, subject to the Company's receipt of the aggregate Exercise Price and the requisite withholding taxes, if any. Upon issuance of such Shares, the Company may deliver, subject to the provisions of Section 7 below, such Shares on your behalf electronically to the Company's designated stock plan administrator or such other broker-dealer as the Company may choose at its sole discretion, within reason, or may retain such Shares in uncertificated book-entry form. Any share certificates delivered will, unless the Shares are registered or an exemption from registration is available under applicable Federal and state law, bear a legend restricting transferability of such Shares.

3. Termination of Service.

(a) Termination of Unexercisable Options. If your Service with the Company ceases for any reason, the Options that are then unexercisable, after giving effect to any exercise acceleration provisions set forth in the Notice, will terminate immediately upon such cessation.

(b) Exercise Period Following Termination of Service. If your Service with the Company ceases for any reason other than discharge for Cause, the Options that are then exercisable, after giving effect to any exercise acceleration provisions set forth in the Notice, will terminate upon the earliest of:

(i) the expiration of thirty (30) days following such cessation, if your Service ceases on account of (1) your termination by the Company other than a discharge for Cause, or (2) your voluntary termination other than for Disability or death;

(ii) the expiration of twelve (12) months following such cessation, if your Service ceases on account of your Disability or death;

(iii) the expiration of twelve (12) months following your death, if your death occurs during the periods described in clauses (i) or (ii) of this Section 3(b), as applicable; or

(iv) the Expiration Date.

In the event of your death, the exercisable Options may be exercised by your executor, personal representative, or the person(s) to whom the Options are transferred by will or the laws of descent and distribution.

(c) Misconduct. The Options will terminate in their entirety, regardless of whether the Options are then exercisable, immediately upon your discharge from Service for Cause, or upon your commission of any of the following acts during the exercise period following your termination of Service: (i) fraud on or misappropriation of any funds or property of the Company, or (ii) your breach of any provision of any employment, consulting, non-disclosure, non-competition, non-solicitation, assignment of inventions or other similar agreement executed by you for the benefit of the Company, as determined by the Administrator, which determination will be conclusive.

(d) Changes in Status. If you cease to be a "common law employee" of the Company but you continue to provide bona fide services to the Company following such cessation in a different capacity, including, without limitation, as a director, consultant or independent contractor, then a termination of Service shall not be deemed to have occurred for purposes of this Section 3(d) upon such change in capacity. Notwithstanding the foregoing, the Options shall not be treated as incentive stock options within the meaning of Code section 422 with respect to any exercise that occurs more than three months after such cessation of the common law employee relationship (except as otherwise permitted under Code section 421 or 422). In the event that your Service is with a business, trade or entity that, after the Grant Date, ceases for any reason to be part or an Affiliate of the Company, your Service will be deemed to have terminated for purposes of this Section 3(d) upon such cessation if your Service does not continue uninterrupted immediately thereafter with the Company or an Affiliate of the Company.

4. Market Stand-Off Agreement. You agree that following the effective date of a registration statement of the Company filed under the Securities Act, you, for the duration specified by and to the extent requested by the Company and an underwriter of Common Stock or other securities of the Company, shall not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any equity securities of the Company, or any securities convertible into or exchangeable or exercisable for such securities, enter into a transaction which would have the

same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of such securities, whether any such aforementioned transaction is to be settled by delivery of such securities or other securities, in cash or otherwise, or publicly disclose the intention to make any such offer, sale, pledge or disposition, or to enter into any such transaction, swap, hedge or other arrangement, in each case during the seven (7) days prior to and the one hundred eighty (180) days after the effectiveness of any underwritten offering of the Company's equity securities (or such longer or shorter period as may be requested in writing by the managing underwriter and agreed to in writing by the Company) (the "**Market Stand-Off Period**"), except as part of such underwritten registration if otherwise permitted. In addition, you agree to execute any further letters, agreements and/or other documents requested by the Company or its underwriters that are consistent with the terms of this Section 4. The Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such Market Stand-Off Period.

5. Nontransferability of Options. These Options and, before exercise, the underlying Shares are nontransferable otherwise than by will or the laws of descent and distribution and, during your lifetime, the Options may be exercised only by you or, during the period you are under a legal disability, by your guardian or legal representative. Except as provided above, the Options and, before exercise, the underlying Shares may not be assigned, transferred, pledged, hypothecated, subjected to any "put equivalent position," "call equivalent position" (as each preceding term is defined by Rule 16(a)-1 under the Securities Exchange Act of 1934, as amended), or short position, or disposed of in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process.

6. Qualified Nature of the Options.

(a) General Status. The Options are intended to qualify as incentive stock options within the meaning of Code section 422 ("**Incentive Stock Options**"), to the fullest extent permitted by Code section 422, and this Agreement shall be so construed. The Company, however, does not warrant any particular tax consequences of the Options. Code section 422 provides limitations, not set forth in this Agreement, respecting the treatment of the Options as Incentive Stock Options. You should consult with your personal tax advisors in this regard.

(b) Code Section 422(d) Limitation. Pursuant to Code section 422(d), the aggregate fair market value (determined as of the Grant Date) of shares of Common Stock with respect to which all Incentive Stock Options first become exercisable by you in any calendar year under the Plan or any other plan of the Company (and its parent and subsidiary corporations, within the meaning of Code section 424(e) and (f), as may exist from time to time) may not exceed One Hundred Thousand Dollars ($100,000) or such other amount as may be permitted from time to time under Code section 422. To the extent that such aggregate fair market value exceeds One Hundred Thousand Dollars ($100,000) or other applicable amount in any calendar year, such stock options will be treated as nonstatutory stock options with respect to the amount of aggregate fair market value thereof that exceeds the Code section 422(d) limit. For this purpose, the Incentive Stock Options will be taken into account in the order in which they were granted. In such case, the Company may designate the shares of Common Stock that are to be treated as stock acquired pursuant to the exercise of Incentive Stock Options and the shares of Common Stock that are to be treated as stock acquired pursuant to nonstatutory stock options by issuing separate certificates for such shares and identifying the certificates as such in the stock transfer records of the Company.

(c) Significant Stockholders. Notwithstanding anything in this Agreement or the Notice to the contrary, if you own, directly or indirectly through attribution, stock possessing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any of its subsidiaries (within the meaning of Code section 424(f)) on the Grant Date, then the Exercise Price is the greater of (a) the Exercise Price stated on the Stock Option Notice or (b) one hundred ten percent (110%) of the Fair Market Value of the Common Stock on the Grant Date, and the Expiration Date is the last business day prior to the fifth (5th) anniversary of the Grant Date.

(d) Disqualifying Dispositions. If you make a disposition (as that term is defined in Code section 424(c)) of any Shares acquired pursuant to the Options within two (2) years of the Grant Date or within one (1) year after the Shares are transferred to you, you must notify the Company of such disposition in writing within thirty (30) days of the disposition. The Administrator may, in its discretion, take reasonable steps to ensure notification of such dispositions, including, without limitation, requiring that Shares acquired under the Options be held in an account with a Company-designated broker–dealer until they are sold.

7. Withholding of Taxes. At the time the Options are exercised, in whole or in part, or at any time thereafter as requested by the Company, you hereby authorize withholding from payroll or any other payment of any kind due to you and otherwise agree to make adequate provision for foreign, Federal, state and local taxes required by law to be withheld, if any, that arise in connection with the Options (including upon a disqualifying disposition within the meaning of Code section 421(b)). The Company may require you to make a cash payment to cover any withholding tax obligation as a condition of exercise of the Options or issuance of share certificates representing Shares.

The Administrator may, in its sole discretion, permit you to satisfy, in whole or in part, any withholding tax obligation which may arise in connection with the Options either by electing to have the Company withhold from the Shares to be issued upon exercise that number of Shares, or by electing to deliver to the Company already-owned shares, in either case having a Fair Market Value not in excess of the amount necessary to satisfy the statutory minimum withholding amount due.

8. Adjustments. The Administrator may make various adjustments to your Options, including adjustments to the number and type of securities subject to the Options and the Exercise Price, in accordance with the terms of the Plan.

9. Purchase Right of the Company. From and after the termination of your employment or service relationship with the Company for any reason, the Company may purchase the Options, in whole or in part, from you. The Administrator shall provide you with written notice of the Company's intention to exercise this purchase right, specifying the number of Options to which the purchase right shall be applied. The purchase price per Option shall be the difference between (a) the Exercise Price per Share and (b) the Fair Market Value per Share, determined as of the date immediately preceding the date settlement occurs. Settlement of the purchase will be made within thirty (30) days after delivery of such written notice. In the discretion of the Administrator, payment of the purchase price will be made via cash, a promissory note, or a combination of the two. Any such promissory note will provide for five (5) or fewer equal annual payments of principal and shall accrue interest at the "Prime Rate" published in the *Wall Street Journal* on the date of settlement. The Options will be automatically terminated, and of no further force and effect, as of the settlement date with respect to the number of Options so purchased.

10. Non-Guarantee of Employment or Service Relationship. Nothing in the Plan or this Agreement will alter your at-will or other employment status or other service relationship with the Company, nor be construed as a contract of employment or service relationship between you and the Company, or as a contractual right for you to continue in the employ of, or in a service relationship with, the Company for any period of time, or as a limitation of the right of the Company to discharge you at any time with or without Cause or notice and whether or not such discharge results in the failure of any of the Options to become exercisable or any other adverse effect on your interests under the Plan.

11. No Rights as a Stockholder. You shall not have any of the rights of a stockholder with respect to the Shares until such Shares have been issued to you upon the due exercise of the Options. No adjustment will be made for dividends or distributions or other rights for which the record date is prior to the date such Shares are issued.

12. The Company's Rights. The existence of the Options shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting, the Common Stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of the Company's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

13. Entire Agreement. This Agreement, together with the Notice and the Plan, contain the entire agreement between you and the Company with respect to the Options. Any oral or written agreements, representations, warranties, written inducements, or other communications made prior to the execution of this Agreement with respect to the Options shall be void and ineffective for all purposes.

14. Amendment. This Agreement may be amended from time to time by the Administrator in its discretion; *provided*, *however*, that this Agreement may not be modified in a manner that would have a materially adverse effect on the Options or Shares as determined in the discretion of the Administrator, except as provided in the Plan or in a written document signed by you and the Company.

15. Conformity with Plan. This Agreement is intended to conform in all respects with, and is subject to all applicable provisions of, the Plan. Any conflict between the terms of this Agreement and the Plan shall be resolved in accordance with the terms of the Plan. In the event of any ambiguity in this Agreement or any matters as to which this Agreement is silent, the Plan shall govern. A copy of the Plan is provided to you with this Agreement.

16. Section 409A. This Agreement and the Options granted hereunder are intended to comply with, or otherwise be exempt from, Section 409A of the Code. Nothing in the Plan or this Agreement shall be construed as including any feature for the deferral of compensation other than the deferral of recognition of income until the exercise of the Options. Should any provision of the Plan or this Agreement be found not to comply with, or otherwise be exempt from, the provisions of Section 409A of the Code, it may be modified and given effect, in the sole discretion of the Administrator and without requiring your consent, in such manner as the Administrator determines to be necessary or appropriate to comply with, or to effectuate an exemption from, Section 409A of the Code. The foregoing, however, shall not be construed as a guarantee by the Company of any particular tax effect to you.

17. Electronic Delivery of Documents. By your execution of the Notice, you (i) consent to the electronic delivery of this Agreement, all information with respect to the Plan and the Options, and any reports of the Company provided generally to the Company's stockholders; (ii) acknowledge that you may receive from the Company a paper copy of any documents delivered electronically at no cost to you by contacting the Company by telephone or in writing; (iii) further acknowledge that you may revoke your consent to the electronic delivery of documents at any time by notifying the Company of such revoked consent by telephone, postal service or electronic mail; and (iv) further acknowledge that you understand that you are not required to consent to electronic delivery of documents.

18. No Future Entitlement. By your execution of the Notice, you acknowledge and agree that: (i) the grant of these Options is a one-time benefit that does not create any contractual or other right to receive future grants of stock options, or compensation in lieu of stock options, even if stock options have been granted repeatedly in the past; (ii) all determinations with respect to any such future grants, including, without limitation, the times when stock options shall be granted or shall become exercisable, the maximum number of shares subject to each stock option, and the purchase price, will be at the sole discretion of the Administrator; (iii) the value of these Options is an extraordinary item of compensation that is outside the scope of your employment, consulting or similar contract, if any; (iv) the value of these Options is not part of normal or expected compensation or salary for any purpose, including, without limitation, calculating any termination, severance, resignation, redundancy, end-of-service payments or similar payments, or bonuses, long-service awards, pension or retirement benefits; (v) the vesting of these Options, after giving effect to any exercise acceleration provisions set forth in the Notice, ceases upon termination of employment with, or service to, the Company or transfer of employment or service from the Company, or other cessation of eligibility for any reason, except as may otherwise be explicitly provided in this Agreement; (vi) if the underlying Common Stock does not increase in value, these Options will have no value, nor does the Company guarantee any future value; and (vii) no claim or entitlement to compensation or damages arises if these Options do not increase in value and you irrevocably release the Company from any such claim that does arise.

19. Personal Data. For the exclusive purpose of implementing, administering and managing these Options, you, by execution of the Notice, consent to the collection, receipt, use, retention and transfer, in electronic or other form, of your personal data by and among the Company and its third-party vendors. You understand that personal data (including, without limitation, name, home address, telephone number, employee or contractor number, employment or other status, social security number, tax identification number, date of birth, nationality, job and payroll location, data for tax withholding purposes and shares awarded, canceled, exercised, vested and unvested) may be transferred to third parties assisting in the implementation, administration and management of these Options and the Plan, and you expressly authorize such transfer and the retention, use and the subsequent transfer of the data by the recipient(s). You understand that these recipients may be located in your country or elsewhere, and that the recipient's country may have different data privacy laws and protections than your country. You understand that data will be held only as long as is necessary to implement, administer and manage these Options. You understand that you may, at any time, request a list with the names and addresses of any potential recipients of the personal data, view data, request additional information about the storage and processing of data, require any necessary amendments to data, or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company's Secretary. You understand, however, that refusing or withdrawing your consent may affect your ability to accept an Option.

[Glossary begins on next page]

GLOSSARY

(a) "**Administrator**" has the meaning given to such term in the Plan.

(b) "**Affiliate**" has the meaning given to such term in the Plan.

(c) "**Cause**" has the meaning given to such term in your employment agreement with the Company as in effect as of the date hereof and, in the absence of such agreement or definition, shall include, without limitation, a determination by the Company of the following or any statement by you of your intention to do any of the following (including any act or omission that gives rise to any of the following): insubordination; dishonesty, bad faith or lack of complete integrity or candor (including, without limitation, any acts of embezzlement or misappropriation of funds); fraud; dereliction of fiduciary obligation; criminal activity; moral turpitude; conviction of a felony; plea of guilty or *nolo contendere* to a felony charge or any criminal act involving moral turpitude; unauthorized disclosure of confidential information belonging to the Company, or entrusted to the Company by a client, customer or other third party; a willful violation of any Company rule, regulation, procedure or policy; any act intentionally adverse to the interests of the Company; being under the influence of drugs or alcohol (other than prescription medicine or other medically related drugs to the extent that they are taken in accordance with their directions) during the performance of any of the duties, responsibilities, obligations or functions for which you have been hired (or retained) or assigned to perform; engaging in behavior that would constitute grounds for liability for harassment or discrimination or other egregious conduct violative of laws governing the workplace; misuse or abuse of any computer software or similar technology or non-compliance with the Company's information technology policies, including a violation of any manufacturer restrictions on the use of computer software; material nonperformance, gross negligence, incomplete or insufficient performance or otherwise inadequate performance of any of the duties, responsibilities, obligations or functions for which you have been hired or retained, are assigned or asked to perform, or are otherwise expected to perform; or a breach of any promise, duty, restriction or obligation under this Agreement or other employment, consulting, non-disclosure, non-competition, non-solicitation, assignment of inventions or other similar agreement executed by you for the benefit of the Company.

(d) "**Change in Control**" has the meaning given to such term in the Plan.

(e) "**Code**" means the Internal Revenue Code of 1986, as amended.

(f) "**Common Stock**" means shares of Common Stock, par value $0.0001 per share, of the Company.

(g) "**Disability**" means the inability, due to physical or mental ill health, to perform the essential functions of your Service, with or without a reasonable accommodation, for a minimum of ninety (90) days during any one employment year irrespective of whether such days are consecutive, in each case, as determined by a physician satisfactory to the Company, in its sole discretion.

(h) "**Fair Market Value**" has the meaning given to such term in the Plan.

(i) "**Notice**" means the written Incentive Stock Option Notice evidencing the award of the Options that correlates with and makes up a part of this Agreement.

(j) "**Service**" means your employment or other service relationship with the Company.

(k) "**Shares**" mean the shares of Common Stock underlying the Options.

(l) "**You**"; "**Your**" means the recipient of the award of Options as reflected on the Notice. Whenever the Agreement refers to "you" under circumstances where the provision should logically be construed, as determined by the Administrator, to apply to your estate, personal representative or beneficiary to whom the Options may be transferred by will or by the laws of descent and distribution, the word "you" shall be deemed to include such person.

EXERCISE FORM

Administrator of Graybug Vision, Inc. 2015 Stock Incentive Plan
275 Shoreline Dr., #450
Redwood City, CA 94065

Ladies and Gentlemen:

Capitalized terms used in this Exercise Form and not otherwise defined herein are defined in the Incentive Stock Option Agreement (the "**Agreement**") under the Graybug Vision, Inc. 2015 Stock Incentive Plan between me and Graybug Vision, Inc., a Delaware corporation (the "**Company**"). I hereby exercise the Options granted to me on «GrantDate», by the Company, subject to all the terms and provisions of the Agreement and of the Plan, and notify you of my desire to purchase _____ shares of Common Stock at a price of «ExercisePrice» per share pursuant to the exercise of said Options.

This will confirm my understanding with respect to the shares to be issued to me by reason of this exercise of the Options (the shares to be issued pursuant hereto are collectively referred to hereinafter as the "**Shares**"), as follows:

(a) I am purchasing the Shares for my own account for investment only, and not with a view to, or for sale in connection with, any distribution of the Shares in violation of the Securities Act of 1933, as amended (the "**Securities Act**"), or any rule or regulation under the Securities Act.

(b) I understand that the Shares are being issued without registration under the Securities Act, in reliance upon one or more exemptions contained in the Securities Act, and such reliance is based in part on the above representation. I also understand that the Company is not obligated to comply with the registration requirements of the Securities Act or with the requirements for an exemption under Regulation A under the Securities Act for my benefit.

(c) I have had such opportunity as I deemed adequate to obtain from representatives of the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company.

(d) I have 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.

(e) I can afford a complete loss of the value of the Shares and am able to bear the economic risk of holding such Shares for an indefinite period.

(f) I understand that (i) the Shares have not been registered under the Securities Act and are "*restricted securities*" within the meaning of Rule 144 under the Securities Act; (ii) the Shares cannot be sold, transferred or otherwise disposed of unless they are subsequently registered under the Securities Act or an exemption from registration is then available and, therefore, they may need to be held indefinitely; and (iii) there is now no registration statement on file with the Securities and Exchange Commission with respect to any stock of the Company and the Company has no obligation or current intention to register the Shares under the Securities Act. As a condition to any transfer of the Shares, I understand that the Company may require an opinion of counsel satisfactory to the Company to the effect that such transfer does not require registration under the Securities Act or any state securities law.

(g) I understand that the certificates for the Shares to be issued to me will bear a legend substantially as follows:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER, AN OPTION TO PURCHASE AND A MARKET STAND-OFF AGREEMENT SET FORTH IN A CERTAIN INCENTIVE STOCK OPTION AGREEMENT BETWEEN THE CORPORATION AND THE REGISTERED OWNER OF THIS CERTIFICATE (OR HIS OR HER PREDECESSOR IN INTEREST), AND NO TRANSFER OF SUCH SHARES MAY BE MADE WITHOUT COMPLIANCE WITH THAT AGREEMENT. A COPY OF THAT AGREEMENT IS AVAILABLE FOR INSPECTION AT THE OFFICE OF THE CORPORATION UPON APPROPRIATE REQUEST AND WITHOUT CHARGE.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "**ACT**") OR APPLICABLE STATE SECURITIES LAWS (THE "**STATE ACTS**"), AND SHALL NOT BE SOLD, PLEDGED, HYPOTHECATED, DONATED OR OTHERWISE TRANSFERRED (WHETHER OR NOT FOR CONSIDERATION) BY THE HOLDER EXCEPT UPON THE ISSUANCE TO THE CORPORATION OF A FAVORABLE OPINION OF ITS COUNSEL AND/OR SUBMISSION TO THE CORPORATION OF SUCH OTHER EVIDENCE AS MAY BE SATISFACTORY TO COUNSEL FOR THE CORPORATION, TO THE EFFECT THAT ANY SUCH TRANSFER SHALL NOT BE IN VIOLATION OF THE ACT AND THE STATE ACTS.

The Company will issue appropriate stop-transfer instructions to its transfer agent.

(h) I am a party to the Agreement, pursuant to which I have agreed to certain restrictions on the transferability of the Shares and other matters relating thereto.

Total Amount Enclosed: $_____

Date:_____ _____

(Optionee)

Received by Graybug Vision, Inc. on

_____, ____

By: _____
Name:
Title:

GRAYBUG VISION, INC.

NONSTATUTORY STOCK OPTION NOTICE

This Nonstatutory Stock Option Notice (this "**Notice**") evidences the award of nonstatutory stock options (each, an "**Option**," and collectively, the "**Options**") that have been granted to you, «Optionee» (the "**Optionee"**), subject to and conditioned upon your agreement to the terms of the attached Nonstatutory Stock Option Agreement (the "**Agreement**"). The Options entitle you to purchase shares of Common Stock, par value $0.0001 per share, of Graybug Vision, Inc., a Delaware corporation (the "**Company**"), under the Company's 2015 Stock Incentive Plan (the "**Plan**"). The number of shares you may purchase and the exercise price at which you may purchase them are specified below. This Notice constitutes part of and is subject to the terms and provisions of the Agreement and the Plan, which are incorporated by reference herein.

Grant Date: «GrantDate»

Number of Shares: «NoofShares» shares of Common Stock

Exercise Price: «ExercisePrice» per share (the "**Exercise Price**")

Vesting Commencement Date: «VestingCommenceDate»

Expiration Date: «ExpDate»

Exercisability Schedule: Subject to the terms and conditions described in the Agreement, the Options become exercisable in accordance with the following schedule (the "**Exercisability Schedule**"):

Twenty-five percent (25%) of the Shares (rounded down to the next whole number of shares) subject to the Option shall vest on the one-year anniversary of the Vesting Commencement Date and one forty-eighth (1/48th) of the Shares subject to the Option shall vest on each monthly anniversary of the Vesting Commencement Date thereafter, so that the Option shall be fully vested and exercisable on the fourth anniversary of the Vesting Commencement Date, subject to the Optionee's continued Service to the Company.

[Signature page follows]

GRAYBUG VISION, INC.

By: _____
Name:
Title:

I acknowledge that I have carefully read the attached Agreement and the Plan and agree to be bound by all of the provisions set forth in such documents.

Enclosures:

Nonstatutory Stock Option Agreement Graybug Vision, Inc. 2015 Stock Incentive Plan Exercise Form

OPTIONEE

_____

Name: «Optionee»

Date: _____

NONSTATUTORY STOCK OPTION AGREEMENT

UNDER THE

GRAYBUG VISION, INC. 2015 STOCK INCENTIVE PLAN

1. Terminology. Capitalized terms used in this Agreement and not otherwise defined herein are defined in the correlating Notice and/or the Glossary at the end of the Agreement.

2. Exercise of Options.

(a) Exercisability. The Options will become exercisable in accordance with the Exercisability Schedule set forth in the Notice, so long as you are in the Service of the Company from the Grant Date through the applicable exercisability dates. None of the Options will become exercisable after your Service with the Company ceases, unless the Notice provides otherwise with respect to exercisability that arises as a result of your cessation of Service.

(b) Right to Exercise. You may exercise the Options, to the extent exercisable, at any time on or before 5:00 p.m. Pacific Time on the last business day coincident with or prior to the expiration date set forth in the Notice (the "**Expiration Date**") or the earlier termination of the Options, unless otherwise provided under applicable law. Notwithstanding the foregoing, if at any time the Administrator determines that the delivery of Shares under the Plan or this Agreement is or may be unlawful under the laws of any applicable jurisdiction, or Federal, state or foreign securities laws, the right to exercise the Options or receive Shares pursuant to the Options shall be suspended until the Administrator determines that such delivery is lawful. Section 3 below describes certain limitations on exercise of the Options that apply in the event of your death, Disability or termination of Service. The Options may be exercised only in multiples of whole Shares. No fractional Shares will be issued under the Options.

(c) Exercise Procedure. In order to exercise the Options, you must provide the following items to the Secretary of the Company or his or her delegate before the expiration or termination of the Options:

(i) notice, in such manner and form as the Administrator may require from time to time, specifying the number of Shares to be purchased under the Options;

(ii) full payment of the Exercise Price for the Shares in accordance with Section 2(d) of this Agreement; and

(iii) an executed copy of any other agreements requested by the Administrator pursuant to Section 2(e) of this Agreement.

An exercise will not be effective until the Secretary of the Company or his or her delegate receives all of the foregoing items, and such exercise otherwise is permitted under and complies with all applicable Federal, state and foreign securities laws.

(d) Method of Payment. You may pay the Exercise Price by:

(i) delivery of cash, certified or cashier's check, money order or other cash equivalent acceptable to the Administrator in its discretion;

(ii) a broker-assisted cashless exercise in accordance with Regulation T of the Board of Governors of the Federal Reserve System through a brokerage firm approved by the Administrator;

(iii) subject to such limits as the Administrator may impose from time to time, tender (via actual delivery or attestation) to the Company of other shares of Common Stock of the Company which have a Fair Market Value on the date of tender equal to the Exercise Price;

(iv) subject to such limits as the Administrator may impose from time to time, net settlement;

(v) any other method approved by the Administrator; or

(vi) any combination of the foregoing.

(e) Agreement to Execute Other Agreements. You agree to execute, as a condition precedent to the exercise of the Options and at any time thereafter as may reasonably be requested by the Administrator, a stockholders' agreement, voting trust agreement or other agreements regarding the Common Stock of the Company in such form(s) as the Administrator may determine from time to time, with respect to any shares you acquire pursuant to this Agreement; *provided*, *however*, that execution of such agreements will not be required upon any exercise that occurs after the closing of the first public offering of capital stock of the Company that is effected pursuant to a registration statement filed with, and declared effective by, the Securities and Exchange Commission under the Securities Act of 1933, as amended (the "**Securities Act**"), or, if later, the expiration of any market stand-off agreement that applies to other stockholders of the Company respecting such public offering of capital stock.

(f) Issuance of Shares upon Exercise. The Company shall issue to you the Shares underlying the Options you exercise as soon as practicable after the exercise date, subject to the Company's receipt of the aggregate Exercise Price and the requisite withholding taxes, if any. Upon issuance of such Shares, the Company may deliver, subject to the provisions of Section 7 below, such Shares on your behalf electronically to the Company's designated stock plan administrator or such other broker-dealer as the Company may choose at its sole discretion, within reason, or may retain such Shares in uncertificated book-entry form. Any share certificates delivered will, unless the Shares are registered or an exemption from registration is available under applicable Federal and state law, bear a legend restricting transferability of such Shares.

3. Termination of Service.

(a) Termination of Unexercisable Options. If your Service with the Company ceases for any reason, the Options that are then unexercisable, after giving effect to any exercise acceleration provisions set forth in the Notice, will terminate immediately upon such cessation.

(b) Exercise Period Following Termination of Service. If your Service with the Company ceases for any reason other than discharge for Cause, the Options that are then exercisable, after giving effect to any exercise acceleration provisions set forth in the Notice, will terminate upon the earliest of:

(i) the expiration of thirty (30) days following such cessation, if your Service ceases on account of (1) your termination by the Company other than a discharge for Cause, or (2) your voluntary termination other than for Disability or death;

(ii) the expiration of twelve (12) months following such cessation, if your Service ceases on account of your Disability or death;

(iii) the expiration of twelve (12) months following your death, if your death occurs during the periods described in clauses (i) or (ii) of this Section 3(b), as applicable; or

(iv) the Expiration Date.

In the event of your death, the exercisable Options may be exercised by your executor, personal representative, or the person(s) to whom the Options are transferred by will or the laws of descent and distribution.

(c) Misconduct. The Options will terminate in their entirety, regardless of whether the Options are then exercisable, immediately upon your discharge from Service for Cause, or upon your commission of any of the following acts during the exercise period following your termination of Service: (i) fraud on or misappropriation of any funds or property of the Company, or (ii) your breach of any provision of any employment, consulting, non-disclosure, non-competition, non-solicitation, assignment of inventions or other similar agreement executed by you for the benefit of the Company, as determined by the Administrator, which determination will be conclusive.

(d) Change in Status. In the event that your Service is with a business, trade or entity that, after the Grant Date, ceases for any reason to be part or an Affiliate of the Company, your Service will be deemed to have terminated for purposes of this Section 3(d) upon such cessation if your Service does not continue uninterrupted immediately thereafter with the Company or an Affiliate of the Company.

4. Market Stand-Off Agreement. You agree that following the effective date of a registration statement of the Company filed under the Securities Act, you, for the duration specified by and to the extent requested by the Company and an underwriter of Common Stock or other securities of the Company, shall not offer, sell, contract to sell, pledge or otherwise dispose of, directly or indirectly, any equity securities of the Company, or any securities convertible into or exchangeable or exercisable for such securities, enter into a transaction which would have the same effect, or enter into any swap, hedge or other arrangement that transfers, in whole or in part, any of the economic consequences of ownership of such securities, whether any such aforementioned transaction is to be settled by delivery of such securities or other securities, in cash or otherwise, or publicly disclose the intention to make any such offer, sale, pledge or disposition, or to enter into any such transaction, swap, hedge or other arrangement, in each case during the seven (7) days prior to and the one hundred eighty (180) days after the effectiveness of any underwritten offering of the Company's equity securities (or such longer or shorter period as

may be requested in writing by the managing underwriter and agreed to in writing by the Company) (the "**Market Stand-Off Period**"), except as part of such underwritten registration if otherwise permitted. In addition, you agree to execute any further letters, agreements and/or other documents requested by the Company or its underwriters that are consistent with the terms of this Section 4. The Company may impose stop-transfer instructions with respect to securities subject to the foregoing restrictions until the end of such Market Stand-Off Period.

5. Nontransferability of Options. These Options and, before exercise, the underlying Shares are nontransferable otherwise than by will or the laws of descent and distribution and, during your lifetime, the Options may be exercised only by you or, during the period you are under a legal disability, by your guardian or legal representative. Except as provided above, the Options and, before exercise, the underlying Shares may not be assigned, transferred, pledged, hypothecated, subjected to any "put equivalent position," "call equivalent position" (as each preceding term is defined by Rule 16(a)-1 under the Securities Exchange Act of 1934, as amended), or short position, or disposed of in any way (whether by operation of law or otherwise) and shall not be subject to execution, attachment or similar process.

6. Nonqualified Nature of the Options. The Options are **not** intended to qualify as incentive stock options within the meaning of Code section 422, and this Agreement shall be so construed. You hereby acknowledge that, upon exercise of the Options, you will recognize compensation income in an amount equal to the excess of the then Fair Market Value of the Shares over the Exercise Price and must comply with the provisions of Section 7 of this Agreement with respect to any tax withholding obligations that arise as a result of such exercise.

7. Withholding of Taxes. At the time the Options are exercised, in whole or in part, or at any time thereafter as requested by the Company, you hereby authorize withholding from payroll or any other payment of any kind due to you and otherwise agree to make adequate provision for foreign, Federal, state and local taxes required by law to be withheld, if any, that arise in connection with the Options. The Company may require you to make a cash payment to cover any withholding tax obligation as a condition of exercise of the Options or issuance of share certificates representing Shares.

The Administrator may, in its sole discretion, permit you to satisfy, in whole or in part, any withholding tax obligation which may arise in connection with the Options either by electing to have the Company withhold from the Shares to be issued upon exercise that number of Shares, or by electing to deliver to the Company already-owned shares, in either case having a Fair Market Value not in excess of the amount necessary to satisfy the statutory minimum withholding amount due.

8. Adjustments. The Administrator may make various adjustments to your Options, including adjustments to the number and type of securities subject to the Options and the Exercise Price, in accordance with the terms of the Plan.

9. Purchase Right of the Company. From and after the termination of your employment or service relationship with the Company for any reason, the Company may purchase the Options, in whole or in part, from you. The Administrator shall provide you with written notice of the Company's intention to exercise this purchase right, specifying the number of Options to which the purchase right shall be applied. The purchase price per Option shall be the difference between (a) the Exercise Price per Share and (b) the Fair Market Value per Share, determined as of the date immediately preceding the date settlement occurs. Settlement of the purchase will be made within thirty (30) days after delivery of such written notice. In the

discretion of the Administrator, payment of the purchase price will be made via cash, a promissory note, or a combination of the two. Any such promissory note will provide for five (5) or fewer equal annual payments of principal and shall accrue interest at the "Prime Rate" published in the *Wall Street Journal* on the date of settlement. The Options will be automatically terminated, and of no further force and effect, as of the settlement date with respect to the number of Options so purchased.

10. Non-Guarantee of Employment or Service Relationship. Nothing in the Plan or this Agreement will alter your at-will or other employment status or other service relationship with the Company, nor be construed as a contract of employment or service relationship between you and the Company, or as a contractual right for you to continue in the employ of, or in a service relationship with, the Company for any period of time, or as a limitation of the right of the Company to discharge you at any time with or without Cause or notice and whether or not such discharge results in the failure of any of the Options to become exercisable or any other adverse effect on your interests under the Plan.

11. No Rights as a Stockholder. You shall not have any of the rights of a stockholder with respect to the Shares until such Shares have been issued to you upon the due exercise of the Options. No adjustment will be made for dividends or distributions or other rights for which the record date is prior to the date such Shares are issued.

12. The Company's Rights. The existence of the Options shall not affect in any way the right or power of the Company or its stockholders to make or authorize any or all adjustments, recapitalizations, reorganizations or other changes in the Company's capital structure or its business, or any merger or consolidation of the Company, or any issue of bonds, debentures, preferred or other stocks with preference ahead of or convertible into, or otherwise affecting the Common Stock or the rights thereof, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of the Company's assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

13. Entire Agreement. This Agreement, together with the Notice and the Plan, contain the entire agreement between you and the Company with respect to the Options. Any oral or written agreements, representations, warranties, written inducements, or other communications made prior to the execution of this Agreement with respect to the Options shall be void and ineffective for all purposes.

14. Amendment. This Agreement may be amended from time to time by the Administrator in its discretion; *provided*, *however*, that this Agreement may not be modified in a manner that would have a materially adverse effect on the Options or Shares as determined in the discretion of the Administrator, except as provided in the Plan or in a written document signed by you and the Company.

15. Conformity with Plan. This Agreement is intended to conform in all respects with, and is subject to all applicable provisions of, the Plan. Any conflict between the terms of this Agreement and the Plan shall be resolved in accordance with the terms of the Plan. In the event of any ambiguity in this Agreement or any matters as to which this Agreement is silent, the Plan shall govern. A copy of the Plan is provided to you with this Agreement.

16. Section 409A. This Agreement and the Options granted hereunder are intended to comply with, or otherwise be exempt from, Section 409A of the Code. Nothing in the Plan or this Agreement shall be construed as including any feature for the deferral of compensation other than the deferral of recognition of income until the exercise of the Options. Should any provision of the Plan or this Agreement be found not to comply with, or otherwise be exempt from, the provisions of Section 409A of the Code, it may be modified and given effect, in the sole discretion of the Administrator and without requiring your consent, in such manner as the Administrator determines to be necessary or appropriate to comply with, or to effectuate an exemption from, Section 409A of the Code. The foregoing, however, shall not be construed as a guarantee by the Company of any particular tax effect to you.

17. Electronic Delivery of Documents. By your execution of the Notice, you (i) consent to the electronic delivery of this Agreement, all information with respect to the Plan and the Options, and any reports of the Company provided generally to the Company's stockholders; (ii) acknowledge that you may receive from the Company a paper copy of any documents delivered electronically at no cost to you by contacting the Company by telephone or in writing; (iii) further acknowledge that you may revoke your consent to the electronic delivery of documents at any time by notifying the Company of such revoked consent by telephone, postal service or electronic mail; and (iv) further acknowledge that you understand that you are not required to consent to electronic delivery of documents.

18. No Future Entitlement. By your execution of the Notice, you acknowledge and agree that: (i) the grant of these Options is a one-time benefit that does not create any contractual or other right to receive future grants of stock options, or compensation in lieu of stock options, even if stock options have been granted repeatedly in the past; (ii) all determinations with respect to any such future grants, including, without limitation, the times when stock options shall be granted or shall become exercisable, the maximum number of shares subject to each stock option, and the purchase price, will be at the sole discretion of the Administrator; (iii) the value of these Options is an extraordinary item of compensation which is outside the scope of your employment, consulting or similar contract, if any; (iv) the value of these Options is not part of normal or expected compensation or salary for any purpose, including, without limitation, calculating any termination, severance, resignation, redundancy, end-of-service payments or similar payments, or bonuses, long-service awards, pension or retirement benefits; (v) the vesting of these Options, after giving effect to any exercise acceleration provisions set forth in the Notice, ceases upon termination of employment with, or service to, the Company or transfer of employment or service from the Company, or other cessation of eligibility for any reason, except as may otherwise be explicitly provided in this Agreement; (vi) if the underlying Common Stock does not increase in value, these Options will have no value, nor does the Company guarantee any future value; and (vii) no claim or entitlement to compensation or damages arises if these Options do not increase in value and you irrevocably release the Company from any such claim that does arise.

19. Personal Data. For the exclusive purpose of implementing, administering and managing these Options, you, by execution of the Notice, consent to the collection, receipt, use, retention and transfer, in electronic or other form, of your personal data by and among the Company and its third-party vendors. You understand that personal data (including, without limitation, name, home address, telephone number, employee or contractor number, employment or other status, social security number, tax identification number, date of birth, nationality, job and payroll location, data for tax withholding purposes and shares awarded, canceled, exercised, vested and unvested) may be transferred to third parties assisting in the implementation, administration and management of these Options and the Plan and you expressly authorize such transfer as well as the retention, use and the subsequent transfer of the data by the recipient(s). You understand that these recipients may be located in your country or elsewhere, and that the recipient's country may have different data privacy laws and protections than your country. You understand that data will be held only as long as is necessary to implement, administer and manage these Options. You understand that you may, at any time, request a list with the names

and addresses of any potential recipients of the personal data, view data, request additional information about the storage and processing of data, require any necessary amendments to data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company's Secretary. You understand, however, that refusing or withdrawing your consent may affect your ability to accept an Option.

[Glossary begins on next page]

GLOSSARY

(a) "**Administrator**" has the meaning given to such term in the Plan.

(b) "**Affiliate**" has the meaning given to such term in the Plan.

(c) "**Cause**" has the meaning given to such term in your employment or consulting agreement with the Company as in effect as of the date hereof and, in the absence of such agreement or definition, shall include, without limitation, a determination by the Company of the following or any statement by you of your intention to do any of the following (including any act or omission which gives rise to any of the following): insubordination; dishonesty, bad faith or lack of complete integrity or candor (including, without limitation, any acts of embezzlement or misappropriation of funds); fraud; dereliction of fiduciary obligation; criminal activity; moral turpitude; conviction of a felony; plea of guilty or *nolo contendere* to a felony charge or any criminal act involving moral turpitude; unauthorized disclosure of confidential information belonging to the Company, or entrusted to the Company by a client, customer or other third party; a willful violation of any Company rule, regulation, procedure or policy; any act intentionally adverse to the interests of the Company; being under the influence of drugs or alcohol (other than prescription medicine or other medically related drugs to the extent that they are taken in accordance with their directions) during the performance of any of the duties, responsibilities, obligations or functions for which you have been hired (or retained) or assigned to perform; engaging in behavior that would constitute grounds for liability for harassment or discrimination or other egregious conduct violative of laws governing the workplace; misuse or abuse of any computer software or similar technology or non-compliance with the Company's information technology policies, including a violation of any manufacturer restrictions on the use of computer software; material nonperformance, gross negligence, incomplete or insufficient performance or otherwise inadequate performance of any of the duties, responsibilities, obligations or functions for which you have been hired or retained, are assigned or asked to perform or are otherwise expected to perform; or a breach of any promise, duty, restriction or obligation under this Agreement or other employment, consulting, non-disclosure, non-competition, non-solicitation, assignment of inventions or other similar agreement executed by you for the benefit of the Company.

(d) "**Change in Control**" has the meaning given to such term in the Plan.

(e) "**Code**" means the Internal Revenue Code of 1986, as amended.

(f) "**Common Stock**" means shares of Common Stock, par value $0.0001 per share, of the Company.

(g) "**Disability**" means the inability, due to physical or mental ill health, to perform the essential functions of your Service, with or without a reasonable accommodation, for a minimum of ninety (90) days during any one employment year irrespective of whether such days are consecutive, in each case, as determined by a physician satisfactory to the Company, in its sole discretion.

(h) "**Fair Market Value**" has the meaning given to such term in the Plan.

(i) "**Notice**" means the written Nonstatutory Stock Option Notice evidencing the award of the Options that correlates with and makes up a part of this Agreement.

(j) "**Service**" means your employment or other service relationship with the Company.

(k) "**Shares**" mean the shares of Common Stock underlying the Options.

(l) "**You**"; "**Your**" means the recipient of the award of Options as reflected on the Notice. Whenever the Agreement refers to "you" under circumstances where the provision should logically be construed, as determined by the Administrator, to apply to your estate, personal representative or beneficiary to whom the Options may be transferred by will or by the laws of descent and distribution, the word "you" shall be deemed to include such person.

EXERCISE FORM

Administrator of Graybug Vision, Inc. 2015 Stock Incentive Plan
275 Shoreline Dr., #450
Redwood City, CA 94065

Ladies and Gentlemen:

Capitalized terms used in this Exercise Form and not otherwise defined herein are defined in the Nonstatutory Stock Option Agreement (the "**Agreement**") under the Graybug Vision, Inc. 2015 Stock Incentive Plan between me and Graybug Vision, Inc., a Delaware corporation (the "**Company**"). I hereby exercise the Options granted to me on «GrantDate», by the Company, subject to all the terms and provisions of the Agreement and of the Plan, and notify you of my desire to purchase _____ shares of Common Stock at a price of $_____ per share pursuant to the exercise of said Options.

This will confirm my understanding with respect to the shares to be issued to me by reason of this exercise of the Options (the shares to be issued pursuant hereto shall be collectively referred to hereinafter as the "**Shares**") as follows:

(a) I am purchasing the Shares for my own account for investment only, and not with a view to, or for sale in connection with, any distribution of the Shares in violation of the Securities Act of 1933, as amended (the "**Securities Act**"), or any rule or regulation under the Securities Act.

(b) I understand that the Shares are being issued without registration under the Securities Act, in reliance upon one or more exemptions contained in the Securities Act, and such reliance is based in part on the above representation. I also understand that the Company is not obligated to comply with the registration requirements of the Securities Act or with the requirements for an exemption under Regulation A under the Securities Act for my benefit.

(c) I have had such opportunity as I deemed adequate to obtain from representatives of the Company such information as is necessary to permit me to evaluate the merits and risks of my investment in the Company.

(d) I have 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.

(e) I can afford a complete loss of the value of the Shares and am able to bear the economic risk of holding such Shares for an indefinite period.

(f) I understand that (i) the Shares have not been registered under the Securities Act and are "*restricted securities*" within the meaning of Rule 144 under the Securities Act; (ii) the Shares cannot be sold, transferred or otherwise disposed of unless they are subsequently registered under the Securities Act or an exemption from registration is then available and, therefore, they may need to be held indefinitely; and (iii) there is now no registration statement on file with the Securities and Exchange Commission with respect to any stock of the Company and the Company has no obligation or current intention to register the Shares under the Securities Act. As a condition to any transfer of the Shares, I understand that the Company may require an opinion of counsel satisfactory to the Company to the effect that such transfer does not require registration under the Securities Act or any state securities law.

(g) I understand that the certificates for the Shares to be issued to me will bear a legend substantially as follows:

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS ON TRANSFER, AN OPTION TO PURCHASE AND A MARKET STAND-OFF AGREEMENT SET FORTH IN A CERTAIN NONSTATUTORY STOCK OPTION AGREEMENT BETWEEN THE CORPORATION AND THE REGISTERED OWNER OF THIS CERTIFICATE (OR HIS OR HER PREDECESSOR IN INTEREST), AND NO TRANSFER OF SUCH SHARES MAY BE MADE WITHOUT COMPLIANCE WITH THAT AGREEMENT. A COPY OF THAT AGREEMENT IS AVAILABLE FOR INSPECTION AT THE OFFICE OF THE CORPORATION UPON APPROPRIATE REQUEST AND WITHOUT CHARGE.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 (THE "**ACT**") OR APPLICABLE STATE SECURITIES LAWS (THE "**STATE ACTS**"), AND SHALL NOT BE SOLD, PLEDGED, HYPOTHECATED, DONATED OR OTHERWISE TRANSFERRED (WHETHER OR NOT FOR CONSIDERATION) BY THE HOLDER EXCEPT UPON THE ISSUANCE TO THE CORPORATION OF A FAVORABLE OPINION OF ITS COUNSEL AND/OR SUBMISSION TO THE CORPORATION OF SUCH OTHER EVIDENCE AS MAY BE SATISFACTORY TO COUNSEL FOR THE CORPORATION, TO THE EFFECT THAT ANY SUCH TRANSFER SHALL NOT BE IN VIOLATION OF THE ACT AND THE STATE ACTS.

The Company will issue appropriate stop-transfer instructions to its transfer agent.

(h) I am a party to the Agreement, pursuant to which I have agreed to certain restrictions on the transferability of the Shares and other matters relating thereto.

Total Amount Enclosed: $_____

Date:_____ _____

(Optionee)

Received by Graybug Vision, Inc. on

_____, ____

By: _____
Name:
Title:

Exhibit 10.5

September 11, 2019

VIA ELECTRONIC MAIL

Pamela Wapnick

Re: Terms of Separation

Dear Pamela:

This letter confirms the agreement ("***Agreement***") between you and Graybug Vision, Inc. (the "***Company***") concerning the terms of your separation and offers you the separation compensation we discussed in exchange for a general release of claims and covenant not to sue. If you choose to enter into this Agreement, please sign below no earlier than the Separation Date (as defined below), and no later than the last day of the Consideration Period (as defined below).

1. Separation Date: Your employment is being terminated without Cause pursuant to Sections 5 and 13 of your offer letter with the Company dated November 11, 2017 (the "***Offer Letter***"), attached hereto as Exhibit A and incorporated herein by reference. September 6, 2019 is your last day of employment with the Company (the "***Separation Date***").

2. Acknowledgment of Payment of Wages: By your signature below, you acknowledge that on the Separation Date, except for payments not yet processed, we provided you one or more final paychecks for all wages, salary, bonuses, reimbursable expenses previously submitted by you, accrued vacation and any similar payments due you from the Company as of the Separation Date. By signing below, you acknowledge that the Company does not owe you any other amounts other than reimbursable expenses not yet submitted. Please promptly submit for reimbursement all final outstanding expenses.

3. Separation Compensation: In exchange for your agreement to the general release and waiver of claims and covenant not to sue set forth below and your other promises herein (including, but not limited to, the consulting arrangement described in Section 3(d) below), the Company agrees to provide you with the severance benefits outlined in Section 6(b)-(e) of the Offer Letter, enhanced as follows:

a. Severance: The Company agrees to pay you severance in the gross aggregate amount of $319,300 less applicable state and federal payroll deductions, which equals twelve (12) months of your base salary. The Severance will be paid in consecutive, equal installments in accordance with the Company's regular payroll cycle, with the first payment commencing within thirty (30) days following the Effective Date, and continuing thereafter until paid in full.

b. COBRA: Upon your timely election to continue your existing health benefits under COBRA, and consistent with the terms of COBRA and the Company's health insurance plan, the Company will pay the insurance premiums to continue your existing health benefits until: (i) the close of the eighteen (18) month period following the Separation Date, or (ii) you commence new full time employment or full time self-employment, whichever occurs first. You will remain responsible for, and must continue to pay, the portion of premiums, co-payments, etc. that you would have paid had your employment continued.

c. Target Bonus Opportunity: The Company agrees and hereby commits to award you a pro rata bonus of $64,179 (equivalent to 8/12ths of your annual target bonus.) This pro rata bonus payment will be subject to the payment timing terms in Section 5 of the Offer Letter, but paid no later than February 29, 2020.

d. Consultancy: The Company agrees to engage you as a consultant pursuant to the terms of the consulting agreement attached hereto as Exhibit B (the "***Consulting Agreement***") immediately following your termination through December 31, 2019 (unless extended by mutual agreement). Your termination of employment on the Separation Date is intended to constitute a "separation from service" as defined in the regulations under Section 409A of the Internal Revenue Code of 1986, as amended (a "***Separation***"). Services provided pursuant to the Consulting Agreement shall constitute a permanent reduction in your services to the Company to not more than 20% of the average level of bona fide services you provided to the Company during the 36-month period immediately preceding the Separation Date (or, if you have provided services to the Company for less than 36 months, your full period of service prior to the Separation Date), such that any services provided pursuant to the Consulting Agreement shall continue to be deemed a Separation.

e. The Company will continue to refer to you on the management page of its website and in other customary marketing and other external communications as its "Chief Financial Officer" until the earlier of: (i) the termination of the Consulting Agreement (as defined below), and (ii) the Company's employment of a new Chief Financial Officer.

f. Frederic Guerard as the Company's Chief Executive Officer and Christy Shaffer, Ph. D., as Chair of the Company's Board of Directors, shall provide you the letter of recommendation in the form of Exhibit C attached hereto.

g. Partial Acceleration of Equity Vesting: The Company agrees to partially accelerate the vesting of your Unvested Shares (as defined below), as described more fully in Paragraph 9 below.

h. Stock Option Exercise Deadline Extension: The Company agrees to extend the post-employment stock option exercise deadline for your stock option grants, subject to certain limitations as described more fully in Paragraph 9 below.

By signing below, you acknowledge that you are receiving the separation compensation outlined in this Agreement in consideration for waiving your rights to claims referred to in this Agreement, that the separation compensation fully satisfies any obligations by the Company to you pursuant to the Offer Letter and that you would not otherwise be entitled to the separation compensation.

4. Return of Company Property: You hereby warrant to the Company that the Company has access to all property or data of the Company of any type whatsoever that has been in your possession or control, including all Company data stored on your Company laptop computer and any personal computer device. You will be allowed continued use of your Company issued computer during the period of the Consulting Agreement, along with ongoing access to Company systems that you may need to access in relation to your Consulting Agreement.

5. Proprietary Information: You hereby acknowledge that you are bound by the attached Employee Invention Assignment and Confidentiality Agreement (Exhibit D hereto) and that as a result of your employment with the Company you have had access to the Company's Proprietary Information (as defined in the agreement), that you will hold all Proprietary Information in strictest confidence and that you will not make use of such Proprietary Information on behalf of anyone. You further confirm that you have delivered to the Company all documents and data of any nature containing or pertaining to such Proprietary Information and that you have not taken with you any such documents or data or any reproduction thereof.

6. General Release and Waiver of Claims:

a. The payments and promises set forth in this Agreement are in full satisfaction of all accrued salary, vacation pay, bonus and commission pay, profit-sharing, stock, stock options or other ownership interest in the Company, termination benefits or other compensation to which you may be entitled by virtue of your employment with the Company or your separation from the Company. To the fullest extent permitted by law, you hereby release and waive any other claims you may have against the Company and its owners, agents, officers, shareholders, employees, directors, attorneys, subscribers, subsidiaries, affiliates, successors and assigns (collectively "***Releasees***"), whether known or not known, including, without limitation, claims arising out of or related in any way to the Offer Letter or the Graybug Vision, Inc. Change in Control Severance Policy, claims under any employment laws, including, but not limited to, claims of unlawful discharge, breach of contract, breach of the covenant of good faith and fair dealing, fraud, violation of public policy, defamation, physical injury, emotional distress, claims for additional compensation or benefits arising out of your employment or your separation of employment, claims under Title VII of the 1964 Civil Rights Act, as amended, the California Fair Employment and Housing Act and any other laws and/or regulations relating to employment or employment discrimination, including, without limitation, claims based on age or under the Age Discrimination in Employment Act or Older Workers Benefit Protection Act, and/or claims based on disability or under the Americans with Disabilities Act.

b. By signing below, you expressly waive any benefits of Section 1542 of the Civil Code of the State of California, which provides as follows:

> "A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED."

c. You and the Company do not release claims that you may not release as a matter of law, including but not limited to claims for indemnity under California Labor Code Section 2802, or any claims for enforcement of this Agreement. To the fullest extent permitted by law, any dispute regarding the scope of this general release shall be determined by an arbitrator under the procedures set forth in the arbitration clause below.

7. Covenant Not to Sue:

a. To the fullest extent permitted by law, at no time subsequent to the execution of this Agreement will you pursue, or cause or knowingly permit the prosecution, in any state, federal or foreign court, or before any local, state, federal or foreign administrative agency, or any other tribunal, of any charge, claim or action of any kind, nature and character whatsoever, known or unknown, which you may now have, have ever had, or may in the future have against Releasees, which is based in whole or in part on any matter released by this Agreement.

b. Nothing in this section shall prohibit or impair you or the Company from complying with all applicable laws, nor shall this Agreement be construed to obligate either party to commit (or aid or abet in the commission of) any unlawful act.

8. Protected Rights: You understand that nothing in the General Release and Waiver of Claims and Covenant Not to Sue sections above, or otherwise in this Agreement, limits your ability to file a charge or complaint with the Equal Employment Opportunity Commission, the National Labor Relations Board, the Occupational Safety and Health Administration, the Securities and Exchange Commission or any other federal, state or local government agency or commission ("***Government Agencies***"). You further understand that this Agreement does not limit your ability to communicate with any Government Agencies or otherwise participate in any investigation or proceeding that may be conducted by any Government Agency, including providing documents or other information, without notice to the Company. This Agreement does not limit your right to receive an award for information provided to any Government Agencies.

9. Stock Options:

a. Pursuant to your Stock Option Agreements with the Company dated December 20, 2017, February 6, 2018 and December 18, 2018, and the Company's 2015 Equity Incentive Plan (hereafter collectively referred to as the "***Stock Option Agreements***"), you were granted options to purchase an aggregate of 1,278,652 shares of the Company's common stock (the "***Option***"). The Option has vested as to 365,702 shares (the "***Vested Shares***") and remains unvested as to 912,950 shares (the "***Unvested Shares***"). You have exercised none of the Vested Shares leaving all of the Vested Shares unexercised (the "***Unexercised Vested Shares***").

Because your employment is terminating on the Separation Date, in the normal course, none of the Unvested Shares can ever vest except as provided in this Section 9, and per the Stock Option Agreements, you will have twelve (12) months following the Consulting Termination Date (as defined below) (such date, the "***Second Separation Date***"), to exercise the Unexercised Vested Shares.

b. Notwithstanding the preceding paragraph, if you execute this Agreement and the Consulting Agreement and each becomes effective on its terms, then, in exchange for the general release and waiver of claims contained herein, your Option shall continue to vest pursuant to the terms of the Stock Option Agreements until the earlier of: (i) the termination of the Consulting Agreement, pursuant to the terms therein, and (ii) December 31, 2019, (such date, the "***Consulting Termination Date***", and any additional shares of the Option that vest pursuant to this sentence, the "***Consulting Vested Shares***"). Following the Consulting Termination Date, none of the Unvested Shares can ever vest (except as provided in 9.c. below), and per the Stock Option Agreements, you will have twelve (12) months following the Consulting Termination Date (as defined below) to exercise the Unexercised Vested Shares and the Consulting Vested Shares.

c. In addition to the prior paragraph, if you execute this Agreement and it becomes effective on its terms, then, in exchange for the general release and waiver of claims contained herein, the Company agrees to, and hereby does, (a) accelerate the vesting of 384,889 shares subject to the Option, which represents the number of shares that would have vested had you remained employed with the Company for twelve (12) months following the Separation Date (the "***Accelerated Vested Shares***") and (b) extend the deadline to exercise the Accelerated Vested Shares to the twelve (12) month anniversary of the Second Separation Date. After the twelve-month anniversary of the Second Separation Date, you will no longer have a right to exercise the Options as to any shares. You acknowledge that the foregoing extension to the exercise period may cause an incentive stock option to be reclassified as a non-qualified stock option under applicable tax laws, and that you and not the Company shall be solely responsible for any tax consequences relating to such reclassification, including satisfaction of all applicable tax withholding requirements, excluding any employer withholding taxes that are the responsibility of the Company as defined under applicable tax laws, that become due upon exercise of the Options. Your rights concerning the Options will continue to be governed by the Stock Option Agreements, as amended by this Agreement.

10. Non-disparagement: You agree that you will not disparage Releasees or their products, services, agents, representatives, directors, officers, shareholders, attorneys, employees, vendors, affiliates, successors or assigns, or any person acting by, through, under or in concert with any of them, with any written or oral statement. Nothing in this section shall prohibit you from providing truthful information in response to a subpoena or other legal process.

11. Arbitration: Except for any claim for injunctive relief arising out of a breach of a party's obligations to protect the other's proprietary information, the parties agree to arbitrate, in Los Angeles County, California through JAMS, any and all disputes or claims arising out of or related to the validity, enforceability, interpretation, performance or breach of this Agreement, whether sounding in tort, contract, statutory violation or otherwise, or involving the construction

or application or any of the terms, provisions, or conditions of this Agreement. Any arbitration may be initiated by a written demand to the other party. The arbitrator's decision shall be final, binding, and conclusive. The parties further agree that this Agreement is intended to be strictly construed to provide for arbitration as the sole and exclusive means for resolution of all disputes hereunder to the fullest extent permitted by law. The parties expressly waive any entitlement to have such controversies decided by a court or a jury.

12. Attorneys' Fees: If any action is brought to enforce the terms of this Agreement, the prevailing party will be entitled to recover its reasonable attorneys' fees, costs and expenses from the other party, in addition to any other relief to which the prevailing party may be entitled.

13. Confidentiality: The contents, terms and conditions of this Agreement must be kept confidential by you and the Company, including its directors, officers, employees and agents (together, the "***Parties***"). The Parties may not disclose the terms except as required to your immediate family, or to accountants or attorneys or pursuant to subpoena or court order. Notwithstanding the two previous sentences, the Company may disclose the existence, contents and terms of this Agreement: (i) to its personnel for purposes of carrying out the terms of this Agreement, and (ii) as required by applicable laws and regulations, including but not limited to the U.S. Securities Act and any Securities and Exchange Commission, any market or exchange rules or requirement, or other governmental entity reporting requirement. The Parties agree that if they are asked for information concerning this Agreement, they will state only that you and the Company reached an amicable resolution concerning your voluntary separation from the Company. Any breach of this confidentiality provision shall be deemed a material breach of this Agreement.

14. No Admission of Liability: This Agreement is not and shall not be construed or contended by you to be an admission or evidence of any wrongdoing or liability on the part of Releasees, their representatives, heirs, executors, attorneys, agents, partners, officers, shareholders, directors, employees, subsidiaries, affiliates, divisions, successors or assigns. This Agreement shall be afforded the maximum protection allowable under California Evidence Code Section 1152 and/or any other state or federal provisions of similar effect.

15. Complete and Voluntary Agreement: This Agreement, together with Exhibits A-D hereto and the Stock Option Agreements, constitute the entire agreement between you and Releasees with respect to the subject matter hereof and supersedes all prior negotiations and agreements, whether written or oral, relating to such subject matter. You acknowledge that neither Releasees nor their agents or attorneys have made any promise, representation or warranty whatsoever, either express or implied, written or oral, which is not contained in this Agreement for the purpose of inducing you to execute the Agreement, and you acknowledge that you have executed this Agreement in reliance only upon such promises, representations and warranties as are contained herein, and that you are executing this Agreement voluntarily, free of any duress or coercion.

16. Severability: The provisions of this Agreement are severable, and if any part of it is found to be invalid or unenforceable, the other parts shall remain fully valid and enforceable. Specifically, should a court, arbitrator, or government agency conclude that a particular claim may not be released as a matter of law, it is the intention of the parties that the general release, the waiver of unknown claims and the covenant not to sue above shall otherwise remain effective to release any and all other claims.

17. Modification; Counterparts; Facsimile/PDF Signatures: It is expressly agreed that this Agreement may not be altered, amended, modified, or otherwise changed in any respect except by another written agreement that specifically refers to this Agreement, executed by authorized representatives of each of the parties to this Agreement. This Agreement may be executed and delivered by electronic signature and in two 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) 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.

18. Review of Separation Agreement; Expiration of Offer: You understand that you may take up to twenty-one (21) days to consider this Agreement (the "***Consideration Period***"). The offer set forth in this Agreement, if not accepted by you before the end of the Consideration Period, will automatically expire. By signing below, you affirm that you were advised to consult with an attorney prior to signing this Agreement. You also understand you may revoke this Agreement within seven (7) days of signing this document and that the separation compensation to be provided to you pursuant to Section 3 will be provided only after the expiration of that seven (7) day revocation period.

19. Effective Date: This Agreement is effective on the eighth (8th) day after you sign it and without revocation by you (the "***Effective Date***").

20. Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the State of California.

If you agree to abide by the terms outlined in this Agreement, please sign and return it to me. I wish you the best in your future endeavors.

Sincerely,

Graybug Vision, Inc.

By: /s/ Frederic Guerard
Frederic Guerard,
Chief Executive Officer

READ, UNDERSTOOD AND AGREED

/s/ Pamela Wapnick Date: 9/11/2019
Pamela Wapnick,
Chief Financial Officer

EXHIBIT A

Offer Letter

GRAYBUG VISION, INC
275 SHORELINE DRIVE, SUITE 450
REDWOOD CITY, CA 94065

November 11, 2017

Pamela Wapnick

Dear Pam:

Graybug Vision, Inc. (the "Company") is pleased to offer you employment on the following terms:

1. **Position**. Your title will be Chief Financial Officer and you will report to the Company's Chief Executive Officer (the "CEO"). This is a full-time position. This position will require such travel as is necessary to fulfill your duties under this Letter Agreement. You agree to be physically present in the workplace at Graybug's corporate offices, or such other location as Graybug may specify, at least 50% of the regular business days per month and this agreement will be mutually evaluated annually to determine if revisions are required.

2. **Start Date**. Subject to fulfillment of any conditions imposed by this Letter Agreement, you will commence employment on December 11, 2017 or a mutually acceptable date within 30 days of this date (the "Start Date").

3. **Background Check/Proof of Right to Work**. This offer is contingent upon a background check clearance and reference check. In addition, for purposes of federal immigration law, you will be required to provide to the Company satisfactory documentary proof of your identity and eligibility for employment in the United States, and this offer is contingent upon such satisfactory proof. Such documentation must be provided to the Company within three business days of your date of hire.

4. **Cash Compensation**. The Company will pay you a starting salary at the rate of **$310,000** per year, subject to applicable withholdings, payable in accordance with the Company's standard payroll schedule which is currently semi-monthly payments. This salary will be subject to adjustment pursuant to the Company's employee compensation policies in effect from time to time. As an exempt salaried employee, you will be expected to work hours as required by the nature of your work assignments, including hours beyond the Company's normal business hours, and you will not be eligible for nor entitled to receive overtime compensation.

In addition to your salary, the Company will reimburse you for reasonable rental and travel expenses to and from your current home. The Company will gross up these expenses for the applicable taxes. The maximum Company reimbursement will be $50,000 per annum, and can be adjusted with approval by the CEO.

5. **Bonus**. In addition, you will be eligible to be considered for a discretionary incentive and retention bonus for each fiscal year of the Company. Whether you are awarded any bonus for a given fiscal year, and the amount of the bonus (if any), will be determined by the Company in its sole discretion based on your or the Company's achievement of objective or subjective criteria established and approved by the Company's Board of Directors. Your target bonus will be equal to up to 30**%** of your annual base salary. Any bonus for the fiscal year in which your employment begins will be prorated, based on the number of days you are employed by the Company during that fiscal year. Any bonus for a fiscal year will be paid within 2½ months after the close of that fiscal year, and you must remain actively employed by the Company at the time of payment in order to earn a bonus for that fiscal year. The determinations of the Company's Board of Directors with respect to your bonus will be final and binding.

6. **Severance Benefits Not in Connection with a Change in Control**.[1]

(a) **General**. Except as set forth in Section 7, if the Company terminates your employment for any reason other than for Cause or other than as a result of death or Permanent Disability, and a Separation occurs, then you will be entitled to the benefits described in this Section 6. However, this Section 6 will not apply unless you (i) have returned all Company property in your possession, (ii) have resigned as a member of the Boards of Directors of the Company and all of its subsidiaries, to the extent applicable, and (iii) have executed a general release of all claims that you may have against the Company or persons affiliated with the Company. The release must be in the form prescribed by the Company, without alterations. You must execute and return the release on or before the date specified by the Company in the prescribed form (the "Release Deadline"). The Release Deadline will in no event be later than 60 days after your Separation. If you fail to return the release on or before the Release Deadline, or if you revoke the release, then you will not be entitled to the benefits described in this Section 6.

(b) **Salary Continuation**. If the Company terminates your employment for any reason other than for Cause or other than as a result of death or Permanent Disability and a Separation occurs, then the Company will continue to pay your base salary for a period of six months after your Separation. Your base salary will be paid at the rate in effect at the time of your Separation and in accordance with the Company's standard payroll procedures. The salary continuation payments will commence within 30 days after the Release Deadline and, once they commence, will be retroactive to the date of your Separation. The salary continuation payments will end when you commence new employment or substantial self-employment.

(c) **COBRA**. If the Company terminates your employment for any reason other than for Cause or other than as a result of death or Permanent Disability, a Separation occurs, and you elect to continue your health insurance coverage under the Consolidated Omnibus Budget

[1] Several capitalized terms are defined in Section 17.

Reconciliation Act ("COBRA") following your Separation, then the Company will pay the same portion of your monthly premium under COBRA as it pays for active employees until the earliest of (i) the close of the six-month period following your Separation, (ii) the expiration of your continuation coverage under COBRA or (iii) the date when you commence new employment or substantial self-employment and become covered under another group health plan.

(d) **Accelerated Vesting**. If the Company terminates your employment for any reason other than for Cause or other than as a result of death or Permanent Disability and a Separation occurs, and if vesting does not accelerate under Section 9, then the vested percentage of the shares subject to the Option (as defined below) will be determined by adding twelve months to the actual period of service that you have completed with the Company.

(e) **Exercise of Option**. If the Company terminates your employment for any reason other than for Cause and a Separation occurs, you will have the opportunity to exercise the vested portion of your Option until the first anniversary of your termination.

7. **Severance Benefits in Connection with a Change in Control**. You will also be entitled to the benefits set forth in the Company's Change in Control Severance Policy adopted by the Company's Board of Directors on October 6, 2017, as amended from time to time (the "Policy"), subject to the terms and conditions set forth therein. For the avoidance of doubt, the severance payments and benefits payable pursuant to Section 6 above and this Section 7 are not cumulative. You hereby acknowledge that the severance benefits payable pursuant to this Section 7 are intended to be the sole and exclusive severance benefits payable to you in connection with a Change in Control (as defined in the Policy) and you hereby waive any and all rights you may have with respect to any severance benefits in connection with a Change in Control other than such benefits provided pursuant to the Policy.

8. **Employee Benefits**. You will be eligible to participate in such Company-sponsored benefits, including its medical, dental and 401(k) plans or arrangements, under the terms and conditions of the benefit plans that the Company may offer to its senior management from time to time. In addition, you will be entitled to accrue and use paid vacation benefits, in accordance with the Company's vacation policy, as in effect from time to time.

9. **Stock Options**.[2]

(a) In connection with the commencement of your employment and subject to the approval of the Company's Board of Directors (or an authorized committee thereof), you will be granted an option to purchase shares of the Company's Common Stock (the "Option") to result in an immediate post-Series B financing fully-diluted equity ownership of 1.25**%** after each tranche of the Series B as described in more detail below.

(b) **First Tranche**. This Subsection (b) will apply to the first 695,128 Option shares (the "First Tranche"), which represents a fully-diluted equity ownership of 1.25 % as of the date hereof. You will vest in 25% of the First Tranche after the first 12 months of continuous

[2] Several capitalized terms are defined in Section 17.

service, commencing on the Start Date, and will vest in the balance of the First Tranche in equal monthly installments over the next three years of continuous service. The vested percentage of the First Tranche will be determined by adding 12 months to the actual period of service that you have completed with the Company if the Company terminates your service without Cause.

(c) **Second Tranche**. This Subsection (c) will apply to 161,267 Option shares (the "Second Tranche") which, together with the First Tranche, represents a fully-diluted equity ownership of 1.25 % as of the date hereof assuming the consummation of the remaining tranche of the Series B financing (and assuming no other changes to the fully diluted capitalization between the date hereof and such tranche closing). You will vest in the Second Tranche only if (i) the Milestone, as defined in the Company's Series B Preferred Stock Purchase Agreement dated April 29, 2016 as amended on June 30, 2017 (the "Purchase Agreement"), is satisfied on or before April 1, 2018, and (ii) all "Milestone Closings," as defined in the Purchase Agreement, have occurred. Provided that the requirements described in the preceding sentence have been met, you will vest in 25% of the Second Tranche options after the first 12 months of continuous service after the Second Tranche, and will vest in the balance of the Second Tranche in equal monthly installments over the next 36 months of continuous service.

(d) The exercise price per share of the Option will equal the fair market value on the date of grant as determined by the Company's Board of Directors. The Option will be subject to the terms and conditions applicable to options granted under the Company's 2015 Stock Incentive Plan (the "Plan"), as described in the Plan and the applicable Stock Option Agreement, including vesting provisions consistent with Subsections 9(b)&(c) above. You will have the right to early exercise of the Option pursuant to approval by the Board of Directors.

10. **Employment Relationship**. Employment with the Company is for no specific period of time. Your employment with the Company will be "at will," meaning that either you or the Company may terminate your employment at any time and for any reason, with or without cause or advance notice. Any contrary representations that may have been made to you are superseded by this letter agreement. This is the full and complete agreement between you and the Company on this term. Although your job duties, title, compensation and benefits, as well as the Company's personnel policies and procedures, may change from time to time, the "at will" nature of your employment may only be changed in an express written agreement signed by you and a duly authorized officer of the Company (other than you).

11. **No Breach of Obligations to Prior Employers**. You represent that your signing of this letter agreement, agreement(s) concerning stock options granted to you, and the Employee Confidential Information and Inventions Assignment Agreement and your commencement of employment with the Company will not violate any agreement currently in place between yourself and current or past employers. You further represent that you have not, and agree that you will not, during the term of your employment with the Company, enter into any oral or written agreement in conflict with any of the provisions of this letter or the Company's policies. You are not to bring with you to the Company, or use or disclose to any person associated with the Company, any confidential or proprietary information belonging to any former employer or other person or entity with respect to which you owe an obligation of confidentiality under any agreement or otherwise. The Company does not want or need and will not use such information, will assist you to preserve and protect the

confidentiality of proprietary information belonging to third parties, and expects you to use in performing your duties for the Company only information which is generally known and used by persons with training and experience comparable to your own, which is common knowledge in the industry or otherwise legally in the public domain, or which is otherwise provided or developed by the Company. Also, we expect you to abide by any obligations to refrain from soliciting any person employed by or otherwise associated with any former employer and suggest that you refrain from having any contact with such persons until such time as any non-solicitation obligation expires.

12. **Confidentiality**. As an employee of the Company, you will have access to certain confidential information of the Company and you may, during the course of your employment, develop certain information or inventions that will be the property of the Company. To protect the interests of the Company, you will need to sign the Company's standard "Employee Confidential Information and Inventions Assignment Agreement" as a condition of your employment.

13. **Duty of Loyalty; Duty Not to Compete**. You agree to the best of your ability and experience that you will at all times loyally and conscientiously perform all of the duties and obligations required of and from you, and to the reasonable satisfaction of the Company. During the term of your employment, you further agree that you will devote all of your business time and attention to the business of the Company, the Company will be entitled to all of the benefits and profits arising from or incident to all such work services and advice, you will not render commercial or professional services of any nature to any person or organization, whether or not for compensation, without the prior written consent of the Company, and you will not directly or indirectly engage or participate in any business that is competitive in any manner with the business of the Company or that would create a conflict of interest with the Company. Nothing in this letter agreement will prevent you from accepting speaking or presentation engagements in exchange for honoraria or from serving on boards of charitable organizations or such private or public companies, so long as these activities do not interfere with the performance of your duties with the Company, or from owning no more than one percent (1%) of the outstanding equity securities of a corporation whose stock is listed on a national stock exchange.

14. **Tax Matters**. All forms of compensation referred to in this letter agreement are subject to reduction to reflect applicable withholding and payroll taxes and other deductions required by law. You are encouraged to obtain your own tax advice regarding your compensation from the Company. You agree that the Company does not have a duty to design its compensation policies in a manner that minimizes your tax liabilities, and you will not make any claim against the Company or its Board of Directors related to tax liabilities arising from your compensation.

15. **Interpretation, Amendment and Enforcement**. This letter agreement, together with the Employee Confidential Information and Inventions Assignment Agreement, constitutes the complete agreement between you and the Company with respect to the subject matter hereof and supersedes any prior agreements, representations or understandings (whether written, oral or implied) between you and the Company. Once signed, changes to the terms of this letter agreement, other than those changes expressly reserved to the Company's modification and/or discretion, require an express written modification signed by both you and a duly authorized officer of the Company. The terms of this letter agreement and the resolution of any disputes as to the meaning, effect, performance or validity of this letter agreement or arising out of, related to, or in any way connected with, this letter

agreement, your employment with the Company or any other relationship between you and the Company (the "Disputes") will be governed by California law, excluding laws relating to conflicts or choice of law. You and the Company submit to the exclusive personal jurisdiction of the federal and state courts located in California in connection with any Dispute or any claim related to any Dispute. Not withstanding any provisions of this Letter to the contrary, to the extent of any conflict between the provisions of this Letter and the 2015 Stock Incentive Plan, the terms of the Plan shall take precedence and superseded any conflicting terms of this Letter.

16. **Definitions**. The following terms have the meaning set forth below wherever they are used in this letter agreement:

"**Cause**" means (a) your unauthorized use or disclosure of the Company's confidential information or trade secrets, which use or disclosure causes material harm to the Company, (b) your material breach of any agreement between you and the Company, (c) your material failure to comply with the Company's written policies or rules, (d) your conviction of, or your plea of "guilty" or "no contest" to, a felony under the laws of the United States or any State, (e) your gross negligence or willful misconduct, (f) your continuing failure to perform assigned duties after receiving written notification of the failure from the Company's Board of Directors or (g) your failure to cooperate in good faith with a governmental or internal investigation of the Company or its directors, officers or employees, if the Company has requested your cooperation.

"**Permanent Disability**" means that you are unable to perform the essential functions of your position, with or without reasonable accommodation, for a period of at least 120 consecutive days because of a physical or mental impairment.

"**Separation**" means a "separation from service," as defined in the regulations under Section 409A of the Internal Revenue Code of 1986, as amended.

****

We hope that you will accept our offer to join the Company. You may indicate your agreement with these terms and accept this offer by signing and dating both the enclosed duplicate original of this letter agreement and the enclosed Proprietary Information and Inventions Agreement and returning them to me. This offer, if not accepted, will expire at the close of business on November 15, 2017.

If you have any questions, please do not hesitate to contact me.

Very truly yours,

GRAYBUG VISION, INC.

/s/ Jeffrey L. Cleland
By: Jeffrey L. Cleland, Ph.D.
Title: President & Chief Executive Officer

I have read and understood this letter agreement and hereby acknowledge, accept and agree to the terms as set forth above and further acknowledge that no other commitments were made to me as part of my employment offer except as specifically set forth herein.

/s/ Pamela Wapnick

Signature of Employee

Dated: 11/13/17

EXHIBIT B

Consulting Agreement

CONSULTING AGREEMENT

This Consulting Agreement ("***Agreement***") is entered into as of September 11, 2019 (the "***Effective Date***"), between Graybug Vision, Inc., a Delaware corporation having its principal place of business at 275 Shoreline Drive, Suite 450, Redwood City, CA 94065 ("***Company***") and Pamela Wapnick ("***Consultant***").

Company and Consultant desire to have Consultant perform services for Company, subject to and in accordance with the terms and conditions of this Agreement.

THEREFORE, the parties agree as follows:

1. SERVICES

1.1 Statement of Work. Company and Consultant have executed (or will execute) a statement of work, substantially in the form attached hereto as Exhibit A, that describes the specific services to be performed by Consultant (as executed, a "***Statement of Work***"). The Statement of Work will expressly refer to this Agreement, will form part of this Agreement, and will be subject to the terms and conditions contained herein. The Statement of Work may be amended only by written agreement of the parties.

1.2 Performance of Services. Consultant will perform the services described in the Statement of Work (the "***Services***") in accordance with the terms and conditions set forth in such Statement of Work and this Agreement.

1.3 Delivery. Consultant will deliver to Company the deliverables, designs, modules, software, products, documentation and other materials specified in the Statement of Work (individually or collectively, "***Deliverables***") in accordance with the delivery schedule and other terms and conditions set forth in the Statement of Work.

2. PAYMENT

2.1 Fees. As Consultant's sole compensation for the performance of Services, Company will pay Consultant the compensation specified in the Statement of Work in accordance with the terms set forth therein. Without limiting the generality of the foregoing, Consultant acknowledges and agrees that, if specified in the Statement of Work, Company's payment obligation will be expressly subject to Consultant's completion or achievement of certain milestones to Company's reasonable satisfaction.

2.2 Expenses. Unless otherwise provided in the Statement of Work, Company will also reimburse Consultant for all reasonable and customary out-of-pocket travel, lodging and related expenses incurred by Consultant in connection with Consultant's performance of Services. At Company's request, Consultant will furnish Company with copies of receipts and other customary documentation for any expenses for which Consultant requests reimbursement hereunder.

2.3 Payment Terms. All fees and other amounts set forth in the Statement of Work, if any, are stated in and are payable in U.S. dollars. Unless otherwise provided in the Statement of Work, Consultant will invoice Company on a monthly basis for all fees and expenses payable to Consultant. Company will pay the full amount of each such invoice within thirty (30) days following receipt thereof, except for any amounts that Company disputes in good faith. The parties will use their respective commercially reasonable efforts to promptly resolve any such payment disputes.

3. RELATIONSHIP OF THE PARTIES

3.1 Independent Contractor. Consultant is an independent contractor and nothing in this Agreement will be construed as establishing an employment or agency relationship between Company and Consultant. Consultant has no

authority to bind Company by contract or otherwise. Consultant will perform Services under the general direction of Company, but Consultant will determine, in Consultant's sole discretion, the manner and means by which Services are accomplished, subject to the requirement that Consultant will at all times comply with applicable law.

3.2 Taxes and Employee Benefits. Consultant will report to all applicable government agencies as income all compensation received by Consultant pursuant to this Agreement. Consultant will be solely responsible for payment of all withholding taxes, social security, workers' compensation, unemployment and disability insurance or similar items required by any government agency. Consultant will not be entitled to any benefits paid or made available by Company to its employees, including, without limitation, any vacation or illness payments, or to participate in any plans, arrangements or distributions made by Company pertaining to any bonus, stock option, profit sharing, insurance or similar benefits. Consultant will indemnify and hold Company harmless from and against all damages, liabilities, losses, penalties, fines, expenses and costs (including reasonable fees and expenses of attorneys and other professionals) arising out of or relating to any obligation imposed by law on Company to pay any withholding taxes, social security, unemployment or disability insurance or similar items in connection with compensation received by Consultant pursuant to this Agreement.

3.3 Liability Insurance. Consultant acknowledges that Company will not carry any liability insurance on behalf of Consultant. Consultant will maintain in force adequate liability insurance to protect Consultant from claims of personal injury (or death) or tangible or intangible property damage (including loss of use) that arise out of any act or omission of Consultant.

4. OWNERSHIP

4.1 Disclosure of Work Product. Consultant will, as an integral part of the performance of Services, disclose in writing to Company all inventions, products, designs, drawings, notes, documents, information, documentation, improvements, works of authorship, processes, techniques, know-how, algorithms, specifications, biological or chemical specimens or samples, hardware, circuits, computer programs, databases, user interfaces, encoding techniques, and other materials of any kind that Consultant may make, conceive, develop or reduce to practice, alone or jointly with others, in connection with performing Services, or that result from or that are related to such Services, whether or not they are eligible for patent, copyright, mask work, trade secret, trademark or other legal protection (collectively, "***Consultant Work Product***"). Consultant Work Product includes without limitation any Deliverables that Consultant delivers to Company pursuant to Section 1.3.

4.2 Ownership of Consultant Work Product. Consultant agrees that all Consultant Work Product will be the sole and exclusive property of Company. Consultant hereby irrevocably transfers and assigns to Company, and agrees to irrevocably transfer and assign to Company, all right, title and interest in and to the Consultant Work Product, including all worldwide patent rights (including patent applications and disclosures), copyright rights, mask work rights, trade secret rights, know-how, and any and all other intellectual property or proprietary rights (collectively, "***Intellectual Property Rights***") therein. At Company's request and expense, during and after the term of this Agreement, Consultant will assist and cooperate with Company in all respects, and will execute documents, and will take such further acts reasonably requested by Company to enable Company to acquire, transfer, maintain, perfect and enforce its Intellectual Property Rights and other legal protections for the Consultant Work Product. Consultant hereby appoints the officers of Company as Consultant's attorney-in-fact to execute documents on behalf of Consultant for this limited purpose.

4.3 Moral Rights. To the fullest extent permitted by applicable law, Consultant also hereby irrevocably transfers and assigns to Company, and agrees to irrevocably transfer and assign to Company, and waives and agrees never

to assert, any and all Moral Rights (as defined below) that Consultant may have in or with respect to any Consultant Work Product, during and after the term of this Agreement. "***Moral Rights***" mean any rights to claim authorship of a work, to object to or prevent the modification or destruction of a work, to withdraw from circulation or control the publication or distribution of a work, and any similar right, existing under judicial or statutory law of any country in the world, or under any treaty, regardless of whether or not such right as called or generally referred to as a "moral right."

4.4 Related Rights. To the extent that Consultant owns or controls (presently or in the future) any patent rights, copyright rights, mask work rights, trade secret rights, or any other intellectual property or proprietary rights that may block or interfere with, or may otherwise be required for, the exercise by Company of the rights assigned to Company under this Agreement (collectively, "***Related Rights***"), Consultant hereby grants or will cause to be granted to Company a non-exclusive, royalty-free, irrevocable, perpetual, transferable, worldwide license (with the right to sublicense) to make, have made, use, offer to sell, sell, import, copy, modify, create derivative works based upon, distribute, sublicense, display, perform and transmit any products, software, hardware, methods or materials of any kind that are covered by such Related Rights, to the extent necessary to enable Company to exercise all of the rights assigned to Company under this Agreement.

5. CONFIDENTIAL INFORMATION

For purposes of this Agreement, "***Confidential Information***" means and will include: (i) any information, materials or knowledge regarding Company and its business, financial condition, products, programming techniques, customers, suppliers, technology or research and development that is disclosed to Consultant or to which Consultant has access in connection with performing Services; (ii) the Consultant Work Product; and (iii) the terms and conditions of this Agreement. Confidential Information will not include any information that: (a) is or becomes part of the public domain through no fault of Consultant; (b) was rightfully in Consultant's possession at the time of disclosure, without restriction as to use or disclosure; or (c) Consultant rightfully receives from a third party who has the right to disclose it and who provides it without restriction as to use or disclosure. At all times, both during Consultant's engagement by Company as an independent contractor and after its termination, and to the fullest extent permitted by law, Consultant agrees to hold all Confidential Information in strict confidence, not to use it in any way, commercially or otherwise, except in performing Services, and not to disclose it to others. Consultant further agrees to take all actions reasonably necessary to protect the confidentiality of all Confidential Information. Nothing in this Section 5 or otherwise in this Agreement shall limit or restrict in any way Consultant's immunity from liability for disclosing Company's trade secrets as specifically permitted by 18 U.S. Code Section 1833, the pertinent provisions of which are attached hereto as Exhibit B.

6. WARRANTIES

6.1 No Pre-existing Obligations. Consultant represents and warrants that Consultant has no pre-existing obligations or commitments (and will not assume or otherwise undertake any obligations or commitments) that would be in conflict or inconsistent with or that would hinder Consultant's performance of its obligations under this Agreement.

6.2 Performance Standard. Consultant represents and warrants that Services will be performed in a thorough and professional manner, consistent with high professional and industry standards by individuals with the requisite training, background, experience, technical knowledge and skills to perform Services.

6.3 Non-infringement. Consultant represents and warrants that the Consultant Work Product will not infringe, misappropriate or violate the rights of any third party, including, without limitation, any Intellectual Property Rights or any rights of privacy or rights of publicity, except to the extent any portion of the Consultant Work Product is created, developed or supplied by Company or by a third party on behalf of Company.

6.4 Competitive Activities. During the term of this Agreement, Consultant will not, directly or indirectly, in any individual or representative capacity, engage or participate in or provide services to any business that is competitive with the types and kinds of business being conducted by Company.

6.5 Non-Solicitation of Personnel. During the term of this Agreement and for a period of one (1) year thereafter, Consultant will not directly or indirectly solicit the services of any Company employee or consultant for Consultant's own benefit or for the benefit of any other person or entity.

7. INDEMNITY

Consultant will defend, indemnify and hold Company harmless from and against all claims, damages, liabilities, losses, expenses and costs (including reasonable fees and expenses of attorneys and other professionals) arising out of or resulting from:

(a) any action by a third party against Company that is based on a claim that any Services performed under this Agreement, or the results of such Services (including any Consultant Work Product), or Company's use thereof, infringe, misappropriate or violate such third party's Intellectual Property Rights; and

(b) any action by a third party against Company that is based on any act or omission of Consultant and that results in: (i) personal injury (or death) or tangible or intangible property damage (including loss of use); or (ii) the violation of any statute, ordinance, or regulation.

8. TERM AND TERMINATION

8.1 Term. This Agreement will commence on the Effective Date and, unless terminated earlier in accordance with the terms of this Agreement, will remain in force and effect for as long as Consultant is performing Services pursuant to the Statement of Work.

8.2 Termination for Breach. Either party may terminate this Agreement (including the Statement of Work) if the other party breaches any material term of this Agreement and fails to cure such breach within thirty (30) days following written notice thereof from the non-breaching party.

8.3 Termination for Convenience. Company may terminate this Agreement (including the Statement of Work) at any time, for any reason or no reason, upon at least thirty (30) days written notice to Consultant.

8.4 Effect of Termination. Upon the expiration or termination of this Agreement for any reason: (i) Consultant will promptly deliver to Company all Consultant Work Product, including all work in progress on any Consultant Work Product not previously delivered to Company, if any; (ii) Consultant will promptly deliver to Company all Confidential Information in Consultant's possession or control; and (iii) Company will pay Consultant any accrued but unpaid fees due and payable to Consultant pursuant to Section 2.

8.5 Survival. The rights and obligations of the parties under Sections 2, 3.2, 3.3, 4, 5, 6.3, 6.5, 7, and 8.4 will survive the expiration or termination of this Agreement.

9. GENERAL

9.1 Assignment. Consultant may not assign or transfer this Agreement, in whole or in part, without Company's express prior written consent. Any attempt to assign this Agreement, without such consent, will be void. Subject to the foregoing, this Agreement will bind and benefit the parties and their respective successors and assigns.

9.2 No Election of Remedies. Except as expressly set forth in this Agreement, the exercise by Company of any of its remedies under this Agreement will not be deemed an election of remedies and will be without prejudice to its other remedies under this Agreement or available at law or in equity or otherwise.

9.3 Equitable Remedies. Because the Services are personal and unique and because Consultant will have access to Confidential Information of Company, Company will have the right to enforce this Agreement and any of its provisions by injunction, specific performance or other equitable relief, without having to post a bond or other consideration, in addition to all other remedies that Company may have for a breach of this Agreement at law or otherwise.

9.4 Attorneys' Fees. If any action is necessary to enforce the terms of this Agreement, the substantially prevailing party will be entitled to reasonable attorneys' fees, costs and expenses in addition to any other relief to which such prevailing party may be entitled.

9.5 Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of California, excluding its body of law controlling conflict of laws. Any legal action or proceeding arising under this Agreement will be brought exclusively in the federal or state courts located in the Northern District of California and the parties irrevocably consent to the personal jurisdiction and venue therein.

9.6 Severability. If any provision of this Agreement is held invalid or unenforceable by a court of competent jurisdiction, the remaining provisions of this Agreement will remain in full force and effect, and the provision affected will be construed so as to be enforceable to the maximum extent permissible by law.

9.7 Waiver. The failure by either party to enforce any provision of this Agreement will not constitute a waiver of future enforcement of that or any other provision.

9.8 Notices. All notices required or permitted under this Agreement will be in writing, will reference this Agreement, and will be deemed given: (i) when delivered personally; (ii) one (1) business day after deposit with a nationally-recognized express courier, with written confirmation of receipt; or (iii) three (3) business days after having been sent by registered or certified mail, return receipt requested, postage prepaid. All such notices will be sent to the addresses set forth above or to such other address as may be specified by either party to the other party in accordance with this Section.

9.9 Entire Agreement. This Agreement, together with the Statement of Work, constitutes the complete and exclusive understanding and agreement of the parties with respect to its subject matter and supersedes all prior understandings and agreements, whether written or oral, with respect to its subject matter. No term in the Statement of Work will be deemed to amend the terms of this Agreement unless the Statement of Work references a specific provision in this Agreement and provides that the Statement of Work is amending only that specific provision of this Agreement and only with respect to Services performed pursuant to such Statement of Work.

9.10 Any waiver, modification or amendment of any provision of this Agreement will be effective only if in writing and signed by the parties hereto.

9.11 Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

COMPANY:		**CONSULTANT:**	
By:	/s/ Frederic Guerard	By:	/s/ Pamela Wapnick
Name:	Frederic Guerard	Name:	Pamela Wapnick
Title:	Chief Executive Officer	Title:	Chief Financial Officer
Date:	9/11/2019	Date:	9/11/2019

EXHIBIT A

STATEMENT OF WORK

This Statement of Work is issued under and subject to all of the terms and conditions of the Consulting Agreement dated as of September 11, 2019, between Graybug Vision, Inc. ("***Company***") and Pamela Wapnick ("***Consultant***").

1. **Description of Services** Assist with the transition of Chief Financial Officer and VP Finance related duties and related projects as so requested.

2. **Payment Terms**

Hourly Consulting Rate:	$400
Start Date:	September 11, 2019

Consultant shall not work, and the Company shall not be responsible for payment, in excess of 40 hours per month, unless otherwise approved in writing by the Company's Chief Executive Officer.

AGREED AS OF SEPTEMBER 11, 2019

COMPANY:		**CONSULTANT:**	
By:	/s/ Frederic Guerard	By:	/s/ Pamela Wapnick
Name:	Frederic Guerard	Name:	Pamela Wapnick
Title:	Chief Executive Officer	Title:	Chief Financial Officer
Date:	9/11/2019	Date:	9/11/2019

EXHIBIT B

DEFEND TRADE SECRETS ACT, 18 U.S. CODE § 1833 NOTICE:

18 U.S. Code Section 1833 provides as follows:

Immunity From Liability For Confidential Disclosure Of A Trade Secret To The Government Or In A Court Filing. 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.

Use of Trade Secret Information in Anti-Retaliation Lawsuit. An individual who files a lawsuit for retaliation by an employer for reporting a suspected violation of law may disclose the trade secret to the attorney of the individual and use the trade secret information in the court proceeding, if the individual (A) files any document containing the trade secret under seal; and (B) does not disclose the trade secret, except pursuant to court order.

MASTER CONSULTING AGREEMENT

THIS MASTER CONSULTING AGREEMENT (the "**Agreement**") is made and entered into as of March 20, 2020 place of business at 275 Shoreline Drive, Suite 450, Redwood City, CA 94065 USA ("**Company**"), and Charles Semba, MD, having an address at 1925 Byron Street, Palo Alto, CA, 94301 ("**Consultant**"). Each of Company and Consultant are sometimes hereafter referred to as a "Party" or collectively as the "Parties."

WHEREAS, the Consultant has professional expertise related to the field(s) in which Company is researching and developing products and technologies;

WHEREAS, Company desires to retain the Consultant to perform and do certain work for the Company in furtherance of the development of the business of the Company, on the terms and conditions of this Agreement; and

WHEREAS, the Consultant is desirous of performing such work for the Company, on the terms and conditions contained herein.

NOW THEREFORE, in full consideration of the mutual promises, covenants and obligations contained in this Agreement, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Services; Compensation; Disclosures.

(a) Services. Consultant shall furnish in a professional and workmanlike manner, as an independent contractor using Consultant's own means and methods, personal services as agreed to by the Parties and specified in a Request for Services document, a sample of which is attached hereto as **Exhibit A** (the "**Request for Services**" or "**Services**"). The nature of the Services to be performed by Consultant, as well as the timing, cost and payment schedule with respect to such Services shall be set forth in the Request for Services. Company agrees to pay the Consultant the fees specified in the Request for Services. There is no minimum number of hours for Service related projects and/or fees to be paid to Consultant required under this Agreement. Consultant shall be paid for actual Services completed in accordance with this Agreement. The payment thereof shall constitute full payment for Services to Company during the Term of this Agreement, Consultant will receive no other remuneration resulting from or based upon the Services or any products, and Consultant shall not receive any additional benefits or compensation for the Services; provided, however, that if Company requests a modification of the Services, the Parties shall agree in writing to adjust the Services and, if applicable, the fee accordingly.

(b) Compensation. Company will reimburse Consultant for reasonable and customary travel and out-of-pocket expenses incurred by Consultant in connection with the Services provided under each Request for Services, provided that Consultant provides appropriate supporting documentation of actual costs incurred (including receipts) in accordance with the Company's Expense and Reimbursement Guidelines provided in **Exhibit B** and completes and submits the Travel Reimbursement Form attached hereto as **Exhibit C**. Company or its authorized agents shall have the right to audit such financial documentation to verify amounts billed at any time upon request by Company.

2. Term.

(a) The term of this Agreement shall commence on the Effective Date and shall continue in full force and effect until December 31, 2020 (the "**Term**"), unless sooner terminated as provided herein. The Term may only be extended by mutual written agreement of the Parties.

(b) This Agreement and/or any Services to be performed by Consultant under this Agreement may be terminated by Company (i) immediately upon notice to Consultant for any violation by Consultant of any provision of this Agreement or for any other cause, or (ii) at any time without cause upon fifteen (15) days written notice to Consultant. Upon the delivery of such notice by Company, Consultant shall immediately cease work and deliver to Company all work in progress and return all Company Confidential Information (as defined in **Section 8** below) and any Company-owned materials and/or equipment. Company's sole obligation shall be to pay Consultant undisputed monies owed Consultant up to the time of termination for Services actually performed and reasonable expenses actually incurred. Any unearned or unexpended portion of monies previously paid by Company to Consultant shall be refunded to Company.

(c) This Agreement and/or any Services to be performed by Consultant under this Agreement may be terminated by Consultant for cause upon written notice to Company if Company does not cure a breach of this Agreement within thirty (30) days after receiving written notice of such breach from Consultant. For purposes of this Agreement, "cause" shall mean failure of Company to comply with its obligations under this Agreement.

(d) Consultant's obligations under Sections 2(b), 2(d), 2(e), 6, 8, 9, 10, 11, 12, 13, 15, 16, 19, 22 and 25 of this Agreement shall survive the expiration or termination of this Agreement.

(e) The election of a party to terminate this Agreement shall not be deemed an election of remedies, and all other remedies provided by this Agreement or available at law or in equity shall survive any termination. Neither expiration nor termination shall relieve Consultant from any liability arising from any breach of this Agreement.

3. Conflicts of Interest.

(a) In General. Consultant warrants and represents that s/he is authorized to enter into this Agreement and that Consultant is not a party to any other agreement or under any obligation to any third party which would prevent Consultant from entering into this Agreement or from performing Consultant's obligations hereunder, or require Consultant to obtain any consent or permission with respect thereto. Consultant warrants and represents that there is no conflict of interest in Consultant's other contracts for services or other employment, if any, with the Services to be provided pursuant to this Agreement and that Consultant will ensure that no such conflict arises during the Term of this Agreement.

(b) Special Provision regarding Government Employee Status. In the event that Consultant is employed by a federal, state, local, or foreign government (or an agency thereof)) or is an elected or appointed public official (collectively for purposes of this Agreement, a "government employee"), Consultant shall check the box below the signature line of this Agreement to certify that execution of this Agreement, performance of the Services, and receipt of compensation and/or reimbursement hereunder: (i) do not conflict with any contractual obligation or terms of employment or Consultant's official duties, and (ii) do not violate any law, policy or ethics rules relating to Consultant's employment and Consultant's performance of Services as an independent consultant to Company. Consultant shall further certify that Consultant has and will take any actions required by the entity or agency by which s/he is employed or to which s/he has been elected/appointed related to the Services and compensation/reimbursement hereunder, which may include, by way of example, disclosure of outside financial relationships, approval of outside consulting arrangements, and recusal from participation in certain decision-making activities. Failure to comply fully with this Section shall constitute a material breach of this Agreement, and Company reserves the right to require Consultant to refund any compensation, expenses, or costs hereunder, in addition to any other legal rights Company may have.

4. No Debarment or Exclusion; Consultant Responsibility.

(a) Consultant certifies, represents and warrants that Consultant has not been: (i) debarred under subsections (a) or (b) of Section 306 of the Federal Food, Drug and Cosmetic Act, as amended, 21 U.S.C. Section 335a(a) and (b) (the "**FD&C Act**"), (ii) excluded, debarred, suspended or otherwise ineligible to participate in federal health care programs or in federal procurement or non-procurement programs (as that term is defined in 42 U.S.C. 1320a-7b(f)) or convicted of a criminal offense related to the provision of health care items or services, but has not yet been debarred. Moreover, if Consultant is subsequently so debarred or excluded, Consultant agrees to immediately notify Company of such debarment or exclusion as provided in Section 19 herein, and this Agreement shall terminate with respect to Consultant as of the date of such debarment or exclusion.

(b) Consultant certifies, represents and warrants that Consultant did not and will not use in any capacity the Services of any person debarred under the FD&C Act in connection with its performance of this Agreement. Consultant shall select and shall have full and complete control of and responsibility for all actions of its agents, affiliates, officers, directors, employees and permitted subcontractors, if any, of Consultant (collectively, "**Consultant's Agents**") and none of Consultant's Agents shall be, or shall be deemed to be, the agents, affiliates, officers, directors, employees or subcontractors of Company for any purpose whatsoever by virtue of this Agreement. Company shall have no duty, liability or responsibility of any kind, to or for the acts or omissions of Consultant or any of Consultant's Agents. Consultant hereby acknowledges and agrees that Consultant shall cause each of Consultant's Agents who participate in rendering the Services provided hereunder to comply with the terms of this Agreement.

5. Independent Contractor Relationship.

This Agreement establishes an independent contractor relationship between the Parties, and all of the terms and conditions of this Agreement shall be interpreted in light of that relationship. The relationship of Company and Consultant for purposes of this Agreement is completely independent and unrelated to any other relationship that exists or may exist in the future between the Parties. This Agreement does not create any employer-employee, agency or partnership relationship. As an independent contractor, Consultant's fees and expenses shall be limited to those expressly stated in this Agreement. Consultant shall not participate in Company's fringe benefit plans or any other compensation or benefit plans that Company maintains for its own employees.

6. Consultant Responsible for Taxes.

(a) In General. In conformity with Consultant's independent contractor status and without limiting any of the foregoing, Consultant agrees to accept liability for the payment of all taxes or contributions for unemployment insurance or pensions or annuities or social security payments which are measured by the wages, salaries or other remuneration paid to Consultant or Consultant's Agents, if any, and to reimburse and indemnify Company for any such taxes or contributions or penalties which Company may be compelled to pay. Consultant also agrees to take all action and comply with all applicable administrative regulations necessary for the payment by Consultant of such taxes and contributions.

(b) U.S. Consultants. Consultant agrees to prepare and provide to Company documentation, information and certifications as required by the U.S. Internal Revenue Code, State, or Local Tax Regulatory authorities or agencies, as reasonably requested by Company to determine income tax withholdings, if any. For the purpose of this section, documentation, information and certifications shall mean, by example, Form W-9, or others as may be reasonably requested. Consultant understands that Company will rely on, and use such, documentation, information and certifications solely for Company's tax reporting obligations, if any.

(c) Foreign Consultants. In general, foreign persons are subject to U.S. tax on certain types of income received from U.S. sources. The Company will withhold income taxes as required by U.S. Internal Revenue Code Section 1441 from payments made to foreign Consultants including those who fail to provide Form W-8 or Form 8233 as appropriate to substantiate exemption from or reduced rate of withholding. Such forms may be found at www.irs.gov. Consultant understands that Company will rely on properly completed forms provided Consultant to meet Company's tax reporting obligations, if any**.** Consultant will provide such forms in the manner required by the U.S. Internal Revenue Code.

(d) VAT Taxes. In addition, exclusive of any taxes imposed upon Consultant's net income, Consultant shall pay and Company shall reimburse Consultant for any and all taxes, duties, or excises imposed upon any payments made to Consultant hereunder by any governmental authority, including without limitation any sales, use, service, similar taxes, not including value added taxes ("**VAT**"). Consultant shall pass through VAT only to the extent that it is non-recoverable by Consultant. In such instances, Consultant shall submit to Company original documentation delineating VAT paid, the country in which it was incurred, and all required original documentation substantiating VAT or similar taxes.

7. Consultant Responsible for Insurance. Consultant shall maintain all appropriate insurance coverage required by applicable federal and state laws and shall produce a certificate of such insurance at Company's request.

8. Confidentiality.

(a) Consultant agrees to use Company Confidential Information (as defined herein) solely to perform Consultant's obligations under this Agreement and agrees to retain in confidence and to refrain from disclosing and/or using Company Confidential Information for Consultant's personal benefit or the benefit of any third party. The term "Company Confidential Information" shall include without limitation (i) any and all information, formulae, methods, techniques, processes, know-how and data, technical or non-technical, whether written, graphic, computer-generated or orally furnished to Consultant by Company or indirectly learned by Consultant as a result of Consultant's Services under this Agreement or obtained by Consultant while visiting Company's facilities, (ii) information which has been received by or disclosed to Consultant or Consultant's Agents, either in oral or written or other tangible form including, without limitation, Company's business plans and/or compound or product information, and any physical substances or equipment provided to Consultant by Company, (iii) Intellectual Property (defined herein) and (iv) copies and derivations of and improvements on any of the foregoing. Company Confidential Information is and shall be solely owned by Company. Consultant also agrees to safeguard and keep confidential, the confidential and proprietary information of Company's actual or potential investors, licensees, customers, vendors, suppliers, consultants and others with whom Company does or may do business, to the same extent as if it were Company Confidential Information.

(b) This restriction shall not apply to Company Confidential Information: (i) which is or becomes public knowledge through no fault of Consultant or Consultant's Agents; or (ii) which is lawfully made available to Consultant by an independent third party, and such lawful availability can be properly demonstrated by Consultant; or (iii) which is already in Consultant's possession at the time of initial receipt from Company and such prior possession can be properly demonstrated by Consultant; or (iv) which is independently developed by Consultant or Consultant's Agents and such independent development can be properly demonstrated by Consultant.

(c) Consultant may disclose that portion of Company Confidential Information which is required by law, regulation, rule, act or order of any governmental authority or agency with competent jurisdiction to be disclosed by Consultant, *provided, however*, that Consultant gives Company sufficient advance written notice to permit it to seek a protective order or other similar order or confidential treatment with respect to such Company Confidential Information and thereafter Consultant discloses only the minimum Company Confidential Information required to be disclosed in order to comply, whether or not confidential treatment, a protective order or other similar order is obtained by Company.

(d) Except as permitted in subsection (b), above, Consultant agrees that Consultant will not, without the prior written permission of Company, use Company Confidential Information for any purpose other than in carrying out the obligations of this Agreement and performing the Services. Consultant shall not use any Company Confidential Information to apply for, secure or perfect any intellectual property rights. Consultant shall hold Company Confidential Information in a manner consistent with Consultant's treatment of its own similar confidential information, but in no event shall Consultant maintain the confidentiality of such information with less than reasonable care and diligence. Consultant shall provide the Company Confidential Information received hereunder only to Consultant's Agents who are directly concerned with the Services provided by Consultant under this Agreement and who are subject to and bound by written obligations of confidentiality, non-disclosure and non-use that are no less restrictive than those provided for herein. Further, Consultant agrees to (i) advise Consultant's Agents of the proprietary nature of the Company Confidential Information and the terms and conditions of this Agreement; and (ii) use all reasonable safeguards to prevent the unauthorized use or disclosure of Company Confidential Information by such Agents. Consultant shall be responsible for any breach of this Agreement by Consultant's Agents. Consultant also agrees not to submit for publication any paper containing Company Confidential Information without the prior written permission of Company.

9. Property/Ownership.

(a) All materials, documents, reports, information, descriptions, and suggestions of every kind supplied to Consultant by Company in connection with and/or pursuant to this Agreement or the relationship established between Consultant and Company (including, without limitation, any such materials, documents, reports, information, descriptions and suggestions supplied to Consultant by Company prior to the execution of this Agreement) shall be the sole and exclusive property of Company and shall be deemed and treated as Company Confidential Information. Company shall have the right to use as it sees fit any information, materials, reports, documents, ideas, descriptions, advice, recommendations and suggestions provided by Consultant relating to the subject matter of this Agreement without payment of any consideration in addition to that specified in this Agreement. Upon termination of this Agreement, Consultant shall return such items, including all copies thereof, to Company or dispose of such items as directed by Company.

(b) All information of whatever type developed or provided in connection with this Agreement, including those items described in Section 9(a), shall upon its creation be the exclusive property of Company and shall be deemed and treated as Company Confidential Information. All machines, instruments and products purchased, manufactured or assembled by Consultant or any of Consultant's Agents, in connection with and/or pursuant to this Agreement or the relationship established between Consultant and Company and paid for by Company shall be the exclusive property of Company. Upon termination of this Agreement, Consultant shall return such items, including all copies thereof, to Company or dispose of such items as directed by Company.

(c) If Company provides any materials (including without limitation, compounds, formulations, devices, samples or the like) to Consultant, unless expressly provided for in the description of Services in Exhibit A, Consultant shall not use, copy, distribute, reverse engineer (by way of example but not limitation, by performing tests such as HPLC, gas chromatography or x-ray crystallography), sell, lease, license or otherwise transfer, modify, adapt or create derivatives of such materials.

10. Assignment of Intellectual Property.

(a) During the Term hereof, and without additional compensation to Consultant, Consultant hereby sells and assigns to Company and Company shall be the exclusive owner of the entire right, title and interest, including all renewals for the entire world, in and to all work performed, deliverables, materials, writings, ideas, concepts, discoveries, developments, know-how, trade secrets, techniques, methodologies, modifications, innovations, improvements, data, documents, formulas, designs,

models, drawings, photographs, reports, information, advice, recommendations and suggestions, tangible research materials, design inventions and other inventions made, whether patentable or not, conceived, delivered, discovered, invented, developed, created, made or reduced to practice or authored by Consultant or any of Consultant's Agents, either solely or jointly with others, in connection with this Agreement or with information, materials or facilities of Company received or used by Consultant during the Term of the Agreement and all related intellectual property rights including enforcement rights (all hereinafter at times referred to as "Intellectual Property"), and Consultant shall cause Consultant's Agents to do the same, including if based upon information provided to Consultant by or at the direction of Company or its corporate affiliates or otherwise developed by Consultant in carrying out Consultant's duties under this Agreement. Consultant shall promptly disclose (and shall cause Consultant's Agents to promptly disclose) all Intellectual Property in writing to Company.

(b) The Parties expressly agree that all works created pursuant to this Agreement are "Works Made for Hire", as defined in the U.S. Copyright Act, 17 U.S.C. 101, and shall vest in Company as author. All other work product, whether copyrightable or not, including without limitation, any works which may be deemed by a competent authority not to be Works Made For Hire created pursuant to this Agreement, are, without additional consideration, hereby assigned to Company by Consultant, including without limitation, all right, title and interest in and to the copyright thereof throughout the world, including all renewals and extensions thereof and including the right to make and distribute copies in any media, to translate, and/or make derivative works therefrom. Consultant agrees to execute and to secure the execution from any applicable authors retained by Consultant all registrations, assignments, transfer documents and other instruments necessary or desirable in the reasonable opinion of Company to record any assignment or registration of copyright or other transfer of ownership in any work transferred to Company pursuant to this Agreement.

(c) Consultant shall sign, execute and acknowledge or cause to be signed, executed and acknowledged any and all further assignments, documents, assurances, applications and other instruments and to perform such acts as may be necessary, useful or convenient for the purpose of securing to Company and/or its nominees patent, trademark or copyright protection throughout the world with respect to all Intellectual Property and other work product to be assigned to Company pursuant to Sections 10(a) and (b).

(d) Consultant shall specifically describe and identify in Exhibit D to this Agreement, and shall update from time to time in writing during the Term hereof as necessary, any and all information, materials and technology (i) which Consultant intends to use in performing Services under this Agreement, (ii) which is either owned by Consultant or licensed to Consultant with a right to sublicense, and (iii) which is in existence in the form of a writing or working prototype prior to the Effective Date of this Agreement ("Background Technology"). Without additional consideration, Consultant hereby grants to the Company, and the Company hereby accepts, a fully paid-up, royalty-free, worldwide, non-exclusive, sublicensable, perpetual, irrevocable, license under Background Technology to the extent necessary for the Company to use, reproduce, modify, distribute and otherwise exploit any Intellectual Property in order to develop, make, have made, use, sell, offer for sale and import products. Other than that, which is set forth in Exhibit D, Consultant shall not use any information, materials or technology in the performance of the Services that is owned or controlled by Consultant or any third party.

(e) No rights or licenses, including without limitation to trademarks, inventions, copyrights, patents or other intellectual properties, are implied or granted to Consultant, whether by implication, estoppel or otherwise, under this Agreement.

11. Publications. Consultant may not publish in any way without the prior written consent of Company, which consent may be withheld by Company in its sole discretion, any material or manuscript relating to Consultant's work hereunder and/or any information or materials that Consultant received in connection with or pursuant to this Agreement or Consultant's relationship established with Company.

12. Confidential Information of Third Parties. The performance by the Consultant of the Services does not and will not breach any agreement which obligates Consultant to keep in confidence any confidential or proprietary information of any third party or to refrain from competing, directly or indirectly, with the business of any third party. Consultant shall not use in the performance of the Services or disclose to Company any such confidential or proprietary information. In addition, Consultant represents and warrants that Consultant's performance of the Services hereunder does not and will not infringe upon or misappropriate any intellectual property rights.

13. Non-Solicitation. Consultant agrees that during the Term of this Agreement and for a period of one (1) year thereafter, Consultant shall neither directly nor indirectly solicit for employment, or otherwise retain, employees of Company whom Consultant has met as a result of Consultant's performance of Services for Company.

14. No Assignment, Delegation, or Subcontracting. Consultant may not, in whole or in part, assign, delegate, or subcontract its interests and/or obligations under this Agreement, to any person, firm, partnership, corporation or other entity (including by operation of law, judicial process, or otherwise) without the prior written consent of Company, which consent may be withheld in Company's sole discretion, and any attempt to the contrary shall be void. Company may fully assign and transfer this Agreement in whole or part.

15. Indemnification. Consultant hereby agrees to indemnify, defend and hold harmless Company, its affiliates, officers, directors, agents and employees, successors and assigns, from, against and with respect to any and all third-party claims of any kind based on any gross negligence, willful misconduct or violation of law or regulation on the part of Consultant or any of Consultant's Agents in connection with Consultant's performance of the Services or meeting his/her/its obligations hereunder.

16. Governing Law and Jurisdiction. This Agreement is deemed to be consummated in the State of California USA. The terms and provisions of this Agreement shall be construed and interpreted pursuant to the laws of the State of California, without regard to the conflict of law rules or principles thereof or of any other jurisdiction. The state or federal courts located in the State of Delaware are the agreed-upon forum for the resolution of all disputes arising hereunder, and the Parties hereto, their officers, and employees hereby consent to (i) the jurisdiction and venue of the aforesaid courts for the purpose of resolving all such disputes and (ii) service of process by registered mail, return receipt requested, or any other manner consistent with federal or California laws. Consultant hereby acknowledges and agrees that in the event of any breach of this Agreement by Consultant, including, without limitation, the actual or threatened disclosures in violation of Sections 8, 9, 10, 11, 12 or 22 without the prior express written consent of Company, Company will suffer an irreparable injury, such that no remedy at law will afford it adequate protection against, or appropriate compensation for, such injury. Accordingly, Consultant hereby agrees that Company shall be entitled to specific performance of Consultant's obligations under this Agreement, as well as such further relief as may be granted by a court of competent jurisdiction, without Company having to prove actual damages or post a bond.

17. Severability. In the event any portion of this Agreement shall be held illegal, void or ineffective, the remaining portions hereof shall remain in full force and effect. If any of the terms or provisions of this Agreement are in conflict with any applicable statute or rule of law, then such term(s) or provision(s) shall be deemed inoperative to the extent that they may conflict therewith and shall be deemed to be modified to conform with such statute or rule of law.

18. Non-Waiver of Rights. No failure or delay on the part of either Party hereunder in either exercising or enforcing any right hereunder will operate as a waiver of, or impair, any such right. No single or partial exercise or enforcement of any such right will preclude any other or further exercise or enforcement thereof or the exercise or enforcement of any other right. No waiver of any such right will have effect unless given in a signed writing. No waiver of any such right will be deemed a waiver of any other right hereunder.

19. Notice. Any report or notice required or permitted to be given hereunder shall be effective when sent. All notices shall be in writing and given personally or by prepaid certified mail, return receipt requested, or sent by expedited delivery service addressed to the Parties hereunder at their respective addresses as follows:

If to Company:

Graybug Vision, Inc.
Attention: Dan Salain
275 Shoreline Drive, Suite 450
Redwood City, CA 94065 USA

with copies to:

Graybug Vision, Inc.
Attention: Finance Dept.
275 Shoreline Drive, Suite 450
Redwood City, CA 94065 USA

(a) **If to CONSULTANT:**

Charles Semba
******
******

Attention: Charles Semba
Telephone: ******
Email: ******

20. Written Reports. Consultant shall provide to Company any written reports or test results, or other deliverables required under this Agreement with respect to the Services rendered hereunder and in accordance with the schedule set forth in each Request for Service, or otherwise as may be mutually agreed by the Parties. Such results or written reports shall be in form and substance satisfactory to Company, and Consultant shall not be entitled to receive compensation for Services performed under this Agreement until such time as such satisfactory results or written reports have been provided to Company with respect to the Services performed for which compensation is sought.

21. Compliance with Law. Consultant represents and warrants that Consultant and Consultants' Agents shall comply with any and all applicable laws and regulations including but not limited to health, safety and security rules and regulations. Notwithstanding the foregoing, Consultant agrees that applicable laws and regulations shall include, but not be limited to, the United States Federal Health Care Program Anti-Kickback statute and its state counterparts, each as amended; other United States Federal and state anti-fraud laws; United States Federal and state patient privacy and information laws; and United States Federal Anti-Corruption laws such as the Foreign Corrupt Practice Act of 1977, as amended. Failure to comply with this Section shall be deemed a material breach of a material provision of this Agreement and the Company will have the right to terminate this Agreement immediately upon written notice to Consultant without any liability to Consultant.

22. Additional Consultant Responsibilities. Consultant understands the regulated nature of the pharmaceutical industry and the need for Company to retain control of the creation, approval and dissemination (including but not limited to any posting or placement of any social media of any type) of all material created as a result of this Agreement. Consultant represents and warrants that Consultant will not release any material without the express written approval of Company. All material created as a result of this Agreement shall be reviewed and approved through an applicable Company review process or procedure.

23. Entire Agreement. This Agreement represents the entire understanding between the Parties with respect to the subject matter contained herein and supersedes all prior and contemporaneous understandings and agreements, whether oral or written, between the Parties with respect to the Services to be performed hereunder. This Agreement may be modified only with a written instrument duly executed by each of the Parties. No person has any authority to make any representation or promise on behalf of any of the Parties not set forth herein and this Agreement has not been executed in reliance upon any representations or promises except those contained herein.

24. Headings. The headings contained in this Agreement are for convenience of reference only and shall not affect or alter the meaning or effect of any provision hereof.

25. Successors. This Agreement and all the rights, obligations, duties, representations, warranties and covenants of each Party shall inure to the benefit, and be the burden of, and shall be binding upon their respective successors (including by operation of law) and permitted assigns.

26. Counterparts. This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

27. Electronic Signatures. The Parties agree that electronic signatures shall be deemed originals.

28. No Changes. Any changes or revisions to this Agreement by Consultant shall render it null and void.

29. Language. The language of this Agreement shall be English, and no rule of strict construction shall be applied against either party.

[INTENTIONALLY BLANK]

INTENDING TO BE LEGALLY BOUND, the Parties hereto have caused this Agreement to be executed by their duly authorized representatives.

CONSULTANT		**COMPANY**	
By:	/s/ Charles Semba	By:	/s/ Frederic Guerard
Name:	Charles Semba	Name:	Frederic Guerard
Title:	Consultant	Title:	CEO

☐ **Check this box if you are a government employee** *(see Section 3)*

By checking the box, I certify as follows:

I certify that: (i) execution of this Agreement and performance of the Services do not conflict with any contractual obligation, the terms of my employment, or my official duties, and does not violate any state or federal policy relating my employment and my performance of the Services as an independent consultant, and (ii) I have and will take any actions required by the agency by which I am employed or to which I have been elected/appointed related to the Services and compensation/reimbursement hereunder, which may include, by way of example, disclosure of outside financial relationships, approval of outside consulting arrangements, and recusal from participation in certain decision-making activities.

EXHIBIT A

REQUEST FOR SERVICES to MASTER CONSULTANT AGREEMENT BY AND BETWEEN COMPANY and CONSULTANT

CONSULTING SERVICES

This Request for Services ("**RFS**") is made as of the last date on which it is signed by one of the Parties as indicated on the signature page hereof by and between Graybug Vision, Inc., a Delaware corporation having its principal place of business at 275 Shoreline Drive, Suite 450, Redwood City, CA 94065 USA ("**Company**"), and Charles Semba ("**Consultant**").

Consultant and Company are parties to that certain Master Consulting Agreement effective as of March 20, 2020, (the "**Agreement**"). This RFS is incorporated into the Agreement and expressly made a part thereof. Accordingly, Consultant's engagement hereunder is subject to the terms and conditions of the Agreement.

Consultant shall perform for Company the services (the "**Services**") described herein.

SERVICES

Provide consultation on the clinical development strategy for Graybug Vision portfolio development in ophthalmology in both retinal disease and glaucoma. Be available for teleconferences and/or face-to-face meetings at mutually agreed upon time and location.

COMPENSATION

Compensation for Services provided pursuant to the Agreement shall be $500/hr. Total compensation plus expense reimbursements shall not exceed $100,000 USD.

Checks shall be made payable to Charles Semba (Federal Tax ID No. ******) by electronic bank transfer

Name of Bank: ******
Account Number: ******
Routing Number: ******

Consultant shall receive no other payment or expense reimbursement for Consultant's provision of Services as described herein.

Stock options granted to Charles Semba prior to March 20, 2020 will continue to vest until the earlier of (i) the termination of the Agreement pursuant to Section 2(a), 2(b) or 2(c) of the Agreement or (ii) December 31, 2020.

IN WITNESS WHEREOF, and intending to be legally bound, the Parties hereto have caused this RFS to be executed by their duly authorized representatives.

CONSULTANT		**COMPANY**	
By:	/s/ Charles Semba	By:	/s/ Frederic Guerard
Name:	Charles Semba	Name:	Frederic Guerard
Title:	Consultant	Title:	CEO
Date:	09 March 2020	Date:	3/12/2020

EXHIBIT B
Company's Expense and Reimbursement Guidelines

1. Travel arrangements must be authorized in writing in advance by the Company or booked directly by the Company. All travel arrangements should be made in sufficient time to take advantage of time-related discounts whenever possible. Travel expenses will only be reimbursed at reasonable prevailing commercial rates.

2. Reimbursement for airline travel is limited to coach class (or equivalent) for travel within the US and business class (or equivalent) for international travel.

3. Transportation to/from airport should be accomplished in a reasonably cost effective manner (e.g., taxi). Automobile rentals should be in the compact or mid-size car class.

4. Hotel reservations should be made at "business class" hotels within a reasonable distance from the location at which business will be conducted. "Business class" hotels in most cities should not exceed $300.00 per day without the prior written approval of the Company.

5. Reasonable meal expenditures will be reimbursed and approved up to $100.00 per day. This per diem should be prorated accordingly for individuals working less than one full day. The per diem allowance may not be accumulated from day to day. Vendors/Consultants are expected to exercise good judgment in choosing restaurants in order to keep meal expenditures within reasonable limits. TV shows, movies, mini-bar, and other sources of personal entertainment will **not** be reimbursed.

6. Two personal long distance telephone calls per day of a reasonable duration will be reimbursed. All reasonable business related telephone calls related to the Company also will be reimbursed.

7. Incidental expenses of a personal nature will **not** be reimbursed except when mandated due to status (e.g., significant travel delays). Reasonable laundry expenses will be reimbursed when on business travel for the Company for at least five consecutive days.

Note: ***This list details significant items and is not all inclusive. This list may be updated from time to time in writing by the Company, including providing Consultant with a copy of the Company's Travel & Expense policy when available. All expenses must be accompanied with appropriate receipts. Expenses will be reviewed for reasonableness and compliance with these Guidelines.***

EXHIBIT C
Travel Reimbursement Form

Consultant Name: ________
___ Approved By:

Address: ______________ Date:

Date Incurred	Description Of Expense	Hotel	Airfare	Transportation	Meals	Mileage	Other	TOTAL
								$ 0.00
								$ 0.00
								$ 0.00
								$ 0.00
								$ 0.00
								$ 0.00
								$ 0.00
								$ 0.00
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								$ 0.00
								$ 0.00
								$ 0.00
								$ 0.00
		$0.00	$ 0.00	$ 0.00	$0.00	$ 0.00	$ 0.00	
							Sub Total	$ 0.00
Notes							TOTAL	$

- See IRS Guidelines for current mileage reimbursement rate

EXHIBIT D

BACKGROUND TECHNOLOGY

OFFICE LEASE

This Office Lease (this **"Lease"**), dated as of the date set forth in Section 1.1, is made by and between **HUDSON SHOREBREEZE, LLC, a Delaware limited liability company ("Landlord")**, and **GRAYBUG, INC., a Delaware corporation ("Tenant")**. The following exhibits are incorporated herein and made a part hereof: **Exhibit A** (Outline of Premises); **Exhibit B** (Work Letter); **Exhibit C** (Form of Confirmation Letter); **Exhibit D** (Rules and Regulations); **Exhibit E** (Judicial Reference); and **Exhibit F** (Additional Provisions).

1 BASIC LEASE INFORMATION

1.1	Date:		May 17, 2016
1.2	Premises.		
	1.2.1	**"Building":**	275 Shoreline Drive, Redwood City, California, commonly known as Shorebreeze I.
	1.2.2	**"Premises":**	5,999 rentable square feet of space located on the fourth floor of the Building and commonly known as Suite 450, the outline and location of which is set forth in **Exhibit A**. If the Premises include any floor in its entirety, all corridors and restroom facilities located on such floor shall be considered part of the Premises.
	1.2.3	**"Property":**	The Building, the parcel(s) of land upon which it is located, and, at Landlord's discretion, any parking facilities and other improvements serving the Building and the parcel(s) of land upon which such parking facilities and other improvements are located.
	1.2.4	**"Project":**	The Property or, at Landlord's discretion, any project containing the Property and any other land, buildings or other improvements.
1.3	Term		
	1.3.1	**Term:**	The term of this Lease (the **"Term"**) shall begin on the Commencement Date and expire on the Expiration Date (or any earlier date on which this Lease is terminated as provided herein).
	1.3.2	**"Commencement Date":**	The earlier of (i) the first date on which Tenant conducts business in the Premises, or (ii) the date on which the Tenant Improvement Work (defined in **Exhibit B**) is Substantially Complete (defined in **Exhibit B**), which is anticipated to be June 13, 2016. Notwithstanding the foregoing, Tenant may enter the Premises before the Commencement Date, solely for the purpose of installing telecommunications and data cabling, equipment, furnishings and other personal property in the Premises. Other than the obligation to pay Monthly Rent, all of Tenant's obligations hereunder shall apply during any period of such early entry. Notwithstanding the foregoing, Landlord may limit, suspend or terminate Tenant's rights to enter the Premises early pursuant to this Section 1.3.2 if Landlord reasonably determines that such entry is endangering individuals working in the Premises or is delaying completion of the Tenant Improvement Work (defined in **Exhibit B**).
	1.3.3	**"Expiration Date":**	The last day of the 36th full calendar month beginning on the Commencement Date; provided, however, that if the Commencement Date is not the first day of a month, then the Expiration Date shall be the last day of the 36th full calendar month beginning immediately after the Commencement Date.

1.4 **"Base Rent":**

Period During Term	Annual Base Rent Per Rentable Square Foot (rounded to the nearest 100th of a dollar)	Monthly Base Rent Per Rentable Square Foot (rounded to the nearest 100th of a dollar)	Monthly Installment of Base Rent
Commencement Date through last day of 12th full calendar month of Term	$ 57.60	$ 4.80	$28,795.20
13th through 24th full calendar months of Term	$ 59.33	$ 4.94	$29,659.06
25th full calendar month of Term through Expiration Date	$ 61.11	$ 5.09	$30,548.83

Notwithstanding the foregoing, Base Rent shall be abated in the amount of $28,795.20 for the first full calendar month of the Term; provided, however, that if a Default (defined in Section 19.1) exists when any such abatement would otherwise apply, such abatement shall be deferred until the date, if any, on which such Default is cured.

1.5 **"Base Year"** for Expenses: Calendar year 2016.

"Base Year" for Taxes: Calendar year 2016.

1.6 **"Tenant's Share"**: 5.2025% (based upon a total of 115,310 rentable square feet in the Building).

1.7 **"Permitted Use"**: General office use consistent with a first-class office building. Notwithstanding the foregoing or any provision herein to the contrary, Tenant shall not permit any E&Y Competitor (defined below) to (a) occupy any portion of the Building for business purposes, nor (b) install or maintain signage in the lobby of, or on, the Building, or on any monument sign exclusively servicing the Building. As used herein, the term **"E&Y Competitor"** shall mean each of the following entities, commonly known as (or as identified as), as of February 1, 2011, together with any Successor (defined below) to any of the same: Accenture, Armanino McKenna, Deloitte, BDO, CSC, Moss Adams, BPM, OUM, KPMG, PricewaterhouseCoopers, Grant Thornton, or Ireland San Flippo. As used above, **"Successor"** means, with respect to any predecessor entity: (i) if such predecessor entity is dissolved and immediately reconstituted as a new entity, then such new entity, as the successor to substantially all of the business operations of such predecessor entity; and (ii) any entity into which such predecessor entity is merged or consolidated or which acquires all or substantially all of such predecessor entity's assets and liabilities, and, in either event, the successor entity continues to engage in the practice of public accounting.

1.8. **"Security Deposit"**: $57,590.40, as more particularly described in Section 21.

Prepaid Base Rent: $28,795.20, as more particularly described in Section 3.

1.9 Parking: 20 unreserved parking spaces, at the rate of $0 per space per month, as such rate may be adjusted from time to time to reflect Landlord's then current rates.

1.10	Address of Tenant:	Before the Commencement Date: GrayBug, Inc. 6411 Beckley Street, Suite 200 Baltimore, Maryland 21224 Attn:_____ From and after the Commencement Date: the Premises.
1.11	Address of Landlord:	Hudson Shorebreeze, LLC c/o Hudson Pacific Properties 950 Tower Lane, Suite 1800 Foster City, California 94404 Attn: Building manager with copies to: Hudson Shorebreeze, LLC c/o Hudson Pacific Properties 950 Tower Lane, Suite 1800 Foster City, California 94404 Attn: Managing Counsel and Hudson Shorebreeze, LLC c/o Hudson Pacific Properties 11601 Wilshire Boulevard, Suite 900 Los Angeles, California 90025 Attn: Leasing
1.12	Broker(s):	CBRE, Inc. (**"Tenant's Broker"**), representing Tenant, and Newmark Cornish & Carey (**"Landlord's Broker"**), representing Landlord.
1.13	Building HVAC Hours and Holidays:	**"Building HVAC Hours"** means 7:00 a.m. to 6:00 p.m., Monday through Friday, excluding the day of observation of New Year's Day, Presidents Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day, and, at Landlord's discretion, any other locally or nationally recognized holiday that is observed by other Comparable Buildings (defined in Section 25.10) (collectively, **"Holidays"**).
1.14	**"Tenant Improvements":**	Defined in **Exhibit B**, if any.
1.15	**"Guarantor":**	None.

2 PREMISES AND COMMON AREAS.

2.1 **The Premises.**

2.1.1 Subject to the terms hereof, Landlord hereby leases the Premises to Tenant and Tenant hereby leases the Premises from Landlord. Landlord and Tenant acknowledge that the rentable square footage of the Premises is as set forth in Section 1.2.2 and the rentable square footage of the Building is as set forth in Section 1.6. At any time Landlord may deliver to Tenant a notice substantially in the form of **Exhibit C**, as a confirmation of the information set forth therein. Tenant shall execute and return (or, by notice to Landlord, reasonably object to) such notice within five (5) business days after receiving it, and if Tenant fails to do so, Tenant shall be deemed to have executed and returned it without exception.

2.1.2 Except as expressly provided herein (including, without limitation, as set forth in **Exhibit B** hereto), the Premises are accepted by Tenant in their configuration and condition existing on the date hereof (or in such other configuration and condition as any existing tenant of the Premises may cause to exist in accordance with its lease), without any obligation of Landlord to perform or pay for any alterations to the Premises, and without any representation or warranty regarding the configuration or condition of the Premises, the Building or the Project or their suitability for Tenant's business.

2.2 **Common Areas**. Tenant may use, in common with Landlord and other parties and subject to the Rules and Regulations (defined in **Exhibit D**), any portions of the Property that are designated from time to time by Landlord for such use (the **"Common Areas"**).

3 RENT. Tenant shall pay all Base Rent and Additional Rent (defined below) (collectively, **"Rent"**) to Landlord or Landlord's agent, without prior notice or demand or any setoff or deduction, at the place Landlord may designate from time to time, in money of the United States of America that, at the time of payment, is legal tender for the payment of all obligations. As used herein, **"Additional Rent"** means all amounts, other than Base Rent, that Tenant is required to pay Landlord hereunder. Monthly payments of Base Rent and monthly payments of Additional Rent for Expenses (defined in Section 4.2.2), Taxes (defined in Section 4.2.3) and parking (collectively, **"Monthly Rent"**) shall be paid in advance on or before the first day of each calendar month during the Term; provided, however, that the installment of Base Rent for the first full calendar month for which Base Rent is payable hereunder shall be paid upon Tenant's execution and delivery hereof. Except as otherwise provided herein, all other items of Additional Rent shall be paid within 30 days after Landlord's request for payment. Rent for any partial calendar month shall be prorated based on the actual number of days in such month. Without limiting Landlord's other rights or remedies, (a) if any installment of Rent is not received by Landlord or its designee within five (5) business days after its due date, Tenant shall pay Landlord a late charge equal to 5% of the overdue amount; and (b) any Rent that is not paid within 10 days after its due date shall bear interest, from its due date until paid, at the lesser of 18% per annum or the highest rate permitted by Law (defined in Section 5). Tenant's covenant to pay Rent is independent of every other covenant herein.

4 EXPENSES AND TAXES.

4.1 **General Terms**. In addition to Base Rent, Tenant shall pay, in accordance with Section 4.4, for each Expense Year (defined in Section 4.2.1), an amount equal to the sum of (a) Tenant's Share of any amount (the **"Expense Excess"**) by which Expenses for such Expense Year exceed Expenses for the Base Year, plus (b) Tenant's Share of any amount (the **"Tax Excess"**) by which Taxes for such Expense Year exceed Taxes for the Base Year. No decrease in Expenses or Taxes for any Expense Year below the corresponding amount for the Base Year shall entitle Tenant to any decrease in Base Rent or any credit against amounts due hereunder. Tenant's Share of the Expense Excess and Tenant's Share of the Tax Excess for any partial Expense Year shall be prorated based on the number of days in such Expense Year.

4.2 **Definitions**. As used herein, the following terms have the following meanings:

4.2.1 **"Expense Year"** means each calendar year (other than the Base Year and any preceding calendar year) in which any portion of the Term occurs.

4.2.2 **"Expenses"** means all expenses, costs and amounts that Landlord pays or accrues during the Base Year or any Expense Year because of or in connection with the ownership, management, maintenance, security, repair, replacement, restoration or operation of the Property. Landlord shall act in a reasonable manner in incurring Expenses. Expenses shall include (i) the cost of supplying all utilities, the cost of operating, repairing, maintaining and renovating the utility, telephone, mechanical, sanitary, storm-drainage, and elevator systems, and the cost of maintenance and service contracts in connection therewith; (ii) the cost of licenses, certificates, permits and inspections, the cost of contesting any Laws that may affect Expenses, and the costs of complying with any governmentally-mandated transportation-management or similar program; (iii) the cost of all insurance premiums and deductibles; (iv) the cost of landscaping and relamping; (v) the cost of parking-area operation, repair, restoration, and maintenance; (vi) a management fee in the amount (which fee may be imputed if Landlord has internalized management or otherwise acts as its own property manager and which fee is hereby acknowledged to be reasonable) of 3% of gross annual receipts from the Property (excluding the management fee), together with other fees and costs, including reasonable consulting fees, legal fees and accounting fees, of all contractors and consultants in connection with the management, operation, maintenance and repair of the Property; (vii) the fair rental value of any management office space; (viii) wages, salaries and other compensation, expenses and benefits, including taxes levied thereon, of all persons engaged in the operation, maintenance and security of the Property, and costs of training, uniforms, and employee enrichment for such persons; (ix) the costs of operation, repair, maintenance and replacement of all systems and equipment (and components thereof) of the Property; (x) the cost of janitorial, alarm, security and other services, replacement of wall and floor coverings, ceiling tiles and fixtures in Common Areas, maintenance and replacement of curbs and walkways, repair to roofs and re-roofing; (xi) rental or acquisition costs of supplies, tools, equipment, materials and personal property used in the maintenance, operation and repair of the Property; (xii) the cost of capital improvements or any other items that are (A) intended to reduce current or future Expenses, enhance the safety or security of the Property or its occupants, or enhance the environmental sustainability of the Property's operations, (B) replacements or modifications of the nonstructural portions of the Base Building (defined in Section 5) or Common Areas that are required to keep the Base Building or Common Areas in good condition, or (C) required under any Law; (xiii) the cost of tenant-relation programs reasonably established by Landlord; and

(xiv) payments under any existing or future reciprocal easement agreement, transportation management agreement, cost-sharing agreement or other covenant, condition, restriction or similar instrument affecting the Property. If Landlord does not carry earthquake, terrorism or another type of insurance for the Building during the Base Year but carries such type of insurance for the Building during any Expense Year, then, for purposes of determining the Expense Excess for such Expense Year, Expenses for the Base Year shall be deemed to be increased by the amount of the premium Landlord would have incurred for such type of insurance during the Base Year if Landlord had maintained such type of insurance for the same period of time during the Base Year as such insurance is maintained by Landlord during such Expense Year. If, in any Expense Year, Landlord provides a new type of service (as opposed to an expansion in scope of a service or a change in a type of service) that (i) is not required by Law, (ii) is not then generally provided by the landlords of Comparable Buildings (defined in Section 25.10), (iii) is not then being provided in order to enhance the health, safety or security of the tenants, occupants and users of the Building as a result of circumstances that Landlord reasonably believes are specific to the Building and do not exist at Comparable Buildings, and (iv) was not provided by Landlord during the Base Year, then, for purposes of determining the Expense Excess for such Expense Year, Expenses for the Base Year shall be deemed to be increased by the amount that Landlord would have incurred for such service during the Base Year if Landlord had provided such service for the same period of time during the Base Year as such service is provided by Landlord during such Expense Year.

Notwithstanding the foregoing, Expenses shall not include: (a) capital expenditures not described in clauses (xi) or (xii) above (in addition, any capital expenditure shall be included in Expenses only if paid or accrued after the Base Year and shall be amortized (including actual or imputed interest on the amortized cost) over such period of time as Landlord shall reasonably determine); (b) depreciation; (c) principal payments of mortgage or other non-operating debts of Landlord; (d) costs of repairs to the extent Landlord is reimbursed by insurance or condemnation proceeds; (e) except as provided in clause (xiii) above, costs of leasing space in the Building, including brokerage commissions, lease concessions, rental abatements and construction allowances granted to specific tenants; (f) costs of selling, financing or refinancing the Building; (g) fines, penalties or interest resulting from late payment of Taxes or Expenses; (h) organizational expenses of creating or operating the entity that constitutes Landlord; (i) damages paid to Tenant hereunder or to other tenants of the Building under their respective leases; (j) attorney's fees and other expenses incurred in connection with negotiations or disputes with tenants or other occupants of the Building, or (k) wages, salaries, fees or fringe benefits ("Labor Costs") paid to executive personnel or officers or partners of Landlord (provided, however, that if such individuals provide services directly related to the operation, maintenance or ownership of the Property that, if provided directly by a general manager or property manager or his or her general support staff, would normally be chargeable as an operating expense of a comparable office building, then the Labor Costs of such individuals may be included in Expenses to the extent of the percentage of their time that is spent providing such services to the Property).

If, during any portion of the Base Year or any Expense Year, the Building is not 100% occupied (or a service provided by Landlord to Tenant is not provided by Landlord to a tenant that provides such service itself, or any tenant of the Building is entitled to free rent, rent abatement or the like), Expenses for such year shall be determined as if the Building had been 100% occupied (and all services provided by Landlord to Tenant had been provided by Landlord to all tenants, and no tenant of the Building had been entitled to free rent, rent abatement or the like) during such portion of such year. Landlord shall keep its books and records relating to Expenses in accordance with generally accepted accounting principles, consistently applied.

4.2.3 **"Taxes"** means all federal, state, county or local governmental or municipal taxes, fees, charges, assessments, levies, licenses or other impositions, whether general, special, ordinary or extraordinary, that are paid or accrued during the Base Year or any Expense Year (without regard to any different fiscal year used by such governmental or municipal authority) because of or in connection with the ownership, leasing or operation of the Property. Taxes shall include (a) real estate taxes; (b) general and special assessments; (c) transit taxes; (d) leasehold taxes; (e) personal property taxes imposed upon the fixtures, machinery, equipment, apparatus, systems, appurtenances, furniture and other personal property used in connection with the Property; (f) any tax on the rent, right to rent or other receipts from any portion of the Property or as against the business of leasing any portion of the Property; (g) any assessment, tax, fee, levy or charge imposed by any governmental agency, or by any non-governmental entity pursuant to any private cost-sharing agreement, in order to fund the provision or enhancement of any fire-protection, street-, sidewalk- or road-maintenance, refuse-removal or other service that is (or, before the enactment of Proposition 13, was) normally provided by governmental agencies to property owners or occupants without charge (other than through real property taxes); and (h) payments in lieu of taxes under any tax increment financing agreement, abatement agreement, agreement to construct improvements, or other agreement with any governmental body or agency or taxing authority. Any costs and expenses (including reasonable attorneys' and consultants' fees) incurred in attempting to protest, reduce or minimize Taxes shall be included in Taxes for the year in which they are incurred. Notwithstanding any contrary provision hereof, Taxes shall be determined without regard to any "green building" credit and shall exclude (i) all excess profits taxes, franchise taxes, gift taxes, capital stock taxes, inheritance and succession taxes, transfer taxes, estate taxes, federal and state income taxes,

and other taxes to the extent (x) applicable to Landlord's general or net income (as opposed to rents or receipts attributable to operations at the Property), or (y) measured solely by the square footage, rent, fees, services, tenant allowances or similar amounts, rights or obligations described or provided in or under any particular lease, license or similar agreement or transaction at the Building; (ii) any Expenses, and (iii) any items required to be paid or reimbursed by Tenant under Section 4.5.

4.3 **Allocation**. Landlord, in its reasonable discretion, may equitably allocate Expenses among office, retail or other portions or occupants of the Property. If Landlord incurs Expenses or Taxes for the Property together with another property, Landlord, in its reasonable discretion, shall equitably allocate such shared amounts between the Property and such other property. The method of any such allocation made pursuant to this section shall be consistent, to the extent possible, with respect to each Expense Year and the Base Year.

4.4 **Calculation and Payment of Expense Excess and Tax Excess.**

4.4.1 **Statement of Actual Expenses and Taxes; Payment by Tenant**. Landlord shall give to Tenant, after the end of each Expense Year, a statement (the "**Statement**") setting forth the actual Expenses, Taxes, Expense Excess and Tax Excess for such Expense Year. If the amount paid by Tenant for such Expense Year pursuant to Section 4.4.2 is less or more than the sum of Tenant's Share of the actual Expense Excess plus Tenant's Share of the actual Tax Excess (as such amounts are set forth in such Statement), Tenant shall pay Landlord the amount of such underpayment, or receive a credit in the amount of such overpayment, with or against the Rent then or next due hereunder; provided, however, that if this Lease has expired or terminated and Tenant has vacated the Premises, Tenant shall pay Landlord the amount of such underpayment, or Landlord shall pay Tenant the amount of such overpayment (less any Rent due), within 30 days after delivery of such Statement. Any failure of Landlord to timely deliver the Statement for any Expense Year shall not diminish either party's rights under this Section 4.

4.4.2 **Statement of Estimated Expenses and Taxes**. Landlord shall give to Tenant, for each Expense Year, a statement (the "**Estimate Statement**") setting forth Landlord's reasonable estimates of the Expenses, Taxes, Expense Excess (the "**Estimated Expense Excess**") and Tax Excess (the "**Estimated Tax Excess**") for such Expense Year. Upon receiving an Estimate Statement, Tenant shall pay, with its next installment of Base Rent, an amount equal to the excess of (a) the amount obtained by multiplying (i) the sum of Tenant's Share of the Estimated Expense Excess plus Tenant's Share of the Estimated Tax Excess (as such amounts are set forth in such Estimate Statement), by (ii) a fraction, the numerator of which is the number of months that have elapsed in the applicable Expense Year (including the month of such payment) and the denominator of which is 12, over (b) any amount previously paid by Tenant for such Expense Year pursuant to this Section 4.4.2. Until Landlord delivers a new Estimate Statement (which Landlord may do at any time), Tenant shall pay monthly, with the monthly Base Rent installments, an amount equal to one-twelfth (1/12) of the sum of Tenant's Share of the Estimated Expense Excess plus Tenant's Share of the Estimated Tax Excess, as such amounts are set forth in the previous Estimate Statement. Any failure of Landlord to timely deliver any Estimate Statement shall not diminish Landlord's rights to receive payments and revise any previous Estimate Statement under this Section 4.

4.4.3 **Retroactive Adjustment of Taxes**. Notwithstanding any contrary provision hereof, if, after Landlord's delivery of any Statement, an increase or decrease in Taxes occurs for the applicable Expense Year or for the Base Year (whether by reason of reassessment, error, or otherwise), Taxes for such Expense Year or the Base Year, as the case may be, and the Tax Excess for such Expense Year shall be retroactively adjusted. If, as a result of such adjustment, it is determined that Tenant has under- or overpaid Tenant's Share of such Tax Excess, Tenant shall pay Landlord the amount of such underpayment, or receive a credit in the amount of such overpayment, with or against the Rent then or next due hereunder; provided, however, that if this Lease has expired or terminated and Tenant has vacated the Premises, Tenant shall pay Landlord the amount of such underpayment, or Landlord shall pay Tenant the amount of such overpayment (less any Rent due), within 30 days after such adjustment is made.

4.5 **Charges for Which Tenant Is Directly Responsible**. Notwithstanding any contrary provision hereof, Tenant, promptly upon demand, shall pay (or if paid by Landlord, reimburse Landlord for) each of the following to the extent levied against Landlord or Landlord's property: (a) any tax based upon or measured by (i) the cost or value of Tenant's trade fixtures, equipment, furniture or other personal property, or (ii) the cost or value of the Leasehold Improvements (defined in Section 7.1) to the extent such cost or value exceeds that of a Building-standard build-out, as determined by Landlord; (b) any rent tax, sales tax, service tax, transfer tax, value added tax, use tax, business tax, gross income tax, gross receipts tax, or other tax, assessment, fee, levy or charge measured solely by the square footage, Rent, services, tenant allowances or similar amounts, rights or obligations described or provided in or under this Lease; (c) any tax assessed upon the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of any portion of the Property; and (d) any tax assessed on this transaction or on any document to which Tenant is a party that creates an interest or estate in the Premises.

4.6 **Books and Records**. Within 60 days after receiving any Statement (the "**Review Notice Period**"), Tenant may give Landlord notice ("**Review Notice**") stating that Tenant elects to review Landlord's calculation of the Expense Excess and/or Tax Excess for the Expense Year to which such Statement applies and identifying with reasonable specificity the records of Landlord reasonably relating to such matters that Tenant desires to review. Within a reasonable time after receiving a timely Review Notice (and, at Landlord's option, an executed confidentiality agreement as described below), Landlord shall deliver to Tenant, or make available for inspection at a location reasonably designated by Landlord, copies of such records. Within 60 days after such records are made available to Tenant (the "**Objection Period**"), Tenant may deliver to Landlord notice (an "Objection Notice") stating with reasonable specificity any objections to the Statement, in which event Landlord and Tenant shall work together in good faith to resolve Tenant's objections. Tenant may not deliver more than one Review Notice or more than one Objection Notice with respect to any Statement. If Tenant fails to give Landlord a Review Notice before the expiration of the Review Notice Period or fails to give Landlord an Objection Notice before the expiration of the Objection Period, Tenant shall be deemed to have approved the Statement. Notwithstanding any contrary provision hereof, Landlord shall not be required to deliver or make available to Tenant records relating to the Base Year, and Tenant may not object to Expenses or Taxes for the Base Year, other than in connection with the first review for an Expense Year performed by Tenant pursuant to this Section 4.6. If Tenant retains an agent to review Landlord's records, the agent must be with a CPA firm licensed to do business in the State of California with experience reviewing books and records kept for Comparable Buildings and its fees shall not be contingent, in whole or in part, upon the outcome of the review. Tenant shall be responsible for all costs of such review; provided, however, that if Landlord and Tenant determine that the sum of Expenses and Taxes for the Expense Year in question was overstated by more than 5%, Landlord, within 30 days after receiving paid invoices therefor from Tenant, shall reimburse Tenant for the reasonable amounts paid by Tenant to third parties in connection with such review (not to exceed $5,000.00). The records and any related information obtained from Landlord shall be treated as confidential, and as applicable only to the Premises, by Tenant, its auditors, consultants, and any other parties reviewing the same on behalf of Tenant (collectively, "**Tenant's Auditors**"). Before making any records available for review, Landlord may require Tenant and Tenant's Auditors to execute a reasonable confidentiality agreement, in which event Tenant shall cause the same to be executed and delivered to Landlord within 30 days after receiving it from Landlord, and if Tenant fails to do so, the Objection Period shall be reduced by one day for each day by which such execution and delivery follows the expiration of such 30-day period. Notwithstanding any contrary provision hereof, Tenant may not examine Landlord's records or dispute any Statement if any Rent remains unpaid past its due date. If, for any Expense Year, Landlord and Tenant determine that the sum of Tenant's Share of the actual Expense Excess plus Tenant's Share of the actual Tax Excess is less or more than the amount reported, Tenant shall receive a credit in the amount of its overpayment, or pay Landlord the amount of its underpayment, against or with the Rent next due hereunder; provided, however, that if this Lease has expired or terminated and Tenant has vacated the Premises, Landlord shall pay Tenant the amount of its overpayment (less any Rent due), or Tenant shall pay Landlord the amount of its underpayment, within 30 days after such determination.

5 USE; COMPLIANCE WITH LAWS. Tenant shall not (a) use the Premises for any purpose other than the Permitted Use, or (b) do anything in or about the Premises that violates any of the Rules and Regulations, damages the reputation of the Project, interferes with, injures or annoys other occupants of the Project, or constitutes a nuisance. Tenant, at its expense, shall comply with all Laws relating to (i) the operation of its business at the Project, (ii) the use, condition, configuration or occupancy of the Premises, (iii) any Supplemental Systems (defined below) serving the Premises, whether located inside or outside of the Premises, or (iv) the portions of Base Building Systems (defined below) located in the Premises. If, in order to comply with any such Law, Tenant must obtain or deliver any permit, certificate or other document evidencing such compliance, Tenant shall provide a copy of such document to Landlord promptly after obtaining or delivering it. If a change to any Common Area or the Base Building (other than any portion of a Base Building System located in the Premises) becomes required under Law (or if any such requirement is enforced) as a result of any Tenant-Insured Improvement (defined in Section 10.2.2), the installation of any trade fixture, or any particular use of the Premises (as distinguished from general office use), then Tenant, upon demand, shall (x) at Landlord's option, either make such change at Tenant's cost or pay Landlord the cost of making such change, and (y) pay Landlord a coordination fee equal to 3% of the cost of such change. As used herein, "**Law**" means any existing or future law, ordinance, regulation or requirement of any governmental authority having jurisdiction over the Project or the parties. As used herein, "**Supplemental System**" means any Unit (defined in Section 25.5), supplemental fire-suppression system, kitchen (including any hot water heater, dishwasher, garbage disposal, insta-hot dispenser, or plumbing), shower or similar facility, or any other system that would not customarily be considered part of the base building of a first-class multi-tenant office building. As used herein, "**Base Building System**" means any mechanical (including HVAC), electrical, plumbing or fire/life-safety system serving the Building, other than a Supplemental System. As used herein, "**Base Building**" means the structural portions of the Building, together with the Base Building Systems.

6 SERVICES.

6.1 **Standard Services**. Landlord, at its expense (subject to Section 4 hereof and unless otherwise explicitly set forth in this Lease), shall provide the following services on all days (unless otherwise stated below): (a) subject to limitations imposed by Law, customary heating, ventilation and air conditioning ("**HVAC**") in season during Building HVAC Hours, stubbed to the Premises; (b) electricity supplied by the applicable public utility, stubbed to the Premises; (c) water supplied by the applicable public utility (i) for use in lavatories and any drinking facilities located in Common Areas within the Building, and (ii) stubbed to the Building core for use in any plumbing fixtures located in the Premises; (d) janitorial services to the Premises, except on weekends and Holidays; (e) elevator service (subject to reasonable scheduling by Landlord for any freight service) and (f) access to the Building for Tenant and its employees, 24 hours per day/7 days per week, subject to the terms hereof and such security or monitoring systems as Landlord may reasonably impose, including sign-in procedures and/or presentation of identification cards.

6.2 **Above-Standard Use**. Landlord shall provide HVAC service outside Building HVAC Hours if Tenant gives Landlord such prior notice and pays Landlord such hourly cost per zone as Landlord may require. Tenant shall not, without Landlord's prior consent, use equipment that may affect the temperature maintained by the air conditioning system or consume above-Building-standard amounts of any water furnished for the Premises by Landlord pursuant to Section 6.1. If Tenant's consumption of electricity or water exceeds the rate Landlord reasonably deems to be standard for the Building, Tenant shall pay Landlord, upon billing, the cost of such excess consumption, including any costs of installing, operating and maintaining any equipment that is installed in order to supply or measure such excess electricity or water. For purposes of the preceding sentence, any consumption of electricity in a computer server room shall be deemed to exceed the standard rate for the Building. The connected electrical load of Tenant's incidental-use equipment shall not exceed the Building-standard electrical design load, and Tenant's electrical usage shall not exceed the capacity of the feeders to the Project or the risers or wiring installation.

6.3 **Interruption**. Subject to Section 11, any failure to furnish, delay in furnishing, or diminution in the quality or quantity of any service resulting from any application of Law, failure of equipment, performance of maintenance, repairs, improvements or alterations, utility interruption, or event of Force Majeure (each, a "**Service Interruption**") shall not render Landlord liable to Tenant, constitute a constructive eviction, or excuse Tenant from any obligation hereunder. Notwithstanding the foregoing, if all or a material portion of the Premises is made untenantable or inaccessible for more than five (5) consecutive business days after notice from Tenant to Landlord by a Service Interruption that (a) does not result from a Casualty (defined in Section 11), a Taking (defined in Section 13) or an Act of Tenant (defined in Section 10.1), and (b) can be corrected through Landlord's reasonable efforts, then, as Tenant's sole remedy, Monthly Rent shall abate for the period beginning on the day immediately following such 5-business-day period and ending on the day such Service Interruption ends, but only in proportion to the percentage of the rentable square footage of the Premises made untenantable or inaccessible and not occupied by Tenant.

7 REPAIRS AND ALTERATIONS.

7.1 **Repairs**. Subject to Section 11, Tenant, at its expense, shall perform all maintenance and repairs (including replacements) to the Premises, and keep the Premises in as good condition and repair as existed when Tenant took possession and as thereafter improved, except for reasonable wear and tear and repairs that are Landlord's express responsibility hereunder. Tenant's maintenance and repair obligations shall include (a) all leasehold improvements in the Premises, including any Tenant Improvements, any Alterations (defined in Section 7.2), and any leasehold improvements installed pursuant to any prior lease (the "**Leasehold Improvements**"), but excluding the Base Building; (b) any Supplemental Systems serving the Premises, whether located inside or outside of the Premises; and (c) all Lines (defined in Section 23) and trade fixtures. Notwithstanding the foregoing, if a Default (defined in Section 19.1) or an emergency exists, Landlord may, at its option, perform such maintenance and repairs on Tenant's behalf, in which case Tenant shall pay Landlord, upon demand, the cost of such work plus a coordination fee equal to 3% of such cost. Landlord shall perform all maintenance and repairs to (i) the roof and exterior walls and windows of the Building, (ii) the Base Building, and (iii) the Common Areas.

7.2 **Alterations**. Tenant may not make any improvement, alteration, addition or change to the Premises or to any mechanical, plumbing or HVAC facility or other system serving the Premises (an "**Alteration**") without Landlord's prior consent, which consent shall be requested by Tenant not less than 30 days before commencement of work and shall not be unreasonably withheld by Landlord. Notwithstanding the foregoing, Landlord's prior consent shall not be required for any Alteration that is decorative only (*e.g.,* carpet installation or painting) and not visible from outside the Premises, provided that Landlord receives 10 business days' prior notice. For any Alteration, (a) Tenant, before beginning work, shall deliver to Landlord, and obtain Landlord's approval of, plans and specifications; (b) Landlord, in its discretion, may require Tenant to obtain security for performance satisfactory to Landlord; (c) Tenant shall deliver to Landlord "as built" drawings (in CAD format, if requested by Landlord),

completion affidavits, full and final lien waivers, and all governmental approvals; and (d) Tenant shall pay Landlord upon demand (i) Landlord's reasonable out-of-pocket expenses incurred in reviewing the work, and (ii) a coordination fee equal to 3% of the cost of the work; provided, however, that this clause (d) shall not apply to any Tenant Improvements.

7.3 **Tenant Work**. Before beginning any repair or Alteration or any work affecting Lines (collectively, "Tenant Work"), Tenant shall deliver to Landlord, and obtain Landlord's approval of, (a) names of contractors, subcontractors, mechanics, laborers and materialmen; (b) evidence of contractors' and subcontractors' insurance in amounts and coverages as Landlord may reasonably require; and (c) any required governmental permits. Tenant shall perform all Tenant Work (i) in a good and workmanlike manner using materials of a quality reasonably approved by Landlord; (ii) in compliance with any approved plans and specifications, all Laws, the National Electric Code, and Landlord's construction rules and regulations; and (iii) in a manner that does not impair the Base Building. If, as a result of any Tenant Work, Landlord becomes required under Law to perform any inspection, give any notice, or cause such Tenant Work to be performed in any particular manner, Tenant shall comply with such requirement and promptly provide Landlord with reasonable documentation of such compliance. Landlord's approval of Tenant's plans and specifications shall not relieve Tenant from any obligation under this Section 7.3. In performing any Tenant Work, Tenant shall not use contractors, services, labor, materials or equipment that, in Landlord's reasonable judgment, would disturb labor harmony with any workforce or trades engaged in performing other work or services at the Project.

8 LANDLORD'S PROPERTY. All Leasehold Improvements shall become Landlord's property upon installation and without compensation to Tenant. Notwithstanding the foregoing, if any Tenant-Insured Improvements (other than any Unit, which shall be governed by Section 25.5) are not, in Landlord's reasonable judgment, Building-standard, then before the expiration or earlier termination hereof, Tenant shall, at Landlord's election, either (a) at Tenant's expense, and except as otherwise notified by Landlord, remove such Tenant-Insured Improvements (other than the Excluded Items (defined below)), repair any resulting damage to the Premises or Building, and restore the affected portion of the Premises to its configuration and condition existing before the installation of such Tenant-Insured Improvements (or, at Landlord's election, to a Building-standard tenant-improved configuration and condition as determined by Landlord), or (b) pay Landlord an amount equal to the estimated cost of such work, as reasonably determined by Landlord. If Tenant fails to timely perform any work required under clause (a) of the preceding sentence, Landlord may perform such work at Tenant's expense. When Landlord approves any Tenant Improvements or Alterations (or, in the case of any Tenant Improvements or Alterations not requiring Landlord's approval hereunder, within 10 business days after Tenant's request), Landlord shall identify any such Tenant Improvements or Alterations that, in Landlord's judgment, are not Building-standard. As used herein, **"Excluded Items"** means the Tenant Improvements shown with reasonable specificity on the Approved Space Plan (as initially described in Section 2.3 of **Exhibit B** hereto).

9 LIENS. Tenant shall keep the Project free from any lien arising out of any work performed, material furnished or obligation incurred by or on behalf of Tenant. Tenant shall remove any such lien within 10 business days after notice from Landlord, and if Tenant fails to do so, Landlord, without limiting its remedies, may pay the amount necessary to cause such removal, whether or not such lien is valid. The amount so paid, together with reasonable attorneys' fees and expenses, shall be reimbursed by Tenant upon demand.

10 INDEMNIFICATION; INSURANCE.

10.1 **Waiver and Indemnification**. Tenant waives all claims against Landlord, its Security Holders (defined in Section 17), Landlord's managing agent(s), their (direct or indirect) owners, and the beneficiaries, trustees, officers, directors, employees and agents of each of the foregoing (including Landlord, the "**Landlord Parties**") for (i) any damage to person or property (or resulting from the loss of use thereof), except to the extent such damage is caused by any negligence, willful misconduct or breach of this Lease of or by any Landlord Party, or (ii) any failure to prevent or control any criminal or otherwise wrongful conduct by any third party not acting as Landlord's agent or to apprehend any such third party who has engaged in such conduct. Tenant shall indemnify, defend, protect, and hold the Landlord Parties harmless from any obligation, loss, claim, action, liability, penalty, damage, cost or expense (including reasonable attorneys' and consultants' fees and expenses) (each, a "**Claim**") that is imposed or asserted by any third party and arises from (a) any cause in, on or about the Premises, or (b) any negligence, willful misconduct or breach of this Lease of or by Tenant, any party claiming by, through or under Tenant, their (direct or indirect) owners, or any of their respective beneficiaries, trustees, officers, directors, employees, agents, contractors, licensees or invitees (each, an "**Act of Tenant**"), except to the extent such Claim arises from any negligence, willful misconduct or breach of this Lease of or by any Landlord Party. Landlord shall indemnify, defend, protect, and hold Tenant, its (direct or indirect) owners, and their respective beneficiaries, trustees, officers, directors, employees and agents (including Tenant, the "**Tenant Parties**") harmless from any Claim that is imposed or asserted by any third party and arises from any negligence, willful misconduct or breach of this Lease of or by any Landlord Party, except to the extent such Claim arises from any negligence, willful misconduct or breach of this Lease of or by any Tenant Party.

10.2 **Tenant's Insurance**. Tenant shall maintain the following coverages in the following amounts:

10.2.1 Commercial General Liability Insurance covering claims of bodily injury, personal injury and property damage arising out of Tenant's operations and contractual liabilities, including coverage formerly known as broad form, on an occurrence basis, with combined primary and excess/umbrella limits of at least $3,000,000 each occurrence and $4,000,000 annual aggregate.

10.2.2 Property Insurance covering (i) all office furniture, trade fixtures, office equipment, free-standing cabinet work, movable partitions, merchandise and all other items of Tenant's property in the Premises installed by, for, or at the expense of Tenant, and (ii) any Leasehold Improvements installed by or for the benefit of Tenant pursuant to this Lease ("**Tenant-Insured Improvements**"). Such insurance shall be written on a special cause of loss or all risk form for physical loss or damage, for the full replacement cost value (subject to reasonable deductible amounts) new without deduction for depreciation of the covered items and in amounts that meet any co-insurance clauses of the policies of insurance, and shall include coverage for damage or other loss caused by fire or other peril, including vandalism and malicious mischief, theft, water damage of any type, including sprinkler leakage, bursting or stoppage of pipes, and explosion, and providing business interruption coverage for a period of one year.

10.2.3 Workers' Compensation statutory limits and Employers' Liability limits of $1,000,000.

10.3 **Form of Policies**. The minimum limits of insurance required to be carried by Tenant shall not limit Tenant's liability. Such insurance shall be issued by an insurance company that has an A.M. Best rating of not less than A-VIII. Tenant's Commercial General Liability Insurance shall (a) name the Landlord Parties and any other party designated by Landlord ("**Additional Insured Parties**") as additional insureds; and (b) be primary insurance as to all claims thereunder and provide that any insurance carried by Landlord is excess and non-contributing with Tenant's insurance. Landlord shall be designated as a loss payee with respect to Tenant's Property Insurance on any Tenant-Insured Improvements. Tenant shall deliver to Landlord, on or before the Commencement Date and at least 15 days before the expiration dates thereof, certificates from Tenant's insurance company on the forms currently designated "ACORD 25" (Certificate of Liability Insurance) and "ACORD 28" (Evidence of Commercial Property Insurance) or the equivalent. Attached to the ACORD 25 (or equivalent) there shall be an endorsement (or an excerpt from the policy) naming the Additional Insured Parties as additional insureds, and attached to the ACORD 28 (or equivalent) there shall be an endorsement (or an excerpt from the policy) designating Landlord as a loss payee with respect to Tenant's Property Insurance on any Tenant-Insured Improvements, and each such endorsement (or policy excerpt) shall be binding on Tenant's insurance company.

10.4 **Subrogation**. Notwithstanding any provision in this Lease to the contrary (but subject to the provisions set forth in Section 11 below as well as the provisions set forth in Sections 4 and 8 of **Exhibit D** hereto) each party waives, and shall cause its insurance carrier to waive, any right of recovery against the other party, any of its (direct or indirect) owners, or any of their respective beneficiaries, trustees, officers, directors, employees or agents for any loss of or damage to property which loss or damage is (or, if the insurance required hereunder had been carried, would have been) covered by the waiving party's property insurance. For purposes of this Section 10.4 only, (a) any deductible with respect to a party's insurance shall be deemed covered by, and recoverable by such party under, valid and collectable policies of insurance, and (b) any contractor retained by Landlord to install, maintain or monitor a fire or security alarm for the Building shall be deemed an agent of Landlord.

10.5 **Additional Insurance Obligations**. Tenant shall maintain such increased amounts of the insurance required to be carried by Tenant under this Section 10, and such other types and amounts of insurance covering the Premises and Tenant's operations therein, as may be reasonably requested by Landlord, but not in excess of the amounts and types of insurance then being required by landlords of Comparable Buildings.

10.6 **Landlord's Insurance**. Landlord shall maintain the following insurance, together with such other insurance coverage as Landlord, in its reasonable judgment, may elect to maintain, the premiums of which shall be included in Expenses: (a) Commercial General Liability insurance applicable to the Property, Building and Common Areas providing, on an occurrence basis, combined primary and excess/umbrella limits of at least $3,000,000 each occurrence and $4,000,000 annual aggregate; (b) Special Cause of Loss or All Risk Insurance on the Building at replacement cost value as reasonably estimated by Landlord; (c) Worker's Compensation insurance to the extent required by Law; and (d) Employers Liability Coverage to the extent required by Law.

11 CASUALTY DAMAGE. With reasonable promptness after discovering any damage to the Premises (other than trade fixtures), or to any Common Area or portion of the Base Building necessary for access to or tenantability of the Premises, resulting from any fire or other casualty (a "**Casualty**"), Landlord shall notify Tenant of Landlord's reasonable estimate of the time required to substantially complete repair of such damage (the **"Landlord Repairs**"). If, according to such estimate, the Landlord Repairs cannot be substantially completed within 270 days after they are commenced, either party may terminate this Lease upon 60 days' notice to the other party delivered within 10 days after Landlord's delivery of such estimate. Within 90 days after discovering any damage to the Project resulting from any Casualty, Landlord may, whether or not the Premises are affected, terminate this Lease by notifying Tenant if (i) any Security Holder terminates any ground lease or requires that any insurance proceeds be used to pay any mortgage debt; (ii) any damage to Landlord's property is not fully covered by Landlord's insurance policies; (iii) Landlord decides to rebuild the Building or Common Areas so that it or they will be substantially different structurally or architecturally; (iv) the damage occurs during the last 12 months of the Term; or (v) any owner, other than Landlord, of any damaged portion of the Project does not intend to repair such damage; provided, however, that Landlord may not terminate this Lease pursuant to this sentence unless the Premises have been materially damaged or Landlord also exercises all rights it may have acquired as a result of the Casualty to terminate any other leases of space in the Building (to the extent such leases provide Landlord with termination rights comparable to those found herein with respect to such Casualty). If this Lease is not terminated pursuant to this Section 11, Landlord shall promptly and diligently perform the Landlord Repairs, subject to reasonable delays for insurance adjustment and other events of Force Majeure. The Landlord Repairs shall restore the Premises (other than trade fixtures) and any Common Area or portion of the Base Building necessary for access to or tenantability of the Premises to substantially the same condition that existed when the Casualty occurred, except for (a) any modifications required by Law or any Security Holder, and (b) any modifications to the Common Areas that are deemed desirable by Landlord, are consistent with the character of the Project, and do not materially impair access to or tenantability of the Premises. Notwithstanding Section 10.4, Tenant shall assign to Landlord (or its designee) all insurance proceeds payable to Tenant under Tenant's insurance required under Section 10.2 with respect to any Tenant-Insured Improvements, and if the estimated or actual cost of restoring any Tenant-Insured Improvements exceeds the insurance proceeds received by Landlord from Tenant's insurance carrier, Tenant shall pay such excess to Landlord within 15 days after Landlord's demand. No Casualty and no restoration performed as required hereunder shall render Landlord liable to Tenant, constitute a constructive eviction, or excuse Tenant from any obligation hereunder; provided, however, that if the Premises (other than trade fixtures) or any Common Area or portion of the Base Building necessary for access to or tenantability of the Premises is damaged by a Casualty, then, during any time that, as a result of such damage, any portion of the Premises is inaccessible or untenantable and is not occupied by Tenant, Monthly Rent shall be abated in proportion to the rentable square footage of such portion of the Premises.

12 NONWAIVER. No provision hereof shall be deemed waived by either party unless it is waived by such party expressly and in writing, and no waiver of any breach of any provision hereof shall be deemed a waiver of any subsequent breach of such provision or any other provision hereof. Landlord's acceptance of Rent shall not be deemed a waiver of any preceding breach of any provision hereof, other than Tenant's failure to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of such acceptance. No acceptance of payment of an amount less than the Rent due hereunder shall be deemed a waiver of Landlord's right to receive the full amount of Rent due, whether or not any endorsement or statement accompanying such payment purports to effect an accord and satisfaction. No receipt of monies by Landlord from Tenant after the giving of any notice, the commencement of any suit, the issuance of any final judgment, or the termination hereof shall affect such notice, suit or judgment, or reinstate or extend the Term or Tenant's right of possession hereunder.

13 CONDEMNATION. If any part of the Premises, Building or Project is taken for any public or quasi-public use by power of eminent domain or by private purchase in lieu thereof (a "**Taking**") for more than 180 consecutive days, Landlord may terminate this Lease; provided, however, that Landlord may not terminate this Lease pursuant to this sentence unless a material portion of the Premises has been Taken or Landlord also exercises all rights it may have acquired as a result of the Taking to terminate any other leases of space in the Building (to the extent such leases provide Landlord with termination rights comparable to those found herein with respect to such Taking). If more than 25% of the rentable square footage of the Premises, or any Common Area or portion of the Base Building necessary for access to or tenantability of the Premises, is Taken for more than 180 consecutive days, Tenant may terminate this Lease. Any such termination shall be effective as of the date possession must be surrendered to the authority, and the terminating party shall provide termination notice to the other party within 45 days after receiving written notice of such surrender date. Except as provided above in this Section 13, neither party may terminate this Lease as a result of a Taking. Tenant shall not assert, and hereby assigns to Landlord, any claim it may have for compensation because of any Taking; provided, however, that Tenant may file a separate claim for any Taking of Tenant's personal property or any trade fixtures that Tenant is entitled to remove upon the expiration hereof, and for moving expenses, so long as such claim does not diminish the award available to Landlord or any Security Holder and is payable separately to Tenant. If this Lease is terminated pursuant to this Section 13, all Rent shall be apportioned as of the date of such termination. If a Taking occurs and this Lease is not so terminated, Monthly Rent shall be abated for the period of such Taking in proportion to the percentage of the rentable square footage of the Premises, if any, that is subject to, or rendered inaccessible or untenantable by, such Taking and not occupied by Tenant.

14 ASSIGNMENT AND SUBLETTING.

14.1 **Transfers.** Tenant shall not, without Landlord's prior consent, assign, mortgage, pledge, hypothecate, encumber, permit any lien to attach to, or otherwise transfer this Lease or any interest hereunder, permit any assignment or other transfer hereof or any interest hereunder by operation of law, enter into any sublease or license agreement, otherwise permit the occupancy or use of any part of the Premises by any persons other than Tenant and its employees and contractors, or permit a Change of Control (defined in Section 14.6) to occur (each, a "**Transfer**"). If Tenant desires Landlord's consent to any Transfer, Tenant shall provide Landlord with (i) notice of the terms of the proposed Transfer, including its proposed effective date (the "**Contemplated Effective Date**"), a description of the portion of the Premises to be transferred (the "**Contemplated Transfer Space**"), a calculation of the Transfer Premium (defined in Section 14.3), and a copy of all existing executed and/or proposed documentation pertaining to the proposed Transfer, and (ii) current financial statements of the proposed transferee (or, in the case of a Change of Control, of the proposed new controlling party(ies)) certified by an officer or owner thereof and any other information reasonably required by Landlord in order to evaluate the proposed Transfer (collectively, the "**Transfer Notice**"). Within 30 days after receiving the Transfer Notice, Landlord shall notify Tenant of (a) its consent to the proposed Transfer, (b) its refusal to consent to the proposed Transfer, or (c) its exercise of its rights under Section 14.4. Any Transfer made without Landlord's prior consent shall, at Landlord's option, be void and shall, at Landlord's option, constitute a Default. Concurrently with Tenant's delivery of the Transfer Notice, Tenant shall pay Landlord a fee of $1,500.00 for Landlord's review of any proposed Transfer, whether or not Landlord consents to it.

14.2 **Landlord's Consent.** Subject to Section 14.4, Landlord shall not unreasonably withhold its consent to any proposed Transfer. Without limiting other reasonable grounds for withholding consent, it shall be deemed reasonable for Landlord to withhold its consent to a proposed Transfer if:

14.2.1 The proposed transferee is not a party of reasonable financial strength in light of the responsibilities to be undertaken in connection with the Transfer on the date the Transfer Notice is received; or

14.2.2 The proposed transferee has a character or reputation or is engaged in a business that is not consistent with the quality of the Building or the Project; or

14.2.3 The proposed transferee is a governmental entity or a nonprofit organization; or

14.2.4 In the case of a proposed sublease, license or other occupancy agreement, the rent or occupancy fee charged by Tenant to the transferee during the term of such agreement, calculated using a present value analysis, is less than 95% of the rent being quoted by Landlord or its Affiliate (defined in Section 14.6) at the time of such Transfer for comparable space in the Project for a comparable term, calculated using a present value analysis; or

14.2.5 The proposed transferee or any of its Affiliates, on the date the Transfer Notice is received, leases or occupies (or, at any time during the 6-month period ending on the date the Transfer Notice is received, has negotiated with Landlord to lease) space in the Project; or

14.2.6 The use to be made of the Contemplated Transfer Space is a use which would be prohibited by any other portion of this Lease or a use which conflicts with any applicable so-called "exclusive" then in favor of another tenant of the Building or Project.

Notwithstanding any contrary provision hereof, (a) if Landlord consents to any Transfer pursuant to this Section 14.2 but Tenant does not enter into such Transfer within six (6) months thereafter, such consent shall no longer apply and such Transfer shall not be permitted unless Tenant again obtains Landlord's consent thereto pursuant and subject to the terms of this Section 14; and (b) if Landlord withholds its consent in breach of this Section 14.2, Tenant's sole remedies shall be contract damages (subject to Section 20) or specific performance, and Tenant waives all other remedies, including any right to terminate this Lease.

14.3 **Transfer Premium.** If Landlord consents to a Transfer (other than a Change of Control or a Permitted Transfer), Tenant shall pay Landlord an amount equal to 50% of any Transfer Premium (defined below). As used herein, "**Transfer Premium**" means (a) in the case of an assignment, any consideration (including payment for Leasehold Improvements) paid by the assignee for such assignment, and (b) in the case of a sublease, license or other occupancy agreement, for each month of the term of such agreement, the amount by which all rent and other consideration paid by the transferee to Tenant pursuant to such agreement exceeds the Monthly Rent payable by Tenant hereunder with respect to the Contemplated Transfer Space. Payment of Landlord's share of the Transfer Premium shall be made (x) in the case of an assignment, within 10 days after Tenant receives the consideration described above, and (y) in the case of a sublease, license or other occupancy agreement, for each month of the term of such agreement, within five (5) business days after Tenant receives the rent and other consideration described above.

14.4 **Landlord's Right to Recapture.** Notwithstanding any contrary provision hereof, except in the case of a Permitted Transfer (defined in Section 14.8), Landlord, by notifying Tenant within 30 days after receiving the Transfer Notice, may terminate this Lease with respect to the Contemplated Transfer Space as of the Contemplated Effective Date. If the Contemplated Transfer Space is less than the entire Premises, then Base Rent, Tenant's Share, and the number of parking spaces to which Tenant is entitled under Section 1.9 shall be deemed adjusted on the basis of the percentage of the rentable square footage of the portion of the Premises retained by Tenant. Upon request of either party, the parties shall execute a written agreement prepared by Landlord memorializing such termination.

14.5 **Effect of Consent.** If Landlord consents to a Transfer, (i) such consent shall not be deemed a consent to any further Transfer, (ii) Tenant shall deliver to Landlord, promptly after execution, an executed copy of all documentation pertaining to the Transfer in form reasonably acceptable to Landlord, and (iii) Tenant shall deliver to Landlord, upon Landlord's request, a complete statement, certified by an independent CPA or Tenant's chief financial officer, setting forth in detail the computation of any Transfer Premium. In the case of an assignment, the assignee shall assume in writing, for Landlord's benefit, all of Tenant's obligations hereunder. No Transfer, with or without Landlord's consent, shall relieve Tenant or any guarantor hereof from any liability hereunder. Notwithstanding any contrary provision hereof, Tenant, with or without Landlord's consent, shall not enter into, or permit any party claiming by, through or under Tenant to enter into, any sublease, license or other occupancy agreement that provides for payment based in whole or in part on the net income or profit of the subtenant, licensee or other occupant thereunder.

14.6 **Change of Control.** As used herein, "**Change of Control**" means (a) if Tenant is a closely held professional service firm, the withdrawal or change (whether voluntary, involuntary or by operation of law) of more than 25% of its equity owners within a 12-month period; and (b) in all other cases, any transaction(s) resulting in the acquisition of a Controlling Interest (defined below) in Tenant by one or more parties that neither owned, nor are Affiliates (defined below) of one or more parties that owned, a Controlling Interest in Tenant immediately before such transaction(s). As used herein, "**Controlling Interest**" means control over an entity, other than control arising from the ownership of voting securities listed on a recognized securities exchange. As used herein, "**control**" means the direct or indirect power to direct the ordinary management and policies of an entity, whether through the ownership of voting securities, by contract or otherwise. As used herein, "**Affiliate**" means, with respect to any party, a person or entity that controls, is under common control with, or is controlled by such party.

14.7 **Effect of Default.** If Tenant is in Default, Landlord is irrevocably authorized, as Tenant's agent and attorney-in-fact, to direct any transferee under any sublease, license or other occupancy agreement to make all payments under such agreement directly to Landlord (which Landlord shall apply towards Tenant's obligations hereunder) until such Default is cured. Such transferee shall rely upon any representation by Landlord that Tenant is in Default, whether or not confirmed by Tenant.

14.8 **Permitted Transfers.** Notwithstanding any contrary provision hereof, if Tenant is not in Default, Tenant may, without Landlord's consent pursuant to Section 14.1, (1) permit a Change of Control to occur or (2) assign this Lease to (a) an Affiliate of Tenant (other than pursuant to a merger or consolidation), (b) a successor to Tenant by merger or consolidation, or (c) a successor to Tenant by purchase of all or substantially all of Tenant's assets (in either case, (1) or (2), a **"Permitted Transfer**"), provided that (i) at least 10 business days before the Transfer, Tenant notifies Landlord of the Transfer and delivers to Landlord any documents or information reasonably requested by Landlord relating thereto, including reasonable documentation that the Transfer satisfies the requirements of this Section 14.8; (ii) in the case of an assignment pursuant to clause (2)(a) or (2)(c) above, the assignee executes and delivers to Landlord, at least 10 business days before the assignment, a commercially reasonable instrument pursuant to which the assignee assumes, for Landlord's benefit, all of Tenant's obligations hereunder; (iii) in the case of an assignment pursuant to clause (2)(b) above, (A) the successor entity has a net worth (as determined in accordance with GAAP, but excluding intellectual property and any other intangible assets ("**Net Worth**")) immediately after the Transfer that is not less than Tenant's Net Worth immediately before the Transfer, and (B) if Tenant is a closely held professional service firm, at least 75% of its equity owners existing 12 months before the Transfer are also equity owners of the successor entity; (iv) except in the case of a Change of Control, the transferee is qualified to conduct business in the State of California; (v) in the case of a Change of Control, (A) Tenant is not a closely held professional service firm and (B) Tenant's Net Worth immediately after the Change of Control is not less than its Net Worth immediately before the Change of Control; and (vi) the Transfer is made for a good faith operating business purpose and not in order to evade the requirements of this Section 14.

15 SURRENDER. Upon the expiration or earlier termination hereof, and subject to Sections 8 and 11 and this Section 15, Tenant shall surrender possession of the Premises to Landlord in as good condition and repair as existed when Tenant took possession and as thereafter improved, except for reasonable wear and tear, damages caused by Casualty or Taking and repairs that are Landlord's express responsibility hereunder. Before such expiration or termination, Tenant, without expense to Landlord, shall (a) remove from the Premises all debris and rubbish and all furniture, equipment, trade fixtures, Lines, free-standing cabinet work, movable partitions and other articles of personal property that are owned or placed in the Premises by Tenant or any party claiming by, through or under Tenant (except for any Lines not required to be removed under Section 23), and (b) repair all damage to the Premises and Building resulting from such removal. If Tenant fails to timely perform such removal and repair, Landlord may do so at Tenant's expense (including storage costs). If Tenant fails to remove such property from the Premises, or from storage, within 30 days after notice from Landlord, any part of such property shall be deemed, at Landlord's option, either (x) conveyed to Landlord without compensation, or (y) abandoned.

16 HOLDOVER. If Tenant fails to surrender the Premises upon the expiration or earlier termination hereof, Tenant's tenancy shall be subject to the terms and conditions hereof; provided, however, that such tenancy shall be a tenancy at sufferance only, for the entire Premises, and Tenant shall pay Monthly Rent (on a per-month basis without reduction for any partial month) at a rate equal to twice the Monthly Rent applicable during the last calendar month of the Term. Nothing in this Section 16 shall limit Landlord's rights or remedies or be deemed a consent to any holdover. If Landlord is unable to deliver possession of the Premises to, or perform improvements for, a new tenant as a result of Tenant's holdover, Tenant shall be liable for all resulting damages, including lost profits, incurred by Landlord.

17 SUBORDINATION; ESTOPPEL CERTIFICATES; FINANCIALS. This Lease shall be subject and subordinate to all existing and future ground or underlying leases, mortgages, trust deeds and other encumbrances against the Building or Project, all renewals, extensions, modifications, consolidations and replacements thereof (each, a "**Security Agreement**"), and all advances made upon the security of such mortgages or trust deeds, unless in each case the holder of such Security Agreement (each, a "**Security Holder**") requires in writing that this Lease be superior thereto. Upon any termination or foreclosure (or any delivery of a deed in lieu of foreclosure) of any Security Agreement, Tenant, upon request, shall attorn, without deduction or set-off, to the Security Holder or purchaser or any successor thereto and shall recognize such party as the lessor hereunder provided that such party agrees not to disturb Tenant's occupancy so long as Tenant timely pays the Rent and otherwise performs its obligations hereunder. Within 10 business days after Landlord's request, Tenant shall execute such further instruments as Landlord may reasonably deem necessary to evidence the subordination or superiority of this Lease to any Security Agreement. Tenant waives any right it may have under Law to terminate or otherwise adversely affect this Lease or Tenant's obligations hereunder upon a foreclosure. Within 10 business days after Landlord's request, Tenant shall execute and deliver to Landlord a commercially reasonable estoppel certificate in favor of such parties as Landlord may reasonably designate, including current and prospective Security Holders and prospective purchasers.

18 ENTRY BY LANDLORD. At all reasonable times and upon reasonable notice to Tenant, or in an emergency, Landlord may enter the Premises to (i) inspect the Premises; (ii) show the Premises to prospective purchasers, current or prospective Security Holders or insurers, or, during the last 12 months of the Term (or while an uncured Default exists), prospective tenants; (iii) post notices of non-responsibility; or (iv) perform maintenance, repairs or alterations. At any time and without notice to Tenant, Landlord may enter the Premises to perform required services. If reasonably necessary, Landlord may temporarily close any portion of the Premises to perform maintenance, repairs or alterations. In an emergency, Landlord may use any means it deems proper to open doors to and in the Premises. Except in an emergency, Landlord shall use reasonable efforts to minimize interference with Tenant's use of the Premises. Without limiting the foregoing, except in an emergency, any unreasonably noisy or otherwise disruptive work performed by Landlord in the Premises pursuant to this Section 18 shall be performed outside of normal business hours. Except in an emergency, Tenant may have one of its employees accompany Landlord if Tenant makes such employee available when Landlord enters the Premises. No entry into or closure of any portion of the Premises pursuant to this Section 18 shall render Landlord liable to Tenant, constitute a constructive eviction, or excuse Tenant from any obligation hereunder.

19 DEFAULTS; REMEDIES.

19.1 **Events of Default.** The occurrence of any of the following shall constitute a "**Default**":

19.1.1 Any failure by Tenant to pay any Rent (or deliver any Security Deposit, Letter of Credit, or similar credit enhancement required hereunder) when due unless such failure is cured within five (5) business days after notice; or

19.1.2 Except where a specific time period is otherwise set forth for Tenant's cure herein (in which event Tenant's failure to cure within such time period shall be a Default), and except as otherwise provided in this Section 19.1, any breach by Tenant of any other provision hereof where such breach continues for 30 days after notice from Landlord; provided that if such breach cannot reasonably be cured within such 30-day period, Tenant shall not be in Default as a result of such breach if Tenant diligently commences such cure within such period, thereafter diligently pursues such cure, and completes such cure within 60 days after Landlord's notice; or

19.1.3 Abandonment or vacation of all or a substantial portion of the Premises by Tenant; or

19.1.4 Any breach by Tenant of Section 17 or 18 where such breach continues for more than two (2) business days after notice from Landlord; or

19.1.5 Tenant becomes in breach of Section 25.3(c) or (d).

If Tenant breaches a particular provision hereof (other than a provision requiring payment of Rent) on three (3) separate occasions during any 12-month period, Tenant's subsequent breach of such provision shall be, at Landlord's option, an incurable Default. The notice periods provided herein are in lieu of, and not in addition to, any notice periods provided by Law, and Landlord shall not be required to give any additional notice in order to be entitled to commence an unlawful detainer proceeding.

19.2 **Remedies Upon Default.** Upon any Default, Landlord shall have, in addition to any other remedies available to Landlord at law or in equity (which shall be cumulative and nonexclusive), the option to pursue any one or more of the following remedies (which shall be cumulative and nonexclusive) without any additional notice or demand:

19.2.1 Landlord may terminate this Lease, in which event Landlord may recover from Tenant the following:

(a) The worth at the time of award of the unpaid Rent which had been earned at the time of such termination; plus

(b) The worth at the time of award of the amount by which the unpaid Rent which would have been earned after termination until the time of award exceeds the amount of such rental loss that Tenant proves could have been reasonably avoided; plus

(c) The worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds the amount of such Rent loss that Tenant proves could be reasonably avoided; plus

(d) Any other amount necessary to compensate Landlord for all the detriment proximately caused by Tenant's failure to perform its obligations hereunder or which in the ordinary course of things would be likely to result therefrom, including brokerage commissions, advertising expenses, expenses of remodeling any portion of the Premises for a new tenant (whether for the same or a different use), and any special concessions made to obtain a new tenant; plus

(e) At Landlord's option, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by Law.

As used in Sections 19.2.1(a) and (b), the "**worth at the time of award**" shall be computed by allowing interest at the rate specified in Section 3(b) above. As used in Section 19.2.1(c), the "**worth at the time of award**" shall be computed by discounting such amount at the discount rate of the Federal Reserve Bank of San Francisco at the time of award plus 1%.

19.2.2 Landlord shall have the remedy described in California Civil Code § 1951.4 (lessor may continue lease in effect after lessee's breach and abandonment and recover Rent as it becomes due, if lessee has the right to sublet or assign, subject only to reasonable limitations). Accordingly, if Landlord does not elect to terminate this Lease on account of any default by Tenant, Landlord may, from time to time, without terminating this Lease, enforce all of its rights and remedies hereunder, including the right to recover all Rent as it becomes due.

19.2.3 Landlord shall at all times have the rights and remedies (which shall be cumulative with each other and cumulative and in addition to those rights and remedies available under Sections 19.2.1 and 19.2.2, or any Law or other provision hereof), without prior demand or notice except as required by Law, to seek any declaratory, injunctive or other equitable relief, and specifically enforce this Lease, or restrain or enjoin a violation or breach of any provision hereof.

19.3 **Efforts to Relet**. Unless Landlord provides Tenant with express notice to the contrary, no re-entry, repair, maintenance, change, alteration, addition, reletting, appointment of a receiver or other action or omission by Landlord shall (a) be construed as an election by Landlord to terminate this Lease or Tenant's right to possession, or to accept a surrender of the Premises, or (b) operate to release Tenant from any of its obligations hereunder. Tenant waives, for Tenant and for all those claiming by, through or under Tenant, California Civil Code § 3275, California Code of Civil Procedure §§ 1174(c) and 1179, and any existing or future rights to redeem or reinstate, by order or judgment of any court or by any legal process or writ, this Lease or Tenant's right of occupancy of the Premises after any termination hereof.

19.4 **Landlord Default.** Landlord shall not be in default hereunder unless it fails to begin within 30 days after notice from Tenant, or fails to pursue with reasonable diligence thereafter, the cure of any breach by Landlord of its obligations hereunder. Before exercising any remedies for a default by Landlord, Tenant shall give notice and a reasonable time to cure to any Security Holder of which Tenant has been notified.

20 LANDLORD EXCULPATION. Notwithstanding any contrary provision hereof, (a) the liability of the Landlord Parties to Tenant shall be limited to an amount equal to the lesser of (i) Landlord's interest in the Building, or (ii) the equity interest Landlord would have in the Building if the Building were encumbered by third-party debt in an amount equal to 80% of the value of the Building (as such value is determined by Landlord); (b) Tenant shall look solely to Landlord's interest in the Building for the recovery of any judgment or award against any Landlord Party; (c) no Landlord Party shall have any liability for any judgment or deficiency, and Tenant waives and releases such liability on behalf of itself and all parties claiming by, through or under Tenant; and (d) no Landlord Party shall be liable for Tenant's loss of profits, loss of rents or other revenues, Tenant's loss of (or damage to or interference with any) business opportunity, loss of goodwill or loss of use, or for any form of special or consequential damage.

21 SECURITY DEPOSIT. Concurrently with its execution and delivery hereof, Tenant shall deposit with Landlord the Security Deposit, if any, as security for Tenant's performance of its obligations hereunder. If Tenant breaches any provision hereof, Landlord may, at its option, without limiting its remedies and without notice to Tenant, apply all or part of the Security Deposit to cure such breach and compensate Landlord for any loss or damage caused by such breach, including any damage for which recovery may be made under California Civil Code § 1951.2. If Landlord so applies any portion of the Security Deposit, Tenant, within three (3) days after demand therefor, shall restore the Security Deposit to its original amount. The Security Deposit is not an advance payment of Rent or measure of damages. Any unapplied portion of the Security Deposit shall be returned to Tenant within 60 days after the latest to occur of (a) the expiration of the Term, (b) Tenant's surrender of the Premises as required hereunder, or (c) determination of the final Rent due from Tenant. Landlord shall not be required to keep the Security Deposit separate from its other accounts.

22 RELOCATION. Landlord, after giving notice, may move Tenant to other space in the Project comparable in size and utility to the Premises; provided, however, that such other space shall be located above the first floor, shall contain the same or a greater number of linear feet of window line as the Premises and shall contain not less than the number of offices and conference rooms as were present in the Premises. In such event, all terms hereof shall apply to the new space, except that Base Rent and (except to the extent of the percentage, if any, by which the rentable square footage of the building in which the new space is located is less than the rentable square footage of the Building) Tenant's Share shall not increase as a result of such relocation. Landlord, at its expense, shall provide Tenant with tenant improvements in the new space at least equal in quality to those in the Premises. Landlord shall reimburse Tenant for Tenant's reasonable moving, re-cabling and stationery-replacement costs. The parties shall execute a written agreement prepared by Landlord memorializing the relocation.

23 COMMUNICATIONS AND COMPUTER LINES. All Lines installed pursuant to this Lease shall be (a) installed in accordance with Section 7; and (b) clearly marked with adhesive plastic labels (or plastic tags attached to such Lines with wire) to show Tenant's name, suite number, and the purpose of such Lines (i) every six (6) feet outside the Premises (including the electrical room risers and any Common Areas), and (ii) at their termination points. Landlord may designate specific contractors for work relating to vertical Lines. Sufficient spare cables and space for additional cables shall be maintained for other occupants, as reasonably determined by Landlord. Unless otherwise notified by Landlord, Tenant, at its expense and before the expiration or earlier termination hereof, shall remove all Lines and repair any resulting damage. As used herein, "**Lines**" means all communications or computer wires and cables serving the Premises, whenever and by whomever installed or paid for, including any such wires or cables installed pursuant to any prior lease.

24 PARKING. Tenant may park in the Building's parking facilities (the "**Parking Facility**"), in common with other tenants of the Building, upon the following terms and conditions. Tenant shall not use more than the number of unreserved and/or reserved parking spaces set forth in Section 1.9. Tenant shall pay Landlord, in accordance with Section 3, any fees for the parking spaces described in Section 1.9. Tenant shall pay Landlord any fees, taxes or other charges imposed by any governmental or quasi-governmental agency in connection with the Parking Facility, to the extent such amounts are allocated to Tenant by Landlord based on the number and type of parking spaces Tenant is entitled to use. Tenant shall comply with all rules and regulations established by Landlord from time to time for the orderly operation and use of the Parking Facility, including any sticker or other identification system and the prohibition of vehicle repair and maintenance activities in the Parking Facility. Landlord may, in its discretion, allocate and assign parking passes among Tenant and the other tenants in the Building. Tenant's use of the Parking Facility shall be at Tenant's sole risk, and Landlord shall have no liability for

any personal injury or damage to or theft of any vehicles or other property occurring in the Parking Facility or otherwise in connection with any use of the Parking Facility by Tenant or its employees or invitees. Landlord may alter the size, configuration, design, layout or any other aspect of the Parking Facility, and, in connection therewith, temporarily deny or restrict access to the Parking Facility, in each case without abatement of Rent or liability to Tenant. Landlord may delegate its responsibilities hereunder to a parking operator, in which case (i) such parking operator shall have all the rights of control reserved herein by Landlord, (ii) Tenant shall enter into a parking agreement with such parking operator, (iii) Tenant shall pay such parking operator, rather than Landlord, any charge established hereunder for the parking spaces, and (iv) Landlord shall have no liability for claims arising through acts or omissions of such parking operator except to the extent caused by Landlord's gross negligence or willful misconduct. Tenant's parking rights under this Section 24 are solely for the benefit of Tenant's employees and invitees and such rights may not be transferred without Landlord's prior consent, except pursuant to a Transfer permitted under Section 14.

25 MISCELLANEOUS.

25.1 **Notices.** No notice, demand, statement, designation, request, consent, approval, election or other communication given hereunder ("**Notice**") shall be binding upon either party unless (a) it is in writing; (b) it is (i) sent by certified or registered mail, postage prepaid, return receipt requested, (ii) delivered by a nationally recognized courier service, or (iii) delivered personally; and (c) it is sent or delivered to the address set forth in Section 1.10 or 1.11. as applicable, or to such other place (other than a P.O. box) as the recipient may from time to time designate in a Notice to the other party. Any Notice shall be deemed received on the earlier of the date of actual delivery or the date on which delivery is refused, or, if Tenant is the recipient and has vacated its notice address without providing a new notice address, three (3) days after the date the Notice is deposited in the U.S. mail or with a courier service as described above. No provision of this Lease requiring a particular Notice to be in writing shall limit the generality of clause (a) of the first sentence of this Section 25.1.

25.2 **Force Majeure.** If either party is prevented from performing any obligation hereunder by any strike, act of God, fire, war, terrorist act, shortage of labor or materials, governmental action (including, without limitation, governmentally required evacuations), civil commotion or other cause beyond such party's reasonable control ("**Force Majeure**"), such obligation shall be excused during (and any time period for the performance of such obligation shall be extended by) the period of such prevention; provided, however, that this Section 25.2 shall not (a) permit Tenant to hold over in the Premises after the expiration or earlier termination hereof, or (b) excuse (or extend any time period for the performance of) (i) any obligation to remit money or deliver credit enhancement, (ii) any obligation under Section 10 or 25.3, or (iii) any of Tenant's obligations whose breach would interfere with another occupant's use, occupancy or enjoyment of its premises or the Project or result in any liability on the part of any Landlord Party.

25.3 **Representations and Covenants.** Tenant represents, warrants and covenants that (a) Tenant is, and at all times during the Term will remain, duly organized, validly existing and in good standing under the Laws of the state of its formation and qualified to do business in the state of California; (b) neither Tenant's execution of nor its performance under this Lease will cause Tenant to be in violation of any agreement or Law; (c) Tenant (and any guarantor hereof) has not, and at no time during the Term will have, (i) made a general assignment for the benefit of creditors, (ii) filed a voluntary petition in bankruptcy, (iii) suffered (A) the filing by creditors of an involuntary petition in bankruptcy that is not dismissed within 30 days, (B) the appointment of a receiver to take possession of all or substantially all of its assets, or (C) the attachment or other judicial seizure of all or substantially all of its assets, (iv) admitted in writing its inability to pay its debts as they come due, or (v) made an offer of settlement, extension or composition to its creditors generally; and (d) no party that (other than through the passive ownership of interests traded on a recognized securities exchange) constitutes, owns, controls, or is owned or controlled by Tenant, any guarantor hereof or any subtenant of Tenant is, or at any time during the Term will be, (i) in violation of any Laws relating to terrorism or money laundering, or (ii) among the parties identified on any list compiled pursuant to Executive Order 13224 for the purpose of identifying suspected terrorists or on the most current list published by the U.S. Treasury Department Office of Foreign Assets Control at its official website, http://www.treas.gov/ofac/tllsdn.pdf or any replacement website or other replacement official publication of such list.

25.4 **Signs.** Landlord shall include Tenant's name in any tenant directory located in the lobby on the first floor of the Building. If any part of the Premises is located on a multi-tenant floor, Landlord, at Tenant's cost, shall provide identifying suite signage for Tenant comparable to that provided by Landlord on similar floors in the Building. Tenant may not install (a) any signs outside the Premises, or (b) without Landlord's prior consent in its sole and absolute discretion, any signs, window coverings, blinds or similar items that are visible from outside the Premises.

25.5 **Supplemental HVAC.** If the Premises are served by any supplemental HVAC unit (a "**Unit**"), then (a) Tenant shall pay the costs of all electricity consumed in the Unit's operation, together with the cost of installing a meter to measure such consumption; (b) Tenant, at its expense, shall (i) operate and maintain the Unit in compliance with all applicable Laws and such reasonable rules and procedures as Landlord may impose; (ii) keep the Unit in as good working order and condition as existed upon installation (or, if later, when Tenant took possession of the Premises), subject to normal wear and tear and damage resulting from Casualty; (iii) maintain in effect, with a contractor reasonably approved by Landlord, a contract for the maintenance and repair of the Unit, which contract shall require the contractor, at least once every three (3) months, to inspect the Unit and provide to Tenant a report of any defective conditions, together with any recommendations for maintenance, repair or parts-replacement; (iv) follow all reasonable recommendations of such contractor; and (v) promptly provide to Landlord a copy of such contract and each report issued thereunder; (c) the Unit shall become Landlord's property upon installation and without compensation to Tenant; provided, however, that upon Landlord's request at the expiration or earlier termination hereof, Tenant, at its expense, shall remove the Unit and repair any resulting damage (and if Tenant fails to timely perform such work, Landlord may do so at Tenant's expense); (d) the Unit shall be deemed (i) a Leasehold Improvement (except for purposes of Section 8), and (ii) for purposes of Section 11, part of the Premises; (e) if the Unit exists on the date of mutual execution and delivery hereof, Tenant accepts the Unit in its "as is" condition, without representation or warranty as to quality, condition, fitness for use or any other matter; (f) if the Unit connects to the Building's condenser water loop (if any), then Tenant shall pay to Landlord, as Additional Rent, Landlord's standard one-time fee for such connection and Landlord's standard monthly per-ton usage fee; and (g) if any portion of the Unit is located on the roof, then (i) Tenant's access to the roof shall be subject to such reasonable rules and procedures as Landlord may impose; (ii) Tenant shall maintain the affected portion of the roof in a clean and orderly condition and shall not interfere with use of the roof by Landlord or any other tenants or licensees; and (iii) Landlord may relocate the Unit and/or temporarily interrupt its operation, without liability to Tenant, as reasonably necessary to maintain and repair the roof or otherwise operate the Building.

25.6 **Attorneys' Fees.** In any action or proceeding between the parties, including any appellate or alternative dispute resolution proceeding, the prevailing party may recover from the other party all of its costs and expenses in connection therewith, including reasonable attorneys' fees and costs. Tenant shall pay all reasonable attorneys' fees and other fees and costs that Landlord incurs in interpreting or enforcing this Lease or otherwise protecting its rights hereunder (a) where Tenant has failed to pay Rent when due, or (b) in any bankruptcy case, assignment for the benefit of creditors, or other insolvency, liquidation or reorganization proceeding involving Tenant or this Lease.

25.7 **Brokers.** Tenant represents to Landlord that it has dealt only with Tenant's Broker as its broker in connection with this Lease. Tenant shall indemnify, defend, and hold Landlord harmless from all claims of any brokers, other than Tenant's Broker, claiming to have represented Tenant in connection with this Lease. Landlord shall pay a brokerage commission to Tenant's Broker subject to the terms of a separate written agreement to be entered into between Landlord and Tenant's Broker. Landlord shall indemnify, defend and hold Tenant harmless from all claims of any brokers, including Landlord's Broker, claiming to have represented Landlord in connection with this Lease.

25.8 **Governing Law; WAIVER OF TRIAL BY JURY.** This Lease shall be construed and enforced in accordance with the Laws of the State of California. THE PARTIES WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY LITIGATION ARISING OUT OF OR RELATING TO THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, AND/OR ANY CLAIM FOR INJURY OR DAMAGE OR ANY EMERGENCY OR STATUTORY REMEDY.

25.9 **Waiver of Statutory Provisions.** Each party waives California Civil Code §§ 1932(2), 1933(4) and 1945. Tenant waives (a) any rights under (i) California Civil Code §§ 1932(1), 1941, 1942, 1950.7 or any similar or replacement section or Law, or (ii) California Code of Civil Procedure §§ 1263.260 or 1265.130 or any similar or replacement section or Law; and (b) any right to terminate this Lease under California Civil Code § 1995.310 or any similar or replacement section or Law.

25.10 **Interpretation.** As used herein, the capitalized term "Section" refers to a section hereof unless otherwise specifically provided herein. As used in this Lease, the terms "herein," "hereof," "hereto" and "hereunder" refer to this Lease and the term "include" and its derivatives are not limiting. Any reference herein to "any part" or "any portion" of the Premises, the Property or any other property shall be construed to refer to all or any part of such property. As used herein in connection with insurance, the term "deductible" includes self-insured retention. Wherever this Lease prohibits either party from engaging in any particular conduct, this Lease shall be deemed also to require such party to cause each of its employees and agents (and, in the case of Tenant, each of its licensees, invitees and subtenants, and any other party claiming by, through or under Tenant) to refrain from engaging in such conduct. Wherever this Lease requires Landlord to provide a customary service or to act in a reasonable manner (whether in incurring an expense, establishing a rule or regulation, providing an approval or consent, or performing any other act), this Lease shall be deemed also to provide that whether such service is customary or such conduct is reasonable shall be determined by reference to the practices of owners of buildings ("**Comparable Buildings**") that (i) are comparable to the Building in size, age, class, quality and location, and (ii) at Landlord's option, have been, or are being prepared to be, certified under the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) rating system or a similar rating system. Tenant waives the benefit of any rule that a written agreement shall be construed against the drafting party.

25.11 **Entire Agreement.** This Lease sets forth the entire agreement between the parties relating to the subject matter hereof and supersedes any previous agreements (none of which shall be used to interpret this Lease). Tenant acknowledges that in entering into this Lease it has not relied upon any representation, warranty or statement, whether oral or written, not expressly set forth herein. This Lease can be modified only by a written agreement signed by both parties.

25.12 **Other.** Landlord, at its option, may cure any Default, without waiving any right or remedy or releasing Tenant from any obligation, in which event Tenant shall pay Landlord, upon demand, the cost of such cure. If any provision hereof is void or unenforceable, no other provision shall be affected. Submission of this instrument for examination or signature by Tenant does not constitute an option or offer to lease, and this instrument is not binding until it has been executed and delivered by both parties. The voluntary or other surrender of this Lease by Tenant, whether accepted by Landlord or not, or a mutual termination thereof, shall not work a merger, and at the option of Landlord shall operate as an assignment to Landlord of all subleases or subtenancies affecting the Premises or terminate any or all such sublessees or subtenancies. If Tenant is comprised of two or more parties, their obligations shall be joint and several. Time is of the essence with respect to the performance of every provision hereof in which time of performance is a factor. So long as Tenant performs its obligations hereunder, Tenant shall have peaceful and quiet possession of the Premises against any party claiming by, through or under Landlord, subject to the terms hereof. Landlord may transfer its interest herein, in which event (a) to the extent the transferee assumes in writing Landlord's obligations arising hereunder after the date of such transfer (including the return of any Security Deposit), Landlord shall be released from, and Tenant shall look solely to the transferee for the performance of, such obligations; and (b) Tenant shall attorn to the transferee. If Tenant (or any party claiming by, through or under Tenant) pays directly to the provider for any energy consumed at the Property, Tenant, promptly upon request, shall deliver to Landlord (or, at Landlord's option, execute and deliver to Landlord an instrument enabling Landlord to obtain from such provider) any data about such consumption that Landlord, in its reasonable judgment, is required to disclose to a prospective buyer, tenant or Security Holder under California Public Resources Code § 25402.10 or any similar Law. Landlord reserves all rights not expressly granted to Tenant hereunder, including the right to make alterations to the Project. No rights to any view or to light or air over any property are granted to Tenant hereunder. The expiration or earlier termination hereof shall not relieve either party of any obligation that accrued before, or continues to accrue after, such expiration or termination. This Lease may be executed in counterparts.

25.13 **Fitness Center.** Subject to the provisions of this Section 25.13, so long as Tenant is not in Default under this Lease, and provided Tenant's employees execute Landlord's standard waiver of liability form and pay the applicable one time or monthly fee, if any, then Tenant's employees (the "**Fitness Center Users**") shall be entitled to use the fitness center (the "**Fitness Center**") in the building located at 255 Shoreline Drive, Redwood City, California. The use of the Fitness Center shall be subject to the reasonable rules and regulations (including rules regarding hours of use) established from time to time by Landlord for the Fitness Center. Landlord and Tenant acknowledge that the use of the Fitness Center by the Fitness Center Users shall be at their own risk and that the terms and provisions of Section 10.1 of this Lease shall apply to Tenant and the Fitness Center User's use of the Fitness Center. The costs of operating, maintaining and repairing the Fitness Center may be included as part of Expenses. Tenant acknowledges that the provisions of this Section shall not be deemed to be a representation by Landlord that Landlord shall continuously maintain the Fitness Center (or any other fitness facility) throughout the Term of this Lease, and Landlord shall have the right, at Landlord's sole discretion, to expand, contract, eliminate or otherwise modify the Fitness Center. In addition, in the event Landlord no longer owns the building located at 255 Shoreline Drive, Redwood City, California, the rights of Tenant and the users of the Fitness Center to use the Fitness Center may, at Landlord's option, be terminated. No expansion, contraction, elimination or modification of the Fitness Center, and no termination of Tenant's or the Fitness Center Users' rights to the Fitness Center shall entitle Tenant to an abatement or reduction in Rent, or constitute a constructive eviction, or result in an event of default by Landlord under this Lease.

25.14 **Shower Facility.** Subject to the provisions of this Section 25.14, so long as Tenant is not in Default under this Lease, Tenant employees (the "**Shower Users**") shall be entitled to use the shower facility (the "**Shower Facility**") in the Building. The use of the Shower Facility shall be subject to the reasonable rules and regulations (including rules regarding hours of use) established from time to time by Landlord for the Shower Facility. Landlord and Tenant acknowledge that the use of the Shower Facility by the Shower Users shall be at their own risk and that the terms and provisions of Section 10.1 of this Lease shall apply to Tenant and the Shower User's use of the Shower Facility. The costs of operating, maintaining and repairing the Shower Facility shall be included as part of Expenses. Tenant acknowledges that the provisions of this Section shall not be deemed to be a representation by Landlord that Landlord shall continuously maintain the Shower Facility throughout the Term, and Landlord shall have the right, at Landlord's sole discretion, to expand, contract, eliminate or otherwise modify the Shower Facility. No expansion, contraction, elimination or modification of the Shower Facility, and no termination of Tenant's or the Shower User's rights to the Shower Facility shall entitle Tenant to an abatement or reduction in Rent, constitute a constructive eviction, or result in an event of default by Landlord under this Lease.

[SIGNATURES ARE ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, Landlord and Tenant have caused this Lease to be executed the day and date first above written.

LANDLORD:

HUDSON SHOREBREEZE, LLC, a Delaware limited liability company

By: Hudson Pacific Properties, L.P.,
a Maryland limited partnership,
its sole member

By: Hudson Pacific Properties, Inc.,
a Maryland corporation,
its general partner

By: /s/ Kenneth Young
Name: Kenneth Young
Title: Vice President - Leasing

TENANT:

GRAYBUG, INC., a Delaware corporation

By: /s/ Jeffrey L. Cleland
Name: Jeffrey L. Cleland
Title: CEO
[chairman] [president] [vice-president]

By: _____
Name:
Title:
[secretary] [assistant secretary] [chief financial officer] [assistant treasurer]

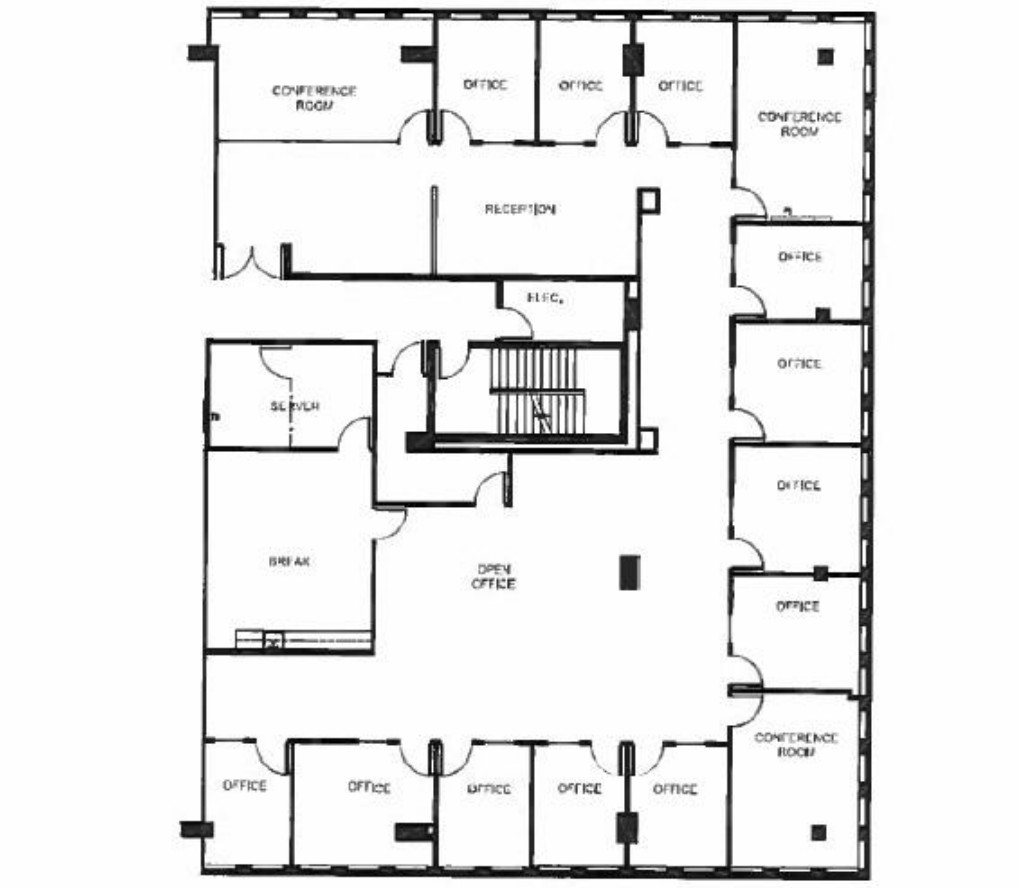
EXHIBIT A

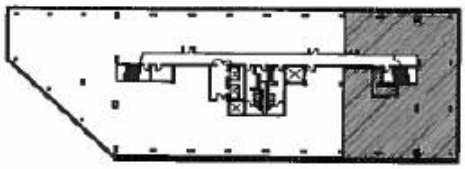
SHOREBREEZE
SHOREBREEZE I
REDWOOD CITY, CALIFORNIA

OUTLINE OF PREMISES

See Attached

This Exhibit "A" is provided for informational purposes only and is intended to be only an approximation of the layout of the Premises and shall not be deemed to constitute any representation by Landlord as to the exact layout or configuration of the Premises.





KEY PLAN

EXHIBIT B

SHOREBREEZE
SHOREBREEZE I
REDWOOD CITY, CALIFORNIA

WORK LETTER

As used in this **Exhibit B** (this **"Work Letter"**), the following terms shall have the following meanings:

(i) **"Tenant Improvements"** means all improvements to be constructed in the Premises pursuant to this Work Letter;

(ii) **"Tenant Improvement Work"** means the construction of the Tenant Improvements, together with any related work (including demolition) that is necessary to construct the Tenant Improvements;

(iii) **"Agreement"** means the lease of which this Work Letter is a part.

1 COST OF TENANT IMPROVEMENT WORK. Except as provided in Sections 2.7.4 and 3.2.2.B below, the Tenant Improvement Work shall be performed at Landlord's expense.

2 ARCHITECTURAL PLANS.

2.1 **Selection of Architect**. Landlord shall retain the architect/space planner of Landlord's choice (the "Architect") to prepare the Architectural Drawings (defined in Section 2.5 below).

2.2 [Intentionally Omitted.]

2.3 **Approved Space Plan**. Landlord and Tenant acknowledge that they have approved the space plan for the Premises dated April 4, 2016 and revised on April 21, 2016 prepared by ID/Architecture (the "Approved Space Plan"). All materials and finishes contemplated by the Approved Space Plan shall be deemed to be Building-standard unless otherwise expressly provided therein.

2.4 **Additional Programming Information**. Tenant shall deliver to Landlord, in writing, all information (including all interior and special finishes) that, when combined with the Approved Space Plan, will be sufficient to complete the Architectural Drawings, together with all information (including all electrical requirements, telephone requirements, special HVAC requirements, and plumbing requirements) that, when combined with the Approved Space Plan, will be sufficient to complete the Engineering Drawings (defined in Section 3.2.1 below) (collectively, the "**Additional Programming Information**"). The Additional Programming Information shall not increase the cost of the Tenant Improvement Work (as reasonably estimated by Landlord) and shall be (a) consistent with the Approved Space Plan, (b) consistent with Landlord's requirements for avoiding aesthetic, engineering or other conflicts with the design and function of the balance of the Building (collectively, the **"Landlord Requirements"**), and (c) otherwise subject to Landlord's reasonable approval. Landlord shall provide Tenant with notice approving or reasonably disapproving the Additional Programming Information within five (5) business days after the later of Landlord's receipt thereof or the mutual execution and delivery of this Agreement. If Landlord disapproves the Additional Programming Information, Landlord's notice of disapproval shall describe with reasonable specificity the basis for such disapproval and Tenant shall modify the Additional Programming Information and resubmit it for Landlord's approval. Such procedure shall be repeated as necessary until Landlord has approved the Additional Programming Information. Such approved Additional Programming Information shall be referred to herein as the "**Approved Additional Programming Information.**" If requested by Tenant, Landlord, in its sole and absolute discretion, may assist Tenant, or cause the Architect and/or other contractors or consultants of Landlord to assist Tenant, in preparing all or a portion of the Additional Programming Information; provided, however, that, whether or not the Additional Programming Information is prepared with such assistance, Tenant shall be solely responsible for the timely preparation and delivery of the Additional Programming Information and for all elements thereof. Landlord and Tenant acknowledge that, as of the date of mutual execution and delivery of this Agreement, Tenant has previously delivered to Landlord, and Landlord has approved, the Additional Programming Information.

2.5 **Architectural Drawings**. After approving the Additional Programming Information, Landlord shall cause the Architect to prepare and deliver to Tenant the final architectural (and, if applicable, structural) working drawings for the Tenant Improvement Work that are in a form that (a) when combined with any Approved Additional Programming Information that is not expressly incorporated into such working drawings, will be sufficient to enable the Contractor (defined in Section 3.1 below) and its subcontractors to bid on the Tenant Improvement Work, and (b) when combined with any Engineering Drawings that satisfy the Engineering Requirements (defined in Section 3.2.1 below), will be sufficient to obtain the Permits (defined in Section 3.3 below) (the "**Architectural Drawings**"). The Architectural Drawings shall conform to the Approved Space Plan and the Approved Additional Programming Information. The Architect's preparation and delivery of the Architectural Drawings shall occur within seven (7) business days after the later of Landlord's approval of the Additional Programming Information or the mutual execution and delivery of this Agreement. Tenant shall approve or disapprove the Architectural Drawings by notice to Landlord. If Tenant disapproves the Architectural Drawings, Tenant's notice of disapproval shall specify any revisions Tenant desires in the Architectural Drawings. After receiving such notice of disapproval, Landlord shall cause the Architect to revise the Architectural Drawings and resubmit them to Tenant, taking into account the reasons for Tenant's disapproval; provided, however, that Landlord shall not be required to cause the Architect to make any revision to the Architectural Drawings that (a) would increase the cost of the Tenant Improvement Work (as reasonably estimated by Landlord), (b) conflicts with the Approved Space Plan or the Landlord Requirements, or (c) is otherwise reasonably disapproved by Landlord. Such revision and resubmission shall occur within five (5) business days after the later of Landlord's receipt of Tenant's notice of disapproval or the mutual execution and delivery of this Agreement if such revision is not material, and within such longer period of time as may be reasonably necessary (but not more than 15 business days after the later of such receipt or such mutual execution and delivery) if such revision is material. Such procedure shall be repeated as necessary until Tenant has approved the Architectural Drawings. Such approved Architectural Drawings shall be referred to herein as the "**Approved Architectural Drawings.**"

2.6 [Intentionally Omitted.]

2.7 Revisions to Approved Architectural Drawings, Approved Additional Programming Information, or Approved Space Plan.

2.7.1 **Approved Architectural Drawings**. If Tenant requests any revision to the Approved Architectural Drawings, Landlord shall provide Tenant with notice approving or reasonably disapproving such revision, and, if Landlord approves such revision, Landlord shall have such revision made and delivered to Tenant, together with notice of any resulting change in the estimated total cost associated with the Tenant Improvement Work, within 10 business days after the later of Landlord's receipt of such request or the mutual execution and delivery of this Agreement if such revision is not material, and within such longer period of time as may be reasonably necessary (but not more than 15 business days after the later of such receipt or such execution and delivery) if such revision is material, whereupon Tenant, within one (1) business day, shall notify Landlord whether it desires to proceed with such revision. If Landlord has begun performing the Tenant Improvement Work, then, in the absence of such authorization, Landlord shall have the option to continue such performance disregarding such revision. Landlord shall not revise the Approved Architectural Drawings without Tenant's consent, which shall not be unreasonably withheld or conditioned. Tenant shall approve, or reasonably disapprove (and state, with reasonable specificity, its reasons for disapproving), any revision to the Approved Architectural Drawings within two (2) business days after receiving Landlord's request for approval thereof. For purposes hereof, any change order affecting the Approved Architectural Drawings shall be deemed a revision to the Approved Architectural Drawings.

2.7.2 **Approved Additional Programming Information**. If Tenant requests Landlord's approval of any revision to the Approved Additional Programming Information, Landlord shall provide Tenant with notice approving or reasonably disapproving such revision, together with notice of any resulting change in the estimated total cost associated with the Tenant Improvement Work, within five (5) business days after the later of Landlord's receipt of such request or the mutual execution and delivery of this Agreement, whereupon Tenant, within one (1) business day, shall notify Landlord whether it desires to proceed with such revision. If Landlord has begun performing the Tenant Improvement Work, then, in the absence of such authorization, Landlord shall have the option to continue such performance disregarding such revision. Landlord shall not revise the Approved Additional Programming Information without Tenant's consent, which shall not be unreasonably withheld or conditioned. Tenant shall approve, or reasonably disapprove (and state, with reasonable specificity, its reasons for disapproving), any revision to the Approved Additional Programming Information within two (2) business days after receiving Landlord's request for approval thereof.

2.7.3 **Approved Space Plan**. If Tenant requests Landlord's approval of any revision to the Approved Space Plan, Landlord shall provide Tenant with notice approving or reasonably disapproving such revision, together with notice of any resulting change in the estimated total cost associated with the Tenant Improvement Work, within five (5) business days after the later of Landlord's receipt of such request or the mutual execution and delivery of this Agreement, whereupon Tenant, within one (1)

business day, shall notify Landlord whether it desires to proceed with such revision. If Landlord has begun performing the Tenant Improvement Work, then, in the absence of such authorization, Landlord shall have the option to continue such performance disregarding such revision. Landlord shall not revise the Approved Space Plan without Tenant's consent, which shall not be unreasonably withheld or conditioned. Tenant shall approve, or reasonably disapprove (and state, with reasonable specificity, its reasons for disapproving), any revision to the Approved Space Plan within two (2) business days after receiving Landlord's request for approval thereof.

2.7.4 **Costs of Revisions**. Tenant shall reimburse Landlord, immediately upon demand, for any increase in the total cost associated with the Tenant Improvement Work that results from any revision to the Approved Architectural Drawings requested by Tenant, any revision to the Approved Additional Programming Information made by Tenant, or any revision to the Approved Space Plan requested or made by Tenant, including, in each case, any cost of preparing or reviewing such revision.

2.8 **Tenant's Approval Deadline**. Tenant shall approve the Architectural Drawings pursuant to Section 2.5 above on or before Tenant's Approval Deadline (defined below). As used in this Work Letter, **"Tenant's Approval Deadline"** means the date occurring 10 business days after the mutual execution and delivery of this Agreement; provided, however, that Tenant's Approval Deadline shall be extended by one (1) day for each day, if any, by which Tenant's approval of the Architectural Drawings pursuant to Section 2.5 above is delayed by any failure of Landlord to perform its obligations under this Section 2.

3 CONSTRUCTION.

3.1 **Contractor**. Landlord shall retain a contractor of its choice (the **"Contractor"**) to perform the Tenant Improvement Work. In addition, Landlord may select and/or approve of any subcontractors, mechanics and materialmen used in connection with the performance of the Tenant Improvement Work.

3.2 **Engineering Drawings**.

3.2.1 **Preparation**. Landlord shall cause the engineering working drawings for the mechanical, electrical, plumbing, fire-alarm and fire sprinkler work in the Premises (the **"Engineering Drawings"**) to (a) be prepared by one or more of the Architect, the Contractor, and/or engineers or other consultants selected and/or retained by the Architect, the Contractor or Landlord, and (b) conform to the Approved Space Plan, the Approved Additional Programming Information, the first sentence of Section 4 below, and any then-existing Approved Architectural Drawings (collectively, the **"Engineering Requirements"**).

3.2.2 **Design Build**. Except as provided in Section 3.2.3 below:

A. Delivery and Approval. The Engineering Drawings shall be delivered to Tenant within five (5) business days after the later of Tenant's approval of the Architectural Drawings pursuant to Section 2.5 above or the mutual execution and delivery of this Agreement. Tenant shall approve, or reasonably disapprove (and state, with reasonable specificity, its reasons for disapproving), the Engineering Drawings within two (2) business days after the latest of (a) Tenant's receipt of the Engineering Drawings, (b) Tenant's approval of the Architectural Drawings, or (c) the mutual execution and delivery of this Agreement. After receiving any such notice of reasonable disapproval, Landlord shall cause the Contractor to revise the Engineering Drawings and resubmit them to Tenant, taking into account the reasons for Tenant's disapproval; provided, however, that Landlord shall not be required to make any revision to the Engineering Drawings that conflicts with the Engineering Requirements or the Landlord Requirements or is otherwise reasonably disapproved by Landlord. Such procedure shall be repeated as necessary until Tenant has reasonably approved the Engineering Drawings. Such approved Engineering Drawings shall be referred to herein as the **"Approved Engineering Drawings"**.

B. Revisions. If Tenant requests any revision to the Approved Engineering Drawings, Landlord shall provide Tenant with notice approving or reasonably disapproving such revision, and, if Landlord approves such revision, Landlord shall have such revision made and delivered to Tenant, together with notice of any resulting change in the estimated total cost associated with the Tenant Improvement Work, within five (5) business days after the later of Landlord's receipt of such request or the mutual execution and delivery of this Agreement if such revision is not material, and within such longer period of time as may be reasonably necessary (but not more 10 business days after the later of such receipt or such execution and delivery) if such revision is material, whereupon Tenant, within one (1) business day, shall notify Landlord whether it desires to proceed with such revision. If Landlord has begun performing the Tenant Improvement Work, then, in the absence of such authorization, Landlord shall have the option to continue such performance disregarding such revision. Landlord shall not revise the Approved Engineering Drawings without Tenant's consent, which shall not be unreasonably withheld or conditioned. Tenant shall approve, or reasonably disapprove (and state, with reasonable specificity, its reasons for disapproving), any revision to the Approved Engineering Drawings

within two (2) business days after receiving Landlord's request for approval thereof. Any change order affecting the Approved Engineering Drawings shall be deemed a revision to the Approved Engineering Drawings. Tenant shall reimburse Landlord, immediately upon demand, for any increase in the total cost associated with the Tenant Improvement Work that results from any revision to the Approved Engineering Drawings requested by Tenant, including the cost of preparing such revision.

3.2.3 **Design Bid Build**. If Landlord, at its option, causes the Engineering Drawings to be delivered to Tenant on or before the date on which the Architectural Drawings are first delivered to Tenant pursuant to Section 2.5 above, then (a) Section 3.2.2 above shall not apply; (b) Tenant's review and approval of, and any revisions to, the Engineering Drawings shall be governed by Sections 2.5 and 2.7 above as if the Engineering Drawings were part of the Architectural Drawings; and (c) the Engineering Drawings, as approved by Tenant pursuant to Section 2.5 above, shall be referred to herein as the "**Approved Engineering Drawings**".

3.3 **Permits**. Landlord shall cause the Contractor to submit the Approved Architectural Drawings and the Approved Engineering Drawings (collectively, the "Approved Construction Drawings") to the appropriate municipal authorities and otherwise apply for and obtain from such authorities all permits necessary for the Contractor to complete the Tenant Improvement Work (the "Permits").

3.4 **Construction**.

3.4.1 **Performance of Tenant Improvement Work**. Landlord shall cause the Contractor to perform the Tenant Improvement Work in accordance with the Approved Construction Drawings.

3.4.2 **Contractor's Warranties**. Tenant waives all claims against Landlord relating to any defects in the Tenant Improvements; provided, however, that if, within 30 days after substantial completion of the Tenant Improvement Work, Tenant provides notice to Landlord of any non-latent defect in the Tenant Improvements, or if, within 11 months after substantial completion of the Tenant Improvement Work, Tenant provides notice to Landlord of any latent defect in the Tenant Improvements, then Landlord shall promptly cause such defect to be corrected.

4 COMPLIANCE WITH LAW; SUITABILITY FOR TENANT'S USE. Landlord shall (a) cause the Architectural Drawings and the Engineering Drawings, other than any Tenant Revision (defined below), to comply with Law, and (b) cause the Architect or the Contractor, as applicable, to use the Required Level of Care (defined below) to cause any Tenant Revision to comply with Law; provided, however, that Landlord shall not be responsible for any violation of Law resulting from (a) any particular use of the Premises (as distinguished from general office use), or (b) any failure of the Approved Additional Programming Information to comply with Law. As used herein, **"Tenant Revision"** means any revision to the Approved Space Plan or the Approved Construction Drawings made or requested by Tenant. As used herein, **"Required Level of Care"** means the level of care that reputable architects and engineers customarily use to cause architectural and engineering plans, drawings and specifications to comply with Law where such plans, drawings and specifications are prepared for spaces in buildings comparable in quality to the Building. Except as provided above in this Section 4, Tenant shall be responsible for ensuring that the Approved Space Plan, the Additional Programming Information, the Architectural Drawings and the Engineering Drawings (collectively, the **"Plans"**) are suitable for Tenant's use of the Premises and comply with Law, and neither the preparation of the Plans by Landlord's consultants nor Landlord's approval of the Plans shall relieve Tenant from such responsibility. To the extent that either party (the **"Responsible Party"**) is responsible under this Section 4 for causing the Plans to comply with Law, the Responsible Party may contest any alleged violation of Law in good faith, including by seeking a waiver or deferment of compliance, asserting any defense allowed by Law, and exercising any right of appeal (provided that the other party incurs no liability as a result of such contest and that, after completing such contest, the Responsible Party makes any modification to the Plans or any alteration to the Premises that is necessary to comply with any final order or judgment).

5 COMPLETION.

5.1 **Substantial Completion**. For purposes of Section 1.3.2 of this Agreement, and subject to Section 5.2 below, the Tenant Improvement Work shall be deemed to be **"Substantially Complete"** upon the completion of the Tenant Improvement Work pursuant to the Approved Construction Drawings (as reasonably determined by Landlord), with the exception of any details of construction, mechanical adjustment or any other similar matter the non-completion of which does not materially interfere with Tenant's use of the Premises.

5.2 **Tenant Cooperation**; Tenant Delay. Tenant shall use reasonable efforts to cooperate with Landlord, the Architect, the Contractor, and Landlord's other consultants to complete all phases of the Plans, obtain the Permits and complete the Tenant Improvement Work as soon as possible, and Tenant shall meet with Landlord, in accordance with a schedule determined by Landlord, to discuss the parties'

progress. Without limiting the foregoing, if (i) the Tenant Improvements include the installation of electrical connections for furniture stations to be installed by Tenant, and (ii) any electrical or other portions of such furniture stations must be installed in order for Landlord to obtain any governmental approval required for occupancy of the Premises, then (x) Tenant, upon five (5) business days' notice from Landlord, shall promptly install such portions of such furniture stations in accordance with Sections 7.2 and 7.3 of this Lease, and (y) during the period of Tenant's entry into the Premises for the purpose of performing such installation, all of Tenant's obligations under this Agreement relating to the Premises shall apply, except for the obligation to pay Monthly Rent. In addition, without limiting the foregoing, if the Substantial Completion of the Tenant Improvement Work is delayed (a **"Tenant Delay"**) as a result of (a) any failure of Tenant to approve the Architectural Drawings pursuant to Section 2.5 above on or before Tenant's Approval Deadline; (b) any failure of Tenant to timely approve the Engineering Drawings, pursuant to Section 3.2.2.A above, for any reason other than their failure to satisfy the Engineering Requirements; (c) any failure of Tenant to timely approve any other matter requiring Tenant's approval; (d) any breach by Tenant of this Work Letter or this Agreement; (e) any request by Tenant for any revision to, or for Landlord's approval of any revision to, any portion of the Plans that has previously been approved by both parties (except to the extent that such delay results from a breach by Landlord of its obligations under Section 2.7 or 3.2.2.B above); (f) [Intentionally Omitted]; (g) [Intentionally Omitted]; or (h) any other act or omission of Tenant or any of its agents, employees or representatives, then, notwithstanding any contrary provision of this Agreement, and regardless of when the Tenant Improvement Work is actually Substantially Completed, the Tenant Improvement Work shall be deemed to be Substantially Completed on the date on which the Tenant Improvement Work would have been Substantially Completed if no such Tenant Delay had occurred. Notwithstanding the foregoing, Landlord shall not be required to tender possession of the Premises to Tenant before the Tenant Improvement Work has been Substantially Completed, as determined without giving effect to the preceding sentence.

6 **MISCELLANEOUS**. Notwithstanding any contrary provision of this Agreement, if Tenant defaults under this Agreement before the Tenant Improvement Work is completed, Landlord's obligations under this Work Letter shall be excused until such default is cured and Tenant shall be responsible for any resulting delay in the completion of the Tenant Improvement Work. This Work Letter shall not apply to any space other than the Premises.

EXHIBIT C

SHOREBREEZE
SHOREBREEZE I

REDWOOD CITY, CALIFORNIA

CONFIRMATION LETTER

_____, 20_

To: _____

_____

_____

_____

Re: Office Lease (the **"Lease"**) dated , 20__ , between _____, a _____ (**"Landlord"**), and **GRAYBUG, INC., a Delaware corporation ("Tenant")**, concerning Suite ____ on the _____ floor of the building located at _____, _____ California.

Dear _____:

In accordance with the Lease, Tenant accepts possession of the Premises and confirms the following:

1. The Commencement Date is _____ and the Expiration Date is _____.

2. The exact number of rentable square feet within the Premises is 5,999 square feet.

3. Tenant's Share, based upon the exact number of rentable square feet within the Premises, is 5.2025%.

Please acknowledge the foregoing by signing all three (3) counterparts of this letter in the space provided below and returning two (2) fully executed counterparts to my attention. Please note that, pursuant to Section 2.1.1 of the Lease, if Tenant fails to execute and return (or, by notice to Landlord, reasonably object to) this letter within five (5) business days after receiving it, Tenant shall be deemed to have executed and returned it without exception.

"Landlord":

HUDSON SHOREBREEZE, LLC, a Delaware limited liability company

By: Hudson Pacific Properties, L.P.,
a Maryland limited partnership,
its sole member

By: Hudson Pacific Properties, Inc.,
a Maryland corporation,
its general partner

By: _____
Name: _____
Title: _____

EXHIBIT D

SHOREBREEZE
SHOREBREEZE I
REDWOOD CITY, CALIFORNIA

RULES AND REGULATIONS

Tenant shall comply with the following rules and regulations (as modified or supplemented from time to time, the "**Rules and Regulations**"). Landlord shall not be responsible to Tenant for the nonperformance of any of the Rules and Regulations by any other tenants or occupants of the Project. In the event of any conflict between the Rules and Regulations and the other provisions of this Lease, the latter shall control.

1. Tenant shall not alter any lock or install any new or additional locks or bolts on any doors or windows of the Premises without obtaining Landlord's prior consent. Tenant shall bear the cost of any lock changes or repairs required by Tenant. Two (2) keys will be furnished by Landlord for the Premises, and any additional keys required by Tenant must be obtained from Landlord at a reasonable cost to be established by Landlord. Upon the termination of this Lease, Tenant shall restore to Landlord all keys of stores, offices and toilet rooms furnished to or otherwise procured by Tenant, and if any such keys are lost, Tenant shall pay Landlord the cost of replacing them or of changing the applicable locks if Landlord deems such changes necessary.

2. All doors opening to public corridors shall be kept closed at all times except for normal ingress and egress to the Premises.

3. Landlord may close and keep locked all entrance and exit doors of the Building during such hours as are customary for Comparable Buildings. Tenant shall cause its employees, agents, contractors, invitees and licensees who use Building doors during such hours to securely close and lock them after such use. Any person entering or leaving the Building during such hours, or when the Building doors are otherwise locked, may be required to sign the Building register (if applicable), and access to the Building may be refused unless such person has proper identification or has a previously arranged access pass. Landlord will furnish passes to persons for whom Tenant requests them. Tenant shall be responsible for all persons for whom Tenant requests passes and shall be liable to Landlord for all acts of such persons. Landlord and its agents shall not be liable for damages for any error with regard to the admission or exclusion of any person to or from the Building. In case of invasion, mob, riot, evacuation, public excitement or other commotion, Landlord may prevent access to the Building or the Project during the continuance thereof by any means it deems appropriate for the safety and protection of life and property.

4. No furniture, freight or equipment shall be brought into the Building without prior notice to Landlord. All moving activity into or out of the Building shall be scheduled with Landlord and done only at such time and in such manner as Landlord designates. Landlord may prescribe the weight, size and position of all safes and other heavy property brought into the Building and also the times and manner of moving the same in and out of the Building. Safes and other heavy objects shall, if considered necessary by Landlord, stand on supports of such thickness as is necessary to properly distribute the weight. Landlord will not be responsible for loss of or damage to any such safe or property. Any damage to the Building, its contents, occupants or invitees resulting from Tenant's moving or maintaining any such safe or other heavy property shall be the sole responsibility and expense of Tenant (notwithstanding Sections 7 and 10.4 of this Lease).

5. No furniture, packages, supplies, equipment or merchandise will be received in the Building or carried up or down in the elevators, except between such hours, in such specific elevator and by such personnel as shall be designated by Landlord.

6. Employees of Landlord shall not perform any work or do anything outside their regular duties unless under special instructions from Landlord.

7. No sign, advertisement, notice or handbill shall be exhibited, distributed, painted or affixed by Tenant on any part of the Premises or the Building without Landlord's prior consent. Tenant shall not disturb, solicit, peddle or canvass any occupant of the Project.

8. The toilet rooms, urinals, wash bowls and other apparatus shall not be used for any purpose other than that for which they were constructed, and no foreign substance shall be thrown therein. Notwithstanding Sections 7 and 10.4 of this Lease, Tenant shall bear the expense of any breakage, stoppage or damage resulting from any violation of this rule by Tenant or any of its employees, agents, contractors, invitees or licensees.

9. Tenant shall not overload the floor of the Premises, or mark, drive nails or screws or drill into the partitions, woodwork or drywall of the Premises, or otherwise deface the Premises, without Landlord's prior consent. Tenant shall not purchase bottled water, ice, towel, linen, maintenance or other like services from any person not approved by Landlord.

10. Except for snack and soft drink vending machines at locations within the Premises reasonably approved by Landlord and intended for the sole use of Tenant's employees and invitees, no vending machine shall be installed, maintained or operated in the Premises without Landlord's prior consent.

11. Tenant shall not, without Landlord's prior consent, use, store, install, disturb, spill, remove, release or dispose of, within or about the Premises or any other portion of the Project, any asbestos-containing materials, any solid, liquid or gaseous material now or subsequently considered toxic or hazardous under the provisions of 42 U.S.C. Section 9601 et seq. or any other applicable environmental Law, or any inflammable, explosive or dangerous fluid or substance; provided, however, that Tenant may use, store and dispose of such substances in such amounts as are typically found in similar premises used for general office purposes provided that such use, storage and disposal does not damage any part of the Premises, Building or Project and is performed in a safe manner and in accordance with all Laws. Tenant shall comply with all Laws pertaining to and governing the use of such materials by Tenant and shall remain solely liable for the costs of abatement and removal. No burning candle or other open flame shall be ignited or kept by Tenant in or about the Premises, Building or Project.

12. Tenant shall not, without Landlord's prior consent, use any method of heating or air conditioning other than that supplied by Landlord.

13. Tenant shall not use or keep any foul or noxious gas or substance in or on the Premises, or occupy or use the Premises in a manner offensive or objectionable to Landlord or other occupants of the Project by reason of noise, odors or vibrations, or interfere with other occupants or those having business therein, whether by the use of any musical instrument, radio, CD player or otherwise. Tenant shall not throw anything out of doors, windows or skylights or down passageways.

14. Tenant shall not bring into or keep within the Project, the Building or the Premises any animals (other than service animals legally required to be admitted), birds, aquariums, or, except in areas designated by Landlord, bicycles or other vehicles.

15. No cooking shall be done in the Premises, nor shall the Premises be used for lodging, for living quarters or sleeping apartments, or for any improper, objectionable or immoral purposes. Notwithstanding the foregoing, Underwriters' laboratory-approved equipment and microwave ovens may be used in the Premises for heating food and brewing coffee, tea, hot chocolate and similar beverages for employees and invitees, provided that such use complies with all Laws.

16. The Premises shall not be used for manufacturing or for the storage of merchandise except to the extent such storage may be incidental to the Permitted Use. Tenant shall not occupy the Premises as an office for a messenger-type operation or dispatch office, or for the manufacture or sale of liquor, narcotics or tobacco, or as a medical office, a barber or manicure shop, or an employment bureau.

17. Landlord may exclude from the Project any person who, in Landlord's judgment, is intoxicated or under the influence of liquor or drugs, or who violates any of these Rules and Regulations.

18. Tenant shall not loiter in or on the entrances, corridors, sidewalks, lobbies, courts, halls, stairways, elevators, vestibules or any Common Areas for the purpose of smoking tobacco products or for any other purpose, nor in any way obstruct such areas, and shall use them only as a means of ingress and egress for the Premises.

19. Tenant shall not waste electricity, water or air conditioning, shall cooperate with Landlord to ensure the most effective operation of the Building's heating and air conditioning system, and shall not attempt to adjust any controls. Tenant shall install and use in the Premises only ENERGY STAR rated equipment, where available. Tenant shall use recycled paper in the Premises to the extent consistent with its business requirements.

20. Tenant shall store all its trash and garbage inside the Premises. No material shall be placed in the trash or garbage receptacles if, under Law, it may not be disposed of in the ordinary and customary manner of disposing of trash and garbage in the vicinity of the Building. All trash, garbage and refuse disposal shall be made only through entryways and elevators provided for such purposes at such times as Landlord shall designate. Tenant shall comply with Landlord's recycling program, if any.

21. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency. Tenant shall not, without Landlord's prior written consent (which consent may be granted or withheld in Landlord's sole and absolute discretion), allow any employee, contractor or agent to carry any type of gun or other firearm in or about the Premises, the Building or the Project.

22. Any persons employed by Tenant to do janitorial work (a) shall be subject to Landlord's prior consent; (b) shall not, in Landlord's reasonable judgment, disturb labor harmony with any workforce or trades engaged in performing other work or services at the Project; and (c) while in the Building and outside of the Premises, shall be subject to the control and direction of the Building manager (but not as an agent or employee of such manager or Landlord), and Tenant shall be responsible for all acts of such persons.

23. No awning or other projection shall be attached to the outside walls of the Building. Other than Landlord's Building-standard window coverings, no curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises. All electrical ceiling fixtures hung in the Premises or spaces along the perimeter of the Building must be fluorescent and/or of a quality, type, design and a warm white bulb color approved in advance by Landlord. Neither the interior nor exterior of any windows shall be coated or otherwise sunscreened. Tenant shall abide by Landlord's regulations concerning the opening and closing of window coverings.

24. Tenant shall not obstruct any sashes, sash doors, skylights, windows or doors that reflect or admit light or air into the halls, passageways or other public places in the Building, nor shall Tenant place any bottles, parcels or other articles on the windowsills.

25. Tenant must comply with requests by Landlord concerning the informing of their employees of items of importance to the Landlord.

26. Tenant must comply with the State of California "No-Smoking" law set forth in California Labor Code Section 6404.5 (as may be amended or replaced) and with any local "No-Smoking" ordinance that is not superseded by such law.

27. Tenant shall cooperate in any safety or security program reasonably developed by Landlord or required by Law.

28. All office equipment of an electrical or mechanical nature shall be placed by Tenant in the Premises in settings approved by Landlord, to absorb or prevent any vibration, noise or annoyance.

29. Tenant shall not use any hand trucks except those equipped with rubber tires and rubber side guards.

30. No auction, liquidation, fire sale, going-out-of-business or bankruptcy sale shall be conducted in the Premises without Landlord's prior consent.

31. Without Landlord's prior consent, Tenant shall not use the name of the Project or Building or use pictures or illustrations of the Project or Building in advertising or other publicity or for any purpose other than as the address of the business to be conducted by Tenant in the Premises.

32. Fitness Center Rules. Tenant shall cause its employees (whether members or prospective members of the Fitness Center) to comply with the following Fitness Center rules and regulations (subject to change from time to time as Landlord may solely determine):

A. Membership in the Fitness Center is open to the tenants of Shorebreeze I and Shorebreeze II. No guests will be permitted to use the Fitness Center without the prior written approval of Landlord or Landlord's representative.

B. Fitness Center users are not allowed to be in the Fitness Center other than the hours designated by Landlord from time to time. Landlord shall have the right to alter the hours of use of the Fitness Center, at Landlord's sole discretion.

C. All Fitness Center users must execute Landlord's Waiver of Liability prior to use of the Fitness Center and agree to all terms and conditions outlined therein.

D. Individual membership and guest keycards to the Fitness Center shall not be shared and shall only be used by the individual to whom such keycard was issued. Failure to abide by this rule may result in immediate termination of such Fitness Center user's right to use the Fitness Center.

E. All Fitness Center users and approved guests must have a pre-authorized keycard to enter the Fitness Center. A pre-authorized keycard shall not be issued to a prospective Fitness Center user until receipt by Landlord of Landlord's initial fee, if any, for use of the Fitness Center by such Fitness Center user(s).

F. Use of the Fitness Center is a privilege and not a right. Failure to follow gym rules or to act inappropriately while using the facilities shall result in termination of Tenant's Fitness Center privileges.

Landlord may from time to time modify or supplement these Rules and Regulations in a manner that, in Landlord's reasonable judgment, is appropriate for the management, safety, care and cleanliness of the Premises, the Building, the Common Areas and the Project, for the preservation of good order therein, and for the convenience of other occupants and tenants thereof, provided that no such modification or supplement shall materially reduce Tenant's rights or materially increase Tenant's obligations hereunder. Landlord may waive any of these Rules and Regulations for the benefit of any tenant, but no such waiver shall be construed as a waiver of such Rule and Regulation in favor of any other tenant nor prevent Landlord from thereafter enforcing such Rule and Regulation against any tenant. Notwithstanding the foregoing, no rule that is added to the initial Rules and Regulations shall be enforced against Tenant in a manner that unreasonably discriminates in favor of any other similarly situated tenant.

EXHIBIT E

SHOREBREEZE
SHOREBREEZE I
REDWOOD CITY, CALIFORNIA

JUDICIAL REFERENCE

IF THE JURY-WAIVER PROVISIONS OF SECTION 25.8 OF THIS LEASE ARE NOT ENFORCEABLE UNDER CALIFORNIA LAW, THE PROVISIONS SET FORTH BELOW SHALL APPLY.

(a) It is the desire and intention of the parties to agree upon a mechanism and procedure under which controversies and disputes arising out of this Lease or related to the Premises will be resolved in a prompt and expeditious manner. Accordingly, subject to the exclusions set forth in (b) below, any and every action, proceeding or cross-claim brought by either party hereto against the other (and/or against its officers, directors, employees, agents or subsidiaries or affiliated entities) on any matters arising out of or in any way connected with this Lease, Tenant's use or occupancy of the Premises and/or any claim of injury or damage, whether sounding in contract, tort, or otherwise, shall be heard and resolved by a referee under the provisions of the California Code of Civil Procedure, Sections 638 — 645.1, inclusive (as same may be amended, or any successor statute(s) thereto) (the "Referee Sections").

(b) Excluded from the requirement of judicial reference set forth above are (i) actions to seek emergency injunctive relief, preliminary injunctive relief, unlawful or forcible detainer, or a prejudgment writ of attachment and (ii) any dispute for which an alternative dispute resolution procedure is otherwise expressly provided in the Lease (including any exhibits thereto). The actions described in (i) above may be brought in the trial court in the county in which the Premises are located; provided, however, that as soon as practicable after the trial court rules on one or more of the above issues, the parties shall refer the lawsuit, and any remaining issues, controversies, or disputes to a referee, as provided in this section and the Referee Sections.

(c) Any fee to initiate the judicial reference proceedings and all fees charged and costs incurred by the referee shall be paid by the party initiating such procedure (except that if a reporter is requested by either party, then a reporter shall be present at all proceedings where requested and the fees of such reporter – except for copies ordered by the other parties – shall be borne by the party requesting the reporter); provided however, that allocation of the costs and fees, including any initiation fee, of such proceeding shall be ultimately determined in accordance with Section 25.6 of this Lease.

(d) The exclusive venue of the proceedings shall be in the county in which the Premises are located.

(e) Within 10 days of receipt by any party of a request to resolve any dispute or controversy pursuant to this **Exhibit E**, the parties shall agree upon a single referee who shall try all issues, whether of fact or law, and report a finding and judgment on such issues as required by the Referee Sections. If the parties are unable to agree upon a referee within such 10-day period, then any party may thereafter file a lawsuit in the county in which the Premises are located for the purpose of appointment of a referee under the Referee Sections. If the referee is appointed by the court, the referee shall be a neutral and impartial retired judge with substantial experience in the relevant matters to be determined, from the panels offered by JAMS or ADR Services, Inc. The proposed referee may be challenged by any party for any of the grounds listed in the Referee Sections. The referee shall have the power to decide all issues of fact and law and report his or her decision on such issues, and to issue all recognized remedies available at law or in equity for any cause of action that is before the referee, including an award of attorneys' fees and costs in accordance with this Lease. The referee shall not, however, have the power to award punitive damages, nor shall the referee have the power to award any other damages that are not permitted by the express provisions of this Lease, and the parties waive any right to recover such damages.

(f) The parties may conduct all discovery as provided in the California Code of Civil Procedure, and the referee shall oversee discovery and may enforce all discovery orders in the same manner as any trial court judge, with rights to regulate discovery and to issue and enforce subpoenas, protective orders and other limitations on discovery available under California Law.

(g) The reference proceeding shall be conducted in accordance with California Law (including the rules of evidence), and in all regards, the referee shall follow California Law applicable at the time of the reference proceeding. The parties shall promptly and diligently cooperate with one another and the referee, and shall perform such acts as may be necessary to obtain a prompt and expeditious resolution of the dispute or controversy in accordance with the terms of this **Exhibit E**. In this regard, the parties agree

that the parties and the referee shall use best efforts to ensure that (a) discovery, including all expert discovery (but excluding motions regarding discovery) be concluded within six (6) months of the date of the appointment of the referee, and (b) a trial date be set so that the trial proceeding is held no more than nine (9) months after the date of the appointment of the referee.

(h) In accordance with Section 644 of the California Code of Civil Procedure, the decision of the referee upon the whole issue must stand as the decision of the court, and upon the filing of the statement of decision with the clerk of the court, or with the judge if there is no clerk, judgment may be entered thereon in the same manner as if the action had been tried by the court. Any decision of the referee and/or judgment or other order entered thereon shall be appealable to the same extent and in the same manner that such decision, judgment, or order would be appealable if rendered by a judge of the superior court in which venue is proper hereunder. The referee shall in his/her statement of decision set forth his/her findings of fact and conclusions of law. The parties intend this general reference agreement to be specifically enforceable in accordance with the Code of Civil Procedure. Nothing in this **Exhibit E** shall prejudice the right of any party to obtain provisional relief or other equitable remedies from a court of competent jurisdiction as shall otherwise be available under the Code of Civil Procedure and/or applicable court rules.

EXHIBIT F

SHOREBREEZE

SHOREBREEZE I
REDWOOD CITY, CALIFORNIA

ADDITIONAL PROVISIONS

1. **California Civil Code Section 1938**. Pursuant to California Civil Code § 1938, Landlord hereby states that the Premises have not undergone inspection by a Certified Access Specialist (CASp) (defined in California Civil Code § 55.52).

2. Extension Option.

2.1. **Grant of Option; Conditions.** Tenant shall have the right (the **"Extension Option"**) to extend the Term for one (1) additional period of three (3) years beginning on the day immediately following the expiration date of the Lease and ending on the third anniversary of such expiration date (the "**Extension Term"**), if:

(a) not less than 9 and not more than 12 full calendar months before the expiration date of the Lease, Tenant delivers written notice to Landlord (the **"Extension Notice"**) electing to exercise the Extension Option and stating Tenant's estimate of the Prevailing Market (defined in Section 2.5 below) rate for the Extension Term;

(b) no Default exists when Tenant delivers the Extension Notice;

(c) no part of the Premises is sublet when Tenant delivers the Extension Notice; and

(d) the Lease has not been assigned (other than pursuant to a Permitted Transfer) before Tenant delivers the Extension Notice.

2.2. **Terms Applicable to Extension Term**.

A. During the Extension Term, (a) the Base Rent rate per rentable square foot shall be equal to the Prevailing Market rate per rentable square foot; (b) Base Rent shall increase, if at all, in accordance with the increases assumed in the determination of Prevailing Market rate; and (c) Base Rent shall be payable in monthly installments in accordance with the terms and conditions of the Lease.

B. During the Extension Term Tenant shall pay Tenant's Share of Expenses and Taxes for the Premises in accordance with the Lease; provided, however, that the Base Year with respect to the Extension Term shall be the calendar year 2019.

2.3. **Procedure for Determining Prevailing Market.**

A. Initial Procedure. Within 30 days after receiving the Extension Notice, Landlord shall give Tenant either (i) written notice ("**Landlord's Binding Notice**") accepting Tenant's estimate of the Prevailing Market rate for the Extension Term stated in the Extension Notice, or (ii) written notice ("**Landlord's Rejection Notice**") rejecting such estimate and stating Landlord's estimate of the Prevailing Market rate for the Extension Term. If Landlord gives Tenant a Landlord's Rejection Notice, Tenant, within 15 days thereafter, shall give Landlord either (i) written notice (**"Tenant's Binding Notice"**) accepting Landlord's estimate of the Prevailing Market rate for the Extension Term stated in such Landlord's Rejection Notice, or (ii) written notice (**"Tenant's Rejection Notice"**) rejecting such estimate. If Tenant gives Landlord a Tenant's Rejection Notice, Landlord and Tenant shall work together in good faith to agree in writing upon the Prevailing Market rate for the Extension Term. If, within 30 days after delivery of a Tenant's Rejection Notice, the parties fail to agree in writing upon the Prevailing Market rate, the provisions of Section 2.3.B below shall apply.

B. Dispute Resolution Procedure.

1. If, within 30 days after delivery of a Tenant's Rejection Notice, the parties fail to agree in writing upon the Prevailing Market rate, Landlord and Tenant, within five (5) days thereafter, shall each simultaneously submit to the other, in a sealed envelope, its good faith estimate of the Prevailing Market rate for the Extension Term (collectively, the "**Estimates**"). Within seven (7) days after the exchange of Estimates, Landlord and Tenant shall each select a broker or agent (an "**Agent**") to determine which of the two Estimates most closely reflects the Prevailing Market rate for the Extension Term. Each Agent so selected shall be licensed as a real estate broker or agent and in good standing with the California Department of Real Estate, and shall have had at least five (5) years' experience within the previous 10 years as a commercial real estate broker or agent working in Redwood City, California, with working knowledge of current rental rates and leasing practices relating to buildings similar to the Building.

2. If each party selects an Agent in accordance with Section 2.3.B.1 above, the parties shall cause their respective Agents to work together in good faith to agree upon which of the two Estimates most closely reflects the Prevailing Market rate for the Extension Term. The Estimate, if any, so agreed upon by such Agents shall be final and binding on both parties as the Prevailing Market rate for the Extension Term and may be entered in a court of competent jurisdiction. If the Agents fail to reach such agreement within 20 days after their selection, then, within 10 days after the expiration of such 20-day period, the parties shall instruct the Agents to select a third Agent meeting the above criteria (and if the Agents fail to agree upon such third Agent within 10 days after being so instructed, either party may cause a court of competent jurisdiction to select such third Agent). Promptly upon selection of such third Agent, the parties shall instruct such Agent (or, if only one of the parties has selected an Agent within the 7-day period described above, then promptly after the expiration of such 7-day period the parties shall instruct such Agent) to determine, as soon as practicable but in any case within 14 days after his selection, which of the two Estimates most closely reflects the Prevailing Market rate. Such determination by such Agent (the **"Final Agent"**) shall be final and binding on both parties as the Prevailing Market rate for the Extension Term and may be entered in a court of competent jurisdiction. If the Final Agent believes that expert advice would materially assist him, he may retain one or more qualified persons to provide such expert advice. The parties shall share equally in the costs of the Final Agent and of any experts retained by the Final Agent. Any fees of any other broker, agent, counsel or expert engaged by Landlord or Tenant shall be borne by the party retaining such broker, agent, counsel or expert.

C. Adjustment. If the Prevailing Market rate has not been determined by the commencement date of the Extension Term, Tenant shall pay Base Rent for the Extension Term upon the terms and conditions in effect during the last month ending on or before the expiration date of the Lease until such time as the Prevailing Market rate has been determined. Upon such determination, the Base Rent for the Extension Term shall be retroactively adjusted. If such adjustment results in an under- or overpayment of Base Rent by Tenant, Tenant shall pay Landlord the amount of such underpayment, or receive a credit in the amount of such overpayment, with or against the next Base Rent due under the Lease.

2.4. **Extension Amendment**. If Tenant is entitled to and properly exercises its Extension Option, and if the Prevailing Market rate for the Extension Term is determined in accordance with Section 2.3 above, Landlord, within a reasonable time thereafter, shall prepare and deliver to Tenant an amendment (the "**Extension Amendment**") reflecting changes in the Base Rent, the Term, the expiration date of the Lease, and other appropriate terms in accordance with this Section 2, and Tenant shall execute and return (or provide Landlord with reasonable objections to) the Extension Amendment within 15 days after receiving it. Notwithstanding the foregoing, upon determination of the Prevailing Market rate for the Extension Term in accordance with Section 2.3 above, an otherwise valid exercise of the Extension Option shall be fully effective whether or not the Extension Amendment is executed.

2.5. **Definition of Prevailing Market**. For purposes of this Extension Option, "**Prevailing Market**" shall mean the arms-length, fair-market, annual rental rate per rentable square foot under extension and renewal leases and amendments entered into on or about the date on which the Prevailing Market is being determined hereunder for space comparable to the Premises in the Building and office buildings comparable to the Building in the Redwood City, California area. The determination of Prevailing Market shall take into account (i) any material economic differences between the terms of the Lease and any comparison lease or amendment, such as rent abatements, construction costs and other concessions, and the manner, if any, in which the landlord under any such lease is reimbursed for operating expenses and taxes; (ii) any material differences in configuration or condition between the Premises and any comparison space, including any cost that would have to be incurred in order to make the configuration or condition of the comparison space similar to that of the Premises; and (iii) any reasonably anticipated changes in the Prevailing Market rate from the time such Prevailing Market rate is being determined and the time such Prevailing Market rate will become effective under the Lease.

2.6. **Intentionally omitted**.

FIRST AMENDMENT

THIS FIRST AMENDMENT (this **"Amendment"**) is made and entered into as of April 1st , 2019, by and between **HUDSON SHOREBREEZE, LLC, a Delaware limited liability company ("Landlord"),** and **GRAYBUG VISION, INC., a Delaware corporation ("Tenant").**

RECITALS

A. Landlord and Tenant (formerly known as GrayBug, Inc., a Delaware corporation) are parties to that certain Office Lease dated May 17, 2016, as previously confirmed by that certain Confirmation Letter dated June 23, 2016 (as amended, the **"Lease"**). Pursuant to the Lease, Landlord has leased to Tenant space currently containing approximately **5,999** rentable square feet (the "Premises") described as Suite 450 on the fourth floor of the building commonly known as Shorebreeze I located at 275 Shoreline Drive, Redwood City, California (the **"Building"**).

B. The Lease will expire by its terms on June 30, 2019 (the **"Existing Expiration Date"**), and the parties wish to extend the term of the Lease on the following terms and conditions.

NOW, THEREFORE, in consideration of the above recitals which by this reference are incorporated herein, the mutual covenants and conditions contained herein and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant agree as follows:

1. **Extension.** The term of the Lease is hereby extended through August 31, 2021 (the **"Extended Expiration Date"**). The portion of the term of the Lease beginning on the date immediately following the Existing Expiration Date (the **"Extension Date"**) and ending on the Extended Expiration Date shall be referred to herein as the **"Extended Term"**.

2. **Base Rent**. During the Extended Term, the schedule of Base Rent shall be as follows:

Period of Extended Term	Annual Rate Per Square Foot (rounded to the nearest 100th of a dollar)	Monthly Base Rent
7/1/19 - 6/30/20	$ 64.20	$32,094.65
7/1/20 - 6/30/21	$ 66.13	$33,057.49
7/1/21 - 8/31/21	$ 68.11	$34,049.21

All such Base Rent shall be payable by Tenant in accordance with the terms of the Lease, as amended.

Notwithstanding the foregoing, Base Rent shall be abated, in the amount of $32,094.65 per month, for the calendar months of January 2020 and February 2020; provided, however, that if a Default exists when any such abatement would otherwise apply, such abatement shall be deferred until the date, if any, on which such Default is cured.

3. **Additional Security Deposit**. No additional Security Deposit shall be required in connection with this Amendment.

4. **Expenses and Taxes**. During the Extended Term, Tenant shall pay for Tenant's Share of Expenses and Taxes in accordance with the terms of the Lease; provided, however, that during the Extended Term, the Base Year for Expenses and Taxes shall be 2019.

5. **Improvements to Premises**.

5.1. **Configuration and Condition of Premises**. Tenant acknowledges that it is in possession of the Premises and agrees to accept them "as is" without any representation by Landlord regarding their configuration or condition and without any obligation on the part of Landlord to perform or pay for any alteration or improvement, except as may be otherwise expressly provided in this Amendment.

5.2. **Responsibility for Improvements to Premises**. Landlord shall perform improvements to the Premises in accordance with the Extension Work Letter attached hereto as **Exhibit A**.

6. **Other Pertinent Provisions**. Landlord and Tenant agree that, effective as of the date of this Amendment (unless different effective date(s) is/are specifically referenced in this Section), the Lease shall be amended in the following additional respects:

6.1. **Energy Usage.** The ninth sentence of Section 25.12 of the Lease is hereby deleted in its entirety and is replaced with the following:

"If Tenant (or any party claiming by, through or under Tenant) pays directly to the provider for any energy consumed at the Project, Tenant, promptly upon request, shall deliver to Landlord (or, at Landlord's option, execute and deliver to Landlord an instrument enabling Landlord to obtain from such provider) any data about such consumption that Landlord, in its reasonable judgment, is required for benchmarking purposes or to disclose to a prospective buyer, tenant or mortgage lender under any applicable law."

6.2. **California Civil Code Section 1938**. Section 1 of Exhibit F to the Lease is hereby deleted in its entirety and is replaced with the following:

"**California Civil Code Section 1938**. Pursuant to California Civil Code *§* 1938, Landlord hereby states that the Premises have not undergone inspection by a Certified Access Specialist (CASp) (defined in California Civil Code § 55.52).

Accordingly, pursuant to California Civil Code § 1938(e), Landlord hereby further states as follows: "A Certified Access Specialist (CASp) can inspect the subject premises and determine whether the subject premises comply with all of the applicable construction-related accessibility standards under state law. Although state law does not require a CASp inspection of the subject premises, the commercial property owner or lessor may not prohibit the lessee or tenant from obtaining a CASp inspection of the subject premises for the occupancy or potential occupancy of the lessee or tenant, if requested by the lessee or tenant. The parties shall mutually agree on the arrangements for the time and manner of the CASp inspection, the payment of the fee for the CASp inspection, and the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the premises".

In accordance with the foregoing, Landlord and Tenant agree that if Tenant requests a CASp inspection of the Premises, then Tenant shall pay (i) the fee for such inspection, and (ii) except as may be otherwise expressly provided in this Amendment, the cost of making any repairs necessary to correct violations of construction-related accessibility standards within the Premises."

6.3. **Deletion**. Section 2 (entitled "Extension Option") of Exhibit F to the Lease is of no further force and effect.

7. **Second Extension Option.**

7.1. **Grant of Option; Conditions**. Tenant shall have the right (the **"Second Extension Option"**) to extend the Extended Term for one (1) additional period of three (3) years beginning on the day immediately following the Extended Expiration Date and ending on the third anniversary of such date (the **"Second Extension Term"**), if:

(a) not less than 9 and not more than 12 full calendar months before the Extended Expiration Date, Tenant delivers written notice to Landlord (for purposes of this Section 7, the **"Extension Notice"**) electing to exercise the Second Extension Option;

(b) no Default exists when Tenant delivers the Extension Notice;

(c) no part of the Premises is sublet when Tenant delivers the Extension Notice; and

(d) the Lease, as amended, has not been assigned before Tenant delivers the Extension Notice.

7.2. **Terms Applicable to Second Extension Term**.

A. During the Second Extension Term, (a) the Base Rent rate per rentable square foot shall be equal to the Prevailing Market rate per rentable square foot; (b) Base Rent shall increase, if at all, in accordance with the increases assumed in the determination of Prevailing Market rate; and (c) Base Rent shall be payable in monthly installments in accordance with the terms and conditions of the Lease, as amended.

B. During the Second Extension Term Tenant shall pay Tenant's Share of Expenses and Taxes for the Premises in accordance with the Lease, as amended.

7.3. **Procedure for Determining Prevailing Market**. Within 30 days after receiving the Extension Notice, Landlord shall give Tenant written notice of Landlord's estimate of the Prevailing Market rate for the Second Extension Term (for purposes of this Section 7, "**Landlord's Estimate**"). Within 30 days of receiving Landlord's Estimate, Tenant shall give Landlord either (i) written notice (for purposes of this Section 7, "**Tenant's Binding Notice**") accepting Landlord's Estimate, or (ii) written notice (for purposes of this Section 7, "**Tenant's Rejection Notice**") rejecting such estimate and stating Tenant's estimate of the Prevailing Market rate for the Second Extension Term. If Tenant gives Landlord a Tenant's Rejection Notice, Landlord, within 15 days thereafter, shall give Tenant either (i) written notice (for purposes of this Section 7, "Landlord's Binding Notice") accepting Tenant's estimate of the Prevailing Market rate for the Second Extension Term stated in Tenant's Rejection Notice, or (ii) written notice (for purposes of this Section 7, "**Landlord's Rejection Notice**") rejecting such estimate. If Landlord gives Tenant a Landlord's Rejection Notice, Landlord and Tenant shall work together in good faith to agree in writing upon the Prevailing Market rate for the Second Extension Term. If, within 30 days after delivery of a Landlord's Rejection Notice, the parties fail to agree in writing upon the Prevailing Market rate, Tenant's Second Extension Option shall be of no further force or effect.

7.4. **Extension Amendment**. If Tenant is entitled to and properly exercises its Second Extension Option, and if the Prevailing Market rate for the Second Extension Term is determined in accordance with Section 7.3 above, Landlord, within a reasonable time thereafter, shall prepare and deliver to Tenant an amendment (for purposes of this Section 7, the "**Extension Amendment**") reflecting changes in the Base Rent, the term of the Lease, the expiration date of the Lease, and other appropriate terms in accordance with this Section 7, and Tenant shall execute and return (or provide Landlord with reasonable objections to) the Extension Amendment within 15 days after receiving it. Notwithstanding the foregoing, upon determination of the Prevailing Market rate for the Second Extension Term in accordance with Section 7.3 above, an otherwise valid exercise of the Second Extension Option shall be fully effective whether or not the Extension Amendment is executed.

7.5. **Definition of Prevailing Market**. For purposes of this Second Extension Option, **"Prevailing Market"** shall mean the arms-length, fair-market, annual rental rate per rentable square foot under extension and renewal leases and amendments entered into on or about the date on which the Prevailing Market is being determined hereunder for space comparable to the Premises in the Building and office buildings comparable to the Building in the Redwood City, California area. The determination of Prevailing Market shall take into account (i) any material economic differences between the terms of the Lease, as amended, and any comparison lease or amendment, such as rent abatements, construction costs and other concessions, and the manner, if any, in which the landlord under any such lease is reimbursed for operating expenses and taxes; (ii) any material differences in configuration or condition between the Premises and any comparison space, including any cost that would have to be incurred in order to make the configuration or condition of the comparison space similar to that of the Premises; and (iii) any reasonably anticipated changes in the Prevailing Market rate from the time such Prevailing Market rate is being determined and the time such Prevailing Market rate will become effective under the Lease, as amended.

8. Miscellaneous.

8.1. This Amendment and the attached exhibits, which are hereby incorporated into and made a part of this Amendment, set forth the entire agreement between the parties with respect to the matters set forth herein. There have been no additional oral or written representations or agreements. Tenant shall not be entitled, in connection with entering into this Amendment, to any free rent, allowance, alteration, improvement or similar economic incentive to which Tenant may have been entitled in connection with entering into the Lease, except as may be otherwise expressly provided in this Amendment.

8.2. Except as herein modified or amended, the provisions, conditions and terms of the Lease shall remain unchanged and in full force and effect.

8.3. In the case of any inconsistency between the provisions of the Lease and this Amendment, the provisions of this Amendment shall govern and control.

8.4. Submission of this Amendment by Landlord is not an offer to enter into this Amendment but rather is a solicitation for such an offer by Tenant. Landlord shall not be bound by this Amendment until Landlord has executed and delivered it to Tenant.

8.5. Capitalized terms used but not defined in this Amendment shall have the meanings given in the Lease.

8.6. Tenant shall indemnify and hold Landlord, its trustees, members, principals, beneficiaries, partners, officers, directors, employees, mortgagee(s) and agents, and the respective principals and members of any such agents harmless from all claims of any brokers (other than CBRE, Inc., for purposes hereof "**Tenant's Broker**"), claiming to have represented Tenant in connection with this Amendment. Landlord shall indemnify and hold Tenant, its trustees, members, principals, beneficiaries, partners, officers, directors, employees, and agents, and the respective principals and members of any such agents harmless from all claims of any brokers claiming to have represented Landlord in connection with this Amendment. Tenant acknowledges that any assistance rendered by any agent or employee of any affiliate of Landlord in connection with this Amendment has been made as an accommodation to Tenant solely in furtherance of consummating the transaction on behalf of Landlord, and not as agent for Tenant. Landlord shall pay a brokerage commission to Tenant's Broker subject to the terms of a separate written agreement to be entered into between Landlord and Tenant's Broker.

IN WITNESS WHEREOF, Landlord and Tenant have duly executed this Amendment as of the day and year first above written.

LANDLORD:

HUDSON SHOREBREEZE, LLC, a Delaware limited liability company

By: Hudson Pacific Properties, L.P.,
a Maryland limited partnership,
its sole member

By: Hudson Pacific Properties, Inc.,
a Maryland corporation,
its general partner

By: /s/ Kenneth Young
Name: Kenneth Young
Title: Vice President - Leasing

TENANT:

GRAYBUG VISION, INC., a Delaware corporation

By: /s/ Pamela Wapnick
Name: Pamela Wapnick
Title: Chief Financial Officer

EXHIBIT A

EXTENSION WORK LETTER

As used in this **Exhibit A** (this "**Extension Work Letter**"), the following terms shall have the following meanings:

(i) For purposes of this **Exhibit A**, "**Tenant Improvements**" means all improvements to be constructed in the Premises pursuant to this Extension Work Letter;

(ii) For purposes of this **Exhibit A**, "**Tenant Improvement Work**" means the construction of the Tenant Improvements, together with any related work (including demolition) that is necessary to construct the Tenant Improvements; and

(iii) "**Agreement**" means the amendment of which this Extension Work Letter is a part.

1 COST OF TENANT IMPROVEMENT WORK. Except as provided in Section 2.7 below, the Tenant Improvement Work shall be performed at Landlord's expense.

2 WORK LIST.

2.1 **Work List**. Landlord shall perform improvements to the Premises in accordance with the following work list (for purposes of this **Exhibit A**, the "**Work List**") using Building-standard methods, materials and finishes.

WORK LIST

ITEM

1. Professionally clean carpets in the interior of the Premises.

2.2 [Intentionally Omitted]

2.3 [Intentionally Omitted]

2.4 [Intentionally Omitted]

2.5 [Intentionally Omitted]

2.6 [Intentionally Omitted]

2.7 **Revisions to Work List**. The Work List shall not be revised without Landlord's agreement, which agreement may be withheld or conditioned in Landlord's sole and absolute discretion. If Tenant requests any revision to the Work List, Landlord shall provide Tenant with notice approving or disapproving such revision, and, if Landlord approves such revision, Landlord shall have such revision made and delivered to Tenant, together with notice of any resulting change in the cost of the Tenant Improvement Work, within 10 business days after the later of Landlord's receipt of such request or the mutual execution and delivery of this Agreement if such revision is not material, and within such longer period of time as may be reasonably necessary (but not more than 15 business days after the later of such receipt or such execution and delivery) if such revision is material, whereupon Tenant, within one (1) business day, shall notify Landlord whether it desires to proceed with such revision. If Landlord has begun performing the Tenant Improvement Work, then, in the absence of such authorization, Landlord shall have the option to continue such performance disregarding such revision. Landlord shall not revise the Work List without Tenant's consent, which shall not be unreasonably withheld or conditioned. Tenant shall approve, or reasonably disapprove (and state, with reasonable specificity, its reasons for disapproving), any revision to the Work List within two (2) business days after receiving Landlord's request for approval thereof. Any change order affecting the Work List shall be deemed a revision to the Work List. Tenant shall reimburse Landlord, immediately upon demand, for any increase in the total cost associated with the Tenant Improvement Work that results from any revision to the Work List requested by Tenant, including the cost of preparing such revision.

2.8 [Intentionally Omitted]

3 CONSTRUCTION.

3.1 **Contractor**. Landlord shall retain a contractor of its choice (for purposes of this **Exhibit A**, the "**Contractor**") to perform the Tenant Improvement Work. In addition, Landlord may select and/or approve of any subcontractors, mechanics and materialmen used in connection with the performance of the Tenant Improvement Work.

3.2 [Intentionally Omitted]

3.3 **Permits**. Landlord shall cause the Contractor to apply to the appropriate municipal authorities for, and obtain from such authorities, all permits necessary for the Contractor to complete the Tenant Improvement Work (for purposes of this **Exhibit A**, the "**Permits**").

3.4 **Construction**

3.4.1 P**erformance of Tenant Improvement Work**. Landlord shall cause the Contractor to perform the Tenant Improvement Work in accordance with the Work List.

3.4.2 **Contractor's Warranties**. Tenant waives all claims against Landlord relating to any defects in the Tenant Improvements; provided, however, that if, within 30 days after substantial completion of the Tenant Improvement Work, Tenant provides notice to Landlord of any non-latent defect in the Tenant Improvements, or if, within 11 months after substantial completion of the Tenant Improvement Work, Tenant provides notice to Landlord of any latent defect in the Tenant Improvements, then Landlord shall promptly cause such defect to be corrected.

4 COMPLIANCE WITH LAW; SUITABILITY FOR TENANT'S USE. Landlord shall cause the Work List to comply with law. Except as provided in the preceding sentence, Tenant shall be responsible for ensuring that the Work List is suitable for Tenant's use of the Premises, and neither the preparation nor the approval of the Work List by Landlord or its consultants shall relieve Tenant from such responsibility. Landlord may contest any alleged violation of law in good faith, including by seeking a waiver or deferment of compliance, asserting any defense allowed by law, and exercising any right of appeal (provided that, after completing such contest, Landlord makes any modification to the Work List or any alteration to the Premises that is necessary to comply with any final order or judgment).

5 COMPLETION. Tenant acknowledges and agrees that the Tenant Improvement Work may be performed during Building HVAC Hours before or after the Extension Date. Landlord and Tenant shall cooperate with each other in order to enable the Tenant Improvement Work to be performed in a timely manner and with as little inconvenience to the operation of Tenant's business as is reasonably possible. Notwithstanding any contrary provision of this Agreement, any delay in the completion of the Tenant Improvement Work or inconvenience suffered by Tenant during the performance of the Tenant Improvement Work shall not delay the Extension Date, nor shall it subject Landlord to any liability for any loss or damage resulting therefrom or entitle Tenant to any credit, abatement or adjustment of rent or other sums payable under the Lease.

6 MISCELLANEOUS. Notwithstanding any contrary provision of this Agreement, if Tenant Defaults under this Agreement before the Tenant Improvement Work is completed, Landlord's obligations under this Extension Work Letter shall be excused until such Default is cured and Tenant shall be responsible for any resulting delay in the completion of the Tenant Improvement Work. This Extension Work Letter shall not apply to any space other than the Premises.

Exhibit 10.11

Execution version

LEASE

by and between

VENTAS BECKLEY, LLC

a Delaware limited liability company

and

GRAYBUG VISION, INC.

a Delaware corporation

TABLE OF CONTENTS

LEASE

THIS LEASE (this "Lease") is entered into as of this 8 day of October, 2019 (the "Effective Date"), by and between VENTAS BECKLEY, LLC, a Delaware limited liability company ("Landlord"), and GRAYBUG VISION, INC., a Delaware corporation ("Tenant").

RECITALS

A. WHEREAS, Landlord owns or leases certain real property described on Exhibit A-1 attached hereto (the "Land") and the improvements now or hereafter to be constructed on the Land including the building located or to be located at 6411 Beckley Street, Baltimore, Maryland (the "Building") and the appurtenances related thereto (collectively, the "Property").

B. WHEREAS, Landlord wishes to lease to Tenant, and Tenant desires to lease from Landlord, certain premises (the "Premises") located on the second (2nd) floor of the Building, pursuant to the terms and conditions of this Lease, as detailed below.

AGREEMENT

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

1. Lease of Premises.

1.1. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, the Premises, as shown on Exhibit A-2 attached hereto, for use by Tenant in accordance with the Permitted Use and no other uses. All portions of the Building that are for the non-exclusive use of the tenants of the Building, such as service corridors, stairways, elevators, public restrooms and public lobbies, are hereinafter referred to as "Common Area."

2. Definitions and Basic Lease Provisions. Definitions of capitalized terms appear throughout the Lease. A table referencing the location of the definitions appears as Schedule 1. For convenience of the parties, certain basic provisions of this Lease are set forth herein. The provisions set forth herein are subject to the remaining terms and conditions of this Lease and are to be interpreted in light of such remaining terms and conditions.

2.1. This Lease shall take effect upon the Effective Date and, except as specifically otherwise provided within this Lease, each of the provisions hereof shall be binding upon and inure to the benefit of Landlord and Tenant from the date of execution and delivery hereof by all parties hereto.

2.2. In the definitions below, each current Rentable Area is expressed in square feet. Rentable Area and "Tenant's Pro Rata Share" are subject to adjustment as provided in this Lease.

Definition or Provision	Means the Following (As of the Effective Date)
Approximate Rentable Area of Premises*	14,303 square feet
Approximate Rentable Area of Building*	71,541 square feet
Tenant's Pro Rata Share of Building*	19.99%

* Note: Subject to adjustment based upon the Rentable Area of the Premises as of the Term Commencement Date.

2.3. Initial monthly and initial annual installments of Base Rent for the Premises ("Base Rent") as of the Rent Commencement Date, subject to adjustment under this Lease:

Dates	Square Feet of Rentable Area*	Initial Base Rent per Square Foot of Rentable Area	Initial Monthly Base Rent*	Initial Annual Base Rent*
Rent Commencement Date-Term Expiration Date	14,303	$ 24.00 annually	$28,606.00	$343,272.00

* Subject to adjustment based upon the Rentable Area of the Premises as of the Term Commencement Date.

2.4. Length of Term: Approximately twelve (12) months from the Rent Commencement Date plus, if the Rent Commencement Date is not the first day of the month, the partial month containing the Rent Commencement Date, provided, however, that the length of the Term may be less than twelve (12) months if the Term Expiration Date (as defined below) occurs prior to the end of the twelve (12) month period.

2.5. Estimated Term Commencement Date: December 17, 2019.

2.6. Estimated Term Expiration Date: December 16, 2020.

2.7. Rent Commencement Date: The Rent Commencement Date shall be the Term Commencement Date.

2.8. Security Deposit: $28,606.00.

2.9. Intentionally Omitted.

2.10. Intentionally Omitted.

2.11. Permitted Use: Solely for office and laboratory use in conformity with all federal, state, municipal and local zoning and other laws, codes, ordinances, rules and regulations of Governmental Authorities, the CC&Rs, committees, associations, or other regulatory committees, agencies or governing bodies having jurisdiction over the Premises, the Building, the Property, Landlord or Tenant, including both statutory and common law and hazardous waste rules and regulations ("Applicable Laws").

2.12. Guarantor:	None.
2.13. Intentionally Omitted.	
2.14. Address for Rent Payment:	Ventas Beckley, LLC c/o Lillibridge Healthcare Services, Inc. 32575 Collection Center Drive Chicago, IL 60693-0325
2.15. Address for Notices to Landlord:	Ventas Beckley, LLC c/o Ventas, Inc. 353 North Clark Street, Suite 3300 Chicago, Illinois 60654 Attn: Asset Management (Life Sciences) Phone: (312) 660-3800 Email: james.mendelson@ventasreit.com
With a copy to:	Ventas Beckley, LLC c/o Wexford Asset Management, LLC 801 West Baltimore Street, Suite 505 Baltimore, Maryland 21201 Attn: Senior Vice President, Asset Management E-mail: mark.korczakowski@wexfordscitech.com and Attn: General Counsel Email: danielle.howarth@wexfordscitech.com
And with a copy to:	Ventas Beckley, LLC c/o Ventas, Inc. 353 North Clark Street, Suite 3300 Chicago, Illinois 60654 Attn: Legal Department Phone: (312) 660-3800 Email: bberman@ventasreit.com;
2.16. Address for Notices to Tenant:	Graybug Vision, Inc. 6411 Beckley Street Baltimore, Maryland 21224 Attn: CFO

2.17. Address for Invoices to Tenant: Graybug Vision, Inc.
6411 Beckley Street
Baltimore, Maryland 21224
Attn: CFO

2.18. Landlord's Broker: CB Richard Ellis

2.19. Tenant's Broker: CB Richard Ellis

2.20. The following Schedules, Riders and Exhibits are attached hereto and incorporated herein by reference:

Schedule 1	Index of Defined Terms
Special Provisions Rider	
Exhibit A-1	The Land
Exhibit A-2	Drawing Depicting the Premises
Exhibit B-1	Tenant Work Insurance Schedule
Exhibit B-2	Construction Rules
Exhibit C	Acknowledgement of Term Commencement Date, Rent Commencement Date and Term Expiration Date
Exhibit D	Reserved
Exhibit E	List of Additional Insureds and Indemnitees
Exhibit F	Rules and Regulations
Exhibit G	Form of Estoppel Certificate
Exhibit H	Tenant's Required Insurance Coverages
Exhibit I	Operating Expenses Defined
Exhibit J	Request to Use Common Areas
Exhibit K	HazMat Rules

3. Term.

3.1. The actual term of this Lease (as the same may be earlier terminated in accordance with this Lease, the "Term") shall commence on the actual Term Commencement Date, continue for the time period specified in Section 2.4, and expire on the earlier of (a) the end of such time period, or (b) December 16, 2020 (such date, the "Term Expiration Date"), subject to extension or earlier termination of this Lease as provided herein.

3.2. "Lease Year" as used herein shall mean (a) each and every consecutive twelve (12) month period during the Term of this Lease, or (b) in the event of Lease expiration or termination, the period between the last complete Lease Year and said expiration or termination. The first such twelve (12) month period shall commence on the Rent Commencement Date. If the Rent Commencement Date is any day other than the first day of the month, then the first Lease Year shall include the partial month in which the Rent Commencement Date occurs and the next consecutive twelve (12) months.

4. Possession and Commencement Date. The "Term Commencement Date" shall be the later of (a) December 17, 2019, and (b) the date upon which the Sublessor (as defined in Section 3.3) vacates and abandons all rights to the Premises and the Sublessor's lease is of no force or effect. Upon request by Landlord and delivery to Tenant of an unexecuted, but completed, copy of the form attached hereto as Exhibit C, Tenant shall execute and deliver to Landlord written acknowledgment of the actual Term Commencement Date, the Rent Commencement Date and the Term Expiration Date within ten (10) days of such request. Failure to execute and deliver such acknowledgment, however, shall not affect the Term Commencement Date, the Rent Commencement Date, the Term Expiration Date or Landlord's or Tenant's liability hereunder. Failure by Tenant to obtain validation by the Food and Drug Administration, any medical review board, health department, liquor control board or other similar governmental licensing of the Premises required for the Permitted Use by Tenant shall not serve to extend the Term Commencement Date.

5. Condition of Premises. Tenant acknowledges that neither Landlord nor any agent of Landlord has made any representation or warranty with respect to the condition of the Premises, the Building or the Property, or with respect to the suitability of the Premises, the Building or the Property for the conduct of Tenant's business. Tenant acknowledges that (a) it is in possession of and is fully familiar with the condition of the Premises and agrees to take the same in its condition "as is" as of the Term Commencement Date, and (b) Landlord shall have no obligation to alter, repair or otherwise prepare the Premises for Tenant's occupancy or to pay for or construct any improvements to the Premises. Tenant's taking of possession of the Premises shall, except as otherwise agreed to in writing by Landlord and Tenant, conclusively establish that the Premises, the Building and the Property were at such time in good, sanitary and satisfactory condition and repair.

6. Rentable Area.

6.1. The term "Rentable Area" shall mean the rentable square footage as calculated using the BOMA 2010 Office Standard (ANSI/BOMA Z65.1-2010 Method A (legacy method)), as calculated by Landlord's architect, and as reduced to exclude any below grade space not used for normal office or laboratory use, all as the same may be reasonably adjusted from time to time by Landlord in consultation with Landlord's architect to reflect changes to the Premises, the Building or the Property, as applicable, provided, however, that no such adjustment shall occur more than once per calendar year or result in the Rentable Area of the Premises being more than two percent (2%) greater than the Rentable Area identified in Section 2.2 of this Lease.

6.2. Review of allocations of Rentable Areas as between tenants of the Building shall be made as frequently as Landlord deems appropriate, including in order to facilitate an equitable apportionment of Operating Expenses. If such review is by a licensed architect and allocations are certified by such licensed architect as being correct, then Tenant shall be bound by such certifications.

7. Rent.

7.1. Tenant shall pay to Landlord as Base Rent for the Premises, commencing on the Rent Commencement Date, the sums set forth in Section 2.3, subject to the rental adjustments and increases provided therein and, if applicable, the rental increases provided in Article 6. Base Rent shall be paid in equal monthly installments as set forth in Section 2.3, subject to the rental adjustments and increases provided therein, each in advance on the first day of each and every calendar month during the Term.

7.2. In addition to Base Rent, Tenant shall pay to Landlord as additional rent ("Additional Rent") at times hereinafter specified in this Lease (a) from and after the Rent Commencement Date, Tenant's Share of Operating Expenses, and (b)any other amounts that Tenant assumes or agrees to pay under the provisions of this Lease that are owed to Landlord, including indemnification payments, and any and all other sums that may become due by reason of any default of Tenant or failure on Tenant's part to comply with the agreements, terms, covenants and conditions of this Lease to be performed by Tenant, after notice and the lapse of any applicable cure periods.

7.3. Base Rent and Additional Rent shall together be denominated "Rent." Rent shall be paid to Landlord, without abatement, deduction or offset, in lawful money of the United States of America to the address set forth in Section 2.14 or to such other person or at such other place as Landlord may from time designate in writing. In the event the Rent Commencement Date occurs on a day other than the first day of a calendar month or the Term ends on a day other than the last day of a calendar month, then the Rent for such fraction of a month shall be prorated for such period on the basis of the number of days in the month and shall be paid at the then-current rate for such fractional month. Additional Rent shall be paid by Tenant within the time periods set forth in this Lease, or, if no time period is established, then within thirty (30) days after written demand from Landlord.

7.4. Tenant's obligation to pay Rent shall not be discharged or otherwise affected by

(a) any Applicable Laws now or hereafter applicable to the Premises, (b) any other restriction on Tenant's use, (c) except as expressly provided herein, any casualty or taking or (d) any other occurrence; and Tenant waives all rights now or hereafter existing to terminate or cancel this Lease or quit or surrender the Premises or any part thereof, or to assert any defense in the nature of constructive eviction to any action seeking to recover rent. Tenant's obligation to pay Rent with respect to any period or obligations arising, existing or pertaining to the period prior to the date of the expiration or earlier termination of the Term or this Lease shall survive any such expiration or earlier termination; provided, however, that nothing in this sentence shall in any way affect Tenant's obligations with respect to any other period.

8. Operating Expenses.

8.1. (a) Operating Expenses are defined in Exhibit I attached hereto.

(b) Notwithstanding anything herein to the contrary, if Landlord is not furnishing any particular work or service (the cost of which if performed by Landlord would constitute an Operating Expense) to any tenant or tenants who have undertaken to perform such work or service in lieu of the performance thereof by Landlord, then Tenant's Pro Rata Share of such item of Operating Expenses shall be determined by dividing (i) the Rentable Area of the Premises, by (ii) the Rentable Area of the Building reduced by the Rentable Area of those tenants for whom Landlord does not provide such work or service.

8.2. From and after the Rent Commencement Date, Tenant shall pay to Landlord commencing on the Rent Commencement Date and on the first day of each calendar month thereafter of the Term, as Additional Rent, Landlord's estimate of Tenant's Pro Rata Share of Operating Expenses with respect to the Building and the Property, as applicable, for such month, and:

(a) Within one hundred eighty (180) days after the conclusion of each calendar year, Landlord shall furnish to Tenant a statement showing in reasonable detail the actual Operating Expenses, Tenant's Pro Rata Share of Operating Expenses, and the cost of providing utilities to the Premises for the previous calendar year ("Landlord's Statement"). Any additional sum due from Tenant to Landlord shall be due and payable within thirty (30) days after receipt of an invoice therefor. If the amounts paid by Tenant pursuant to this Section exceed Tenant's Pro Rata Share of Operating Expenses and the cost of providing utilities to the Premises for the previous calendar year, then Landlord shall credit the difference against the Rent next due and owing from Tenant; provided that, if the Term has expired, Landlord shall accompany Landlord's Statement with payment for the amount of such difference.

(b) Any amount due under this Section for any period that is less than a full month shall be prorated for such fractional month on the basis of the number of days in the month.

8.3. Landlord may, from time to time, modify Landlord's calculation and allocation procedures for Operating Expenses, so long as such modifications produce results substantially consistent with Landlord's then-current practice at the Property. For example, as the Building may contain both retail and office components, certain Operating Expenses (including, but not limited to, systems that may serve such components disproportionately) may be allocated by Landlord disproportionately between such components. Landlord or an affiliate(s) of Landlord may own or lease other property(ies) adjacent to or near the Property (collectively, "Neighboring Properties"). In connection with Landlord performing services for the Property pursuant to this Lease, similar services may be performed by the same vendor(s) for the Neighboring Properties or aggregate costs may be incurred for the Property and the Neighboring Properties. In such a case, Landlord may reasonably allocate to the Property such costs based upon the ratio that the rentable square footage of the Building (as applicable) bears to the total rentable square footage of all buildings within the Neighboring Properties and the Property for which the services are performed or the costs incurred, unless the scope of the services performed for any building or property (including the Building) is disproportionately more or less than for others, in which case Landlord shall equitably allocate the costs based on the scope of the services being performed for each building or property (including the Building).

8.4. Landlord may annualize certain Operating Expenses incurred prior to the Rent Commencement Date over the course of the budgeted year during which the Rent Commencement Date occurs, and Tenant shall be responsible for the annualized portion of such Operating Expenses corresponding to the number of days during such year, commencing with the Rent Commencement Date, for which Tenant is otherwise liable for Operating Expenses pursuant to this Lease. Tenant's responsibility for Tenant's Pro Rata Share of Operating Expenses shall continue to the latest of (a) the date of termination of the Lease, (b) the date Tenant has fully vacated the Premises and (c) if termination of the Lease is due to a default by Tenant, the date of rental commencement of a replacement tenant.

8.5. Operating Expenses for the calendar year in which Tenant's obligation to share therein commences and for the calendar year in which such obligation ceases shall be prorated on a basis reasonably determined by Landlord. Expenses such as taxes, assessments and insurance premiums that are incurred for an extended time period shall be prorated based upon the time periods to which they apply so that the amounts attributed to the Premises relate in a reasonable manner to the time period wherein Tenant has an obligation to share in Operating Expenses.

8.6. In the event that the Building is less than fully occupied during a calendar year, Tenant acknowledges that Landlord may extrapolate Operating Expenses that vary depending on the occupancy of the Building to equal Landlord's reasonable estimate of what such Operating Expenses would have been had the Building been fully occupied during such calendar year; provided, however, that Landlord shall not recover more than one hundred percent (100%) of Operating Expenses.

9. Taxes on Tenant's Property.

9.1. Tenant shall be solely responsible for the payment of any and all taxes levied upon (a) personal property and trade fixtures located at the Premises and (b) any gross or net receipts of or sales by Tenant, and shall pay the same at least twenty (20) days prior to delinquency.

9.2. If any such taxes on Tenant's personal property or trade fixtures are levied against Landlord or Landlord's property or, if the assessed valuation of the Building or the Property is increased by inclusion therein of a value attributable to Tenant's personal property or trade fixtures, and if Landlord, after written notice to Tenant, pays the taxes based upon any such increase in the assessed value of the Building or the Property, then Tenant shall, upon demand, repay to Landlord the taxes so paid by Landlord.

9.3. Tenant shall also pay to the appropriate federal, state, regional, local or municipal governmental authority, agency or subdivision ("Governmental Authority"), before any penalties or fines are assessed, any use and occupancy tax in connection with the Premises. In the event Landlord is required by law to collect such tax, Tenant shall pay such use and occupancy tax to Landlord as Additional Rent within ten (10) days of demand and Landlord shall remit any amounts so paid to Landlord to the appropriate Governmental Authority in a timely fashion. Tenant shall also pay to Landlord the applicable state sales, rent or similar tax, if any, on all Rent simultaneously with the payment by Tenant of the Rent as otherwise required by Applicable Law. If Tenant is entitled to an exemption from any such use and occupancy tax or sales, rent or

similar tax, Tenant shall deliver to Landlord prior to the Rent Commencement Date a copy of the certification, permit or other written evidence from the appropriate governmental authority confirming that Tenant is exempt therefrom and all annual updates thereto such that Landlord can at all times during the Term of this Lease confirm that Tenant is entitled to such exemption and upon any failure to do so, Tenant shall pay before any penalties or fines are assessed to the appropriate governmental authority any use and occupancy or sales, rent or similar tax in connection with the Premises, or in the event Landlord is required by law to collect such tax, Tenant shall pay such tax to Landlord as Additional Rent within twenty (20) days of demand.

10. Security Deposit.

10.1. Tenant shall deposit in cash with Landlord on or before the Effective Date the sum set forth in Section 2.7 (the "Security Deposit"), which sum shall be held by Landlord as security for the faithful performance by Tenant of all of the terms, covenants and conditions of this Lease to be kept and performed by Tenant during the Term. If Tenant Defaults with respect to any provision of this Lease, including any provision relating to the payment of Rent, then Landlord may (but shall not be required to) use, apply or retain all or any part of the Security Deposit for the payment of any Rent or any other sum in default, or to compensate Landlord for any other loss or damage that Landlord may suffer by reason of Tenant's default. If any portion of the Security Deposit is so used or applied, then Tenant shall, within ten (10) days following demand therefor, deposit cash with Landlord in an amount sufficient to restore the Security Deposit to its original amount, and Tenant's failure to do so shall be a material breach of this Lease. The provisions of this Article shall survive the expiration or earlier termination of this Lease.

10.2. In the event of bankruptcy or other debtor-creditor proceedings against Tenant, the Security Deposit shall be deemed to be applied first to the payment of Rent and other charges due Landlord for all periods prior to the filing of such proceedings.

10.3. Landlord may deliver to any purchaser of Landlord's interest in the Premises the funds deposited hereunder by Tenant, and thereupon Landlord shall be discharged from any further liability with respect to such deposit. This provision shall also apply to any subsequent transfers.

10.4. If Tenant shall fully and faithfully perform every provision of this Lease to be performed by it, then the Security Deposit, or any balance thereof, shall be returned to Tenant (or, at Landlord's option, to the last assignee of Tenant's interest hereunder) within thirty (30) days after the expiration or earlier termination of this Lease; provided, however, that Landlord may retain an amount of the Security Deposit, as it shall reasonably determine, to secure the payment of any Rent, the amount of which Landlord is then unable to determine finally (and Landlord shall return any such retained amount to Tenant promptly following the final determination of such Rent amount and the full payment to Landlord of such Rent).

10.5. The Security Deposit shall not be deemed an advance payment of Rent or a measure of Landlord's damages for any default under this Lease by Tenant, nor shall it be a bar or defense to any action that Landlord may at any time commence against Tenant. The Security Deposit shall be the property of Landlord and Landlord may commingle the Security Deposit with other assets of Landlord or its affiliates and Tenant shall not be entitled to any interest on the Security Deposit.

11. Use.

11.1. Tenant shall use the Premises for the Permitted Use, and shall not use the Premises, or permit or suffer the Premises to be used, for any other purpose without Landlord's prior written consent, which consent Landlord may withhold in its sole and absolute discretion.

11.2. Tenant shall not use or occupy the Premises in violation of Applicable Laws; the CC&Rs; zoning ordinances; or the certificate of occupancy issued for the Building or the Property, and shall, upon five (5) days' written notice from Landlord, discontinue any use of the Premises that is declared or claimed by any Governmental Authority having jurisdiction to be a violation of any of the above, or that in Landlord's reasonable opinion violates any of the above. Tenant shall comply with any direction of any Governmental Authority having jurisdiction that shall, by reason of the nature of Tenant's use or occupancy of the Premises, impose any duty upon Tenant or Landlord with respect to the Premises or with respect to the use or occupation thereof.

11.3. Tenant shall not allow the Premises or any part thereof to be used for any trade or business consisting of the operation of: (a) a shooting gallery; (b) an adult bookstore or facility selling or displaying pornographic books, literature, or videotapes (materials shall be considered "adult" or "pornographic" for such purpose if the same are not available for sale or rental to children under 18 years old because they explicitly deal with or depict human sexuality); (c) an establishment offering bingo or similar games of chance, but lottery tickets and other items commonly sold in retail establishments may be sold as an incidental part of business; (d) a video game or amusement arcade, except as an incidental part of another primary business; (e) drug or addiction treatment centers or clinics or parole or probation offices, whether as the principal or accessory use, (f) lodging, sleeping or any residential use, or (g) for the sale, distribution or use of marijuana or products using marijuana or similar drugs that are currently illegal to manufacture or distribute or sell under any Applicable Laws.

11.4. Tenant shall not do or permit to be done anything that will invalidate or increase the cost of any fire, environmental, extended coverage or any other insurance policy covering the Building or the Property, and shall comply with all rules, orders, regulations and requirements of the insurers of the Building and the Property, and Tenant shall promptly, upon demand, reimburse Landlord for any additional premium charged for such policy by reason of Tenant's failure to comply with the provisions of this Article.

11.5. Tenant shall keep all doors opening onto public corridors or the exterior of the Building closed, except when in use for ingress and egress.

11.6. No additional locks or bolts of any kind shall be placed upon any of the doors or windows by Tenant, nor shall any changes be made to existing locks or the mechanisms thereof without Landlord's prior written consent. Tenant shall, upon termination of this Lease, return to

Landlord all keys to offices and restrooms either furnished to or otherwise procured by Tenant. In the event any key so furnished to Tenant is lost, Tenant shall pay to Landlord the cost of replacing the same or of changing the lock or locks opened by such lost key if Landlord shall deem it necessary to make such change.

11.7. No awnings or other projections shall be attached to any outside wall of the Building. No curtains, blinds, shades or screens shall be attached to or hung in, or used in connection with, any window or door of the Premises other than Landlord's standard window coverings. Neither the interior nor exterior of any windows shall be coated or otherwise sunscreened without Landlord's prior written consent, nor shall any bottles, parcels or other articles be placed on the windowsills or items attached to windows that are visible from outside the Premises. No equipment, furniture or other items of personal property shall be placed on any exterior balcony without Landlord's prior written consent.

11.8. No sign, advertisement or notice ("Signage") shall be exhibited, painted or affixed by Tenant on any part of the Premises or the Building without Landlord's prior written consent. Signage shall conform to any design criteria adopted by Landlord from time to time. For any Signage, Tenant shall, at Tenant's own cost and expense, (a) acquire all permits for such Signage in compliance with Applicable Laws and (b) design, fabricate, install and maintain such Signage in a first-class condition. Notwithstanding the foregoing, building-standard interior signs on certain entry doors to the Premises and the directory tablet shall be inscribed, painted or affixed for Tenant by Landlord at Tenant's sole cost and expense, and shall be of a size, color and type and be located in a place acceptable to Landlord. The directory tablet shall be provided exclusively for the display of the name and location of tenants only. Tenant shall not place anything on the exterior of the corridor walls or corridor doors other than Landlord's standard lettering. At Landlord's option, Landlord may install any Tenant Signage, and Tenant shall pay all costs associated with such installation within thirty (30) days after demand therefor.

11.9. Tenant may only place equipment within the Premises with floor loading consistent with the Building's structural design unless Tenant obtains Landlord's prior written approval. Tenant may place such equipment only in a location designed to carry the weight of such equipment.

11.10. Tenant shall cause any equipment or machinery to be installed in the Premises so as to reasonably prevent sounds or vibrations therefrom from extending into the Common Area or other offices in the Property.

11.11. Tenant shall not (a) do or permit anything to be done in or about the Premises that shall in any way obstruct or interfere with the rights of other tenants or occupants of the Property, or injure or annoy them, (b) use or allow the Premises to be used for immoral, unlawful or objectionable purposes, (c) cause, maintain or permit any nuisance or waste in, on or about the Property or (d) take any other action that would in Landlord's reasonable determination in any manner adversely affect other tenants' quiet use and enjoyment of their space or adversely impact their ability to conduct business in a professional and suitable work environment. Notwithstanding anything in this Lease to the contrary, Tenant may not install any security systems (including cameras) outside the Premises or that record sounds or images outside the Premises without Landlord's prior written consent, which Landlord may withhold in its sole and absolute discretion.

11.12. Notwithstanding any other provision herein to the contrary, Tenant shall be responsible for all liabilities, costs and expenses arising out of or in connection with the compliance of the Premises with the Americans with Disabilities Act, 42 U.S.C. § 12101, et seq., and any state and local accessibility laws, codes, ordinances and rules (collectively, and together with regulations promulgated pursuant thereto, the "ADA") to the extent triggered by alterations made subsequent to the Term Commencement Date by, or at the request of Tenant. Landlord may perform at Tenant's expense, or require that Tenant perform, and Tenant shall be responsible for the cost of, ADA Title III "path of travel" requirements triggered by alterations within the Premises made subsequent to the Term Commencement Date by, or at the request of, Tenant. The provisions of this Section shall survive the expiration or earlier termination of this Lease. Notwithstanding the foregoing, Landlord shall be responsible for all liabilities, costs and expenses arising out of or in connection with the compliance of the Premises with the ADA to the extent triggered by alterations made by Landlord to the Building.

11.13. Tenant shall endeavor to maintain temperature and humidity in the Premises in accordance with ASHRAE standards at all times.

12. Rules and Regulations, CC&Rs, Parking Facilities and Common Area.

12.1. Tenant shall have the non-exclusive right, in common with others, to use the Common Area in conjunction with Tenant's use of the Premises for the Permitted Use, and such use of the Common Area and Tenant's use of the Premises shall be subject to the rules and regulations adopted by Landlord and attached hereto as Exhibit F, together with such other different and/or additional reasonable and nondiscriminatory rules and regulations as are hereafter promulgated by Landlord in its sole and absolute discretion (collectively, the "Rules and Regulations"). Tenant shall and shall ensure that its contractors, subcontractors, employees, subtenants and invitees faithfully observe and comply with the Rules and Regulations. Landlord shall not be responsible to Tenant for the nonobservance by any other tenant or person of any Rules and Regulations.

12.2. This Lease is subject to (a) any ground or master lease, and any and all amendments thereto, and (b) any recorded covenants, conditions or restrictions on the Property (collectively, the "CC&Rs"), as the same may be amended, amended and restated, supplemented or otherwise modified from time to time. Tenant shall comply with the CC&Rs.

12.3. At no additional charge to Tenant, Tenant shall be entitled to use Tenant's Pro Rata Share of unreserved parking spaces in common with other occupants and users of the Building on a first come, first served bases, to the extent that such parking spaces are Common Areas.

12.4. Subject to the terms of this Lease including the Rules and Regulations and the rights of other tenants of the Building, Tenant shall have the non-exclusive right to access the freight loading dock and freight elevator, if any, at no additional cost.

12.5. Subject to availability and to the approval of Landlord's property manager, which shall not be unreasonably withheld, Tenant shall have the right and license to use any conference facilities constituting part of the Common Areas of the Building and other Common Areas approved by Landlord's property manager (provided that such spaces are not under construction or being prepared for construction), from time to time for events that relate to Tenant's Permitted Use under this Lease, including without limitation events for its invitees, presentations and forums, and social gatherings for its invitees (each a "Tenant Event"), subject to the following terms and conditions:

(a) Tenant shall provide advance written notice to Landlord of each Tenant Event, which notice may be delivered by e-mail (and without any separate hard-copy notice required) to Landlord's property manager, and which shall be delivered at least ten (10) business days prior to the Tenant Event, or if more than fifty (50) attendees are expected, at least twenty (20) business days before the Tenant Event. Tenant's request shall include (i) the proposed time, duration and location of the Tenant Event; (ii) the expected number of attendees, and whether the Tenant Event will be open to the public or to invitees; (iii) whether food and/or alcohol will be served; (iv) a narrative description of the planned event, and (v) shall otherwise be in the form of Exhibit J attached hereto.

(b) Landlord may disapprove of, or place conditions on, any request for a Tenant Event, in Landlord's reasonable discretion, within five (5) business days of receipt of such request. In addition, Landlord shall have the right to temporarily or permanently prohibit or limit the use of particular portions of the Common Areas, as designated by Landlord from time to time.

(c) Tenant shall be responsible for planning, coordinating and supervising the Tenant Event (including set-up and take-down of any movable personal property or audio-visual or other equipment used in connection with the Tenant Event) at Tenant's sole expense, in accordance with the requirements of this Lease and all Applicable Laws. Tenant shall be responsible for obtaining any required licenses or permits for the Tenant Event. Landlord shall not be required to perform any services in connection with the Tenant Event or to assist with the Tenant Event in any manner whatsoever, including without limitation providing coordination, janitorial, security, property management, engineering or base-building services outside of those typically provided at the Property. Following the Tenant Event, Tenant shall be responsible for ensuring that the area in which the Tenant Event was conducted is thoroughly cleaned, and shall be responsible for the cost of any damage resulting from any Tenant Event, the cost of repairing any damage to be paid by Tenant on demand as Additional Rent. The Tenant Event may not interfere with any other tenant or the ordinary operations of the Property.

(d) Each Tenant Event shall be subject to the terms and provisions of this Lease, including without limitation (i) the insurance requirements set forth in Article 22; (ii) the indemnification and exculpation provisions set forth in Article 27; and (iii) any provisions of this Lease, including any Rider, related to the service of alcohol. If Landlord so requires, prior to any Tenant Event, Tenant shall deliver to Landlord certificates of insurance evidencing the required insurance coverage under Article 22.

13. Property Control by Landlord.

13.1. Landlord reserves full control over the Building and the Property to the extent not inconsistent with Tenant's enjoyment of the Premises as provided by this Lease. This reservation includes Landlord's right to subdivide the Property; convert the Building and other buildings within the Property to condominium units; remove Common Areas and/or portions of the Land from the Property; change the size of the Property by selling all or a portion of the Property or adding real property and any improvements thereon to the Property; grant easements and licenses to third parties; maintain or establish ownership of the Building separate from fee title to the Property; make additions to or reconstruct portions of the Building and the Property; install, use, maintain, repair, replace and relocate for service to the Premises and other parts of the Building or the Property pipes, ducts, conduits, wires and appurtenant fixtures, wherever located in the Premises, the Building or elsewhere at the Property; and alter, modify or relocate any other Common Area or facility, including any private drives, parking areas, lobbies, entrances and landscaping; provided, however, that such rights shall be exercised in a way that does not materially adversely affect Tenant's beneficial use and occupancy of the Premises, including the Permitted Use and Tenant's access to the Premises. Tenant acknowledges that Landlord specifically reserves the right to allow the exclusive use of corridors and restroom facilities located on specific floors to one or more tenants occupying such floors; provided, however, that Tenant shall not be deprived of the use of the corridors reasonably required to serve the Premises or of restroom facilities serving the floor upon which the Premises are located.

13.2. Possession of areas of the Premises necessary for utilities, services, safety and operation of the Building is reserved to Landlord.

13.3. Tenant agrees not to oppose, and at Landlord's request, shall support any initiatives by Landlord or its affiliates (a) that involve land use, zoning or other regulatory changes as to the Building, the Property or any other property owned or leased by Landlord or an affiliate of Landlord (each a "Neighboring Property"), or (b) that involve financing, incentives or subsidies of any kind for the Building, the Property or any Neighboring Property so long as Tenant's use of the Premises for the Permitted Use is not materially, adversely affected. Tenant shall, at Landlord's request, promptly execute such further documents as may be reasonably appropriate to assist Landlord in the performance of its obligations hereunder.

13.4. Landlord may, at any and all reasonable times, and upon twenty-four (24) hours' prior notice (which may be oral or by email to the office manager or other Tenant-designated individual at the Premises; but provided that no time restrictions shall apply or advance notice be required if an emergency necessitates immediate entry), enter the Premises to (u) inspect the same and to determine whether Tenant is in compliance with its obligations hereunder, (v) supply any service Landlord is required to provide hereunder, (w) alter, improve or repair any portion of the Building other than the Premises for which access to the Premises is reasonably necessary, (x) post notices of nonresponsibility, (y) access the telephone equipment, electrical substation and fire risers and (z) show the Premises to prospective tenants during the final year of the Term and current and prospective purchasers and lenders at any time. In connection with any such alteration, improvement or repair as described in Subsection 13.4(w), Landlord may erect in the Premises or elsewhere in the Property scaffolding and other structures reasonably required for the

alteration, improvement or repair work to be performed. In no event shall Tenant's Rent abate as a result of Landlord's activities pursuant to this Section; provided, however, that all such activities shall be conducted in such a manner so as to cause as little interference to Tenant as is reasonably possible. Landlord shall at all times retain a key with which to unlock all of the doors in the Premises. If an emergency necessitates immediate access to the Premises, Landlord may use whatever force is necessary to enter the Premises, and any such entry to the Premises shall not constitute a forcible or unlawful entry to the Premises, a detainer of the Premises, or an eviction of Tenant from the Premises or any portion thereof.

14. Quiet Enjoyment. Landlord covenants that Tenant, upon paying the Rent and performing its obligations contained in this Lease, may peacefully and quietly have, hold and enjoy the Premises, free from any claim by Landlord or persons claiming under Landlord, but subject to all of the terms and provisions hereof, provisions of Applicable Laws and rights of record to which this Lease is or may become subordinate. This covenant is in lieu of any other quiet enjoyment covenant, either express or implied.

15. Utilities, Utility Charges and Services.

15.1. (a) Tenant shall pay for all water, gas, heat, light, power, telephone, internet service, cable television, other telecommunications and other utilities supplied to the Premises, together with any fees, surcharges and taxes thereon. If any such utility is not separately metered to Tenant, Tenant shall pay Tenant's Pro Rata Share of all charges of such utility jointly metered with other premises as part of Tenant's Pro Rata Share of Operating Expenses or, in the alternative, Landlord may, at its option, monitor the usage of such utilities by Tenant and charge Tenant with the cost of purchasing, installing and monitoring such metering equipment, which cost shall be paid by Tenant as Additional Rent. Landlord may base its bills for utilities on reasonable estimates; and reconcile annually based on the actual cost of providing utilities in the same manner as Operating Expenses under Section 8.2. Electrical service for any air handling units exclusively serving the Premises and for any rooftop equipment installed by Tenant with Landlord's express written consent, will be submetered to the Premises and such submetering shall be paid for by Tenant as Additional Rent. Tenant shall not be liable for the cost of utilities supplied to the Premises attributable to the time period prior to the Term Commencement Date; provided, however, that, if Landlord shall permit Tenant possession of the Premises prior to the Term Commencement Date and Tenant uses the Premises for any purpose other than placement of personal property as set forth in Section 4.3, then Tenant shall be responsible for the cost of utilities supplied to the Premises from such earlier date of possession.

(b) If Landlord demonstrates on the basis of submetering or other reasonable methodology that Tenant uses more than Tenant's Pro Rata Share of HVAC, Landlord may elect to allocate and charge Tenant and not charge other tenants in the Building, as Additional Rent, separately for electricity used in the Common Areas, with such allocation to be based on the consumption of electricity in the Premises relative to consumption of electricity by all other Building tenants, as reasonably determined by Landlord on the basis of submetering or other reasonable methodology. If Landlord so elects, the (x) the Common Area electric charge payable with respect to the Premises shall be payable monthly on an estimated basis and reconciled annually in the same manner as Operating Expenses under Sections 8.2, and (y) Tenant's Pro Rata Share of Operating Expenses for the Premises shall be calculated in the same manner as herein provided except that all costs of electricity for the Common Areas shall be deducted from Operating Expenses.

(c) In general water service will either not be provided to the Premises or, if provided, will be provided only for limited lavatory purposes and will not be separately metered or monitored. However, if Landlord determines that Tenant requires, uses or consumes water for any purpose other than ordinary lavatory purposes (including, without limitation, for a restaurant use), Landlord may install a water meter or submeter ("Tenant Water Meter") and thereby measure Tenant's water consumption for all purposes. Tenant shall pay Landlord for the costs of any Tenant Water Meter and the installation and maintenance thereof during the Term. Any such costs or expenses incurred or payments made by Landlord for any of the reasons or purposes stated in this Section shall be deemed to be Additional Rent payable by Tenant and collectible by Landlord as such.

(d) If Tenant shall require utilities or services in excess of those usually furnished or supplied for tenants in similar spaces in the Building or the Property by reason of Tenant's equipment or extended hours of business operations, then Tenant shall first procure Landlord's consent for the use thereof, which consent Landlord may condition upon the availability of such excess utilities or services, and Tenant shall pay as Additional Rent an amount equal to the cost of providing such excess utilities and services.

15.2. For the Premises, Landlord shall (a) maintain and operate the central heating, ventilating and air conditioning systems located outside the Premises and serving other tenants in the Building ("HVAC") and (b) subject to the other provisions of this Section, furnish HVAC as reasonably required (except as this Lease otherwise provides or as to any special requirements that arise from Tenant's particular use of the Premises) for reasonably comfortable occupancy of the Premises twenty-four (24) hours a day, every day during the Term, subject to casualty, eminent domain or as otherwise specified in this Article. If Tenant will require HVAC outside normal business hours of business days (as reasonably designated by Landlord) in the Premises ("Overtime HVAC"), then Landlord shall be obligated to provide Overtime HVAC only if Tenant requests it by 4 p.m. on the immediately preceding business day. To the extent that Tenant occupies the Premises for laboratory purposes, Tenant directs Landlord to provide Overtime HVAC at all times outside normal business hours of business days (as reasonably designated by Landlord), pending further written notice from Tenant. Tenant shall pay Landlord, as Additional Rent, Landlord's standard charge for Overtime HVAC for the Premises. As of the Effective Date, Landlord's hourly rate per floor for Overtime HVAC is $50.00 per hour, but such charge may be adjusted from time to time by Landlord consistent with rates charged for similar buildings in the metropolitan area in which the Building is located.

15.3. Tenant shall pay for, prior to delinquency of payment therefor, any utilities and services that may be furnished to the Premises during or, if Tenant occupies the Premises after the expiration or earlier termination of the Term, after the Term, beyond those utilities provided by Landlord, including telephone, internet service, cable television and other telecommunications, together with any fees, surcharges and taxes thereon.

15.4. Tenant shall not, without Landlord's prior written consent, use any device in the Premises (including data processing machines) that will in any way (a) increase the amount of ventilation, air exchange, gas, steam, electricity or water required or consumed in the Premises based upon Tenant's Pro Rata Share of the Building (as applicable) beyond the existing capacity of the Building or the Property usually furnished or supplied for the Permitted Use or (b) exceed Tenant's Pro Rata Share of the Building's or Property's (as applicable) capacity to provide such utilities or services.

15.5. Tenant may install equipment to provide emergency power, in a location in the Premises, subject to Landlord's prior written approval of the equipment and location. The installation of such equipment shall constitute Alterations.

15.6. For any utilities serving the Premises for which Tenant is billed directly by the utility provider, Tenant agrees to furnish to Landlord (a) any invoices or statements for such utilities within thirty (30) days after Tenant's receipt thereof, (b) within thirty (30) days after Landlord's request, any other utility usage information reasonably requested by Landlord, and (c) within thirty (30) days after each calendar year during the Term, authorization to allow Landlord to access Tenant's usage information necessary for Landlord to complete an ENERGY STAR® Statement of Performance (or similar comprehensive utility usage report (e.g., related to Labs 21), if requested by Landlord) and any other information reasonably requested by Landlord for the immediately preceding year; and Tenant shall comply with any other energy usage or consumption requirements required by Applicable Laws. Tenant shall retain records of utility usage at the Premises, including invoices and statements from the utility provider, for at least sixty (60) months, or such other period of time as may be requested by Landlord. Tenant acknowledges that any utility information for the Premises, the Building and the Property may be shared with third parties, including Landlord's consultants and Governmental Authorities. In the event that Tenant fails to comply with this Section, Tenant hereby authorizes Landlord to collect utility usage information directly from the applicable utility providers, and Tenant shall pay Landlord a fee of One Thousand Dollars ($1,000) per month to collect such utility usage information. In addition to the foregoing, Tenant shall comply with all Applicable Laws related to the disclosure and tracking of energy consumption at the Premises. The provisions of this Section shall survive the expiration or earlier termination of this Lease.

15.7. Tenant's use of electric energy in the Premises shall not at any time exceed the capacity of any of the electrical conductors and equipment in or otherwise serving the Premises. In order to ensure that such capacity is not exceeded, and to avert a possible adverse effect upon the Property's distribution of electricity via the Property's electric system, Tenant shall not, without Landlord's prior written consent in each instance (which consent Landlord may condition upon the availability of electric energy in the Property as allocated by Landlord to various areas of the Property) connect any fixtures, appliances or equipment (other than normal business machines) to the Building's or Property's electric system or make any alterations or additions to the electric system of the Premises existing on the date hereof. Should Landlord grant such consent, all additional risers, distribution cables or other equipment required therefor shall be provided by Landlord and the cost thereof shall be paid by Tenant to Landlord on demand (or, at Tenant's option, shall be provided by Tenant pursuant to plans and contractors approved by Landlord, and otherwise in accordance with the provisions of this Lease). Landlord shall have the right to require Tenant to pay sums on account of such cost prior to the installation of any such risers or equipment.

15.8. If required by Applicable Law, Landlord may, upon sixty (60) days' prior written notice to Tenant, discontinue Landlord's provision of electric energy hereunder. If Landlord discontinues provision of electric energy pursuant to this Section, Tenant shall not be released from any liability under this Lease, except that as of the date of such discontinuance, Tenant's obligation, if any, to pay Landlord additional charges for electric energy thereafter supplied to the Premises shall cease. As of such date, Landlord shall permit Tenant to receive electric energy directly from the public utility company supplying electric energy to the Property, and Tenant shall pay all costs and expenses of obtaining such direct electrical service. Such electric energy may be furnished to Tenant by means of the Building's then-existing system feeders, risers and wiring to the extent that the same are available, suitable and safe for such purpose. All meters and additional panel boards, feeders, risers, wiring and other conductors and equipment that may be required to obtain electric energy directly from such public utility company shall be furnished and installed by Landlord, and reimbursed by Tenant as an Operating Expense.

15.9. The parties hereto agree to comply with all mandatory energy, water or other conservation controls or requirements applicable to the Building issued by the Federal, State, county, municipal or other applicable governments, the U.S. Green Building Council or Green Building initiative or its successors or peer organizations, or any public utility or insurance carrier including, without limitation, controls on the permitted range of temperature settings in buildings or requirements necessitating curtailment of the volume of energy consumption or the hours of operation of the Building. Any terms or conditions of this Lease that conflict or interfere with compliance by Landlord with such controls or requirements shall be suspended for the duration of such controls or requirements. It is further agreed that compliance with such controls or requirements shall not be considered an eviction, actual or constructive, of Tenant from the Premises and shall not entitle Tenant to terminate this Lease or to an abatement or reduction of any rent payable hereunder.

15.10. Tenant acknowledges that security devices and services, if any, while intended to deter crime, may not in given instances prevent theft or other criminal acts. Landlord has no duty to provide security for any portion of the Premises, and Tenant assumes sole responsibility and liability for the security of itself, its employees, customers and invitees and their respective property, in the Premises. Landlord shall not be liable for injuries or losses caused by criminal acts of third parties on or near the Property, and Tenant assumes the risk that any security device or service may malfunction or otherwise be circumvented by a criminal. If Tenant desires protection against such criminal acts, then Tenant shall, at Tenant's sole cost and expense, obtain appropriate insurance coverage. Tenant's security programs and equipment for the Premises shall be coordinated with Landlord and subject to Landlord's reasonable approval.

15.11. Landlord shall not be liable for, nor shall any eviction of Tenant result from, the failure to furnish any utility or service, whether or not such failure is caused by accidents; breakage; casualties (to the extent not caused by Landlord); Severe Weather Conditions; physical natural disasters (but excluding weather conditions that are not Severe Weather Conditions); strikes, lockouts or other labor disturbances or labor disputes (other than labor disturbances and

labor disputes resulting solely from the acts or omissions of Landlord); acts of terrorism; riots or civil disturbances; wars or insurrections; shortages of materials (which shortages are not unique to Landlord); government regulations, moratoria or other governmental actions, inactions or delays; failures by third parties to deliver gas, oil or another suitable fuel supply, or inability of Landlord, by exercise of reasonable diligence, to obtain gas, oil or another suitable fuel; or other causes beyond the reasonable control of Landlord (collectively, "Force Majeure"); or, to the extent permitted by Applicable Laws, Landlord's negligence. Landlord reserves the right to stop service of the elevator, plumbing, HVAC and utility systems, when Landlord deems necessary or desirable, due to accident, emergency or the need to make repairs, alterations or improvements, until such repairs, alterations or improvements shall have been completed, and Landlord shall further have no responsibility or liability for failure to supply elevator facilities, plumbing, HVAC or utility service when prevented from doing so by Force Majeure or, to the extent permitted by Applicable Laws, Landlord's negligence; a failure by a third party to deliver gas, oil or another suitable fuel supply; or Landlord's inability by exercise of reasonable diligence to obtain gas, oil or another suitable fuel. Without limiting the foregoing, it is expressly understood and agreed that any covenants on Landlord's part to furnish any service pursuant to any of the terms, covenants, conditions, provisions or agreements of this Lease, or to perform any act or thing for the benefit of Tenant, shall not be deemed breached if Landlord is unable to furnish or perform the same by virtue of Force Majeure or, to the extent permitted by Applicable Laws, Landlord's negligence. In the event of such failure, Tenant shall not be entitled to termination of this Lease or any abatement or reduction of Rent, nor shall Tenant be relieved from the operation of any covenant or agreement of this Lease. "Severe Weather Conditions" means weather conditions that are materially worse than those that reasonably would be anticipated for the Property at the applicable time based on historic meteorological records. In no event shall Landlord be liable to Tenant for any failure or defect in the supply or character of electric energy furnished to the Premises by reason of any requirement, act or omission of the public utility serving the Property with electric energy.

16. Alterations.

16.1. Tenant shall make no alterations, additions or improvements in or to the Premises or engage in any construction, demolition, reconstruction, renovation or other work (whether major or minor) of any kind in, at or serving the Premises ("Alterations") without Landlord's prior written approval, which approval Landlord shall not unreasonably withhold; provided, however, that, in the event any proposed Alteration affects (a) any structural portions of the Building, including exterior walls, the roof, the foundation or slab, foundation or slab systems (including barriers and subslab systems), or the core of the Building, (b) the exterior of the Building or (c) any Building systems, including elevator, plumbing, HVAC, electrical, security, life safety and power, then Landlord may withhold its approval in its sole and absolute discretion. Tenant shall, in making any Alterations, use only those architects, contractors, suppliers and mechanics of which Landlord has given prior written approval, which approval shall be in Landlord's sole and absolute discretion. In seeking Landlord's approval, Tenant shall provide Landlord, at least thirty (30) days in advance of any proposed construction, with plans, specifications, bid proposals, certified stamped engineering drawings and calculations by Tenant's engineer of record or architect of record, (including connections to the Building's structural system, modifications to the Building's envelope, non-structural penetrations in slabs

or walls, and modifications or tie-ins to life safety systems), work contracts, requests for laydown areas and such other information concerning the nature and cost of the Alterations as Landlord may reasonably request. In no event shall Tenant use or Landlord be required to approve any architects, consultants, contractors, subcontractors or material suppliers that Landlord reasonably believes could cause labor disharmony or may not have sufficient experience, in Landlord's reasonable opinion, to perform work in a Class "A" building and, if applicable, in lab areas or are not financially credit-worthy given the cost of the Alterations.

16.2. Tenant shall not construct or permit to be constructed partitions or other obstructions that might interfere with free access to mechanical installation or service facilities of the Building or with other tenants' components located within the Building, or interfere with the moving of Landlord's equipment to or from the enclosures containing such installations or facilities. Tenant shall take, and shall cause its contractors to take, commercially reasonable steps to protect the Premises during the performance of any Alterations, including covering or temporarily removing any window coverings so as to guard against dust, debris or damage. Tenant may not, as part of the Alterations or otherwise install any work of art in the Premises or elsewhere in the Building that is incorporated into the Building, is a part of the Building or may not be removed from the Building without causing the destruction, distortion, mutilation or other modification of the work of art, without first obtaining the prior written approval of Landlord of the installation of the specific work of art, which approval may be withheld in Landlord's sole and absolute discretion. Approval of plans and specifications for the Alterations shall not, by itself, constitute approval of the installation of a work of art.

16.3. Tenant shall accomplish any work performed on the Premises or the Building in such a manner as to permit any life safety systems to remain fully operable at all times.

16.4. Any work performed on the Premises, the Building or the Property by Tenant or Tenant's contractors shall be done at such times and in such manner as Landlord may from time to time designate. Tenant covenants and agrees that all work done by Tenant or Tenant's contractors shall be performed in full compliance with Applicable Laws and CC&Rs. At all times while Alterations are being performed, Tenant shall cause its contractors and subcontractors to maintain in effect all insurance required under and fully comply with the provisions of Exhibit B-1.

16.5. Before commencing any Alterations, Tenant shall (a) give Landlord at least thirty (30) days' prior written notice of the proposed commencement of such work and the names and addresses of the persons supply labor or materials therefor so that Landlord may enter the Premises to post and keep posted thereon and therein notices or to take any further action that Landlord may reasonably deem proper for the protection of Landlord's interest in the Property and (b) shall, if required by Landlord, secure, at Tenant's own cost and expense, a completion and lien indemnity bond satisfactory to Landlord for such work.

16.6. Within thirty (30) days after completion of any Alterations, Tenant shall provide Landlord with complete "as built" drawing print sets and electronic CADD files on disc (or files in such other current format in common use as Landlord reasonably approves or requires) showing any changes in the Premises, as well as a commissioning report prepared by a licensed, qualified commissioning agent hired by Tenant and approved by Landlord for all new or affected mechanical, electrical and plumbing systems. Any such "as built" plans shall show the applicable Alterations as an overlay on the Building as-built plans; provided that Landlord provides the Building "as built" plans to Tenant. Within sixty (60) days after final completion of any Alterations performed by Tenant with respect to the Premises, Tenant shall submit to Landlord documentation showing the amounts expended by Tenant with respect thereto, together with supporting documentation reasonably acceptable to Landlord.

16.7. Tenant shall repair any damage to the Premises caused by Tenant's removal of any property from the Premises. During any such restoration period, Tenant shall pay Rent to Landlord as provided herein as if such space were otherwise occupied by Tenant. The provisions of this Section shall survive the expiration or earlier termination of this Lease.

16.8. The Premises plus any Alterations, attached equipment, decorations, fixtures, movable laboratory casework and related appliances, and other additions and improvements attached to or built into the Premises, made by either of the parties (including all floor and wall coverings, paneling, sinks and related plumbing fixtures, laboratory benches, exterior venting fume hoods, walk-in freezers and refrigerators, ductwork, conduits, electrical panels and circuits, attached machinery and equipment, and built-in furniture and cabinets, in each case, together with all additions and accessories thereto), shall (unless, prior to such construction or installation, Landlord elects otherwise in writing) at all times remain the property of Landlord, shall remain in the Premises and shall (unless, prior to construction or installation thereof, Landlord elects otherwise in writing) be surrendered to Landlord upon the expiration or earlier termination of this Lease. Notwithstanding the foregoing, all wiring and cabling installed by or on behalf of Tenant in the Premises or in the utility closets or chases of the Building, all of Tenant's Signage, all of Tenant's personal property (except as otherwise provided in Section 16.9 below), all works of art and all window coatings or sunscreens installed by Tenant on windows of the Building shall be removed by Tenant upon the expiration or earlier termination of the Lease, and Tenant shall restore the Property to its condition prior to such installation upon the expiration or earlier termination of the Lease. If Tenant shall fail to remove any of the foregoing, and restore the Property as required, Tenant shall be responsible for reimbursing Landlord for costs incurred by Landlord in removing any of such property and restoring the Property to its condition prior to such installation. Tenant is not responsible for removing or restoring any conditions in existence in the Premises prior to the Term Commencement Date, including without limitation Sublessor's alterations, cabling and personal property.

16.9. Notwithstanding any other provision of this Article to the contrary, in no event shall Tenant remove any improvement, fixture, personal property or equipment from the Premises as to which Landlord contributed payment, without Landlord's prior written consent, which consent Landlord may withhold in its sole and absolute discretion.

16.10. Upon the expiration or earlier termination of this Lease, Tenant shall peaceably leave and surrender the Premises to Landlord broom clean and otherwise in the condition in which the Premises are required to be maintained and surrendered by the terms of this Lease, reasonable wear and tear excepted. Tenant shall surrender all keys for the Premises to Landlord and shall inform Landlord of the combinations to all locks, safes and vaults in the Premises.

Tenant shall, at its expenses, remove from the Premises on or prior to expiration or earlier termination of this Lease all furnishings, fixtures and equipment situated thereon as well as those Alterations that are required to be removed pursuant to Section 16.8.

16.11. If Tenant shall fail to remove any of the property which Tenant is required to remove pursuant to Section 16.8 above from the Premises or the Building (including, without limitation, any wiring or cabling in the utility closets or chases of the Building and any Tenant's Signage) prior to the expiration or earlier termination of this Lease, then Landlord may, at its option, remove the same in any manner that Landlord shall choose and store such effects without liability to Tenant for loss thereof or damage thereto, and Tenant shall pay Landlord, upon demand, any costs and expenses incurred due to such removal and storage or Landlord may, at its sole option and without notice to Tenant, sell such property or any portion thereof at private sale and without legal process for such price as Landlord may obtain and apply the proceeds of such sale against any (a) amounts due by Tenant to Landlord under this Lease and (b) any expenses incident to the removal, storage and sale of such property.

16.12. Tenant shall pay to Landlord an amount equal to three percent (3%) of the cost to Tenant of all Alterations to cover Landlord's overhead and expenses for plan review, engineering review, coordination, scheduling and supervision thereof. For purposes of payment of such sum, Tenant shall submit to Landlord copies of all bills, invoices and statements covering the costs of such charges, accompanied by payment to Landlord of the fee set forth in this Section. Tenant shall reimburse Landlord for any extra expenses incurred by Landlord by reason of faulty work done by Tenant or its contractors, or by reason of delays caused by such work, or by reason of inadequate clean-up.

16.13. Tenant's obligation under Sections 16.7, 16.8, 16.9, 16.10, 16.11, and 16.12 shall survive the expiration or earlier termination of this Lease.

17. Repairs and Maintenance.

17.1. Landlord shall repair and maintain the structural and exterior portions and Common Area of the Building and the Property, including roofing and covering materials; foundations (excluding any architectural slabs, but including any structural slabs); exterior walls; plumbing; common fire sprinkler systems (but excluding sprinkler heads which must be maintained by Tenant); base building HVAC systems (but excluding air handlers exclusively serving the Premises which must be maintained by Tenant); common elevators; and common electrical systems installed or furnished by Landlord.

17.2. Except for services of Landlord, if any, required by Section 17.1 hereof, Tenant will maintain the Premises and the fixtures and improvements therein (including, without limitation, all walls, doors, ceilings and lighting fixtures) and all electrical, plumbing, mechanical and HVAC equipment exclusively serving the Premises (but excluding all common utilities and common HVAC systems and all electrical, plumbing, mechanical and HVAC equipment serving portions of the Building other than the Premises) and all sprinkler heads located in the Premises, will make all repairs and replacements thereto (excluding structural repairs and replacements, unless caused by Tenant's acts or omissions), whether foreseen or unforeseen, ordinary or

extraordinary, so as to keep the Premises in their current condition and state of repair, reasonable wear and tear excepted, and will neither commit nor suffer any active or permissive waste or injury thereof, and shall, within ten (10) days after receipt of written notice from Landlord, provide to Landlord any maintenance records that Landlord reasonably requests. Tenant's responsibilities shall include the maintenance, repair and replacement of all of Tenant's signage (both interior and exterior) and all other facilities and equipment of Tenant located outside of the Premises and all improvements, systems, equipment, and other installations, including, without limitation, all related lines, conduits, pipes, cabling, connections and the like, located outside of the Premises that were installed by Tenant or installed by Landlord for Tenant as part of this Lease. Landlord will maintain any Building standard air handler or Building standard condenser that exclusively serves the Premises (but any specialty equipment, such as Liebert type units and HEPA filtration units, shall remain Tenant's responsibility) and sprinkler heads located in the Premises, but Tenant shall be solely responsible for the cost thereof as Additional Rent. Tenant's responsibilities in conjunction therewith shall also include, but not be limited to, the cleaning of window coverings, mini-blinds and shades, the shampooing and re-stretching of carpet, and the regular painting and decorating of the Premises so as to maintain the Premises in a first-class condition and state of repair. All bulbs, tubes and lighting fixtures for the Premises shall be provided and installed by Tenant at Tenant's cost and expense and must comply with Landlord's sustainability practices, including any third-party rating system concerning the environmental compliance of the Building or the Premises, as the same may change from time to time. All such repair work and maintenance and any alterations permitted by Landlord shall be done at Tenant's sole cost and expense by persons or contractors selected by Tenant and consented to in writing by Landlord. Tenant shall, at Tenant's expense, but under the direction of Landlord, by contractors selected by Tenant and consented to in writing by Landlord, promptly repair any injury or damage to the Premises or Building caused by the misuse or neglect thereof by Tenant, by Tenant's contractors, subcontractors, customers, employees, licensees, agents, or invitees permitted or invited (whether by express or implied invitation) on the Premises by Tenant, or by Tenant moving in or out of the Premises. Tenant shall be responsible for all janitorial service and trash removal from the Premises. Tenant covenants and agrees, at its sole cost and expense: (a) to comply with all present and future laws, orders and regulations of the Federal, State, county, municipal or other governing authorities regarding the collection, sorting, separation, and recycling of garbage, trash, rubbish and other refuse (collectively, "trash"); (b) to comply with Landlord's recycling policy as part of Landlord's sustainability practices where it may be more stringent than applicable law; (c) to sort and separate its trash and recycling into such categories as are provided by law or Landlord's sustainability practices; (d) that Landlord reserves the right to refuse to collect or accept from Tenant any waste that is not separate and sorted as required by Applicable Laws or Landlord's sustainability practices, and to require Tenant to arrange for such collection at Tenant's sole cost and expense, utilizing a contractor satisfactory to Landlord; and (e) that Tenant shall pay all costs, expenses, fines, penalties or damages that may be imposed on Landlord or Tenant by reason of Tenant's failure to comply with the provisions of this Section.

17.3. Landlord shall not be liable for any failure to make any repairs or to perform any maintenance that is Landlord's obligation pursuant to this Lease unless such failure shall persist for an unreasonable time after Tenant provides Landlord with written notice of the need of such repairs or maintenance. Tenant waives its rights under Applicable Laws now or hereafter in effect to make repairs at Landlord's expense.

17.4. If any excavation shall be made upon land adjacent to or under the Building, or shall be authorized to be made, Tenant shall afford to the person causing or authorized to cause such excavation, license to enter the Premises for the purpose of performing such work as such person shall deem necessary or desirable to preserve and protect the Building from injury or damage and to support the same by proper foundations, without any claim for damages or liability against Landlord and without reducing or otherwise affecting Tenant's obligations under this Lease.

17.5. Landlord shall clean the exterior of the exterior windows of the Building no more than two (2) times per year. Tenant, at Tenant's sole cost and expense, shall be responsible for the regular cleaning of the interior of the exterior windows and any interior windows consistent with Tenant's obligations under Section 17.2.

17.6. This Article relates to repairs and maintenance arising in the ordinary course of operation of the Building and the Property. In the event of a casualty described in Article 23, Article 23 shall apply in lieu of this Article. In the event of eminent domain, Article 24 shall apply in lieu of this Article.

17.7. Costs incurred by Landlord pursuant to this Article shall constitute Operating Expenses. Notwithstanding the foregoing, to the extent that the cost of such repairs and maintenance caused by Tenant's acts, neglect, fault or omissions exceeds the limits of any insurance maintained or required to be maintained by Tenant pursuant to this Lease but are covered by insurance maintained or required to be maintained by Landlord under this Lease, then Landlord shall file a claim for such excess pursuant to Landlord's insurance and Tenant shall reimburse Landlord for the deductible therefor and any increase in premium resulting from such claim within thirty (30) days after receipt of an invoice therefor.

18. Liens.

18.1. Subject to the immediately succeeding sentence, Tenant shall keep the Premises, the Building and the Property free from any liens arising out of work or services performed, materials furnished to or obligations incurred by Tenant. Tenant further covenants and agrees that any mechanic's or materialman's lien filed against the Premises, the Building or the Property for work or services claimed to have been done for, or materials claimed to have been furnished to, or obligations incurred by Tenant shall be discharged or bonded by Tenant within ten (10) days after the filing thereof, at Tenant's sole cost and expense.

18.2. Should Tenant fail to discharge or bond against any lien of the nature described in Section 18.1, Landlord may, at Landlord's election, pay such claim or post a statutory lien bond or otherwise provide security to eliminate the lien as a claim against title, and Tenant shall immediately reimburse Landlord for the costs thereof as Additional Rent.

18.3. In the event that Tenant leases or finances the acquisition of office equipment, furnishings or other personal property of a removable nature utilized by Tenant in the operation of Tenant's business, Tenant warrants that any Uniform Commercial Code financing statement shall, upon its face or by exhibit thereto, indicate that such financing statement is applicable only to removable personal property of Tenant located within the Premises. In no event shall the address of the Premises, the Building or the Property be furnished on a financing statement without qualifying language as to applicability of the lien only to removable personal property located in an identified suite leased by Tenant. Should any holder of a financing statement record or place of record a financing statement that appears to constitute a lien against any interest of Landlord or against equipment that may be located other than within an identified suite leased by Tenant, Tenant shall, within ten (10) days after filing such financing statement, cause (a) a copy of the lender security agreement or other documents to which the financing statement pertains to be furnished to Landlord to facilitate Landlord's ability to demonstrate that the lien of such financing statement is not applicable to Landlord's interest and (b) Tenant's lender to amend such financing statement and any other documents of record to clarify that any liens imposed thereby are not applicable to any interest of Landlord in the Premises, the Building or the Property.

19. Estoppel Certificate. Tenant shall, within ten (10) days after receipt of written notice from Landlord, execute, acknowledge and deliver a statement in writing substantially in the form attached to this Lease as Exhibit G, or on any other form reasonably requested by a current or proposed Lender or encumbrancer or proposed purchaser, (a) certifying that this Lease is unmodified and in full force and effect (or, if modified, stating the nature of such modification and certifying that this Lease as so modified is in full force and effect) and the dates to which rental and other charges are paid in advance, if any, (b) acknowledging that there are not, to Tenant's knowledge, any uncured defaults on the part of Landlord hereunder, or specifying such defaults if any are claimed, and (c) setting forth such further information with respect to this Lease or the Premises as may be requested thereon. Upon Landlord's request, Tenant shall cause the Guarantor to also execute and deliver such statement within such time period. Any such statements may be relied upon by any prospective purchaser or encumbrancer of all or any portion of the Property. Tenant's failure to deliver any such statement within such the prescribed time shall, at Landlord's option, constitute a Default under this Lease, and, in any event, shall be binding upon Tenant and constitute Tenant's irrevocable acknowledgement and agreement that all of the matters stated in such statement are true, correct and complete.

20. Hazardous Materials.

20.1. Tenant shall not cause or permit any Hazardous Materials to be brought upon, kept or used in or about the Premises, the Building or the Property by Tenant or any of its employees, agents, contractors or invitees (collectively with Tenant, each a "Tenant Party"). Notwithstanding the foregoing, Tenant may keep, store and use upon the Premises de minimus amounts of typical cleaning and office supplies that constitute Hazardous Materials, provided that such cleaning and office supplies are kept, stored, used, maintained and disposed of in accordance with all Applicable Laws and manufacturer's instructions and further provided that Tenant may not discharge or dispose of any such Hazardous Materials in any drains in the Building. If (a) Tenant breaches such obligation, (b) the presence of Hazardous Materials as a

result of such a breach results in contamination of the Property, any portion thereof, or any adjacent property, (c) contamination of the Premises otherwise occurs during the Term or any extension or renewal hereof or holding over hereunder or (d) contamination of the Property occurs as a result of Hazardous Materials that are placed on or under or are released into the Property by a Tenant Party, then Tenant shall indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold the Landlord Indemnitees harmless from and against any and all Claims of any kind or nature, including (w) diminution in value of the Property or any portion thereof, (x) damages for the loss or restriction on use of rentable or usable space or of any amenity of the Property, (y) damages arising from any adverse impact on marketing of space in the Property or any portion thereof and (z) sums paid in settlement of Claims that arise before, during or after the Term as a result of such breach or contamination. This indemnification by Tenant includes costs incurred in connection with any investigation of site conditions or any clean-up, remedial, removal or restoration work required by any Governmental Authority because of Hazardous Materials present in the air, soil or groundwater above, on, under or about the Property. Without limiting the foregoing, if the presence of any Hazardous Materials in, on, under or about the Property, any portion thereof or any adjacent property caused or permitted by any Tenant Party results in any contamination of the Property, any portion thereof or any adjacent property, then Tenant shall promptly take all actions at its sole cost and expense as are necessary to return the Property, any portion thereof or any adjacent property to its respective condition existing prior to the time of such contamination; provided that Landlord's written approval of such action shall first be obtained, which approval Landlord shall not unreasonably withhold; and provided, further, that it shall be reasonable for Landlord to withhold its consent if such actions could have a material adverse long-term or short-term effect on the Property, any portion thereof or any adjacent property. Tenant's obligations under this Section shall not be affected, reduced or limited by any limitation on the amount or type of damages, compensation or benefits payable by or for Tenant under workers' compensation acts, disability benefit acts, employee benefit acts or similar legislation.

20.2. At any time, and from time to time, prior to the expiration of the Term, Landlord shall have the right to conduct appropriate tests of the Property or any portion thereof to demonstrate that Hazardous Materials are present or that contamination has occurred due to the acts or omissions of a Tenant Party. Tenant shall pay all reasonable costs of such tests if such tests reveal that Hazardous Materials exist at the Property in violation of this Lease.

20.3. Tenant shall promptly report to Landlord any actual or suspected presence of mold or water intrusion at the Premises.

20.4. Tenant's obligations under this Article shall survive the expiration or earlier termination of the Lease. During any period of time needed by Tenant or Landlord after the termination of this Lease to complete the removal from the Premises of any such Hazardous Materials, Tenant shall be deemed a holdover tenant and subject to the provisions of Article 26.

20.5. As used herein, the term "Hazardous Material" means (a) any toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous substance, material or waste that is or becomes regulated by Applicable Laws or any Governmental Authority, and (b) (i) "chemotherapeutic waste", "infectious waste" or "medical

waste" as may now or hereafter be defined by any future law, statute, order, ordinance or regulation, (ii) "radioactive waste" as may now or hereafter be defined by any future law, statute, order, ordinance or regulation, (iii) human corpses, remains and anatomical parts that are donated and used for scientific or medical education, research or treatment, (iv) body fluids or biologicals which are being stored at a laboratory prior to laboratory testing, and/or (v) similar laboratory wastes and materials.

21. Odors and Exhaust. Tenant acknowledges that Landlord would not enter into this Lease with Tenant unless Tenant assured Landlord that under no circumstances will any other occupants of the Building or the Property (including persons legally present in any outdoor areas of the Property) be subjected to odors or fumes (whether or not noxious), and that the Building and the Property will not be damaged by any exhaust, in each case from Tenant's operations. Landlord and Tenant therefore agree as follows:

21.1. Tenant shall not cause or permit (or conduct any activities that would cause) any release of any odors or fumes of any kind from the Premises.

21.2. If the Building has a ventilation system that, in Landlord's judgment, is adequate, suitable, and appropriate to vent the Premises in a manner that does not release odors affecting any indoor or outdoor part of the Property, Tenant shall vent the Premises through such system. If Landlord at any time determines that any existing ventilation system is inadequate, or if no ventilation system exists, Tenant shall in compliance with Applicable Laws vent all fumes and odors from the Premises (and remove odors from Tenant's exhaust stream) as Landlord requires. The placement and configuration of all ventilation exhaust pipes, louvers and other equipment shall be subject to Landlord's approval. Tenant acknowledges Landlord's legitimate desire to maintain the Property (indoor and outdoor areas) in an odor-free manner, and Landlord may require Tenant to abate and remove all odors in a manner that goes beyond the requirements of Applicable Laws.

21.3. Tenant shall, at Tenant's sole cost and expense, provide odor eliminators and other devices (such as filters, air cleaners, scrubbers and whatever other equipment may in Landlord's judgment be necessary or appropriate from time to time) to completely remove, eliminate and abate any odors, fumes or other substances in Tenant's exhaust stream that, in Landlord's judgment, emanate from Tenant's Premises. Any work Tenant performs under this Section shall constitute Alterations.

21.4. Tenant's responsibility to remove, eliminate and abate odors, fumes and exhaust shall continue throughout the Term. Landlord's approval or construction of any Alterations shall not preclude Landlord from requiring additional measures to eliminate odors, fumes and other adverse impacts of Tenant's exhaust stream (as Landlord may designate in Landlord's discretion). Tenant shall install additional equipment as Landlord requires from time to time under the preceding sentence. Such installations shall constitute Alterations.

21.5. If Tenant fails to install satisfactory odor control equipment within ten (10) business days after Landlord's demand made at any time, then Landlord may, without limiting Landlord's other rights and remedies, require Tenant to cease and suspend any operations in the Premises that, in Landlord's determination, cause odors, fumes or exhaust. For example, if Landlord determines that Tenant's production of a certain type of product causes odors, fumes or exhaust, and Tenant does not install satisfactory odor control equipment within ten (10) business days after Landlord's request, then Landlord may require Tenant to stop producing such type of product in the Premises unless and until Tenant has installed odor control equipment satisfactory to Landlord.

22. Insurance; Waiver of Subrogation.

22.1. Landlord shall maintain Commercial Property insurance for the Building and the Property in amounts equal to full replacement cost (exclusive of the costs of excavation, foundations and footings, engineering costs or such other costs to the extent the same are not incurred in the event of a rebuild and without reference to depreciation taken by Landlord upon its books or tax returns) or such lesser coverage as Landlord may elect, provided that such coverage shall not be less than the amount of such insurance Landlord's Lender, if any, requires Landlord to maintain, providing protection against any peril generally included within the classification "All Risk" or "Special Form" subject to standard terms, conditions, limitations and exclusions. Landlord, subject to availability thereof, shall further insure, if Landlord deems it appropriate, coverage against flood, environmental hazard, earthquake, loss or failure of building equipment, rental loss during the period of repairs or rebuilding. Landlord's insurance shall not cover any improvements installed by Tenant, any Alterations or Tenant's business or personal property.

22.2. In addition, Landlord shall carry Commercial General Liability insurance with limits of not less than One Million Dollars ($1,000,000) per occurrence and One Million Dollars ($1,000,000) general annual aggregate for bodily injury, or property damage with respect to third-party liability occurring in, on or about the Property, but only to the extent caused by Landlord's negligence.

22.3. Tenant shall, at its own cost and expense, including any policy deductible or self-insured retentions, procure and maintain beginning on the Term Commencement Date or the date of occupancy, whichever occurs first, and continuing throughout the Term, or such other period as specified herein, insurance for the benefit of Tenant and Landlord (as their interests may appear) as specified in Exhibit H attached hereto.

22.4. Tenant assumes the risk of damage to any fixtures, goods, inventory, merchandise, equipment, leasehold improvements and personal property, and Landlord shall not be liable for injury to Tenant's business or any loss of income therefrom, relative to such damage, all as more particularly set forth within this Lease. Tenant shall, at Tenant's sole cost and expense, carry such insurance as Tenant desires for Tenant's protection with respect to business or personal property of Tenant or business interruption. Landlord shall have no obligation to insure Tenant's business interruption exposure.

22.5. Anything in this Lease to the contrary notwithstanding, to the full extent permitted by law, each of Landlord and Tenant hereby waives, and each shall cause its insurers to waive, any and all rights of recovery, claim, action or cause of action, against the Landlord Indemnitees or Tenant for any loss or damage that may occur to the Premises, any improvements thereto, or any personal property of either party, by reason of fire, the elements, or any other cause to the extent such loss or damage is covered, or, under the terms of this Lease, required to be covered, by the terms of a commercial property insurance policy with "All Risk" or "Special Form" causes of loss coverage in effect at the time of such loss regardless of cause or origin, including negligence of the Landlord Indemnitees or Tenant, as applicable, and each covenants that no insurer shall hold any right of subrogation against Landlord Indemnitees or Tenant, as applicable.

22.6. Landlord may, at its reasonable discretion, change the insurance policy limits and forms which are required to be provided by Tenant and may require insurance policy limits required under this Lease be raised to conform with requirements of Landlord's Lender or to bring coverage limits to levels then being required of new tenants within the Property.

22.7. Any costs incurred by Landlord pursuant to this Article shall constitute a portion of Operating Expenses, including the insurance premiums and costs of any policies required to be carried under this Article or that Landlord elects or is otherwise required to carry in connection with its ownership, operation and management of the Property.

22.8. Any Tenant performing Tenant Alterations shall comply, and cause its contractors to comply, with the insurance requirements set forth in Exhibit B-1, hereto.

22.9. The provisions of this Article shall survive the expiration or earlier termination of this Lease.

23. Damage or Destruction.

23.1. In the event of a partial destruction of (a) the Premises or (b) Common Area of the Building or the Property ((a) and (b) together, the "Affected Areas") by fire or other perils covered by extended coverage insurance not exceeding twenty-five percent (25%) of the full insurable value of the Premises or the Building, and provided that (x) the damage thereto is such that the Affected Areas may be repaired, reconstructed or restored within a period of six (6) months from the date of the happening of such casualty, (y) Landlord shall receive insurance proceeds sufficient to cover the cost of such repairs, reconstruction and restoration (except for any deductible amount provided by Landlord's policy, which deductible amount, if paid by Landlord shall constitute an Operating Expense) and (z) such casualty was not intentionally caused by a Tenant Party, then Landlord shall commence and proceed diligently with the work of repair, reconstruction and restoration of the Affected Areas and this Lease shall continue in full force and effect.

23.2. In the event of any damage to or destruction of the Building or the Property other than as described in Section 23.1, Landlord may elect to repair, reconstruct and restore the Building or the Property, as applicable, in which case this Lease shall continue in full force and effect. If Landlord elects not to repair, reconstruct and restore the Building or the Property, as applicable, then, at Landlord's election by written notice to Tenant, this Lease shall terminate as of the date of such notice from Landlord.

23.3. Upon any termination of this Lease under any of the provisions of this Article, the parties shall be released thereby without further obligation to the other from the date possession of the Premises is surrendered to Landlord, except with regard to (a) items occurring and obligations accruing prior to the damage or destruction, and (b) provisions of this Lease that, by their express terms, survive the expiration or earlier termination hereof.

23.4. In the event of repair, reconstruction and restoration as provided in this Article, all Rent to be paid by Tenant under this Lease shall be abated proportionately based on the extent to which Tenant's use of the Premises is impaired during the period of such repair, reconstruction or restoration, unless Landlord provides Tenant with other space during the period of repair, reconstruction and restoration that, in Tenant's reasonable opinion, is suitable for the temporary conduct of Tenant's business; provided, however, that the amount of such abatement shall be reduced by the amount of Rent that is received by Tenant as part of the business interruption or loss of rental income with respect to the Premises from the proceeds of business interruption or loss of rental income insurance.

23.5. If Landlord is obligated to or elects to repair, reconstruct or restore as herein provided, then Landlord shall be obligated to make such repairs, reconstruction or restoration only with regard to (a) those portions of the Premises that were originally provided at Landlord's expense and (b) the Common Area portion of the Affected Areas. The repairs, reconstruction or restoration of improvements not originally provided by Landlord or at Landlord's expense, including, but not limited to, any Alterations, shall be the obligation of Tenant. Landlord's obligation, should it elect or be obligated to repair, reconstruct or restore, shall be conditioned upon Landlord receiving any permits or authorizations required by Applicable Laws.

23.6. Notwithstanding anything to the contrary contained in this Article, Landlord shall not have any obligation whatsoever to repair, reconstruct or restore the Premises if the damage resulting from any casualty covered under this Article occurs during the last twenty-four (24) months of the Term or any extension thereof, or to the extent that insurance proceeds are not available therefor.

23.7. Tenant shall, at its expense, replace or fully repair all of Tenant's personal property, all improvements not originally provided by Landlord or at Landlord's expense, and any Alterations installed by Tenant existing at the time of such damage or destruction. If Affected Areas are to be repaired, reconstructed or restored in accordance with the foregoing, Landlord shall make available to Tenant any portion of insurance proceeds it receives that are allocable to the improvements not originally provided by Landlord or at Landlord's expense and Alterations constructed by Tenant pursuant to this Lease; provided Tenant is not then in default under this Lease, and subject to the requirements of any Lender or mortgagee of Landlord. If any casualty event results in a hazardous condition at the Affected Areas due to Tenant's activities at or use of the Premises, including radioactive or biological contamination, then Tenant shall be responsible for addressing such hazardous condition at its sole expense and making the Affected Areas safe for Landlord and its employees, agents and contractors, and Landlord's restoration obligations or any abatement of Rent resulting from such casualty shall be tolled until the Affected Areas are safe for Landlord and its employees, agents and contractors to commence restoration work in the Affected Areas.

23.8. This Article sets forth the terms and conditions upon which this Lease may terminate in the event of any damage or destruction. Accordingly, the parties hereby waive the provisions of any Applicable Laws (and any successor statutes) permitting the parties to terminate this Lease as a result of any damage or destruction.

24. Eminent Domain.

24.1. In the event (a) the whole of the Premises or (b) such part thereof as shall substantially interfere with Tenant's use and occupancy of the Premises for the Permitted Use shall be taken for any public or quasi-public purpose by any lawful power or authority by exercise of the right of appropriation, condemnation or eminent domain, or sold or conveyed to prevent such taking, Tenant or Landlord may terminate this Lease effective as of the date possession is required to be surrendered to such authority, except with regard to (y) items occurring or obligations accruing prior to the taking and (z) provisions of this Lease that, by their express terms, survive the expiration or earlier termination hereof.

24.2. In the event of a partial taking of (a) the Building or the Property or (b) drives, walkways or parking areas serving the Building or the Property for any public or quasi-public purpose by any lawful power or authority by exercise of right of appropriation, condemnation, or eminent domain, or sold or conveyed to prevent such taking, then, without regard to whether any portion of the Premises occupied by Tenant was so taken, Landlord may elect to terminate this Lease (except with regard to (y) items occurring or obligations accruing prior to the taking and

(z) provisions of this Lease that, by their express terms, survive the expiration or earlier termination hereof) as of such taking if such taking is, in Landlord's sole opinion, of a material nature such as to make it uneconomical to continue use of the unappropriated portion for their intended purposes.

24.3. Tenant shall be entitled to any award that is specifically awarded as compensation for (a) the taking of Tenant's personal property that was installed at Tenant's expense and (b) the costs of Tenant moving to a new location. Except as set forth in the previous sentence, any award for such taking shall be the property of Landlord.

24.4. If, upon any taking of the nature described in this Article, this Lease continues in effect, then Landlord, to the extent of the award received by Landlord, shall promptly proceed to restore any damage to the remainder of the improvements resulting from the taking to substantially their same condition prior to such partial taking. To the extent such restoration is infeasible, as determined by Landlord in its sole and absolute discretion, the Rent shall be decreased proportionately to reflect the loss of any portion of the Premises no longer available to Tenant.

24.5. This Article sets forth the terms and conditions upon which this Lease may terminate in the event of any damage or destruction. Accordingly, the parties hereby waive the provisions of any Applicable Laws (and any successor statutes) permitting the parties to terminate this Lease as a result of any damage or destruction.

25. Surrender.

25.1. At least ten (10) days prior to Tenant's surrender of any part of the Premises, Tenant shall conduct a site inspection with Landlord.

25.2. No surrender of possession of any part of the Premises shall release Tenant from any of its obligations hereunder, unless such surrender is accepted in writing by Landlord.

25.3. The voluntary or other surrender of this Lease by Tenant shall not effect a merger with Landlord's fee title or leasehold interest in the Premises, the Building, the Property or the Property, unless Landlord consents in writing, and shall, at Landlord's option, operate as an assignment to Landlord of any or all subleases.

25.4. The voluntary or other surrender of any ground lease, master lease, or other underlying lease that now exists or may hereafter be executed affecting the Building or the Property, or a mutual cancellation thereof or of Landlord's interest therein by Landlord and its lessor shall not effect a merger with Landlord's fee title or leasehold interest in the Premises, the Building or the Property and shall, at the option of the successor to Landlord's interest in the Building or the Property, as applicable, operate as an assignment of this Lease.

25.5. Notwithstanding any provision in the Lease to the contrary, Tenant shall have no obligation to remove cabling or any leasehold improvements at the end of the Term.

26. Holding Over.

26.1. Intentionally omitted.

26.2. If Tenant remains in possession of the Premises after the expiration or earlier termination of the Term without Landlord's prior written consent, (a) Tenant shall become a tenant at sufferance subject to the terms and conditions of this Lease, except that the monthly Base Rent shall be equal to one hundred fifty percent (150%) of the Base Rent in effect during the last thirty (30) days of the Term, and (b) if such holdover persists for more than thirty (30) days, Tenant shall be liable to Landlord for any and all damages suffered by Landlord as a result of such holdover, including any lost rent or consequential, special and indirect damages (in each case, regardless of whether such damages are foreseeable).

26.3. Acceptance by Landlord of Rent after the expiration or earlier termination of the Term shall not result in an extension, renewal or reinstatement of this Lease.

26.4. The foregoing provisions of this Article are in addition to and do not affect Landlord's right of reentry or any other rights of Landlord hereunder or as otherwise provided by Applicable Laws.

26.5. The provisions of this Article shall survive the expiration or earlier termination of this Lease.

27. Indemnification and Exculpation.

27.1. Tenant agrees to indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold Landlord, the entities listed on Exhibit E hereto, the Property Manager, and their respective officers, directors, employees, agents, general partners, members, subsidiaries, affiliates; and any lender, mortgagee, ground lessor, master landlord, beneficiary, historic tax credit investor, and New Markets tax credit investors (each, a "Lender" and, collectively with all of the foregoing, collectively, the "Landlord Indemnitees") harmless from and against any and all demands, claims, liabilities, losses, costs, expenses, actions, causes of action, damages, suits or judgments, real or alleged, and all reasonable expenses (including reasonable attorneys' fees, charges and disbursements, regardless of whether the applicable demand, claim, action, cause of action or suit is voluntarily withdrawn or dismissed) incurred in investigating or resisting the same of any kind or nature that arise before, during or after the Term (collectively, "Claims") arising from (a) injury to or death of any person or damage to any property occurring within or about the Premises, the Building or the Property, arising directly or indirectly out of (i) the presence at or use or occupancy of the Premises or Property by a Tenant Party, or (ii) an act or omission on the part of any Tenant Party; (b) a breach or default by Tenant in the performance of any of its obligations hereunder, including, without limitation, any breach by Tenant of its obligations under Section 11.2 or Section 11.12; (c) injury to or death of persons or damage to or loss of any property, real or alleged, arising from the serving of alcoholic beverages at the Premises or the Property, including liability under any dram shop law, host liquor law or similar Applicable Law; (d) any liens referenced in Section 18.1 and any Claims arising from such liens, including administrative, court or other legal proceedings relate to such liens; (e) any failure to obtain waiver of subrogation endorsements to Tenant's insurance as required under Article 22, or (f) any Claim for compensation by any broker or agent, other than the Brokers, employed or engaged by Tenant or claiming to have been employed or engaged by Tenant in connection with this Lease or the leasing of the Premises to Tenant, all except to the extent directly caused by Landlord's gross negligence or willful misconduct. Tenant's obligations under this Section shall not be affected, reduced or limited by any limitation on the amount or type of damages, compensation or benefits payable by or for Tenant under workers' compensation acts, disability benefit acts, employee benefit acts or similar legislation or the amount of insurance maintained or required to be obtained by Tenant hereunder or in connection with this Lease or the Premises. Tenant's obligations under this Section shall survive the expiration or earlier termination of this Lease.

27.2. Notwithstanding anything in this Lease to the contrary, Landlord shall not be liable to Tenant for and Tenant assumes all risk of (a) damage or losses caused by fire, electrical malfunction, gas explosion or water damage of any type (including broken water lines, malfunctioning fire sprinkler systems, roof leaks or stoppages of lines), unless any such loss is due to Landlord's willful disregard of written notice by Tenant of need for a repair that Landlord is responsible to make for an unreasonable period of time, and (b) damage to personal property or scientific research, including loss of records kept by Tenant within the Premises (in each case, regardless of whether such damages are foreseeable). To the extent Landlord provides security to the Common Areas, Landlord does not warrant the efficacy of any such security personnel, services, procedures or equipment. Landlord shall not be responsible for or liable in any manner for failure of any such security personnel, services, procedures or equipment to prevent or control, or apprehend anyone suspected of, personal injury or property damage in, on or around

the Project. Tenant further waives any claim for injury to Tenant's business or loss of income relating to any such damage or destruction of personal property as described in this Section. Landlord may elect to install a wifi or similar system that is intended to provide access to the internet for infrequent use by occupants and invitees of the Common Area. Such a system will not be intended for use on a regular basis by anyone, whether in the Common Areas or other portions of the Building, and should not be relied on by Tenant or its employees or invitees for access to the internet. Landlord makes no representations or warranties as to the availability of any such system, its fitness for any purpose or any other representations or warranties as to such system.

27.3. Notwithstanding anything in the foregoing or this Lease to the contrary, except (x) as otherwise provided in this Article 27, (y) as may be provided by Applicable Laws, or (z) in the event of Tenant's breach of Article 20 or Article 26, in no event shall Landlord or Tenant be liable to the other for any consequential, special or indirect damages arising out of this Lease, including lost profits (provided that this sentence shall not limit Tenant's liability for Base Rent or Additional Rent pursuant to this Lease).

27.4. Landlord shall not be liable for any damages arising from any act, omission or neglect of any other tenant in the Building or the Property, or of any other third party.

27.5. The provisions of this Article shall survive the expiration or earlier termination of this Lease.

28. Assignment or Subletting.

28.1. Except to the extent, if any, expressly permitted by this Article, none of the following (each, a "Transfer"), either voluntarily or by operation of Applicable Laws, shall be directly or indirectly performed, without Landlord's prior written consent which may be granted or withheld in Landlord's sole and absolute discretion: (a) Tenant selling, hypothecating, assigning, pledging, encumbering or otherwise transferring this Lease or subletting the Premises or any portion thereof or (b) a controlling interest in Tenant being sold, assigned or otherwise transferred (other than as a result of shares in Tenant being sold on a public stock exchange). For purposes of the preceding sentence, "control" means (a) owning (directly or indirectly) more than fifty percent (50%) of the stock or other equity interests of another person or (b) possessing, directly or indirectly, the power to direct or cause the direction of the management and policies of such person. In no event shall Tenant perform a Transfer to or with an entity that is a tenant at the Property or that is in discussions or negotiations with Landlord or an affiliate of Landlord to lease premises at the Property or a property owned by Landlord or an affiliate of Landlord.

28.2. In the event Tenant desires to effect a Transfer, then, at least thirty (30) but not more than ninety (90) days prior to the date when Tenant desires the Transfer to be effective (the "Transfer Date"), Tenant shall provide written notice to Landlord (the "Transfer Notice") containing information (including references) concerning the character and business experience of the proposed transferee, assignee or sublessee; the Transfer Date; the most recent unconsolidated financial statements of Tenant and of the proposed transferee, assignee or sublessee satisfying the requirements of Section 39 ("Required Financials"); any ownership or

commercial relationship between Tenant and the proposed transferee, assignee or sublessee; any intended change in the use or operation of the Premises; and the consideration and all other material terms and conditions of the proposed Transfer, all in such detail as Landlord shall require. In addition, upon request from Landlord, Tenant shall provide such additional information regarding the Transfer and the proposed transferee as Landlord may require.

28.3. Notwithstanding anything contained in this Lease to the contrary, (w) no Transfer shall be consummated on any basis such that the rental or other amounts to be paid by the occupant, assignee, manager or other transferee thereunder would be based, in whole or in part, on the income or profits derived by the business activities of such occupant, assignee, manager or other transferee; (x) Tenant shall not furnish or render any services to any other occupant of the Property, any assignee of Tenant's interest in this lease, any manager for the Property, or any other transferee of Tenant's interest in this lease; (y) Tenant shall not consummate a Transfer with any person in which Landlord owns an interest, directly or indirectly (by applying constructive ownership rules set forth in Section 856(d)(5) of the Internal Revenue Code of 1986 (as the same may be amended from time to time, the "Revenue Code"); and (z) Tenant shall not consummate a Transfer with any person or in any manner that could cause any portion of the amounts received by Landlord pursuant to this Lease or any sublease, license or other arrangement for the right to use, occupy or possess any portion of the Premises to fail to qualify as "rents from real property" within the meaning of Section 856(d) of the Revenue Code, or any similar or successor provision thereto or which could cause any other income of Landlord to fail to qualify as income described in Section 856(c)(2) of the Revenue Code.

28.4. The following are conditions precedent to a Transfer or to Landlord considering a request by Tenant to a Transfer:

(a) Tenant shall reimburse Landlord for Landlord's actual costs and expenses, including reasonable attorneys' fees, charges and disbursements incurred in connection with the review, processing and documentation of such request;

(b) If Tenant's Transfer provides for the receipt by, on behalf of or on account of Tenant of any consideration of any kind whatsoever (including a premium rental for a sublease or lump sum payment for an assignment, but excluding Tenant's reasonable costs in marketing and subleasing the Premises) in excess of the rental and other charges due to Landlord under this Lease, Tenant shall pay fifty percent (50%) of all of such excess to Landlord, after making deductions for any reasonable marketing expenses, tenant improvement funds expended by Tenant, alterations, brokerage commissions, attorneys' fees and free rent actually paid by Tenant. If such consideration consists of cash paid to Tenant, payment to Landlord shall be made upon receipt by Tenant of such cash payment;

(c) The proposed transferee, assignee or sublessee shall agree that, in the event Landlord gives such proposed transferee, assignee or sublessee notice that Tenant is in default under this Lease, such proposed transferee, assignee or sublessee shall thereafter make all payments otherwise due Tenant directly to Landlord, which payments shall be received by Landlord without any liability being incurred by Landlord, except to credit such payment against those due by Tenant under this Lease, and any such proposed transferee, assignee or sublessee shall agree to attorn to Landlord or its successors and assigns should this Lease be terminated for any reason; provided, however, that in no event shall Landlord or its Lenders, successors or assigns be obligated to accept such attornment;

(d) Landlord's consent to any such Transfer shall be effected on Landlord's forms;

(e) Tenant shall not then be in Default hereunder in any respect;

(f) Such proposed transferee, assignee or sublessee's use of the Premises and the Property shall be such as to comply with each of the terms and conditions of this Lease, including, but not limited to, the Permitted Use and the provisions limiting Transfers;

(g) Landlord shall not be bound by any provision of any agreement between the Tenant and the transferee pertaining to the Transfer, except for Landlord's written consent to the same;

(h) Tenant shall pay all transfer and other taxes (including interest and penalties) assessed or payable for any Transfer;

(i) Tenant shall deliver to Landlord one executed copy of any and all written instruments evidencing or relating to the Transfer; and

(j) Tenant shall deliver to Landlord a list of any Hazardous Materials, certified by the proposed transferee, assignee or sublessee to be true and correct, that the proposed transferee, assignee or sublessee intends to use or store in the Premises.

28.5. Any Transfer that is not in compliance with the provisions of this Article or with respect to which Tenant does not fulfill its obligations pursuant to this Article shall be void.

28.6. The consent by Landlord to (or the waiver of its rights as to) a Transfer shall not relieve Tenant or proposed transferee, assignee or sublessee from obtaining Landlord's consent to any further Transfer, nor shall it release Tenant or any proposed transferee, assignee or sublessee of Tenant from full and primary liability under this Lease.

28.7. Notwithstanding any Transfer, Tenant and any Guarantor shall remain fully and primarily liable for the payment of all Rent and other sums due or to become due hereunder and under any Guaranty, and for the full performance of all other terms, conditions and covenants to be kept and performed by Tenant and/or the Guarantor. The acceptance of Rent or any other sum due hereunder, or the acceptance of performance of any other term, covenant or condition thereof, from any person or entity other than Tenant shall not be deemed a waiver of any of the provisions of this Lease or a consent to any Transfer. Tenant agrees that it shall not be (and shall not be deemed to be) a guarantor or surety of this Lease, however, and waives its right to claim that is it is a guarantor or surety or to raise in any legal proceeding any guarantor or surety defenses permitted by this Lease or by Applicable Laws.

28.8. If Tenant delivers to Landlord a Transfer Notice indicating a desire to transfer this Lease to a proposed transferee, assignee or sublessee, then Landlord shall have the option, exercisable by giving notice to Tenant at any time within ten (10) days after Landlord's receipt of such Transfer Notice, to terminate this Lease solely as to the portion of the Premises subject to the Transfer, as of the date specified in the Transfer Notice as the Transfer Date, except for those provisions that, by their express terms, survive the expiration or earlier termination hereof. If Landlord exercises such option, then Tenant shall have the right to withdraw such Transfer Notice by delivering to Landlord written notice of such election within five (5) days after Landlord's delivery of notice electing to exercise Landlord's option to terminate this Lease. In the event Tenant withdraws the Transfer Notice as provided in this Section, this Lease shall continue in full force and effect. No failure of Landlord to exercise its option to terminate this Lease shall be deemed to be Landlord's consent to a proposed Transfer.

28.9. If Tenant sublets the Premises or any portion thereof, Tenant hereby immediately and irrevocably assigns to Landlord, as security for Tenant's obligations under this Lease, all rent from any such subletting, and appoints Landlord as assignee and attorney-in-fact for Tenant, and Landlord (or a receiver for Tenant appointed on Landlord's application) may collect such rent and apply it toward Tenant's obligations under this Lease; provided that, until the occurrence of a Default by Tenant, Tenant shall have the right to collect such rent.

29. Subordination and Attornment.

29.1. This Lease shall be subject and subordinate to the lien of any mortgage, deed of trust, or ground or master lease in which Landlord is tenant now or hereafter in force against the Building or the Property and to all advances made or hereafter to be made upon the security thereof without the necessity of the execution and delivery of any further instruments on the part of Tenant to effectuate such subordination.

29.2. Notwithstanding the foregoing, Tenant shall execute and deliver upon demand such further instrument or instruments evidencing such subordination of this Lease to the lien of any such mortgage or mortgages or deeds of trust or lease in which Landlord is tenant as may be required by Landlord. If any such mortgagee, beneficiary or landlord under a lease wherein Landlord is tenant (each, a "Mortgagee") so elects, however, this Lease shall be deemed prior in lien to any such lease, mortgage, or deed of trust upon or including the Premises regardless of date and Tenant shall execute a statement in writing to such effect at Landlord's request. If Tenant fails to execute any document required from Tenant under this Section within ten (10) days after written request therefor, Tenant hereby constitutes and appoints Landlord or its special attorney-in-fact to execute and deliver any such document or documents in the name of Tenant. Such power is coupled with an interest and is irrevocable.

29.3. Upon written request of Landlord, Tenant agrees to execute any Lease amendments not materially altering the terms of this Lease, if required by a Mortgagee incident to the financing of the real property of which the Premises constitute a part.

29.4. In the event any proceedings are brought for foreclosure, or in the event of the exercise of the power of sale under any mortgage or deed of trust made by Landlord covering the Premises, Tenant shall at the election of the purchaser at such foreclosure or sale attorn to the purchaser upon any such foreclosure or sale and recognize such purchaser as Landlord under this Lease.

30. Defaults and Remedies.

30.1. Late payment by Tenant to Landlord of Rent and other sums due shall cause Landlord to incur costs not contemplated by this Lease, the exact amount of which shall be extremely difficult and impracticable to ascertain. Such costs include processing and accounting charges and late charges that may be imposed on Landlord by the terms of any mortgage or trust deed covering the Premises. Therefore, if any installment of Rent due from Tenant is not received by Landlord within five (5) days after the date such payment is due, Tenant shall pay to Landlord (a) an additional sum of five percent (5%) of the overdue Rent as a late charge plus (b) interest at an annual rate (the "Default Rate") equal to the lesser of (a) twelve percent (12%) and (b) the highest rate permitted by Applicable Laws. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Landlord shall incur by reason of late payment by Tenant and shall be payable as Additional Rent to Landlord due with the next installment of Rent or within five (5) business days after Landlord's demand, whichever is earlier. Landlord's acceptance of any Additional Rent (including a late charge or any other amount hereunder) shall not be deemed an extension of the date that Rent is due or prevent Landlord from pursuing any other rights or remedies under this Lease, at law or in equity.

30.2. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent payment herein stipulated shall be deemed to be other than on account of the Rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided in this Lease or in equity or at law. If a dispute shall arise as to any amount or sum of money to be paid by Tenant to Landlord hereunder, Tenant shall have the right to make payment "under protest," such payment shall not be regarded as a voluntary payment, and there shall survive the right on the part of Tenant to institute suit for recovery of the payment paid under protest.

30.3. If Tenant fails to pay any sum of money required to be paid by it hereunder or perform any other act on its part to be performed hereunder, in each case within the applicable cure period (if any) described in Section 30.4, then Landlord may (but shall not be obligated to), without waiving or releasing Tenant from any obligations of Tenant, make such payment or perform such act without being liable to prosecution of any claim for damages and Landlord not being liable for any damages resulting to Tenant from such action whether caused by the negligence of Landlord, its agents, employees or contractors or otherwise. Notwithstanding the foregoing, in the event of an emergency, Landlord shall have the right to enter the Premises and act in accordance with its rights as provided elsewhere in this Lease. In addition to the late charge described in Section 30.1, Tenant shall pay to Landlord as Additional Rent all sums so paid or incurred by Landlord, together with interest at the Default Rate, computed from the date such sums were paid or incurred.

30.4. The occurrence of any one or more of the following events shall constitute a "Default" hereunder by Tenant:

(a) Tenant abandons or vacates the Premises;

(b) Tenant fails to make any payment of Rent, as and when due, or to satisfy its obligations under Article 18, where such failure shall continue for a period of five (5) days after written notice thereof from Landlord to Tenant;

(c) Tenant or any Guarantor makes an assignment for the benefit of creditors;

(d) A receiver, trustee or custodian is appointed to or does take title, possession or control of all or substantially all of Tenant's or any Guarantor's assets;

(e) Tenant or any Guarantor files a voluntary petition under the United States Bankruptcy Code or any successor statute (as the same may be amended from time to time, the "Bankruptcy Code") or an order for relief is entered against Tenant or any Guarantor (as applicable) pursuant to a voluntary or involuntary proceeding commenced under any chapter of the Bankruptcy Code;

(f) Any involuntary petition is filed against Tenant or any Guarantor under any chapter of the Bankruptcy Code and is not dismissed within one hundred twenty (120) days;

(g) A default exists under any other lease, license agreement, early occupancy agreement or right of entry by and between Tenant or any affiliate of Tenant and Landlord or any affiliate of Landlord which is not cured within any notice and cure period provided therein;

(h) A default exists under the Guaranty, if any, given by any Guarantor in favor of Landlord, after the expiration of any applicable notice and cure periods provided therein;

(i) Tenant fails to deliver an estoppel certificate in accordance with Article 19;

(j) Tenant's interest in this Lease is attached, executed upon or otherwise judicially seized and such action is not released within one hundred twenty (120) days of the action; or

(k) Tenant fails to observe or perform any obligation or covenant contained herein (other than those described in (a) through (j) above) to be performed by Tenant, where such failure continues for a period of ten (10) days after written notice thereof from Landlord to Tenant; provided that, if the nature of Tenant's default is such that it reasonably requires more than ten (10) days to cure, Tenant shall not be deemed to be in Default if Tenant commences such cure within such ten (10) day period and thereafter diligently prosecutes the same to completion; and provided, further, that such cure is completed no later than thirty (30) days after Tenant's receipt of written notice from Landlord.

No notice of default or notice to quit shall be deemed a forfeiture or a termination of this Lease unless Landlord elects otherwise in such notice.

30.5. In the event of a Default by Tenant, and at any time thereafter, with or without notice or demand and without limiting Landlord in the exercise of any right or remedy that Landlord may have, Landlord has the right to do any or all of the following:

(a) Halt any Alterations and order Tenant's contractors, subcontractors, consultants, designers and material suppliers to stop work and cease funding any allowance;

(b) Terminate Tenant's right to possession of the Premises with or without termination of this Lease by written notice to Tenant or by any lawful means, in which case Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall have the immediate right to re-enter and remove all persons and property, and such property may be removed and stored in a public warehouse or elsewhere at the cost and for the account of Tenant, all without service of notice or resort to legal process and without being deemed guilty of trespass or becoming liable for any loss or damage that may be occasioned thereby; and

(c) Terminate this Lease, in which event Tenant shall immediately surrender possession of the Premises to Landlord. In such event, Landlord shall have the immediate right to re-enter and remove all persons and property, and such property may be removed and stored in a public warehouse or elsewhere at the cost and for the account of Tenant, all without service of notice or resort to legal process and without being deemed guilty of trespass or becoming liable for any loss or damage that may be occasioned thereby. In the event that Landlord shall elect to so terminate this Lease, then Landlord shall be entitled to recover from Tenant all damages incurred by Landlord by reason of Tenant's Default, including:

(i) The sum of:

A. The worth at the time of award of any unpaid Rent that had accrued at the time of such termination; plus

B. The worth at the time of award of the amount by which the unpaid Rent that would have accrued during the period commencing with termination of the Lease and ending at the time of award exceeds that portion of the loss of Landlord's rental income from the Premises that Tenant proves to Landlord's reasonable satisfaction could have been reasonably avoided; plus

C. The worth at the time of award of the amount by which the unpaid Rent for the balance of the Term after the time of award exceeds that portion of the loss of Landlord's rental income from the Premises that Tenant proves to Landlord's reasonable satisfaction could have been reasonably avoided; plus

D. Any other amount necessary to compensate Landlord for all the detriment caused by Tenant's failure to perform its obligations under this Lease or that in the ordinary course of things would be likely to result therefrom, including the cost of restoring the Premises to the condition required under the terms of this Lease, including any rent payments not otherwise chargeable to Tenant (e.g., during any "free" rent period or rent holiday); plus

E. At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted from time to time by Applicable Laws; or

(ii) At Landlord's election, as minimum liquidated damages in addition to any (A) amounts paid or payable to Landlord pursuant to Section 30.5(c)(i)(A) prior to such election and (B) costs of restoring the Premises to the condition required under the terms of this Lease, an amount (the "Election Amount") equal to either (Y) the positive difference (if any, and measured at the time of such termination) between (1) the then-present value of the total Rent and other benefits that would have accrued to Landlord under this Lease for the remainder of the Term if Tenant had fully complied with the Lease minus (2) the then-present cash rental value of the Premises as determined by Landlord for what would be the then-unexpired Term if the Lease remained in effect, computed using the discount rate of the Federal Reserve Bank of Chicago at the time of the award plus one (1) percentage point (the "Discount Rate") or (Z) twelve (12) months (or such lesser number of months as may then be remaining in the Term) of Base Rent and Additional Rent at the rate last payable by Tenant pursuant to this Lease, in either case as Landlord specifies in such election. Landlord and Tenant agree that the Election Amount represents a reasonable forecast of the minimum damages expected to occur in the event of a breach, taking into account the uncertainty, time and cost of determining elements relevant to actual damages, such as fair market rent, time and costs that may be required to re-lease the Premises, and other factors; and that the Election Amount is not a penalty.

(iii) As used in Sections 30.5(c)(i)(A) and (B), "worth at the time of award" shall be computed by allowing interest at the Default Rate. As used in Section 30.5(c)(i)(C), the "worth at the time of the award" shall be computed by taking the present value of such amount, using the Discount Rate.

30.6. In addition to any other remedies available to Landlord at law or in equity and under this Lease, Landlord may continue this Lease in effect after Tenant's Default or abandonment and recover Rent as it becomes due. In addition, Landlord shall not be liable in any way whatsoever for its failure or refusal to relet the Premises. For purposes of this Section, the following acts by Landlord will not constitute the termination of Tenant's right to possession of the Premises:

(a) Acts of maintenance or preservation or efforts to relet the Premises, including alterations, remodeling, redecorating, repairs, replacements or painting as Landlord shall consider advisable for the purpose of reletting the Premises or any part thereof; or

(b) The appointment of a receiver upon the initiative of Landlord to protect Landlord's interest under this Lease or in the Premises.

Notwithstanding the foregoing, in the event of a Default by Tenant, Landlord may elect at any time to terminate this Lease and to recover damages to which Landlord is entitled.

30.7. If Landlord does not elect to terminate this Lease as provided in Section 30.5, then Landlord may, from time to time, recover all Rent as it becomes due under this Lease. At any time thereafter, Landlord may elect to terminate this Lease and to recover damages to which Landlord is entitled.

30.8. In the event Landlord elects to terminate this Lease and relet the Premises, Landlord may execute any new lease in its own name and Tenant shall pay to Landlord the cost of all storage charges or brokerage commissions owing from Tenant to Landlord as the result of such reletting and the costs and expenses of reletting the Premises, including (i) alterations and repairs that Landlord deems reasonably necessary and advisable and (ii) reasonable attorneys' fees, charges and disbursements incurred by Landlord in connection with the retaking of the Premises and such reletting. Tenant hereunder shall have no right or authority whatsoever to collect any Rent from such tenant. The proceeds of any such reletting shall be applied as follows:

(a) First, to the payment of any indebtedness other than Rent due hereunder from Tenant to Landlord, including storage charges or brokerage commissions owing from Tenant to Landlord as the result of such reletting;

(b) Second, to the payment of the costs and expenses of reletting the Premises, including (i) alterations and repairs that Landlord deems reasonably necessary and advisable and (ii) brokerage commissions and reasonable attorneys' fees, charges and disbursements incurred by Landlord in connection with the retaking of the Premises and such reletting;

(c) Third, to the payment of Rent and other charges due and unpaid hereunder; and

(d) Fourth, to the payment of future Rent and other damages payable by Tenant under this Lease.

30.9. All of Landlord's rights, options and remedies hereunder shall be construed and held to be nonexclusive and cumulative. Landlord shall have the right to pursue any one or all of such remedies, or any other remedy or relief that may be provided by Applicable Laws, whether or not stated in this Lease. No waiver of any default of Tenant hereunder shall be implied from any acceptance by Landlord of any Rent or other payments due hereunder or any omission by Landlord to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect defaults other than as specified in such waiver. Notwithstanding any provision of this Lease to the contrary, in no event shall Landlord be required to mitigate its damages with respect to any default by Tenant, except as required by Applicable Laws. Any such obligation imposed by Applicable Laws upon Landlord to relet the Premises after any termination of this Lease shall be subject to the reasonable requirements of Landlord to (a) lease to high quality tenants on such terms as Landlord may from time to time deem appropriate in its discretion and (b) develop the Property in a harmonious manner with a mix of uses, tenants, floor areas, terms of tenancies, etc., as determined by Landlord. Landlord shall not be obligated to relet the Premises to (y) any Tenant's Affiliate or (z) any party (i) unacceptable to a Lender, (ii) that requires Landlord to make improvements to or re-demise the Premises, (iii) that desires to

change the Permitted Use, (iv) that desires to lease the Premises for more or less than the remaining Term or (v) to whom Landlord or an affiliate of Landlord may desire to lease other available space in the Property or at another property owned by Landlord or an affiliate of Landlord, nor shall Landlord be obligated to provide any tenant improvements or other allowances.

30.10. Landlord's termination of (a) this Lease or (b) Tenant's right to possession of the Premises shall not relieve Tenant of any liability to Landlord that has previously accrued or that shall arise based upon events that occurred prior to the later to occur of (y) the date of Lease termination and (z) the date Tenant surrenders possession of the Premises.

30.11. To the extent permitted by Applicable Laws, Tenant waives any and all rights of redemption granted by or under any present or future Applicable Laws if Tenant is evicted or dispossessed for any cause, or if Landlord obtains possession of the Premises due to Tenant's default hereunder or otherwise.

30.12. Landlord shall not be in default or liable for damages under this Lease unless Landlord fails to perform obligations required of Landlord within a reasonable time, but in no event shall such failure continue for more than thirty (30) days after written notice from Tenant specifying the nature of Landlord's failure; provided, however, that if the nature of Landlord's obligation is such that more than thirty (30) days are required for its performance, then Landlord shall not be in default if Landlord commences performance within such thirty (30) day period and thereafter diligently prosecutes the same to completion. In no event shall Tenant have the right to terminate or cancel this Lease, or to withhold or abate rent or to exercise any self-help to take any action on behalf of Landlord at law or in equity or to set off any Claims against Rent as a result of any default or breach by Landlord of any of its covenants, obligations, representations, warranties or promises hereunder, except as may otherwise be expressly set forth in this Lease.

30.13. In the event of any default by Landlord, Tenant shall give notice by registered or certified mail to any (a) beneficiary of a deed of trust or (b) mortgagee under a mortgage covering the Premises, the Building or the Property and to any landlord under a ground lease or master lease covering the Building or the Property, and shall offer such beneficiary, mortgagee or landlord a reasonable opportunity to cure the default, including time to obtain possession of the Building or the Property by power of sale or a judicial action if such should prove necessary to effect a cure; provided that Landlord shall furnish to Tenant in writing, upon written request by Tenant, the names and addresses of all such persons who are to receive such notices.

31. Bankruptcy. In the event a debtor, trustee or debtor in possession under the Bankruptcy Code, or another person with similar rights, duties and powers under any other Applicable Laws, proposes to cure any default under this Lease or to assume or assign this Lease and is obliged to provide adequate assurance to Landlord that (a) a default shall be cured, (b) Landlord shall be compensated for its damages arising from any breach of this Lease and (c) future performance of Tenant's obligations under this Lease shall occur, then such adequate assurances shall include any or all of the following, as designated by Landlord in its sole and absolute discretion:

31.1. Those acts specified in the Bankruptcy Code or other Applicable Laws as included within the meaning of "adequate assurance," even if this Lease does not concern a shopping center or other facility described in such Applicable Laws;

31.2. A prompt cash payment to compensate Landlord for any monetary defaults or actual damages arising directly from a breach of this Lease;

31.3. A cash deposit in an amount at least equal to the then-current amount of the Security Deposit; or

31.4. The assumption or assignment of all of Tenant's interest and obligations under this Lease.

32. Brokers.

32.1. Tenant represents and warrants that it has had no dealings with any real estate broker or agent in connection with the negotiation of this Lease other than Landlord's Broker and Tenant's Broker, if any (collectively, the "Brokers"), and that it knows of no other real estate broker or agent that is or might be entitled to a commission in connection with this Lease. Landlord shall compensate the Brokers in relation to this Lease pursuant to a separate written agreement between Landlord and Landlord's Broker.

32.2. Tenant represents and warrants that no broker or agent has made any representation or warranty relied upon by Tenant in Tenant's decision to enter into this Lease, other than as contained in this Lease.

32.3. Tenant acknowledges and agrees that the employment of brokers by Landlord is for the purpose of solicitation of offers of leases from prospective tenants and that no authority is granted to any broker to furnish any representation (written or oral) or warranty from Landlord unless expressly contained within this Lease. Landlord is executing this Lease in reliance upon Tenant's representations, warranties and agreements contained in this Article.

33. Definition of Landlord. With regard to obligations imposed upon Landlord pursuant to this Lease, the term "Landlord," as used in this Lease, shall refer only to Landlord or Landlord's then-current successor-in-interest. In the event of any transfer, assignment or conveyance of Landlord's interest in this Lease or in Landlord's fee title to or leasehold interest in the Property, as applicable, Landlord herein named (and in case of any subsequent transfers or conveyances, the subsequent Landlord) shall be automatically freed and relieved, from and after the date of such transfer, assignment or conveyance, from all liability for the performance of any covenants or obligations contained in this Lease thereafter to be performed by Landlord and, without further agreement, the transferee, assignee or conveyee of Landlord's interest in this Lease or in Landlord's fee title to or leasehold interest in the Property, as applicable, shall be deemed to have assumed and agreed to observe and perform any and all covenants and obligations of Landlord hereunder during the tenure of its interest in the Lease or the Property. Landlord or any subsequent Landlord may transfer its interest in the Premises or this Lease without Tenant's consent.

34. Limitation of Landlord's Liability.

34.1. If Landlord is in default under this Lease and, as a consequence, Tenant recovers a monetary judgment against Landlord, the judgment shall be satisfied only out of (a) the proceeds of sale received on execution of the judgment and levy against the right, title and interest of Landlord in the Building and the Property, (b) rent or other income from the Building and the Property receivable by Landlord or (c) the consideration received by Landlord from the sale, financing, refinancing or other disposition of all or any part of Landlord's right, title or interest in the Building or the Property.

34.2. Neither Landlord nor any of its affiliates, nor any of their respective partners, shareholders, directors, officers, employees, members or agents shall be personally liable for Landlord's obligations or any deficiency under this Lease, and service of process shall not be made against any shareholder, director, officer, employee or agent of Landlord or any of Landlord's affiliates. No partner, shareholder, director, officer, employee, member or agent of Landlord or any of its affiliates shall be sued or named as a party in any suit or action, and service of process shall not be made against any partner or member of Landlord except as may be necessary to secure jurisdiction of the partnership, joint venture or limited liability company, as applicable. No partner, shareholder, director, officer, employee, member or agent of Landlord or any of its affiliates shall be required to answer or otherwise plead to any service of process, and no judgment shall be taken or writ of execution levied against any partner, shareholder, director, officer, employee, member or agent of Landlord or any of its affiliates.

34.3. Each of the covenants and agreements of this Article shall be applicable to any covenant or agreement either expressly contained in this Lease or imposed by Applicable Laws and shall survive the expiration or earlier termination of this Lease.

35. Joint and Several Obligations. If more than one person or entity executes this Lease as Tenant, then:

35.1. Each of them is jointly and severally liable for the keeping, observing and performing of all of the terms, covenants, conditions, provisions and agreements of this Lease to be kept, observed or performed by Tenant, and such terms, covenants, conditions, provisions and agreements shall be binding with the same force and effect upon each and all of the persons executing this Agreement as Tenant; and

35.2. The term "Tenant," as used in this Lease shall mean and include each of them, jointly and severally. The act of, notice from, notice to, refund to, or signature of any one or more of them with respect to the tenancy under this Lease, including any renewal, extension, expiration, termination or modification of this Lease, shall be binding upon each and all of the persons executing this Lease as Tenant with the same force and effect as if each and all of them had so acted, so given or received such notice or refund, or so signed.

36. Representations. Tenant warrants and represents that (a) Tenant is duly incorporated or otherwise established or formed and validly existing under the laws of its state of incorporation, establishment or formation, (b) Tenant has and is duly qualified to do business in the state in which the Property is located, (c) Tenant has full corporate, partnership, trust, association or other appropriate power and authority to enter into this Lease and to perform all Tenant's obligations hereunder, (d) each person (and all of the persons if more than one signs) signing this Lease on behalf of Tenant is duly and validly authorized to do so and (e) neither (i) the execution, delivery or performance of this Lease nor (ii) the consummation of the transactions contemplated hereby will violate or conflict with any provision of documents or instruments under which Tenant is constituted or to which Tenant is a party. In addition, Tenant warrants and represents that none of (x) it, (y) its affiliates or partners nor (z) to the best of its knowledge, its members, shareholders or other equity owners or any of their respective employees, officers, directors, or agents is a person or entity with whom U.S. persons or entities are restricted from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including those named on OFAC's Specially Designated and Blocked Persons List) or under any statute, executive order (including the September 24, 2001, Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism) or other similar governmental action. Tenant further represents and warrants that it is not acting on behalf of (i) an "employee benefit plan" within the meaning of Section 3(3) of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (ii) a "plan" within the meaning of Section 4975 of the Internal Revenue Code of 1986, as amended, or (iii) an entity deemed to hold "plan assets" within the meaning of 29 C.F.R. §2510.3-101 of any such employee benefit plan or plans.

37. Confidentiality. Tenant shall keep the terms and conditions of this Lease and any information, plans or other materials provided to Tenant or its employees, agents or contractors pursuant to Article 4 or Article 8 or the Work Letter confidential and shall not (a) disclose to any third party any terms or conditions of this Lease or any other Lease-related document (including subleases, assignments, work letters, construction contracts, letters of credit, subordination agreements, non-disturbance agreements, brokerage agreements or estoppels) or (b) provide to any third party an original or copy of this Lease (or any Lease-related document). Landlord shall not release to any third party any non-public financial information or non-public information about Tenant's ownership structure that Tenant gives Landlord. Notwithstanding the foregoing, confidential information under this Section may be released by Landlord or Tenant under the following circumstances: (x) if required by Applicable Laws or in any judicial proceeding; provided that the releasing party has given the other party reasonable notice of such requirement, if feasible, (y) to a party's attorneys, accountants, brokers, lenders and other bona fide consultants or advisers (with respect to this Lease only); provided such third parties agree to be bound by this Section or (z) to bona fide prospective assignees or subtenants of this Lease; provided they agree in writing to be bound by this Article.

38. Notices. Except as otherwise stated in this Lease, any notice, consent, demand, invoice, statement or other communication required or permitted to be given hereunder shall be in writing and shall be given by (a) personal delivery, (b) overnight delivery with a reputable international overnight delivery service, such as FedEx, or (c) email transmission, so long as such transmission is followed within one (1) business day by delivery utilizing one of the methods described in Subsection (a) or (b) above. Any such notice, consent, demand, invoice, statement or other communication shall be deemed delivered (x) upon receipt, if given in accordance with Subsection (a); (y) one (1) business day after deposit with a reputable international overnight

delivery service, if given if given in accordance with Subsection (b); or (z) upon transmission, if given in accordance with Subsection (c). Except as otherwise stated in this Lease, any notice, consent, demand, invoice, statement or other communication required or permitted to be given pursuant to this Lease shall be addressed to Tenant and Landlord at the respective addresses shown in Article 2 above. Either party may, by notice to the other given pursuant to this Article, specify additional or different addresses for notice purposes.

39. Miscellaneous.

39.1. Landlord reserves the right to change the name of the Building or the Property in its sole discretion.

39.2. Intentionally omitted.

39.3. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for a lease, and shall not be effective as a lease or otherwise until execution by and delivery to both Landlord and Tenant.

39.4. The terms of this Lease and all exhibits, addenda and riders attached hereto are intended by the parties as a final, complete and exclusive expression of their agreement with respect to the terms that are included herein, and may not be contradicted or supplemented by evidence of any other prior or contemporaneous agreement.

39.5. Neither party shall record this Lease or any memorandum or short form of this Lease.

39.6. Where applicable in this Lease, the singular includes the plural and the masculine or neuter includes the masculine, feminine and neuter. The words “include,” “includes,” “included” and “including” mean “‘include,’ etc., without limitation.” The word “shall” is mandatory and the word “may” is permissive. The section headings of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part of this Lease. Landlord and Tenant have each participated in the drafting and negotiation of this Lease, and the language in all parts of this Lease shall be in all cases construed as a whole according to its fair meaning and not strictly for or against either Landlord or Tenant.

39.7. Except as otherwise expressly set forth in this Lease, each party shall pay its own costs and expenses incurred in connection with this Lease and such party’s performance under this Lease; provided that, if either party commences an action, proceeding, demand, claim, action, cause of action or suit against the other party arising out of or in connection with this Lease, then the substantially prevailing party shall be reimbursed by the other party for all reasonable costs and expenses, including reasonable attorneys’ fees and expenses, incurred by the substantially prevailing party in such action, proceeding, demand, claim, action, cause of action or suit, and in any appeal in connection therewith (regardless of whether the applicable action, proceeding, demand, claim, action, cause of action, suit or appeal is voluntarily withdrawn or dismissed).

39.8. Time is of the essence with respect to the performance of every provision of this Lease.

39.9. Notwithstanding anything to the contrary contained in this Lease, Tenant's obligations under this Lease are independent and shall not be conditioned upon performance by Landlord.

39.10. Notwithstanding anything in this Lease to the contrary, in every instance where Landlord's consent or approval is required, Landlord shall be entitled to withhold its consent if any party whose consent Landlord must obtain under any ground lease, master lease, or any Mortgage or any other financing denies consent to such request.

39.11. Any provision of this Lease that shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof, and all other provisions of this Lease shall remain in full force and effect and shall be interpreted as if the invalid, void or illegal provision did not exist.

39.12. Each of the covenants, conditions and agreements herein contained shall inure to the benefit of and shall apply to and be binding upon the parties hereto and their respective heirs; legatees; devisees; executors; administrators; and permitted successors and assigns. This Lease is for the sole benefit of the parties and their respective heirs, legatees, devisees, executors, administrators and permitted successors and assigns, and nothing in this Lease shall give or be construed to give any other person or entity any legal or equitable rights. Nothing in this Section shall in any way alter the provisions of this Lease restricting assignment or subletting.

39.13. This Lease shall be governed by, construed and enforced in accordance with the laws of the state in which the Property is located, without regard to such state's conflict of law principles.

39.14. If a Guarantor is specified in Article 2 of the Lease, then simultaneously with Tenant's execution and delivery of this Lease, Tenant shall cause the Guarantor to execute and deliver to the Landlord the Guaranty of all of Tenant's obligations under this Lease in the form attached hereto.

39.15. This Lease may be executed by electronic signature process (such as DocuSign) and in one or more counterparts, each of which shall, for all purposes, be deemed an original and fully enforceable as an original. All such counterparts, taken together, shall constitute one and the same agreement even though all of the parties may have not executed the same counterpart of this Lease.

39.16. No provision of this Lease may be modified, amended or supplemented except by an agreement in writing signed by Landlord and Tenant.

39.17. No waiver of any term, covenant or condition of this Lease shall be binding upon Landlord unless executed in writing by Landlord. The waiver by Landlord of any breach or default of any term, covenant or condition contained in this Lease shall not be deemed to be a waiver of any preceding or subsequent breach or default of such term, covenant or condition or any other term, covenant or condition of this Lease.

39.18. **TO THE EXTENT PERMITTED BY APPLICABLE LAWS, THE PARTIES WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY THE OTHER PARTY HERETO RELATED TO MATTERS ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP BETWEEN LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES, OR ANY CLAIM OF INJURY OR DAMAGE RELATED TO THIS LEASE OR THE PREMISES. TENANT HEREBY WAIVES ANY RIGHT TO FILE A NON-MANDATORY COUNTERCLAIM AGAINST LANDLORD IN ANY SUMMARY DISPOSSESSION OR SIMILAR PROCEEDING.**

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IN WITNESS WHEREOF, the parties hereto have executed this Lease as of the date first above written.

LANDLORD:

VENTAS BECKLEY, LLC
a Delaware limited liability company

By: /s/ Jim Mendelson
Name: Jim Mendelson
Title: authorized signatory

TENANT:

GRAYBUG VISION, INC.,
a Delaware corporation

By: /s/ Dan Salain
Name: Dan Salain
Title: Chief operating officer

SCHEDULE 1

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SPECIAL PROVISIONS RIDER

The Lease is hereby modified and supplemented in accordance with the terms of this Special Provisions Rider ("Rider"). Wherever there is any conflict between this Rider and the Lease, the provisions of this Rider are paramount and the Lease shall be construed accordingly. All capitalized terms used herein shall have the meanings ascribed to them in the Lease, unless otherwise defined herein.

1. A new Section 3.3 is hereby added to the Lease reading as follows:

"3.3. Conditions Precedent to Landlord's Obligations. Tenant acknowledges that as of the Effective Date, Tenant occupies the Premises pursuant to that certain Sublease dated August 17, 2015 between Tenant and Eisai Inc. ("Sublessor"), and that Sublessor has lease and occupancy rights to the Premises. Tenant acknowledges and agrees that all of Landlord's obligations under the Lease are conditioned upon the Sublessor surrendering possession of and vacating the Premises and releasing any and all rights and interests in and to the Premises, all on terms and conditions satisfactory to Landlord, in Landlord's sole discretion. If such condition has not been satisfied by March 31, 2020, then Landlord and Tenant shall each have the right, by written notice to the other given at any time after such date and before satisfaction of the condition to terminate this Lease, whereupon all of the obligations of Landlord and Tenant hereunder, except those which expressly survive termination, shall be of no further force or effect and any Security Deposit paid or delivered by Tenant shall be returned to Tenant. This condition is solely for the benefit of Landlord, and Landlord shall have the right, at any time, by written notice to Tenant, to elect to waive this condition."

2. A new Section 8.7 is hereby added to the Lease reading as follows:

"8.7. Tenant's Audit Right. Landlord's annual statement shall be final and binding upon Tenant unless Tenant, within thirty (30) days after Tenant's receipt thereof, shall contest any item therein by giving written notice to Landlord, specifying each item contested and the reasons therefor; provided that Tenant shall in all events pay when due the amount specified in Landlord's annual statement, pending the results of the Tenant Review and determination of the Neutral Accountant, as applicable and as each such term is defined below. If, during such thirty (30)-day period, Tenant reasonably and in good faith questions or contests the correctness of Landlord's statement of Tenant's Pro Rata Share of Operating Expenses, Landlord shall provide Tenant with reasonable access to Landlord's books and records to the extent relevant to determination of Operating Expenses, and such information as Landlord reasonably determines to be responsive to Tenant's written inquiries. In the event that, after Tenant's review of such information, Landlord and Tenant cannot agree upon the amount of Tenant's Pro Rata Share of Operating Expenses, then Tenant shall have the right to have an independent public accounting firm hired by Tenant on an hourly basis and not on a contingent-fee basis (at Tenant's sole cost and expense) and approved by Landlord (which approval Landlord shall not unreasonably withhold or delay) audit and review such of Landlord's books and records for the year in question as directly relate to the determination of Operating Expenses for such year (the "Tenant Review"), but not books and records of entities other than Landlord. Landlord shall make such books and records available at the location where Landlord maintains them in the ordinary course

of its business. Landlord need not provide copies of any books or records. Tenant shall commence the Tenant Review within fifteen (15) days after the date Landlord has given Tenant access to Landlord's books and records for the Tenant Review. Tenant shall complete the Tenant Review and notify Landlord in writing of Tenant's specific objections to Landlord's calculation of Operating Expenses (including Tenant's accounting firm's written statement of the basis, nature and amount of each proposed adjustment) no later than sixty (60) days after Landlord has first given Tenant access to Landlord's books and records for the Tenant Review. Landlord shall review the results of any such Tenant Review. The parties shall endeavor to agree promptly and reasonably upon Operating Expenses taking into account the results of such Tenant Review. If, as of the date this is sixty (60) days after Tenant has submitted the Tenant Review to Landlord, the parties have not agreed on the appropriate adjustments to Operating Expenses, then the parties shall engage a mutually agreeable independent third party accountant with at least ten (10) years' experience in commercial real estate accounting (the "Neutral Accountant"). If the parties cannot agree on the Neutral Accountant, each shall within ten (10) days after such impasse appoint an accountant having the same qualifications as those required of the Neutral Accountant and, within ten (10) days after the appointment of both such accountants, those two accountants shall select a the Neutral Accountant (which cannot be the accountant and accounting firm that conducted the Tenant Review). If either party fails to timely appoint an accountant, then the Accountant the other party appoints shall be the Neutral Accountant. Within ten (10) days after appointment of the Neutral Accountant, Landlord and Tenant shall each simultaneously give the Neutral Accountant (with a copy to the other party) its determination of Operating Expenses, with such supporting data or information as each submitting party determines appropriate. Within ten (10) days after such submissions, the Neutral Accountant shall select either Landlord's or Tenant's determination of Operating Expenses. The Neutral Accountant may not select or designate any other determination of Operating Expenses. The determination of the Neutral Accountant shall bind the parties. If the parties agree or the Neutral Accountant determines that the Operating Expenses actually paid by Tenant for the calendar year in question exceeded Tenant's obligations for such calendar year, then Landlord shall, at Tenant's option, either (a) credit the excess to the next succeeding installments of estimated Additional Rent or (b) pay the excess to Tenant within thirty (30) days after delivery of such results. If the parties agree or the Neutral Accountant determines that Tenant's payments of Operating Expenses for such calendar year were less than Tenant's obligation for the calendar year, then Tenant shall pay the deficiency to Landlord within thirty (30) days after delivery of such results. If the parties agree or the Neutral Accountant determines that the Operating Expenses billed to Tenant by Landlord and paid by Tenant to Landlord for the applicable calendar year in question exceeded by more than ten percent (10%) what Tenant should have been billed during such calendar year, then Landlord shall pay the reasonable cost of the Tenant Review and the Neutral Accountant. In all other cases, Tenant shall pay the cost of the Tenant Review and the Neutral Accountant. The results of the Tenant Review, all materials provided by Landlord or made available by Landlord and the determination of the Neutral Accountant shall be kept strictly confidential by Tenant and its accountant and may not be disclosed to any other tenant or occupant of the Building or any other third party."

3. A new Article 40 is hereby added to the Lease reading as follows:

"40. Landlord shall have the right at any time during the first nine (9) months of the Term, upon providing Tenant not less than sixty (60) days' prior written notice, to provide Tenant with space elsewhere in the Building of substantially the same size (and at least the same size and layout with respect to lab areas) and quality of improvements (including lab space and supporting infrastructure) as the Premises and to remove Tenant from the Premises and place Tenant in such space. Landlord shall pay all reasonable costs and expenses related thereto. The relocation shall occur on a weekend. Should Tenant refuse to permit Landlord to move Tenant to such new space at the end of such thirty (30) day period, Landlord shall have, in addition to all other rights and remedies allowed under this Lease, at law or in equity, the right to cancel and terminate this Lease upon providing written notice to Tenant within thirty (30) days after the end of such thirty (30) day period of Landlord's election to so terminate. Upon providing such notice to Tenant, this Lease shall immediately terminate. If Landlord moves Tenant to such new space, then this Lease and each and all of its terms, covenants and conditions shall remain in full force and effect and be deemed applicable to such new space, and such new space shall thereafter be deemed to be the "Premises," and Landlord and Tenant shall enter into an express written amendment to this Lease memorializing such change. Tenant's Base Rent and Additional Rent obligations shall not increase as a result of such relocation."

3. Article 20 of the Lease is hereby deleted in its entirety and the following is inserted in lieu thereof:

"20. Hazardous Materials.

20.1. Tenant shall not cause or permit any Hazardous Materials to be brought upon, kept or used in or about the Premises, the Building or the Property in violation of Applicable Laws by Tenant or any of its employees, agents, contractors or invitees (collectively with Tenant, each a "Tenant Party"). If (a) Tenant breaches such obligation, (b) the presence of Hazardous Materials as a result of such a breach results in contamination of the Property, any portion thereof, or any adjacent property, (c) contamination of the Premises otherwise occurs due to the acts or omissions of a Tenant Party during the Term or any extension or renewal hereof or holding over hereunder, or (d) contamination of the Property occurs as a result of Hazardous Materials that are placed on or under or are released into the Property by a Tenant Party, then Tenant shall indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold the Landlord Indemnitees harmless from and against any and all Claims of any kind or nature, including (w) diminution in value of the Property or any portion thereof, (x) damages for the loss or restriction on use of rentable or usable space or of any amenity of the Property, (y) damages arising from any adverse impact on marketing of space in the Property or any portion thereof and (z) sums paid in settlement of Claims that arise before, during or after the Term as a result of such breach or contamination. This indemnification by Tenant includes costs, sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees incurred in connection with any judgments, damages, penalties, fines, liabilities or losses, any investigation of site conditions or any clean-up, remedial, removal or restoration work required by any Governmental Authority because of Hazardous Materials present in the air, soil or groundwater above, on, under or about the Property. Without limiting the foregoing, if the presence of any Hazardous Materials in, on, under or about the Property, any portion thereof or any adjacent property caused or permitted by any Tenant Party results in any contamination of the

Property, any portion thereof or any adjacent property, then Tenant shall promptly take all actions at its sole cost and expense as are necessary to return the Property, any portion thereof or any adjacent property to its respective condition existing prior to the time of such contamination; provided that Landlord's written approval of such action shall first be obtained, which approval Landlord shall not unreasonably withhold; and provided, further, that it shall be reasonable for Landlord to withhold its consent if such actions could have a material adverse long-term or short-term effect on the Property, any portion thereof or any adjacent property. Tenant's obligations under this Section shall not be affected, reduced or limited by any limitation on the amount or type of damages, compensation or benefits payable by or for Tenant under workers' compensation acts, disability benefit acts, employee benefit acts or similar legislation.

20.2. Landlord acknowledges that it is not the intent of this Article to prohibit Tenant from operating its business for the Permitted Use. Tenant may operate its business according to the custom of Tenant's industry so long as the use or presence of Hazardous Materials is strictly and properly monitored in accordance with Applicable Laws. As a material inducement to Landlord to allow Tenant to use Hazardous Materials in connection with its business, Tenant agrees to deliver to Landlord (a) a list identifying each type of Hazardous Material to be present at the Premises that is subject to regulation under any environmental Applicable Laws, (b) a list of any and all approvals or permits from Governmental Authorities required in connection with the presence of such Hazardous Material at the Premises and (c) correct and complete copies of (i) notices of violations of Applicable Laws related to Hazardous Materials and (ii) plans relating to the installation of any storage tanks to be installed in, on, under or about the Property (provided that installation of storage tanks shall only be permitted after Landlord has given Tenant its written consent to do so, which consent Landlord may withhold in its sole and absolute discretion) and closure plans or any other documents required by any and all Governmental Authorities for any storage tanks installed in, on, under or about the Property for the closure of any such storage tanks (collectively, "Hazardous Materials Documents"). Tenant shall deliver to Landlord updated Hazardous Materials Documents, within fourteen (14) days after receipt of a written request therefor from Landlord, not more often than once per year, unless (m) there are any changes to the Hazardous Materials Documents or (n) Tenant initiates any Alterations or changes its business, in either case in a way that involves any material increase in the types or amounts of Hazardous Materials. For each type of Hazardous Material listed, the Hazardous Materials Documents shall include (t) the chemical name, (u) the material state (e.g., solid, liquid, gas or cryogen), (v) the concentration, (w) the storage amount and storage condition (e.g., in cabinets or not in cabinets), (x) the use amount and use condition (e.g., open use or closed use), (y) the location (e.g., room number or other identification) and (z) if known, the chemical abstract service number. Notwithstanding anything in this Section to the contrary, Tenant shall not be required to provide Landlord with any documents containing information of a proprietary nature, unless such documents contain a reference to Hazardous Materials or activities related to Hazardous Materials. Landlord may, at Landlord's expense, cause the Hazardous Materials Documents to be reviewed by a person or firm qualified to analyze Hazardous Materials to confirm compliance with the provisions of this Lease and with Applicable Laws. In the event that a review of the Hazardous Materials Documents indicates non-compliance with this Lease or Applicable Laws, Tenant shall, at its expense, diligently take steps to bring its storage and use of Hazardous Materials into compliance. Notwithstanding

anything in this Lease to the contrary or Landlord's review into Tenant's Hazardous Materials Documents or use or disposal of hazardous materials, however, Landlord shall not have and expressly disclaims any liability related to Tenant's or other tenants' use or disposal of Hazardous Materials, it being acknowledged by Tenant that Tenant is best suited to evaluate the safety and efficacy of its Hazardous Materials usage and procedures.

20.3. Tenant represents and warrants to Landlord that is not nor has it been, in connection with the use, disposal or storage of Hazardous Materials, (a) subject to a material enforcement order issued by any Governmental Authority or (b) required to take any remedial action.

20.4. At any time, and from time to time, prior to the expiration of the Term, Landlord shall have the right to conduct appropriate tests of the Property or any portion thereof to demonstrate that Hazardous Materials are present or that contamination has occurred due to the acts or omissions of a Tenant Party. Tenant shall pay all reasonable costs of such tests if such tests reveal that Hazardous Materials exist at the Property in violation of this Lease.

20.5. If underground or other storage tanks storing Hazardous Materials installed or utilized by Tenant are located on the Premises, or are hereafter placed on the Premises by Tenant (or by any other party, if such storage tanks are utilized by Tenant), then Tenant shall monitor the storage tanks, maintain appropriate records, implement reporting procedures, properly close any underground storage tanks, and take or cause to be taken all other steps necessary or required under the Applicable Laws. Tenant shall have no responsibility or liability for underground or other storage tanks installed by anyone other than Tenant unless Tenant utilizes such tanks, in which case Tenant's responsibility for such tanks shall be as set forth in this Section.

20.6. Tenant shall promptly report to Landlord any actual or suspected presence of mold or water intrusion at the Premises.

20.7. Tenant's obligations under this Article shall survive the expiration or earlier termination of the Lease. During any period of time needed by Tenant or Landlord after the termination of this Lease to complete the removal from the Premises of any such Hazardous Materials, Tenant shall be deemed a holdover tenant and subject to the provisions of Article 26.

20.8. As used herein, the term "Hazardous Material" means (a) any toxic, explosive, corrosive, flammable, infectious, radioactive, carcinogenic, mutagenic or otherwise hazardous substance, material or waste that is or becomes regulated by Applicable Laws or any Governmental Authority, and (b) and (i) "chemotherapeutic waste", "infectious waste" or "medical waste" as may now or hereafter be defined by any future law, statute, order, ordinance or regulation, (ii) "radioactive waste" as may now or hereafter be defined by any future law, statute, order, ordinance or regulation, (iii) human corpses, remains and anatomical parts that are donated and used for scientific or medical education, research or treatment, (iv) body fluids or biological which are being stored at a laboratory prior to laboratory testing, and/or (v) similar laboratory wastes and materials

20.9. Notwithstanding anything to the contrary in this Lease, Landlord shall have sole control over the equitable allocation of fire control areas (as defined in the International Building Code as adopted by the city or municipality(ies) in which the Property is located (the "IBC")) within the Property for the storage of Hazardous Materials. Notwithstanding anything to the contrary in this Lease, the quantity of Hazardous Materials allowed by this Section is specific to Tenant and shall not run with the Lease in the event of a Transfer. In the event of a Transfer, if the use of Hazardous Materials by such new tenant ("New Tenant") is such that New Tenant utilizes fire control areas in the Property in excess of New Tenant's Pro Rata Share of the Building, then New Tenant shall, at its sole cost and expense and upon Landlord's written request, establish and maintain a separate area of the Premises classified by the IBC as an "H" occupancy area for the use and storage of Hazardous Materials, or take such other action as is necessary to ensure that its share of the fire control areas of the Building is not greater than New Tenant's Pro Rata Share of the Building. Notwithstanding anything in this Lease to the contrary, Landlord shall not have and expressly disclaims any liability related to Tenant's or other tenants' use or disposal of fire control areas, it being acknowledged by Tenant that Tenant and other tenants are best suited to evaluate the safety and efficacy of its Hazardous Materials usage and procedures.

20.10. The handling, transportation, generation, management, disposal, processing, treatment, storage and use by Tenant of Hazardous Materials in or about the Premises shall be subject to the rules and regulations set forth in Exhibit K hereof and any and all additional rules and regulations promulgated by Landlord from time to time regarding the same or any aspect thereof (which rules and regulations may be amended, modified, deleted or added from time to time by Landlord) (collectively, the "Hazmat Rules"). All of the Hazmat Rules shall be effective upon written notice thereof to Tenant. Tenant will cause all of its agents, employees, invitees, contractors, licensees, subtenants or assignees, or any others permitted by Tenant to occupy or enter the Premises to at all times abide by the Hazmat Rules. In the event of any breach of any Hazmat Rules, Landlord shall have all remedies in this Lease provided for in the event of Default by Tenant and shall, in addition, have any remedies available at law or in equity, including but not limited to, the right to enjoin any breach of such Hazmat Rules.

20.11. At least thirty (30) days prior to Tenant's surrender of possession of any part of the Premises, Tenant shall provide Landlord with a facility decommissioning and Hazardous Materials closure plan for the Premises ("Exit Survey") prepared by an independent third party state-certified professional with appropriate expertise, which Exit Survey must be reasonably acceptable to Landlord. The Exit Survey shall comply with the American National Standards Institute's Laboratory Decommissioning guidelines (ANSI/AIHA Z9.11-2008) or any successor standards published by ANSI or any successor organization (or, if ANSI and its successors no longer exist, a similar entity publishing similar standards). In addition, at least ten (10) days prior to Tenant's surrender of possession of any part of the Premises, Tenant shall (a) provide Landlord with written evidence of all appropriate governmental releases obtained by Tenant in accordance with Applicable Laws, including laws pertaining to the surrender of the Premises, (b) place Laboratory Equipment Decontamination Forms on all decommissioned equipment to assure safe occupancy by future users and (c) conduct a site inspection with Landlord. In addition, Tenant agrees to remain responsible after the surrender of the Premises for the remediation of any recognized environmental conditions set forth in the Exit Survey and comply with any recommendations set forth in the Exit Survey."

4. The following provisions are hereby added immediately following the present conclusion of Section 28.1:

"Notwithstanding anything to the contrary contained in Section 28.1, but subject to satisfying the requirements of clauses (w), (x), (y) and (z) of Section 28.3, subsections (c) through (j) of Section 28.4, Section 28.6 and Section 28.7, Tenant shall have the right to Transfer, without Landlord's prior written consent, the Premises or any part thereof to any person that as of the date of determination and at all times thereafter directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with Tenant ("Tenant's Affiliate"), provided that (i) Tenant shall notify Landlord in writing at least thirty (30) days prior to the effectiveness of such Transfer to Tenant's Affiliate (an "Exempt Transfer"), (ii) the person that will be the tenant under this Lease after the Exempt Transfer has a net worth (as of both the day immediately prior to and the day immediately after the Exempt Transfer) that is not less than the net worth (as of both the Execution Date and the date of the Exempt Transfer) of the transferring Tenant, and (iii) Tenant provides Landlord with all information that Landlord may reasonably request concerning such Tenant's Affiliate and the satisfaction of the foregoing requirements. For purposes of Exempt Transfers, "control" requires both (a) owning (directly or indirectly) more than fifty percent (50%) of the stock or other equity interests of another person and (b) possessing, directly or indirectly, the power to direct or cause the direction of the management and policies of such person."

[End of Special Provisions Rider]

EXHIBIT A-1

THE LAND

Lot 2B, “Final Subdivision of Lot 2 of Section 6 of Holabird Industrial Park”, as the same appears duly dedicated, platted and recorded in Plat W.A. No. 2908 among the Land Records of the City of Baltimore, Maryland.

The improvements thereon being known as 6411 Beckley Street.

EXHIBIT A-2

DRAWING DEPICTING THE PREMISES

WEXFORD ASSET MANAGEMENT, LLC
801 West Baltimore Street, Suite 505
Baltimore, Maryland 21201

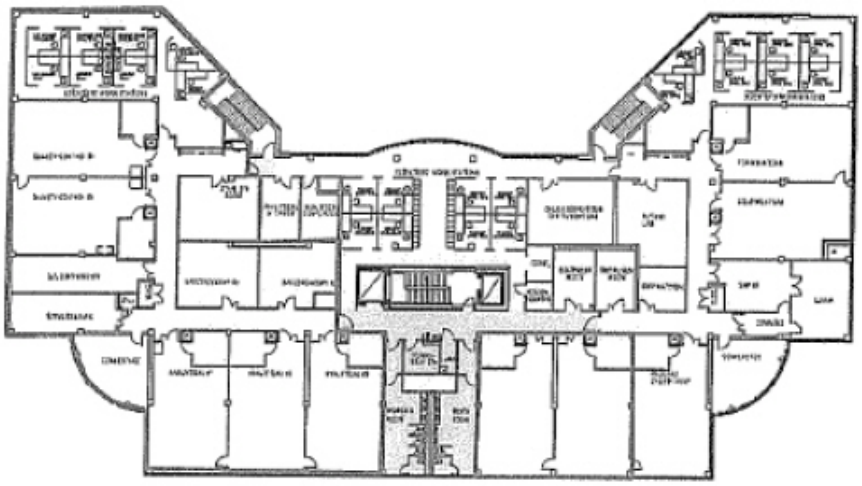


EXHIBIT B-1

TENANT WORK INSURANCE SCHEDULE

Tenant shall be responsible for requiring all of Tenant's Contractors performing any Alterations ("Tenant Work") on behalf of Tenant to purchase and maintain such insurance as shall protect it from the claims set forth below which may arise out of or result from any Tenant Work whether such Tenant Work is completed by Tenant or by any of Tenant's contractors or by any person directly or indirectly employed by Tenant or any of Tenant's Contractors, or by any person for whose acts Tenant or any of Tenant's Contractors may be liable. All Subcontractors for Tenant's Contractors shall carry the same coverages and limits and name the same additional insureds as specified herein, unless different limits are reasonably approved by Tenant and Landlord. As used herein, the term "Contractor" shall refer to Contractors and Subcontractors of every tier.

1. Claims under workers' compensation, disability benefit and other similar employee benefit acts which are applicable to the Tenant Work to be performed.

2. Claims for damages because of bodily injury, occupational sickness or disease, or death of employees under any applicable employer's liability law.

3. Claims for damages because of bodily injury, or death of any person other than Tenant's or any Tenant Contractors' employees.

4. Claims for damages insured by personal injury liability coverage which are sustained (a) by any person as a result of an offense directly or indirectly related to the employment of such person by Tenant or any Tenant Contractors or (b) by any other person.

5. Claims for damages, other than to the Tenant Work itself, because of injury to or destruction of tangible property, including loss of use therefrom.

6. Claims for damages because of bodily injury or death of any person or property damage arising out of the ownership, maintenance or use of any motor vehicle, including non-owned liability.

The Commercial General, Automobile, Employers and Umbrella/Excess Liability Insurance required to be maintained by Tenant's Contractors shall be written for not less than limits of liability as follows:

a. Commercial General Liability: Bodily Injury, including death, and Property Damage	Commercially reasonable amounts, but in any event no less than Two Million Dollars ($2,000,000) per occurrence with a Two Million Dollar ($2,000,000) project-specific general aggregate, One Million Dollars ($1,000,000) personal and advertising injury, and Two Million Dollars ($2,000,000) products and completed operations aggregate.
b. Commercial Automobile Liability: Bodily Injury, including death, and Property Damage	One Million Dollars ($1,000,000) per accident
c. Workers' Compensation and Employer's Liability:	Workers' Compensation insurance as is required by statute or law, or as may be available on a voluntary basis and Employers' Liability insurance with limits of not less than the following: One Million Dollars ($1,000,000) bodily injury each accident; One Million Dollars ($1,000,000) bodily injury due to disease each employee; One Million Dollars ($1,000,000) bodily injury due to disease policy limit. Contractor's policies shall be endorsed to waive subrogation against Tenant, Landlord, and the Landlord Indemnitees.

d. Umbrella/Excess Liability: Bodily Injury and Property Damage	Umbrella/excess liability, written on an occurrence form, with commercially reasonable amounts (excess of coverages a, b and c above), but in any event no less than Five Million Dollars ($5,000,000) per occurrence with a Five Million Dollar ($5,000,000) annual aggregate. Limits must be amended at Landlord's request based on the scope of Tenant Work and/or particular Contractor's activities, operations and work. Umbrella/excess liability insurance limits for Subcontractors shall be determined by Contractor within its reasonable discretion pursuant to each Subcontractor's operations.

The foregoing policies shall contain a provision that coverages afforded under the policies shall not be canceled or not renewed until at least thirty (30) days' prior written notice has been given to the Landlord, except ten (10) days for non-payment of premiums, or if the carriers are unwilling or unable to provide such notice, Tenant shall (and shall cause its Contractors and Subcontractors to) provide written notice to Landlord in accordance with this Section.

Certificates of insurance with all required additional insured endorsements attached thereto shall be filed with Landlord's property manager and Landlord prior to the commencement of any Tenant Work and prior to each renewal.

Coverage for completed operations (general liability and umbrella/excess liability) must be maintained for the greater of ten (10) years and the applicable statute of repose following completion and acceptance by Tenant of the Tenant Work and certificates evidencing this continuation of coverage must be provided to Landlord's property manager and Landlord upon request.

The minimum A.M. Best's rating of each insurer shall at all times be A- VII.

Tenant, Landlord and the Landlord Indemnitees (the "Required Additional Insureds") shall be named as additional insureds on a primary and non-contributory basis under all the Tenant's Contractors' Commercial General Liability, Commercial Automobile Liability, Contractors Pollution Liability, and Umbrella/Excess Liability Insurance policies for both ongoing and completed operations as respects liability arising from work or operations performed, or ownership, maintenance or use of autos, by or on behalf of such Contractors. Such coverage shall be primary to, and not seek contribution from, any other insurance maintained by the Required Additional Insureds.

To the fullest extent permitted by law, each Contractor and its insurers shall provide waivers of subrogation in favor of the Required Additional Insureds with respect to any claims covered, or that should have been covered, by valid and collectible insurance, including any deductibles or self-insurance maintained thereunder.

Tenant's Contractors' CGL insurance required herein shall be written on the most recent version of ISO form CG 00 01, or its equivalent, and shall cover bodily injury, property damage, and personal & advertising injury liability arising from Contractor's operations, premises, and products-completed operations. Tenant's Contractor's CGL policy must include:

(a) Electronic Data Liability endorsement ISO CG 04 37 04 13, or equivalent;

(b) Designated Construction Projects General Annual Aggregate Limit Endorsement, ISO CG 25 03 05 09, or equivalent;

(c) An endorsement requiring the insurer to provide thirty (30) days' direct prior written notice to Landlord and Landlord Indemnitees by certified mail in the event of cancellation or material change in coverage, except for ten (10) days' direct prior written notice of cancellation due to non-payment of premium. If such endorsement is not available, Contractor assumes full responsibility to provide thirty (30) days' direct prior written notice to Landlord and Landlord Indemnitees by certified mail in the event of cancellation or material change in coverage, except for ten (10) days' direct prior written notice of cancellation due to non-payment of premium;

(d) A waiver of subrogation endorsement wherein Contractor's insurers waive all rights of subrogation and all rights of recovery against Landlord and Landlord Indemnitees with respect to losses, claims or costs or damage arising out of or in connection with the Tenant Work;

(e) Primary and Noncontributory—Other Insurance Condition Endorsement, ISO CG 20 01 04 13, or equivalent.

(f) If a crane or lift will be used in connection with the Tenant Work, Contractor shall cause the applicable crane or lift operator or Subcontractor to maintain a "riggers liability" endorsement with coverage in an amount not less than the replacement cost of the property to be lifted, hoisted, and/or moved.

Tenant's Contractor's CGL policy shall not include:

(a) Any exclusion or limitation for the perils of X (excavation), C (collapse), & U (underground property damage) if the Tenant Work involves XCU risks. By way of illustration and not limitation, the policy shall not contain ISO CG 21 42 or ISO CG 21 43;

(b) Any exclusion or limitation for work performed on your behalf by a Subcontractor. By way of illustration and not limitation, the policy shall not include ISO CG 22 94 or ISO CG 22 95;

(c) Any limitation or exclusion to the standard Commercial General Liability policy definition of "Insured Contract." By way of illustration and not limitation, the policy shall not include ISO CG 21 39;

(d) Any limitation on the "Separation of Insureds" clause contained in Section IV of CG 00 01 14 13, nor shall it include any "Insured vs. Insured" exclusion;

(e) Any endorsement or limitation that would preclude the policy from providing additional insured coverage on a primary and noncontributory basis as respects Landlord and Landlord Indemnitees;

(f) Any modification of the definition of "personal and advertising injury" in CG 00 01 04 13.

(g) Any exclusion or limitation that would preclude the policy from responding to "third-party action-over" claims. By way of illustration and not limitation, the policy shall not exclude liability for bodily injury to an employee assumed under an insured contract;

(h) Any exclusion or limitation related to an Exterior Insulation and Finish System ("EIFS"), if such a system will be incorporated into the Tenant Work. By way of illustration and not limitation, the policy shall not include ISO CG 21 86;

(i) Any exclusion or limitation for unmanned aircraft (e.g. drones), if such devices will be utilized as part of the Tenant Work. By way of illustration and not limitation, the policy shall not include ISO CG 21 09;

(i) Any exclusion or limitation for subsidence or earth movement.

Tenant's Contractors shall add Tenant, Landlord, and the Landlord Indemnitees as additional insureds on their commercial general liability policies using ISO Form CG 20 26, or equivalent, for ongoing operations, and CG 20 37 or equivalent, modified to delete the requirement that the Subcontractor's "Work" must be performed for Landlord or the Landlord Indemnitees. The following modification to CG 20 37 is acceptable:

Section II – Who Is An Insured is amended to include as an insured the person or organization shown in the Schedule, but only with respect to liability arising out of "your work" at the location designated and described in the Schedule of this endorsement and included in the "products-completed operations hazard".

All architects, engineers and design contractors or subcontractors shall maintain Professional Liability (errors and omissions) coverage with limits of not less than Two Million Dollars ($2,000,000) each claim with a Two Million Dollars ($2,000,000) annual aggregate. If such coverage is written on a claims-made basis, then the retroactive date shall not be later than the effective date of each contractor or subcontractor's agreement to provide professional services for the Tenant Work, Tenant shall cause each architect, engineer and design contractor or Subcontractor to maintain the required Professional Liability coverage until all applicable statutes of repose have expired following completion and acceptance of the Tenant Work.

If any Contractor's work involves the handling or removal of asbestos or other Hazardous Materials (as determined by Landlord in its sole and absolute discretion), such Contractor shall also carry Contractors Pollution Liability insurance. Such coverage shall include bodily injury, sickness, disease, death or mental anguish or shock sustained by any person; property damage, including physical injury to or destruction of tangible property (including the resulting loss of use thereof), clean-up costs and the loss of use of tangible property that has not been physically injured or destroyed; and defense costs, charges and expenses incurred in the investigation, adjustment or defense of claims for such damages. Coverage shall apply to both sudden and non-sudden pollution conditions including the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water. Claims-made coverage is permitted, provided the policy retroactive date is prior to when the Tenant Work begins. Coverage shall be maintained with limits of not less than One Million Dollars ($1,000,000) per incident with a Two Million Dollar ($2,000,000) policy aggregate. Contractor shall maintain coverage for completed operations for the duration of the applicable statute of repose following completion of the Tenant Work.

At all times during the period beginning with commencement of construction by Tenant of any Alterations and ending with final completion of the Alterations, Tenant shall maintain, or cause to be maintained (in addition to all other insurance required of Tenant pursuant to the Lease), builder's risk insurance or coverage under Tenant's property insurance insuring Landlord and the Landlord Indemnitees, as their interests may appear. Such coverage shall, on a completed values basis for the full insurable value (including hard costs, soft costs, and delay in completion/loss of income costs) at all times, insure against loss or damage by fire, flood, earthquake/earth movement, terrorism, vandalism and malicious mischief and other such risks as are customarily covered by the so-called "All-Risk" or "Special Form" form, including permission for early occupancy, upon all Alterations. Coverage for flood and earthquake/earth movement may be sub-limited, subject to Landlord's approval. Tenant agrees to pay any deductible, and Landlord is not responsible for any deductible, for a claim under such insurance. Such insurance shall contain an express waiver of any right of subrogation and waiver of all rights of recovery by the insurer and insured against Landlord and the Landlord Indemnitees, and shall name Landlord, any mortgagee of Landlord and any other party designated by Landlord as loss payees as their interests may appear.

Landlord shall have no responsibility for theft, damage or loss of any kind to any Contractor tools or equipment, including any personal property that is owned, leased, rented, or used by the Contractor or its employees, independent contractors or subcontractors while on the Premises or in transit to or from the Premises. Contractor, its employees, independent contractors or subcontractors shall waive subrogation and all rights of recovery against and in favor of Landlord and the Landlord Indemnitees.

If any of the insurance coverages required by this Lease for Alterations are written on a claims-made policy form, those coverages shall have a retroactive date not later than the commencement of the Tenant Work, and Tenant shall (or Tenant shall cause any Contractor to) to maintain for the greater of ten (10) years and the applicable statute of repose following completion and acceptance of the Tenant Work and at Tenant's (or Tenant's Contractor's , as applicable) sole cost and expense, including any policy deductibles or self-insured retention, either (1) maintain these coverages satisfying the foregoing requirements, or (2) secure "tail" or extended reporting coverage if any claims-made insurance is canceled or not renewed.

EXHIBIT B-2

CONSTRUCTION RULES

The following rules and regulations are to be considered standard operating procedures for any contractor working in the Building. The word "Contractor" is applicable to any entity or individual that is or will provide a service to any tenant in connection with any Alterations, inclusive of contractors and any other entity or individuals that may be working under their direct supervision, e.g. subcontractors.

1. No construction personnel are allowed in passenger elevators at any time. All construction materials and workers are restricted to the service elevator.

2. No construction personnel will congregate in the Common Areas at any time. All personnel shall enter and exit through the service area.

3. No eating and drinking is allowed in the Building except in the work areas, Contractor's office, or areas specifically designated by the Property Manager.

4. No radios are allowed between the hours of 7:00 a.m. and 7:00 p.m. After hours, no loud music is allowed. Doors to spaces under construction shall be maintained closed at all times.

5. When working in the Common Areas, the Contractor shall maintain the area in clean safe manner. The Contractor and its workers shall not interfere, disturb, fraternize or interrupt any other occupant's premises or use.

6. Proper conduct / dress code is expected and mandated of any Contractor and its personnel. Anyone violating these requirements will be asked to leave the Building and no future access to the Building will be granted to such individual.

7. No construction personnel are allowed in Common Area bathrooms. One restroom will be designated by the Property Manager for construction personnel use. This restroom must be kept clean and orderly by the Contractor on a daily basis.

8. Areas under construction, as well as storage areas and all unoccupied areas, are to be kept clean and in an orderly fashion on a daily basis.

9. All material deliveries to occupied floors are to be done before 7:00 am or after 7:00 p.m. Adequate covering must be placed on all doors, floors and walls for protection. Hard surface flooring must be covered with plywood or Masonite. The Service elevator will be provided for the use of construction personnel and for deliveries of materials and equipment, and must be coordinated with the Property Manager. Large deliveries of materials must be scheduled 48 hours in advance with the Property Manager. Operator and security charges will be applicable for off-hours deliveries. After hours use of freight elevator requires written permission by the Property Manager.

10. All construction debris on occupied floors with areas under construction must be removed from the Building (and vacuumed if necessary) (corridors, restrooms, lobbies, stairwells, electrical and mechanical rooms) on a daily basis and the work area left “Broom Clean”.

11. The Building is a designated non-smoking building and smoking is not permitted anywhere in the Building including stairwells and restrooms.

12. No alcoholic beverages, illegal drugs, or firearms are permitted in the Building or its grounds.

13. Tenant’s Contractor shall:

A. Provide daily project supervision to assure compliance with the construction schedule and the proper management of its progress. The Contractor’s superintendent/project manager shall be solely responsible for all coordination with the Property Manager and for the conduct of all employees.

B. Comply and cause all subcontractors to comply with these rules and regulations.

C. Coordinate meetings with Tenant, Tenant’s architect and the Property Manager (and Landlord, at Landlord’s option) to discuss the progress of the work and to address any problems.

D. Prior to the commencement of construction, submit a complete list of its subcontractors, suppliers and an organizational chart listing the personnel responsible for the project.

E. Submit a complete test and balance report from an independent contractor (3 signed and sealed copies) for the HVAC, and is responsible for the calibration of the thermostats and adjustment of the min./max.

F. Submit copies of the building permit before the start of any work and the permanent certificate of occupancy when the project is completed. Also provide “As Built” drawings, copies of all warranties, guarantees and service manuals.

G. Prior to the commencement of construction, submit insurance certificates in accordance with the Lease and Exhibit B-1.

H. Prior to the commencement of construction, submit copies of all required licenses needed to work in the state, county and city.

14. No building materials and/or equipment are to be stored in the service corridors, loading dock, lobby area or other Common Areas at any time. Tenant and its Contractor may only use those staging areas, if any, approved by the Property Manager.

15. Contractors, subcontractors, and suppliers shall not use the loading dock plaza area for parking. Contractors, subcontractors and suppliers must coordinate with the Property Manager for loading and unloading of tools, equipment, and materials.

16. Contractors may not operate air conditioning equipment and units. Prior arrangements for air conditioning must be made with the Property Manager, at the Tenant's expense.

17. Contractors may not alter, change or interrupt any fire or life safety systems unless approved by the Property Manager.

18. Contractors will maintain clean and safe-working conditions at all times. Trash removal will be done daily at contractor's cost, including all labor and dumpster locations are to be approved by the Property Manager.

19. Contractor will be responsible for precautions and protections to adjacent areas against damage from fire, smoke, welding, or soldering (must be fully supervised) and delivery of materials and equipment. Any damage as a result of the construction must be immediately corrected by the Contractor at its own expense.

20. Contractor shall notify and receive prior written approval from the Property Manager for any request to work after hours by its personnel, subcontractors or any of its agents. A work schedule and names of all those who will be working must be submitted with the request for access after hours.

21. Work that will disturb or inconvenience other tenants of the Building will not be allowed during working hours of 8:00 a.m. through 6:00 p.m. on normal working days. These shall include, but not be limited to drilling, loud hammering, odor causing material, etc.

22. The Contractor may work in the Building from 6:30 a.m. to 6:00 p.m. without the need to make any special arrangements, but with full compliance of all items mentioned above. Off-hours are considered from 6:00 p.m. to 6:30 a.m. the following day and weekends. Contractor may work off-hours (with prior written approval from the Property Manager).

23. Should security be required it will be provided at the Contractor's own expense and prior arrangements for this service must be made with the Property Manager.

24. No utilities or services to any areas in the Building are to be interrupted without the written approval of the Property Manager. Such approval shall be requested no less than four (4) weeks in advance.

25. The Contractor is responsible for providing its employees, subcontractors and suppliers with a copy of these rules and regulations. Full compliance will be enforced and expected.

26. The Contractor is responsible for any false fire alarms if the fire department is notified. The cost will be paid by the Tenant.

27. All fire alarm certifications must be done after 7 p.m., at Tenant's sole cost.

28. The Contractor is required to install and replace (weekly) a pre-filter to the base building HVAC unit on the construction floor, if applicable, and must coordinate with the Property Manager.

29. Penetration locations through the concrete slab must be confirmed in advance with Landlord's Structural Engineer, and, if needed, x-rayed to confirm proximity to tendons. Penetration and x-ray must be scheduled with the Property Manager. Protection devices must be used. No core drills or penetrations are permitted until they are approved and coordinated with the Property Manager and Landlord's Structural Engineer. All fees of Landlord's Structural Engineer are the responsibility of the Tenant.

30. Landlord may waive any one or more of these rules and regulations for the benefit of Tenant or any Contractor or any other tenant or contractor, but no such waiver by Landlord in any one instance shall be construed as a waiver of such rules and regulations in favor of Tenant or any Contractor or any other tenant or contractor in any other instance, nor prevent Landlord from thereafter enforcing such rules and regulations against any or all of the tenants of the Property, including Tenant. These rules and regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms covenants, agreements and conditions of the Lease. Landlord reserves the right to make such other and reasonable additional construction rules and regulations as, in its judgment, may from time to time be needed for safety and security, the care and cleanliness of the Property, or the preservation of good order therein. Tenant agrees to abide by these rules and regulations and any such additional rules and regulations issued or adopted by Landlord. Tenant shall be responsible for the observance of these rules and regulations by its Contractor.

EXHIBIT C

ACKNOWLEDGEMENT OF TERM COMMENCEMENT DATE,
RENT COMMENCEMENT DATE AND TERM EXPIRATION DATE

THIS ACKNOWLEDGEMENT OF TERM COMMENCEMENT DATE AND TERM EXPIRATION DATE is entered into as of [_____], 20[__], with reference to that certain Lease (the "Lease") dated as of [_____], 20[__], by GRAYBUG VISION, INC., a Delaware corporation ("Tenant"), in favor of VENTAS BECKLEY, LLC, a Delaware limited liability company ("Landlord"). All capitalized terms used herein without definition shall have the meanings ascribed to them in the Lease.

Tenant hereby confirms the following:

1. Tenant has accepted possession of the Premises and occupied the Premises for use in accordance with the Permitted Use..

2. In accordance with the provisions of Article 4 of the Lease, the Term Commencement Date is [_____], 20[__], and, unless the Lease is terminated prior to the Term Expiration Date pursuant to its terms, the Term Expiration Date shall be [_____], 20[__].

4. The Rent Commencement Date is _____, 20____.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Acknowledgement as of the date first written above.

LANDLORD:

VENTAS BECKLEY, LLC,
a Delaware limited liability company

By: **[FORM ONLY – NOT TO BE EXECUTED AT LEASE EXECUTION]**
Name: _____
Title: _____

TENANT:

GRAYBUG VISION, INC.,
a Delaware corporation,

By: **[FORM ONLY – NOT TO BE EXECUTED AT LEASE EXECUTION]**
Name: _____
Title: _____

EXHIBIT D

[Reserved]

EXHIBIT E

LIST OF ADDITIONAL INSUREDS AND INDEMNITEES

Landlord
Cushman & Wakefield US, Inc.
Ventas Life Sciences, LLC
Wexford Asset Management, LLC
Wexford Science & Technology, LLC
Wexford Equities, LLC

EXHIBIT F

RULES AND REGULATIONS

NOTHING IN THESE RULES AND REGULATIONS ("RULES AND REGULATIONS") SHALL SUPPLANT ANY PROVISION OF THE LEASE. IN THE EVENT OF A CONFLICT OR INCONSISTENCY BETWEEN THESE RULES AND REGULATIONS AND THE LEASE, THE LEASE SHALL PREVAIL.

1. No Tenant Party shall encumber or obstruct the common entrances, lobbies, elevators, sidewalks and stairways of the Building(s) or the Property or use them for any purposes other than ingress or egress to and from the Building(s) or the Property.

2. Except as specifically provided in the Lease, no sign, placard, picture, advertisement, name or notice shall be installed or displayed on any part of the outside of the Premises or the

Building(s) without Landlord's prior written consent. Landlord shall have the right to remove, at Tenant's sole cost and expense and without notice, any sign installed or displayed in violation of this rule.

3. If Landlord objects in writing to any curtains, blinds, shades, screens, hanging plants or other similar objects attached to or used in connection with any window or door of the Premises or placed on any windowsill, and (a) such window, door or windowsill is visible from the exterior of the Premises and (b) such curtain, blind, shade, screen, hanging plant or other object is not included in plans approved by Landlord, then Tenant shall promptly remove such curtains, blinds, shades, screens, hanging plants or other similar objects at its sole cost and expense.

4. Deliveries of large items must be scheduled in advance with the Property Manager. No deliveries shall be made that impede or interfere with other tenants in or the operation of the Property. Movement of furniture, office equipment or any other large or bulky material(s) through the Common Area shall be restricted to such hours as Landlord may designate and shall be subject to reasonable restrictions that Landlord may impose.

5. Tenant shall not place a load upon any floor of the Premises that exceeds the load per square foot that (a) such floor was designed to carry or (b) is allowed by Applicable Laws. Fixtures and equipment that cause noises or vibrations that may be transmitted to the structure of the Building(s) to such a degree as to be objectionable to other tenants shall be placed and maintained by Tenant, at Tenant's sole cost and expense, on vibration eliminators or other devices sufficient to eliminate such noises and vibrations to levels reasonably acceptable to Landlord and the affected tenants of the Property.

6. Tenant shall not use any method of HVAC other than that installed by or approved in writing by Landlord.

7. Tenant shall not install any radio, television or other antennae; cell or other communications equipment; or other devices on the roof or exterior walls of the Premises except in accordance with the Lease. Tenant shall not interfere with radio, television or other digital or electronic communications at the Property or elsewhere.

8. Canvassing, peddling, soliciting and distributing handbills or any other written material within, on or around the Property (other than within the Premises) are prohibited. Tenant shall cooperate with Landlord to prevent such activities by any Tenant Party.

9. Tenant shall store all of its trash, garbage and Hazardous Materials in receptacles within its Premises or in receptacles designated by Landlord outside of the Premises. Tenant shall not place in any such receptacle any material that cannot be disposed of in the ordinary and customary manner of trash, garbage and Hazardous Materials disposal. Any Hazardous Materials transported through the Common Area shall be held in secondary containment devices.

Tenant shall be responsible, at its sole cost and expense, for Tenant's removal of its trash, garbage and Hazardous Materials. Tenant shall store, use, maintain and dispose of Hazardous Materials in accordance with the provisions of the Lease and all Appropriate Laws. Tenant is encouraged to participate in the waste removal and recycling program in place at the Property.

10. Unless the Permitted Use specifically allows the operation of a restaurant, no cooking shall be done or permitted in the Premises; provided, however, that Tenant may use (a) equipment approved in accordance with the requirements of insurance policies that Landlord or Tenant is required to purchase and maintain pursuant to the Lease for brewing coffee, tea, hot chocolate and similar beverages, (b) microwave ovens for employees' use and (c) equipment shown on any plans approved by Landlord; provided, further, that any such equipment and microwave ovens are used in accordance with Applicable Laws.

11. Tenant shall not, without Landlord's prior written consent, use the name of the Property, if any, in connection with or in promoting or advertising Tenant's business except as Tenant's address.

12. Tenant shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any Governmental Authority.

13. Tenant assumes any and all responsibility for protecting the Premises from theft, robbery and pilferage, which responsibility includes keeping doors locked and other means of entry to the Premises closed.

14. Tenant shall not modify any locks to the Premises without Landlord's prior written consent, which consent Landlord shall not unreasonably withhold, condition or delay. Tenant shall furnish Landlord with copies of keys, pass cards or similar devices for locks to the Premises.

15. Tenant shall cooperate and participate in all reasonable security programs affecting the Premises.

16. Tenant shall not permit any animals in the Building, other than service animals or other animals as required to be permitted under Applicable Law.

17. Bicycles shall not be taken into the Building(s) (including the elevators and stairways of the Building) except into areas designated by Landlord. Hoverboards are not permitted in the Building or on the Property.

18. The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish, rags or other substances shall be deposited therein.

19. Discharge of industrial sewage shall only be permitted if Tenant, at its sole expense, first obtains all necessary permits and licenses therefor from all applicable Governmental Authorities.

20. Smoking is prohibited on the Property and in the Building.

21. The Building's hours of operation are currently 8:00 AM to 6:00 PM, Monday through Friday, and 8:00 AM through 1:00 PM on Saturdays. Tenant and its employees shall have access to the Premises 24/7/365.

22. Tenant shall comply with all orders, requirements and conditions now or hereafter imposed by Applicable Laws or Landlord ("Waste Regulations") regarding the collection, sorting, separation and recycling of waste products, garbage, refuse and trash generated by Tenant (collectively, "Waste Products"), including (without limitation) the separation of Waste Products into receptacles reasonably approved by Landlord and the removal of such receptacles in accordance with any collection schedules prescribed by Waste Regulations.

23. Tenant, at Tenant's sole cost and expense, shall cause the Premises to be exterminated on a monthly basis to Landlord's reasonable satisfaction and shall cause all portions of the Premises used for the storage, preparation, service or consumption of food or beverages to be cleaned daily in a manner reasonably satisfactory to Landlord, and to be treated against infestation by insects, rodents and other vermin and pests whenever there is evidence of any infestation. Tenant shall not permit any person to enter the Premises or the Property for the purpose of providing such extermination services, unless such persons have been approved by Landlord. If requested by Landlord, Tenant shall, at Tenant's sole cost and expense, store any refuse generated in the Premises by the consumption of food or beverages in a cold box or similar facility.

Landlord may waive any one or more of these Rules and Regulations for the benefit of Tenant or any other tenant, but no such waiver by Landlord shall be construed as a waiver of such Rules and Regulations in favor of Tenant or any other tenant, nor prevent Landlord from thereafter enforcing any such Rules and Regulations against any or all of the tenants of the Property, including Tenant. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms covenants, agreements and conditions of the Lease. Landlord reserves the right to make such other and reasonable additional rules and regulations as, in its judgment, may from time to time be needed for safety and security, the care and cleanliness of the Property, or the preservation of good order therein; provided, however, that Tenant shall not be obligated to adhere to such additional rules or regulations until Landlord has provided Tenant with written notice thereof. Tenant agrees to abide by these Rules and Regulations and any such additional rules and regulations issued or adopted by Landlord. Tenant shall be responsible for the observance of these Rules and Regulations by all Tenant Parties.

EXHIBIT G

FORM OF ESTOPPEL CERTIFICATE

To: _____
_____
_____
_____

_____
_____
_____

Wexford Asset Management, LLC
801 West Baltimore Street, Suite 505
Baltimore, MD 21201

Wexford Science & Technology, LLC
801 W. Baltimore Street, Suite 505
Baltimore, MD 21201

Ventas Life Sciences, LLC
c/o Ventas, Inc.
353 North Clark Street, Suite 3300
Chicago, IL 60654

Re: [*Portion of*] the _____ Floor (the "Premises") at _____ (the "Property")

The undersigned tenant ("Tenant") hereby certifies to you as follows:

1. Tenant is a tenant at the Property under a lease (the "Lease") for the Premises dated as of [_____], 20[__]. The Lease has not been cancelled, modified, assigned, extended or amended [except as follows: [_____]], and there are no other agreements, written or oral, affecting or relating to Tenant's lease of the Premises or any other space at the Property. The lease term expires on [_____], 20[__].

2. The Term Commencement Date is _____. The Rent Commencement Date is _____. Subject to earlier termination or renewal in accordance with the provisions of the Lease, the Term Expiration Date is _____. Tenant has _____ renewal options of _____ years each.

3. Tenant took possession of the Premises, currently consisting of [_____] square feet, on [_____], 20[__], and commenced to pay rent on [_____], 20[__]. Tenant has full possession of the Premises, has not assigned the Lease or sublet any part of the Premises, and does not hold the Premises under an assignment or sublease[, except as follows: [_____]].

4. All base rent, rent escalations and additional rent under the Lease have been paid through [_____], 20[__]. There is no prepaid rent[, except $[_____]][, and the amount of security deposit is $[_____] in cash. Tenant currently has no right to any future rent abatement under the Lease.

5. Base rent is currently payable in the amount of $[_____] per month.

6. Tenant is currently paying estimated payments of additional rent of $[_____] per month on account of Operating Expenses.

7. All work to be performed for Tenant under the Lease has been performed as required under the Lease and has been accepted by Tenant[, except [_____]], and all allowances to be paid to Tenant, including allowances for tenant improvements, moving expenses or other items, have been paid in full.

8. The Lease is in full force and effect, free from default and free from any event that could become a default under the Lease, and Tenant has no claims against the landlord or offsets or defenses against rent, and there are no disputes with the landlord. Tenant has received no notice of prior sale, transfer, assignment, hypothecation or pledge of the Lease or of the rents payable thereunder[, except [_____]].

9. Tenant has the following rights or options to expand the Premises or lease additional space in the Property: [_____]. Tenant has no rights or options to purchase the Property or any portion of the Property.

10. To Tenant's knowledge, no hazardous wastes have been generated, treated, stored or disposed of by or on behalf of Tenant in, on or around the Premises or the Property in violation of any environmental laws.

11. The undersigned has executed this Estoppel Certificate with the knowledge and understanding that [INSERT NAME OF PURCHASER OR LENDER, AS APPROPRIATE], or its assignee is acquiring the Property/making a loan secured by the Property] in reliance on this certificate and that the undersigned shall be bound by this certificate. The statements contained herein may be relied upon by [INSERT NAME OF PURCHASER OR LENDER, AS APPROPRIATE], Ventas Beckley, LLC, Ventas Life Sciences, LLC, Wexford Science & Technology, LLC, Wexford Asset Management, LLC, _____, and any [other] mortgagee of the Property and their respective successors and assigns.

Any capitalized terms not defined herein shall have the respective meanings given in the Lease.

Dated this [____] day of [_____], 20[__].

GRAYBUG VISION, INC.,
a Delaware corporation,

By: **[FORM ONLY – NOT TO BE EXECUTED AT LEASE EXECUTION]**
Name: _____
Title: _____

EXHIBIT H

Tenant's Insurance Requirements

(a) Commercial General Liability insurance that is at least as broad as the coverage provided by ISO Form CG 00 01 04 13, covering damages because of bodily injury, property damage, and personal & advertising injury, arising out of Tenant's premises, operations or products-completed operations, with limits of liability of not less than Two Million Dollars ($2,000,000) for bodily injury and property damage per occurrence with a Two Million Dollar ($2,000,000) general annual aggregate and a Two Million Dollar ($2,000,000) products-completed operations aggregate, which limits may be met by use of excess and/or umbrella liability insurance provided that such coverage is at least as broad as the primary coverages required herein. Such Commercial General Liability insurance shall not be modified with any endorsement that: (1) adds any limitation or exclusion to the standard Commercial General Liability policy definition of "Insured Contract"; or (2) modifies the "Separation of Insureds" clause contained in Section IV of CG 00 01 14 13; or (3) contains an "Insured vs. Insured" exclusion. Tenant's Commercial General Liability Insurance shall: (1) name the Landlord and Landlord Indemnitees as additional insureds pursuant to ISO additional insured endorsement CG 20 11 or equivalent; and (2) shall provide that any insurance carried by the Landlord and Landlord Indemnitees is excess and non-contributing with Tenant's insurance.

(b) Commercial Automobile Liability insurance covering liability arising from the use or operation of any auto, including those owned, hired, leased, rented, borrowed, non-owned or otherwise operated or used by or on behalf of the Tenant. The coverage shall be on an occurrence form with combined single limits of not less than One Million Dollars ($1,000,000) per accident for bodily injury (including death) and property damage. Tenant's Commercial Automobile Liability insurance policy shall be endorsed to add the Landlord and Landlord Indemnitees as additional insureds on a primary and non-contributory basis.

(c) Commercial Property insurance covering all Alterations and Tenant's Property, including business and personal property, furniture, fixtures, machinery, equipment, stock, inventory and improvements and betterments, which may be owned by Tenant and required to be insured hereunder, or which may be leased, rented, borrowed or in the care custody or control of Tenant, or Tenant's agents, employees or subcontractors. Such insurance, with respect only to all Alterations or other work performed on the Premises by Tenant (collectively, "Tenant Work"), shall name Landlord and Landlord's current and future mortgagees and ground lessors as loss payees as their interests may appear. Such insurance shall be written on an "All Risk" or "Special Form" of physical loss or damage basis and shall not exclude the perils of fire, electrical injury, mechanical breakdown, windstorm, vandalism, malicious mischief, sprinkler leakage, back-up of sewers or drains, flood, earthquake, terrorism and such other risks Landlord may from time to time designate, for the full replacement cost value of the covered items with an agreed amount endorsement with no co-insurance. Such insurance shall provide business interruption coverage with limits sufficient to cover Tenant's lost profits and necessary continuing expenses, including rents due Landlord under the Lease. The minimum period of indemnity for business interruption coverage shall be twelve (12) months plus twelve (12) months' extended period of indemnity. Such insurance shall not be subject to a deductible or self-insured retention greater than $50,000.00.

(d) Tenant shall provide Workers' Compensation in compliance with all statutory laws. Employer's Liability insurance must be at least in the amount of One Million Dollars ($1,000,000) for bodily injury for each accident, One Million Dollars ($1,000,000) for bodily injury by disease for each employee, and One Million ($1,000,000) bodily injury by disease for policy limit. Tenant's policies shall be endorsed to waive subrogation against Landlord and Landlord Indemnitees.

(e) Pollution Legal Liability insurance is required if Tenant stores, handles, generates or treats Hazardous Materials, as determined solely by the Landlord, on or about the Premises. Such coverage shall be maintained with limits not less than One Million Dollars ($1,000,000) per incident with a Two Million Dollar ($2,000,000) policy aggregate, and include bodily injury, sickness, disease, death or mental anguish or shock sustained by any person; property damage including physical injury to or destruction of tangible property including the resulting loss of use thereof, cleanup costs, and the loss of use of tangible property that has not been physically injured or destroyed; and defense costs, charges and expenses incurred in the investigation, adjustment or defense of claims for such compensatory damages. Coverage shall apply to both sudden and non-sudden pollution conditions including the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water. Such pollution legal liability insurance shall include the Landlord and Landlord Indemnitees as additional insureds on a primary and non-contributory basis.

(f) Liquor Liability insurance written on a coverage form and with amounts not less than those reasonably acceptable to Landlord for any tenant event at which alcoholic beverages will be served, sold, or consumed on the Premises. Such liquor liability insurance shall include the Landlord and Landlord Indemnitees as additional insureds on a primary and non-contributory basis.

(g) Umbrella / Excess Liability insurance with limits of not less than $5,000,000 per occurrence with a $5,000,000 annual aggregate, written on a follow-form basis over the required General Liability, Liquor Liability (if required), Auto Liability, and Employer's

Liability coverages. Such umbrella/excess liability insurance shall include the Landlord and Landlord Indemnitees as additional insureds on a primary and non-contributory basis.

(h) To the fullest extent permitted by law, Tenant hereby waives all rights of subrogation and recovery against and in favor of Landlord and Landlord Indemnitees for loss or damage insured (or required to be insured) under Tenant's insurance policies.

(i) Tenant shall maintain the insurance coverage required under this Lease with carriers having a then-current A.M. Best Rating of at least A- VII.

(j) Tenant shall provide Landlord with at least than thirty (30) days' written notice prior to the cancellation or non-renewal of any insurance policy required by this Lease (except for at least ten (10) days' written notice prior to cancellation due to non-payment of premium).

(k) Prior to the Term Commencement Date, Tenant shall provide Landlord with certificates of insurance and policy endorsements evidencing the insurance coverage required by this Lease, including all required additional insured endorsements. Not less than ten

(10) days prior to the expiration of such policies, Tenant shall deliver certificates or binders to Landlord as evidence of the replacement or renewal of such coverage.

(l) Tenant agrees that if Tenant does not take out and maintain the insurance required by this Lease, Landlord may (but shall not be required to) procure such insurance on Tenant's behalf and at its cost to be paid by Tenant as Additional Rent.

(m) It is expressly agreed and understood that the insurance policies and limits required hereunder shall not limit the liability of Tenant under the Lease, and that Landlord makes no representation that these types or amounts of insurance are sufficient or adequate to protect Tenant's interests or liabilities, but are merely minimums.

(n) Landlord's failure to demand certificates of insurance, policies, or endorsements required by this Lease shall not constitute a waiver of any obligations imposed upon Tenant by this Lease, nor shall Landlord's failure to identify a deficiency in Tenant's insurance that is provided be construed as a waiver of Tenant's obligation to maintain such insurance.

At all times during the period beginning with the commencement of construction of any Alterations ("Tenant Work") being constructed by Tenant, Tenant shall also maintain and cause its contractors and subcontractors to maintain the insurance required in Exhibit B-1.

EXHIBIT I

OPERATING EXPENSES DEFINED

As used in the Lease, the term "Operating Expenses" shall include:

(a) All "Taxes", defined as all

(i) Government impositions, including property tax costs consisting of real and personal property taxes (including amounts due under any improvement bond upon the Building and the Property (including the parcel or parcels of real property upon which the Building and areas serving the Building are located)) or assessments in lieu thereof imposed by a Governmental Authority;

(ii) taxes based on the square footage of the Premises, the Building or the Property, as well as any utilities surcharges or any other costs levied, assessed or imposed by, or at the direction of, or resulting from Applicable Laws or interpretations thereof, promulgated by any Governmental Authority in connection with the use or occupancy of the Property;

(iii) taxes on this transaction or any document to which Tenant is a party creating or transferring an interest in the Premises;

(iv) any fee for a business license to operate an office and/or research

building;

(v) all assessments, levies, fees or contributions, whether required by law or voluntary, for business improvement districts, transit, school district, impact fee, district management or community partnerships and/or any "safe streets" program applicable to the

Building or the Property, any payment in lieu of taxes, or payments in connection with so-called tax increment financing or similar transactions, personal property taxes, sewer and water rents, rates and charges; and

(vi) any expenses, including the reasonable cost of attorneys or experts, reasonably incurred by Landlord in seeking reduction by the taxing authority of the applicable taxes, less tax refunds obtained as a result of an application for review thereof.

To the extent that any tenant of the Building is exempt from property taxes or is entitled to a special reduction in property tax and, as a result, property taxes on the Building or the Property are reduced by the assessing authority to reflect such exemption or reduction, then only the tenant(s) entitled to such exemption or reduction shall receive the benefit thereof, and Taxes for all other tenants (including Tenant) shall be computed as if such exemptions or reductions were not in effect; and

(b) All other costs of any kind paid or incurred by Landlord in connection with the operation or maintenance of the Building and the Property, which shall include, but not be limited to,

(i) costs of repairs and replacements to improvements within the Building and the Property as appropriate to maintain the Building and the Property as required hereunder;

(ii) costs of utilities furnished to the Common Area and the Property;

(iii) sewer fees; cable television; trash collection; cleaning, including windows; HVAC costs;

(iv) maintenance of landscaping and grounds, drives and driveways and ice and snow removal;

(v) maintenance, repair and replacement of the roof;

(vi) security services and devices;

(vii) building supplies; maintenance or replacement of equipment utilized for operation and maintenance of the Property;

(viii) license, permit and inspection fees;

(ix) sales, use and excise taxes on goods and services purchased by Landlord in connection with the operation, maintenance or repair of the Building or the Property systems and equipment;

(x) telephone, postage, stationery supplies and other expenses incurred in connection with the operation, maintenance or repair of the Property;

(xi) [intentionally omitted];

(xii) property management and asset management fees and any other charges payable under the contract therefor, not to exceed three percent (3%) of gross revenues;

(xiii) accounting, legal and other professional fees and expenses incurred in connection with the Property;

(xiv) costs of furniture, draperies, carpeting, landscaping supplies, ice and snow removal supplies and equipment and other customary and ordinary items of personal property provided by Landlord for use in Common Area or in the Property office;

(xv) rent or rental value for a commercially reasonable amount of space, to the extent an office used for Building management operations is maintained at the Property, plus customary expenses for such office;

(xvi) capital expenditures which are: (a) incurred primarily to reduce operating expenses costs or otherwise improve the operating efficiency of the Building, provided the amount included in Operating Expenses shall not exceed an amount equal to the savings reasonably anticipated to result from the installation and operation of such improvement; or (b) required to comply with any laws that are enacted, or first interpreted to apply to the Building, after the date of this Lease. Such capital costs shall be amortized over the useful life of the capital improvements in question;

(xvii) costs of complying with Applicable Laws (except to the extent such costs are incurred to remedy non-compliance as of the Effective Date with Applicable Laws);

(xviii) costs to keep the Property in compliance with, or costs, fees or assessments otherwise required under or incurred pursuant to any CC&Rs;

(xix) insurance premiums, including premiums for commercial general liability, property casualty, earthquake, terrorism and environmental coverages;

(xx) portions of insured losses paid by Landlord as part of the deductible portion of a loss pursuant to the terms of insurance policies;

(xxi) service contracts; costs of services of independent contractors retained to do work of a nature referenced above;

(xxii) costs of compensation (including employment taxes and fringe benefits) of all persons who perform regular and recurring duties connected with the day-to-day operation and maintenance of the Property, its equipment, the adjacent walks, and landscaped areas, including janitors, floor waxers, window washers, watchmen, gardeners, sweepers, plow truck drivers, handymen; and engineering/maintenance/facilities personnel;

(xxiii) holiday decorations;

(xxiv) costs incurred with respect to any shuttle bus, valet, car pooling or other transportation servicing the Property;

(xxv) equitable allocation of costs and expenses from Landlord's corporate offices, including costs and expenses for information technology, accounting and other centralized administrative functions provided to the Property; and

(xxvi) in the event (and only so long as) the Building is accredited with the U.S. Green Building Council's Leadership in Energy and Environmental Design (LEED) rating system, reasonable administrative reporting costs to retain such rating, costs of operating and maintaining all conference facilities in the Building, reduced by any sums collected for the use of any conference facilities in the Building.

(c) Notwithstanding the foregoing, Operating Expenses shall not include any:

(i) net income, franchise, capital stock, estate or inheritance taxes, or taxes that are the personal obligation of Tenant or of another tenant of the Property;

(ii) any leasing commissions;

(iii) expenses that relate to preparation of rental space for a tenant;

(iv) expenses of initial development and construction, including grading, paving, landscaping and decorating (as distinguished from maintenance, repair and replacement of the foregoing);

(v) legal expenses relating to other tenants;

(vi) costs of repairs to the extent reimbursed by payment of insurance proceeds or any other funds received by Landlord;

(vii) interest upon loans to Landlord or secured by a mortgage or deed of trust covering the Property or a portion thereof (provided that interest upon a government assessment or improvement bond payable in installments shall constitute an Operating Expense);

(viii) salaries of executive officers of Landlord above the level of senior level property manager;

(ix) depreciation claimed by Landlord for tax purposes (provided that this exclusion of depreciation is not intended to exclude from Operating Expenses actual costs of repairs and replacements and reasonable reserves in regard thereto that are provided for in Subsection (b) above);

(x) costs or expenses incurred in connection with the financing or sale of the Property or any portion thereof;

(xi) costs expressly excluded from Operating Expenses elsewhere in this Lease or that are charged to or paid by Tenant under other provisions of this Lease;

(xii) professional fees and disbursements and other costs and expenses related to the ownership (as opposed to the use, occupancy, operation, maintenance or repair) of the Property;

(xiii) any item that, if included in Operating Expenses, would involve a double collection for such item by Landlord;

(xiv) any ground or underlying lease rental;

(xv) bad debt expenses and interest, principal, points and fees on debts or amortization on any mortgage or other debt instrument encumbering the Building or the Property;

(xvi) costs of capital expenditures as determined under generally accepted accounting principles, except as provided in clause (b) (xvi) above;

(xvii) rentals for items which if purchased, rather than rented, would constitute a capital cost;

(xviii) costs, including permit, license and inspection costs, incurred with respect to the installation of other tenants' or other occupants' improvements or incurred in renovating or otherwise improving, decorating, painting or redecorating vacant space for tenants or other occupants of the Building;

(xix) expenses in connection with services or other benefits which are not offered to Tenant or for which Tenant is charged for directly;

(xx) costs incurred by Landlord due to the violation by Landlord or any tenant of the terms and conditions of any lease of space in the Building;

(xxi) amounts paid to Landlord or to subsidiaries or affiliates of Landlord for goods and/or services in the Building to the extent the same exceeds the costs of such goods and/or services rendered by unaffiliated third parties on a competitive basis;

(xxii) any compensation paid to clerks, attendants or other persons in commercial concessions operated by Landlord;

(xxiii) services provided, taxes, attributable to, and costs incurred in connection with the operation of any retail, restaurant and garage operations for the Building, and any replacement garages and any shuttle services;

(xxiv) costs incurred in connection with upgrading the Building to comply with laws, rules, regulations and codes in effect prior to the date hereof;

(xxv) costs arising from latent defects or repair thereof; and

(xxvi) costs for sculpture, paintings or other objects of art.

EXHIBIT J

REQUEST FOR USE OF COMMON AREA

Date of Request: _____

Landlord/Owner: _____

Tenant/Requestor: _____

Property Location: _____

Event Description: _____

_____

_____

Proposed Plan for Security & Cleaning: _____

_____

_____

Date of Event: _____

Hours of Event: (to include set-up and take down): _____

Location at Property (see attached map): _____

Number of Attendees: _____

Open to the Public? [___] YES [___] NO

Food and/or Beverages? [___] YES [___] NO

If YES:

- Will food be prepared on site? [___] YES [___] NO
- Please describe:
- Will alcohol be served? [___] YES [___] NO
- Please describe:
- Will attendees be charged for alcohol? [___] YES [___] NO
- Is alcohol license or permit required? [___] YES [___] NO

- Does caterer have alcohol license or permit: [___] YES [___] NO [___] N/A

Other Amenities (tent, booths, band, food trucks, bounce house, etc.): _____

_____

_____

Other Event Details or Special Circumstances: _____

_____

_____

The undersigned certifies that the foregoing is true, accurate and complete and he/she is duly authorized to sign and submit this request on behalf of the Tenant/Requestor named above.

[*INSERT NAME OF TENANT/REQUESTOR*]

By: **[FORM ONLY – NOT TO BE EXECUTED AT LEASE EXECUTION]**
Name: _____
Title: _____
Date: _____

EXHIBIT K

HazMat Rules

GENERAL LAB GUIDELINES

The followings are preliminary general guidelines set by Landlord for the operation of laboratory space at the Building. Landlord reserves the right to change, amend, add, or delete any part or the whole of these guidelines at any time. Specific guidelines regarding chemical, biological, lab and radiation safety are the responsibility of the Tenant. Each laboratory is required to have a complete Health and Safety Plan and a designated Officer. Tenant must obtain and keep current all necessary permits and licenses from the appropriate governmental authorities.

(a) Acid Disposal: All acid solutions must be disposed only through the designated acid disposal sink in the lab. Absolutely do not pour acid solution in other sinks located in your laboratory or any other sinks in the common labs. An acid/base neutralizer kit (such as baking soda) should be used to clean up small acid or base spills.

(b) Deliveries: A representative of the Tenant must be present to accept and sign for incoming packages. Delivered packages should not be left in Common Area. All deliveries of Hazardous Materials and Regulated Waste must be coordinated with building management.

(c) Dry Ice: Dry ice should not be poured in the sinks as this will cause the sinks to crack. Dry ice also should not be kept in the cold room or any other room with limited air circulation.

(d) Flammables: Flammable substances must be stored in a “flammables cabinet” at all times when not in use. Spills involving flammable or noxious materials should be isolated as quickly as possible. Areas adjacent to affected areas should be notified and evacuated if necessary. Building Management should be notified immediately.

(e) Glass and Sharp Disposals: Broken glass, Pasteur pipettes and sharps must be disposed of in clearly marked containers and not in the regular trash in order to avoid accidents to waste handlers. It is tenant’s responsibility to contract for Glass and Sharp Disposal.

(f) Health and Safety Officer: Each Tenant occupying a lab and performing experiments must develop a health and safety manual and designate a Health and Safety Officer. The Health and Safety Officer will be responsible for training their employees and be accountable for maintaining the safety of all personnel, employees and non-employees of the Tenant, which could be affected by the work of the Tenant. The name of the Health and Safety Officer should be reported to Building Management when newly designated or when replaced. Material safety data sheet (MSDS) of chemicals and compounds should be kept in a binder in alphabetical order. The binder should be kept in the same designated space at all times. A second copy of the MSDS binder must be delivered to Building Management and kept current at all times.

(g) Radiation Safety: The Tenant is responsible for obtaining a license from the NRC to carry out work with radioisotopes. The use of radioisotopes and compliance with all the rules and guidelines set by the NRC and the State of North Carolina are the sole responsibility of the Tenant. Upon vacating the Premises, Tenant must remove all radioisotopes as well as radioactive waste from the laboratory and provide Landlord with a "laboratory space decommission statement" from the NRC.

(h) Safety Showers: Safety showers are designed to be activated in the case of an emergency, and will dispense a large volume of water very quickly after being activated. Water from the safety shower will continue to flow automatically until the shower handle is pushed back to deactivate the water flow. In the event of shower activation, an absorbent material should be used to remove excess water. Building Management must be notified immediately after any Safety Shower activation.

(i) Waste Disposal: Disposal of biohazard waste, chemicals, glassware and sharps are the sole responsibility and liability of the Tenant. Landlord will make every effort to obtain a group discount for these services from independent parties. However, the Landlord assumes no liability in ensuring their proper disposal.

(j) Water Spills: In the event of water spills or overflows, an absorbent material should be used to rapidly remove excess water in order to prevent leakage to other floors. Building Management must be notified immediately after any water spill or overflow.

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (this "Amendment") is entered into as of this 5th day of December, 2019, by and between VENTAS BECKLEY, LLC, a Delaware limited liability company ("Landlord"), and GRAYBUG VISION, INC., a Delaware corporation ("Tenant").

RECITALS

A. WHEREAS, Landlord and Tenant entered into that certain Lease dated as of October 8, 2019 (as the same may have been amended, supplemented or modified from time to time, the "Lease"), whereby Tenant leases from Landlord certain premises located on the second (2nd) floor (the "Premises") of the building located at 6411 Beckley Street, Baltimore, Maryland (the "Building") and the appurtenances related thereto (collectively, the "Property").

B. WHEREAS, prior to the Term Commencement Date under the Lease, Tenant occupied the Premises pursuant to that certain Sublease dated August 17, 2015 ("Sublease") between Tenant and Eisai, Inc. ("Eisai"), and pursuant to Section 3.3 of the Lease, Landlord's obligations under the Lease are conditioned upon Eisai surrendering possession of and vacating the Premises and releasing any and all rights and interests in and to the Premises on terms and conditions satisfactory to the Landlord ; and

C. WHEREAS, to facilitate the surrender, vacation and release required pursuant to Section 3.3, Landlord and Tenant desire to amend the Lease to provide that Tenant's obligations under the Lease with regard to Hazardous Materials dates back to the commencement of the term of the Sublease.

D. WHEREAS, to address Tenant's evolving space needs during the Term, Landlord and Tenant agree to discuss and cooperate any Tenant request for additional space in the Building as set forth herein.

E. WHEREAS, Landlord and Tenant desire to modify and amend the Lease only in the respects and on the conditions hereinafter stated.

AGREEMENT

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

1. Definitions. For purposes of this Amendment, capitalized terms shall have the meanings ascribed to them in the Lease unless otherwise defined herein. The Lease, as amended by this Amendment, is referred to herein as the "Amended Lease."

2. Hazardous Materials. Section 20.1 of the Lease is hereby deleted and replaced with the following new language:

"20.1. Tenant shall not cause or permit any Hazardous Materials to be brought upon, kept or used in or about the Premises, the Building or the Property in violation of Applicable Laws by Tenant or any of its employees, agents, contractors or invitees (collectively with Tenant, each a "Tenant Party"). If (a) Tenant breaches such obligation, (b) the presence of Hazardous Materials as a result of such a breach results in contamination of the Property, any portion thereof, or any adjacent property, (c) contamination of the Premises otherwise occurs during the Term, any extension or renewal hereof or holding over hereunder or during the term of that certain Sublease dated August 17, 2015 between Tenant and Eisai, Inc. (the "Sublease"), or (d) contamination of the Property occurs as a result of Hazardous Materials that are placed on or under or are released into the Property by a Tenant Party, then Tenant shall indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord) and hold the Landlord Indemnitees harmless from and against any and all Claims of any kind or nature, including (w) diminution in value of the Property or any portion thereof, (x) damages for the loss or restriction on use of rentable or usable space or of any amenity of the Property, (y) damages arising from any adverse impact on marketing of space in the Property or any portion thereof and (z) sums paid in settlement of Claims that arise before, during or after the Term or during the term of the Sublease as a result of such breach or contamination. This indemnification by Tenant includes costs, sums paid in settlement of claims, attorneys' fees, consultant fees and expert fees incurred in connection with any judgments, damages, penalties, fines, liabilities or losses, any investigation of site conditions or any clean-up, remedial, removal or restoration work required by any Governmental Authority because of Hazardous Materials present in the air, soil or groundwater above, on, under or about the Property. Without limiting the foregoing, if the presence of any Hazardous Materials in, on, under or about the Property, any portion thereof or any adjacent property caused or permitted by any Tenant Party results in any contamination of the Property, any portion thereof or any adjacent property, then Tenant shall promptly take all actions at its sole cost and expense as are necessary to return the Property, any portion thereof or any adjacent property to its respective condition existing prior to the time of such contamination; provided that Landlord's written approval of such action shall first be obtained, which approval Landlord shall not unreasonably withhold; and provided, further, that it shall be reasonable for Landlord to withhold its consent if such actions could have a material adverse long-term or short-term effect on the Property, any portion thereof or any adjacent property. Tenant's obligations under this Section shall not be affected, reduced or limited by any limitation on the amount or type of damages, compensation or benefits payable by or for Tenant under workers' compensation acts, disability benefit acts, employee benefit acts or similar legislation."

3. Tenant's Space Needs. The parties agree to discuss and cooperate with one another in an effort to address any Tenant request for additional space in the Building during the Term. Any agreement for additional space shall be documented in writing signed by the parties and shall be subject to mutual agreement on all terms, including, but not limited to cost, insurance and location. This Amendment does not obligate Landlord to reserve space for Tenant or restrict Landlord's ability to lease space in the Building to other tenants.

4. No Default. Tenant represents, warrants and covenants that, to the best of Tenant's knowledge, Landlord and Tenant are not in default of any of their respective obligations under the Lease and no event has occurred that, with the passage of time or the giving of notice (or both) would constitute a default by either Landlord or Tenant thereunder.

5. Effect of Amendment. Except as modified by this Amendment, the Lease and all the covenants, agreements, terms, provisions and conditions thereof shall remain in full force and effect and are hereby ratified and affirmed. The covenants, agreements, terms, provisions and conditions contained in this Amendment shall bind and inure to the benefit of the parties hereto and their respective successors and, except as otherwise provided in the Lease, their respective assigns. In the event of any conflict between the terms contained in this Amendment and the Lease, the terms herein contained shall supersede and control the obligations and liabilities of the parties. From and after the date hereof, the term "Lease" as used in the Lease shall mean the Lease, as modified by this Amendment.

6. Miscellaneous. This Amendment becomes effective only upon execution and delivery hereof by Landlord and Tenant. The captions of the paragraphs and subparagraphs in this Amendment are inserted and included solely for convenience and shall not be considered or given any effect in construing the provisions hereof. All exhibits hereto are incorporated herein by reference. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for a lease, and shall not be effective as a lease, lease amendment or otherwise until execution by and delivery to both Landlord and Tenant.

7. Counterparts. This Amendment may be executed in one or more counterparts, each of which, when taken together, shall constitute one and the same document.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Landlord and Tenant have hereunto set their hands as of the date and year first above written, and acknowledge that they possess the requisite authority to enter into this transaction and to execute this Amendment.

LANDLORD:

VENTAS BECKLEY, LLC
a Delaware limited liability company

By: /s/ Jim Mendelson
Name: Jim Mendelson
Title: authorized signatory

TENANT:

GRAYBUG VISION, INC.,
a Delaware corporation

By: /s/ Dan Salain
Name: Dan Salain
Title: Chief operating officer

SECOND AMENDMENT TO LEASE

THIS SECOND AMENDMENT TO LEASE (this "Amendment") is entered into as of this 26 day of June, 2020 (the "Amendment Effective Date"), by and between VENTAS BECKLEY, LLC, a Delaware limited liability company ("Landlord"), and GRAYBUG VISION, INC., a Delaware corporation ("Tenant").

RECITALS

A. WHEREAS, Landlord and Tenant entered into that certain Lease dated as of October 8, 2019, as amended by that certain First Amendment to Lease dated as of December 5, 2019 (collectively, and as the same may have been heretofore further amended, amended and restated, supplemented or modified from time to time, the "Existing Lease"), whereby Tenant leases from Landlord certain premises located on the second (2nd) floor (the "Existing Premises") of the building located at 6411 Beckley Street, Baltimore, Maryland (the "Building");

B. WHEREAS, the parties hereto seek to (i) relocate Tenant within the Building so that Tenant vacates certain portions of the Existing Premises and occupies approximately 15,649 square feet of Rentable Area on the second floor of the Building as shown on the attached Exhibit A (the "New Space"), and (ii) extend the Term of the Existing Lease (as amended hereby) and address such other matters as set forth in this Amendment; and

C. WHEREAS, Landlord and Tenant desire to expand the modify and amend the Existing Lease only in the respects and on the conditions hereinafter stated.

AGREEMENT

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

1. Recitals. The foregoing recitals are true and correct and are incorporated into this Amendment.

2. Definitions. For purposes of this Amendment, capitalized terms shall have the meanings ascribed to them in the Existing Lease unless otherwise defined herein. The Existing Lease, as amended by this Amendment, is referred to collectively herein as the "Lease."

3. Lease of New Space. Landlord hereby leases and demises to Tenant and Tenant rents and leases from Landlord the New Space. The attached Exhibit A replaces Exhibit A-2 to the Existing Lease.

4. New Space Commencement Date. The Term of the Lease with respect to the New Space shall begin on the date that the Landlord delivers the New Space to Tenant (the "New Space Commencement Date"). The New Space Commencement Date is anticipated to be delivered on the Amendment Effective Date.

5. Base Rent for New Space. Tenant shall commence paying Base Rent with respect to the New Space on the date that is the earlier of (i) December 17, 2020, and (ii) the date Tenant occupies the New Space or any substantial portion thereof for the purpose of conducting business operations (the "New Space Rent Commencement Date") in the amounts set forth in Section 8 of this Amendment. Base Rent for the New Space shall be due and payable in equal monthly installments in the same manner and subject to the same terms and conditions as set forth in the Existing Lease. Promptly following the New Space Rent Commencement Date, the parties shall execute and deliver a written instrument in the form attached as Exhibit C to the Existing Lease specifying the actual New Space Commencement Date and the New Space Rent Commencement Date.

6. Tenant's Pro Rata Share; Additional Rent. From and after the New Space Rent Commencement Date and provided Tenant has then surrendered the Existing Premises in accordance with the terms of the Lease, the Rentable Area of the Premises shall be deemed to be 15,649 square feet and Tenant's Pro Rata Share shall be deemed to be 21.87% (which is calculated by dividing the Rentable Area of the Premises by the Rentable Area of the Building, i.e. 15,649/71,541). All Additional Rent shall continue to be due and payable in the same manner and subject to the same terms, conditions and escalations as set forth in the Existing Lease, except that, from and after the New Space Rent Commencement Date, such Additional Rent shall be calculated on the basis of the revised Rentable Area of the Premises and the revised Tenant's Pro Rata Share. For the avoidance of doubt, Landlord's annual statement shall account for the differences in Tenant's Pro Rata Share for the periods prior to and after the New Space Rent Commencement Date.

7. Term and Expiration Date. The Term of the Lease is hereby extended by an additional thirty (30) months such that the Expiration Date shall be June 30, 2023. The period from December 17, 2020 through June 30, 2023 is hereinafter referred to as the "Extension Period". Notwithstanding the foregoing, on or prior to December 16, 2020, Tenant shall surrender the Existing Premises (except for that portion of the Existing Premises that is part of the New Space) to Landlord in accordance with the terms of the Existing Lease, and if Tenant fails to do so, Tenant shall be deemed to be holding over with respect to the Existing Premises and the provisions of Section 26 of the Existing Lease shall apply.

8. Base Rent During Extension Period. During the Extension Period, initial monthly and initial annual installments of Base Rent for the New Space shall be as set forth on the chart below.

Dates	Square Feet of Rentable Area*	Initial Base Rent per Square Foot of Rentable Area*	Initial Monthly Base Rent*	Initial Annual Base Rent*
New Space Rent Commencement Date through last day of 12th full calendar month thereafter	15,649	$ 24.75 annually	$32,276.06	$387,312.75

* Subject to adjustment based upon the Rentable Area of the Premises in accordance with Section 6.1 of the Lease.

Base Rent for the New Space shall be subject to an annual upward adjustment of three percent (3.0%) of the then-current Base Rent. The first such adjustment shall become effective commencing on the first (1st) anniversary of the New Space Rent Commencement Date, and shall become effective on every successive anniversary of the New Space Rent Commencement Date for so long as the Lease continues in effect.

9. Definition of Premises. This Amendment does not modify Tenant's obligations with regard to the Existing Premises under the Existing Lease. From and after the New Space Commencement Date, except for purposes of determining the Base Rent and Additional Rent which shall apply from and after the New Space Rent Commencement Date, the definition of the Premises shall be amended so as to include both the Existing Premises and the New Space; provided, however, that when the Tenant surrenders the Existing Premises (except for that portion of the Existing Premises that is part of the New Space) in accordance with the Existing Lease, the term Premises shall mean only the New Space. All other provisions of the Lease affected by the inclusion of the New Space in the Premises shall be adjusted and amended accordingly.

10. Condition of Premises. Tenant acknowledges that (a) it is in possession of the Existing Premises and is fully familiar with the condition of the New Space and, notwithstanding anything contained in the Lease to the contrary, agrees to take the New Space in its condition "as is" as of the New Space Commencement Date, and (b) Landlord shall have no obligation to alter, repair or otherwise prepare the Premises for Tenant's continued occupancy for the Extension Period or to pay for any improvements to the Premises, except as may be expressly provided in the Lease. Any and all Alterations Tenant desires to make to the Existing Premises and the New Space are subject to the terms and conditions of Section 16 of the Lease.

11. Financial Statements. To induce Landlord to enter into this Amendment, Tenant agrees that it shall furnish to Landlord, from time to time, within fifteen (15) business days after receipt of Landlord's written request, the most recent year-end unconsolidated financial statements audited by a nationally recognized accounting firm. Tenant shall, within ninety (90) days after the

end of Tenant's financial year, furnish Landlord with a certified copy of Tenant's year-end unconsolidated financial statements for the previous year audited by a nationally recognized accounting firm. Tenant represents and warrants that all financial statements, records and information furnished by Tenant to Landlord in connection with this Lease are true, correct and complete in all respects. If audited financials are not otherwise prepared, unaudited financials complying with generally accepted accounting principles and certified by the chief financial officer of Tenant as true, correct and complete in all respects shall suffice for purposes of this Section.

12. Broker. Tenant represents and warrants that it has not dealt with any broker or agent in the negotiation for or the obtaining of this Amendment, other than Cushman & Wakefield ("Tenant's Broker") and CB Richard Ellis (" Landlord's Broker", together with Tenant's Broker, the "Brokers") and agrees to reimburse, indemnify, save, defend (at Landlord's option and with counsel reasonably acceptable to Landlord, at Tenant's sole cost and expense) and hold harmless the Landlord Indemnitees for, from and against any and all cost or liability for compensation claimed by any such broker or agent, other than Brokers, employed or engaged by it or claiming to have been employed or engaged by it. Landlord represents and warrants that it has not dealt with any broker or agent in the negotiation for or the obtaining of this Amendment, other than the Brokers and agrees to reimburse, indemnify, save, defend (at Tenant's option and with counsel reasonably acceptable to Tenant, at Landlord's sole cost and expense) and hold harmless the Tenant for, from and against any and all cost or liability for compensation claimed by any such broker or agent, other than Brokers, employed or engaged by it or claiming to have been employed or engaged by it. Landlord shall pay the Brokers pursuant to the terms of a separate written agreement. This Section 13 shall survive the expiration or earlier termination of the Lease.

13. No Default. Tenant represents, warrants and covenants that, to the best of Tenant's knowledge, Landlord and Tenant are not in default of any of their respective obligations under the Lease and no event has occurred that, with the passage of time or the giving of notice (or both) would constitute a default by either Landlord or Tenant thereunder. Landlord represents, warrants and covenants that, to the best of Landlord's knowledge, Landlord and Tenant are not in default of any of their respective obligations under the Lease and no event has occurred that, with the passage of time or the giving of notice (or both) would constitute a default by either Landlord or Tenant thereunder.

14. Effect of Amendment. Except as modified by this Amendment, the Existing Lease and all the covenants, agreements, terms, provisions and conditions thereof shall remain in full force and effect and are hereby ratified and affirmed. In the event of any conflict between the terms contained in this Amendment and the Existing Lease, the terms herein contained shall supersede and control the obligations and liabilities of the parties.

15. Successors and Assigns. Each of the covenants, conditions and agreements contained in this Amendment shall inure to the benefit of and shall apply to and be binding upon the parties hereto and their respective heirs, legatees, devisees, executors, administrators and permitted successors and assigns and sublessees. Nothing in this section shall in any way alter the provisions of the Lease restricting assignment or subletting.

16. Miscellaneous. This Amendment becomes effective only upon execution and delivery hereof by Landlord and Tenant. The captions of the paragraphs and subparagraphs in this Amendment are inserted and included solely for convenience and shall not be considered or given any effect in construing the provisions hereof. All exhibits hereto are incorporated herein by reference. Submission of this instrument for examination or signature by Tenant does not constitute a reservation of or option for a lease, and shall not be effective as a lease, lease amendment or otherwise until execution by and delivery to both Landlord and Tenant.

17. Authority. Tenant guarantees, warrants and represents that the individual or individuals signing this Amendment have the power, authority and legal capacity to sign this Amendment on behalf of and to bind all entities, corporations, partnerships, limited liability companies, joint venturers or other organizations and entities on whose behalf such individual or individuals have signed. Landlord guarantees, warrants and represents that the individual or individuals signing this Amendment have the power, authority and legal capacity to sign this Amendment on behalf of and to bind Landlord in accordance with the terms of this Amendment.

18. Electronic Signatures; Counterparts. This Amendment may be executed (and, as appropriate, witnessed and/or notarized) by electronic signature process (such as DocuSign), in accordance with the Electronic Signatures in Global and National Commerce Act, Title 15, United States Code, Sections 7001 et seq., the Uniform Electronic Transaction Act and applicable state law, and in one or more counterparts, each of which shall, for all purposes, be deemed an original and fully enforceable as an original. All such counterparts, taken together, shall constitute one and the same agreement even though all of the parties may not have executed the same counterpart of this Agreement.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Amendment as of the date and year first above written.

LANDLORD:

VENTAS BECKLEY, LLC
a Delaware limited liability company

By: /s/ Michael Frumm
Name: Michael Frumm
Title: Authorized signatory

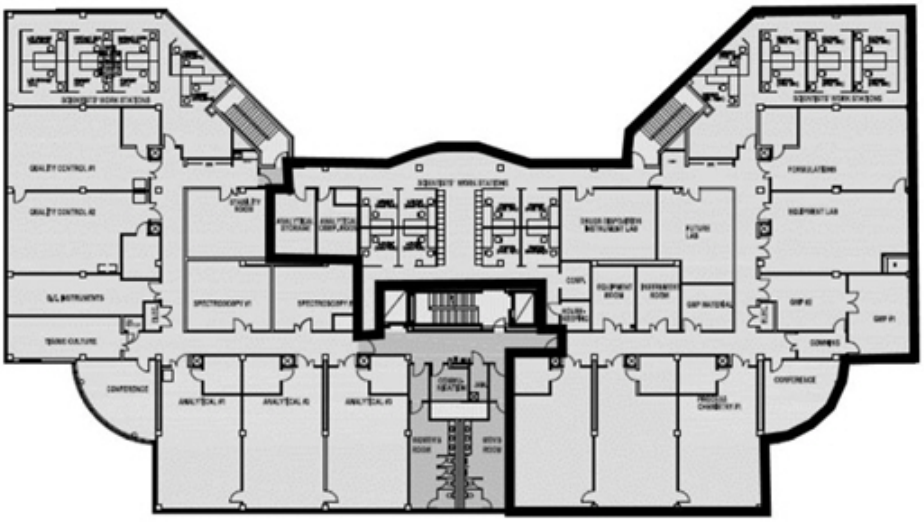
TENANT:

GRAYBUG VISION, INC.,
a Delaware corporation

By: /s/ Dan salain
Name: Dan salain
Title: chief operating officer

EXHIBIT A

NEW SPACE



CONSULTING AGREEMENT

This Consulting Agreement (the "Agreement") is made effective as of September 3, 2019 (the "Effective Date"), by and between Graybug Vision, a Delaware corporation, with its principal place of business being 275 Shoreline Drive, Suite 450, Redwood City, CA 94065 (the "Company") and Danforth Advisors, LLC, a Massachusetts limited liability corporation, with its principal place of business being 91 Middle Road, Southborough, MA 01772 ("Danforth"). The Company and Danforth are herein sometimes referred to individually as a "Party" and collectively as the "Parties."

WHEREAS, the Company possesses know-how and proprietary technology related to treatment of chronic vision-threatening diseases of the retina and optic nerve; and

WHEREAS, Danforth has expertise in financial and corporate operations and strategy; and

WHEREAS, Danforth desires to serve as an independent consultant for the purpose of providing the Company with certain strategic and financial advice and support services, as more fully described in Exhibit A attached hereto, (the "Services"); and

WHEREAS, the Company wishes to engage Danforth on the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing and for other good and valuable consideration, the receipt of which are hereby acknowledged, the Parties agree and covenant as follows.

1. Services of Consultant. Danforth will assist the Company with matters relating to the Services. The Services are more fully described in Exhibit A attached hereto. Danforth and the Company will review the Services on a monthly basis to prioritize and implement the tasks listed on Exhibit A.

2. Compensation for Services. In full consideration of Danforth's full, prompt and faithful performance of the Services, the Company shall compensate Danforth a consulting fee more fully described in Exhibit A (the "Consulting Fee"). Danforth shall, from time to time, but not more frequently than twice per calendar month, invoice the Company for Services rendered, and such invoice will be paid upon fifteen (15) days of receipt. Each month the Parties shall evaluate jointly the current fee structure and scope of Services. Danforth reserves the right to an annual increase in consultant rates of up to 4%, effective January 1 of each year. Upon termination of this Agreement pursuant to Section 3, no compensation or benefits of any kind as described in this Section 2 shall be payable or issuable to Danforth after the effective date of such termination. In addition, the Company will reimburse Danforth for reasonable out-of-pocket business expenses, including but not limited to travel and parking, incurred by Danforth in performing the Services hereunder, upon submission by Danforth of supporting documentation reasonably acceptable to the Company. Any such accrued expenses in any given three (3) month period that exceed one thousand dollars ($1,000) shall be submitted to the Company for its prior written approval.

All Danforth invoices and billing matters should be addressed to:

Company Accounts Payable Contact: Frederic Guerard
fguerard@graybug.com
(650) 487-2800
275 Shoreline Dr, Suite 450,
Redwood City, CA 94065

All Company payments and billing inquiries should be addressed to:

Danforth Accounting: Betsy Sherr
bsherr@danforthadvisors.com
(508) 277-0031
Danforth Advisors
PO Box 335
Southborough, MA 01772

3. Term and Termination. The term of this Agreement will commence on the Effective Date and will continue until such time as either party has given notice of termination pursuant to this paragraph 3 (the "Term"). This Agreement may be terminated by either Party hereto: (a) with Cause (as defined below), upon thirty (30) days prior written notice to the other Party; or (b) without cause upon sixty (60) days prior written notice to the other Party. For purposes of this Section 3, "Cause" shall include: (i) a breach of the terms of this Agreement which is not cured within thirty (30) days of written notice of such default or (ii) the commission of any act of fraud, embezzlement or deliberate disregard of a rule or policy of the Company.

4. Time Commitment. Danforth will devote such time to perform the Services under this Agreement as may reasonably be required.

5. Place of Performance. Danforth will perform the Services at such locations upon which the Company and Danforth may mutually agree. Danforth will not, without the prior written consent of the Company, perform any of the Services at any facility or in any manner that might give anyone other than the Company any rights to or allow for disclosure of any Confidential Information (as defined below).

6. Compliance with Policies and Guidelines. Danforth will perform the Services in accordance with all rules or policies adopted by the Company that the Company discloses in writing to Danforth.

7. Confidential Information. Danforth acknowledges and agrees that during the course of performing the Services, the Company may furnish, disclose or make available to Danforth information, including, but not limited to, material, compilations, data, formulae, models, patent disclosures, procedures, processes, business plans, projections,

protocols, results of experimentation and testing, specifications, strategies and techniques, and all tangible and intangible embodiments thereof of any kind whatsoever (including, but not limited to, any apparatus, biological or chemical materials, animals, cells, compositions, documents, drawings, machinery, patent applications, records and reports), which is owned or controlled by the Company and is marked or designated as confidential at the time of disclosure or is of a type that is customarily considered to be confidential information (collectively the "Confidential Information"). Danforth acknowledges that the Confidential Information or any part thereof is the exclusive property of the Company and shall not be disclosed to any third party without first obtaining the written consent of the Company. Danforth further agrees to take all practical steps to ensure that the Confidential Information, and any part thereof, shall not be disclosed or issued to its affiliates, agents or employees, except on like terms of confidentiality. The above provisions of confidentiality shall apply for a period of five (5) years.

8. Intellectual Property. Danforth agrees that all ideas, inventions, discoveries, creations, manuscripts, properties, innovations, improvements, know-how, inventions, designs, developments, apparatus, techniques, methods, and formulae that Danforth conceives, makes, develops or improves as a result of performing the Services, whether or not reduced to practice and whether or not patentable, alone or in conjunction with any other party and whether or not at the request or upon the suggestion of the Company (all of the foregoing being hereinafter collectively referred to as the "Inventions"), shall be the sole and exclusive property of the Company. Danforth hereby agrees in consideration of the Company's agreement to engage Danforth and pay compensation for the Services rendered to the Company and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged that Danforth shall not, without the prior written consent of the Company, directly or indirectly, consult for, or become an employee of, any company which conducts business in the Field of Interest anywhere in the world. As used herein, the term "Field of Interest" shall mean the research, development, manufacture and/or sale of the products resulting from the Company's technology. The limitations on competition contained in this Section 8 shall continue during the time that Danforth performs any Services for the Company, and for a period of six (6) months following the termination of any such Services that Danforth performs for the Company. If any part of this section should be determined by a court of competent jurisdiction to be unreasonable in duration, geographic area, or scope, then this Section 8 is intended to and shall extend only for such period of time, in such area and with respect to such activity as is determined to be reasonable. Except as expressly provided herein, nothing in this Agreement shall preclude Danforth from consulting for or being employed by any other person or entity.

9. Non Solicitation. All personnel representing Danforth are employees or contracted agents of Danforth. As such, they are obligated to provide the Services to the Company and are obligated to Danforth under confidentiality, non-compete, and non-solicitation agreements. Accordingly, they are not retainable as employees or contractors by the Company and the Company hereby agrees not to solicit, hire or retain their services for so long as they are employees or contracted agents of Danforth and for one (1) year thereafter. Should the Company violate this restriction, it agrees to pay Danforth

liquidated damages equal to fifteen percent (15%) of the employee's starting annual base salary and target annual bonus for each Danforth contracted agent hired by the Company in violation of this Agreement, plus Danforth's reasonable attorneys' fees and costs incurred in enforcing this agreement should the Company fail or refuse to pay the liquidated damages amount in full within thirty (30) days following its violation.

10. Placement Services. In the event that Danforth refers a potential employee to the Company and that individual is hired, Danforth shall receive a fee equal to fifteen percent (15%) of the employee's starting annual base salary and target annual bonus. This fee is due and owing whether an individual is hired, directly or indirectly on a permanent basis or on a contract or consulting basis by the Company, as a result of Danforth's efforts within one (1) year of the date applicant(s) are submitted to the Company. Such payment is due within ninety (90) days of the employee's start date; provided that hired individual is currently employed at the end of said ninety (90) day period.

11. No Implied Warranty. Except for any express warranties stated herein, the Services are provided on an "as is" basis, and the Company disclaims any and all other warranties, conditions, or representations (express, implied, oral or written), relating to the Services or any part thereof. Further, in performing the Services Danforth is not engaged to disclose illegal acts, including fraud or defalcations, which may have taken place. The foregoing notwithstanding, Danforth will promptly notify the Company if Danforth becomes aware of any such illegal acts during the performance of the Services. Because the Services do not constitute an examination in accordance with standards established by the American Institute of Certified Public Accountants (the "AICPA"), Danforth is precluded from expressing an opinion as to whether financial statements provided by the Company are in conformity with generally accepted accounting principles or any other standards or guidelines promulgated by the AICPA, or whether the underlying financial and other data provide a reasonable basis for the statements.

12. Indemnification. Each Party hereto agrees to indemnify and hold the other Party hereto, its directors, officers, agents and employees harmless against any claim based upon circumstances alleged to be inconsistent with such representations and/or warranties contained in this Agreement. Further, the Company shall indemnify and hold harmless Danforth and any of its subcontractors against any claims, losses, damages or liabilities (or actions in respect thereof) that arise out of or are based on the Services performed hereunder, except for any such claims, losses, damages or liabilities arising out of the gross negligence or willful misconduct of Danforth or any of its subcontractors. The Company will endeavor to add Consultant and any applicable subcontractor to its insurance policies as additional insureds. Furthermore, during the Term of this Agreement, Company shall maintain a Crime and Cyber Insurance Policy that includes coverage for "Social Engineering" claims and extends coverage to Danforth.

13. Independent Contractor. Danforth is not, nor shall Danforth be deemed to be at any time during the term of this Agreement, an employee of the Company, and therefore Danforth shall not be entitled to any benefits provided by the Company to its employees, if applicable. Danforth's status and relationship with the Company shall be that of an independent contractor and consultant. Danforth shall not state or imply, directly or

indirectly, that Danforth is empowered to bind the Company without the Company's prior written consent. Nothing herein shall create, expressly or by implication, a partnership, joint venture or other association between the parties. Danforth will be solely responsible for payment of all charges and taxes arising from his or her relationship to the Company as a consultant.

14. Records. Upon termination of Danforth's relationship with the Company, Danforth shall deliver to the Company any property or Confidential Information of the Company relating to the Services which may be in its possession including products, project plans, materials, memoranda, notes, records, reports, laboratory notebooks, or other documents or photocopies and any such information stored using electronic medium.

15. Notices. Any notice under this Agreement shall be in writing (except in the case of verbal communications, emails and teleconferences updating either Party as to the status of work hereunder) and shall be deemed delivered upon personal delivery, one day after being sent via a reputable nationwide overnight courier service or two days after deposit in the mail or on the next business day following transmittal via facsimile. Notices under this Agreement shall be sent to the following representatives of the Parties:

If to the Company:

Name: Frederic Guerard
Title: CEO
Address: 275 Shoreline Dr, Suite 450, Redwood City, CA 94065
Phone: (650) 487-2800
E-mail: fguerard@graybug.com

If to Danforth:

Name:	Gregg Beloff
Title:	Managing Director
Address:	91 Middle Road Southborough, MA 01772
Phone:	(617) 686-7679
E-mail:	gbeloff@danforthadvisors.com

16. Assignment and Successors. This Agreement may not be assigned by a Party without the consent of the other which consent shall not be unreasonably withheld, except that each Party may assign this Agreement and the rights, obligations and interests of such Party, in whole or in part, to any of its Affiliates, to any purchaser of all or substantially all of its assets or to any successor corporation resulting from any merger or consolidation of such Party with or into such corporation.

17. Force Majeure. Neither Party shall be liable for failure of or delay in performing obligations set forth in this Agreement, and neither shall be deemed in breach of its obligations, if such failure or delay is due to natural disasters or any causes beyond the reasonable control of either Party. In the event of such force majeure, the Party affected thereby shall use reasonable efforts to cure or overcome the same and resume performance of its obligations hereunder.

18. Headings. The Section headings are intended for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.

19. Integration; Severability. This Agreement is the sole agreement with respect to the subject matter hereof and shall supersede all other agreements and understandings between the Parties with respect to the same. If any provision of this Agreement is or becomes invalid or is ruled invalid by any court of competent jurisdiction or is deemed unenforceable, it is the intention of the Parties that the remainder of the Agreement shall not be affected.

20. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts, excluding choice of law principles. The Parties agree that any action or proceeding arising out of or related in any way to this Agreement shall be brought solely in a Federal or State court of competent jurisdiction sitting in the Commonwealth of Massachusetts.

21. Counterparts. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one agreement.

If you are in agreement with the foregoing, please sign where indicated below, whereupon this Agreement shall become effective as of the Effective Date.

DANFORTH ADVISORS, LLC

By: /s/ Daniel Geffken
Print Name: Daniel Geffken
Title: Managing Director
Date: 9-24-19

GRAYBUG VISION

By: /s/ Fred Guerard
Print Name: Fred Guerard
Title: CEO
Date: 09/24/19

EXHIBIT A

Description of Services and Schedule of Fees

Danforth will perform mutually agreed to finance and accounting functions which are necessary to support the management and operations of the Company, certain of which are set forth below.

Senior Advisor; Daniel Geffken ($400/hour):

- Participate in longer-term strategic planning process
- Participate in financing activities, including additional capital raises and/or debt and equity restructurings, particularly in regard to a proposed IPO
- Oversee the finance and accounting functions, including the Danforth engagement team
- Board, Audit, Compensation, and Corporate Governance committee meeting preparation, support and attendance

VP of Finance Services ($300/hour):

- Review financial statements, and prepare reporting packages for investors, and the Board of Directors
- Prepare financial statement disclosures
- Prepare for and manage financial statement audit, as necessary
- Review systems of internal control, processes and SOPs to identify areas for risk management and improvement
- Manage operational responsibilities of finance department
- Manage and provide leadership to the company's finance team
- Systems implementation
- Prepare detailed financial analyses, including forecasts, budgets, waterfall, etc.
- Analyze capital structure and cash/financing needs
- Update and manage cap table and
- Account for and manage stock option grants, including oversight of the 409(a) valuation

Ancillary Services:

SEC Support Services; IPO Readiness: Lance Thibault ($375/hour):

Danforth shall provide senior level accounting and finance support, which many include items such as management of an audit, preparation of financial statement for SEC filings, IPO readiness planning, Sarbanes-Oxley implementation, systems implementations, etc.

Risk Management/Internal Control Services/SOX Services (Managing Director: $350-$400/hour; Senior Manager $350-$260/hour, Manager $260-$225/hour; Staff: $155-$225/hour):

Provide advisory science companies related to the evaluation, design and testing of internal controls, Sarbanes-Oxley (public company) readiness/compliance, corporate governance and enterprise risk management.

Financial Planning & Analysis Services ($275/hour):

As needed to support ongoing operations or specific strategic and/or financing initiatives, Danforth will provide an FP&A specialist to prepare budgets, forecasts, and/or cost analyses, perform deal analyses, develop financial projections related to strategic alternatives and support investor/analyst communications, and complete other tasks consistent with financial planning and analysis activities.

Equity Compensation:

Upon execution of this Agreement, the Company and Danforth will execute under separate agreement provisions to provide Danforth a warrant (the "***Danforth Warrant***") to purchase 136,119 shares of common stock. The Danforth Warrant shall have a 10 year term, an exercise price equal to the fair value of the common stock as determined by the Board of Directors of the Company on the date such warrant is issued, and shall vest ratably over 12 months commencing on the Effective Date. The Company and Danforth will enter into a separate warrant agreement within 30 days of the Effective Date, to be negotiated in good faith.